

House File 656 - Introduced

HOUSE FILE _____
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO HSB 217)

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

A BILL FOR

1 An Act relating to the requirements of certain financial
2 assistance programs administered by the department of economic
3 development including a reorganization of the grow Iowa values
4 fund and creating a grow Iowa values financial assistance
5 program.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
7 TLSB 1441HV 83
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1 1 DIVISION I
1 2 GROW IOWA VALUES FUND REORGANIZATION
1 3 Section 1. NEW SECTION. 15G.108A DEFINITIONS.
1 4 For purposes of this chapter, unless the context otherwise
1 5 requires:
1 6 1. "Base employment level" means the number of full-time
1 7 equivalent positions at a business, as established by the
1 8 department and a business using the business's payroll
1 9 records, as of the date a business applies for financial
1 10 assistance under the program.
1 11 2. "Benefit" means nonwage compensation provided to an
1 12 employee. Benefits typically include medical and dental
1 13 insurance plans, pension, retirement, and profit-sharing
1 14 plans, child care services, life insurance coverage, vision
1 15 insurance coverage, disability insurance coverage, and any
1 16 other nonwage compensation as determined by the board.
1 17 3. "Board" means the Iowa economic development board.
1 18 4. "County wage" means the county wage calculation
1 19 performed by the department pursuant to section 15G.112,
1 20 subsection 3.
1 21 5. "Created job" means a new, permanent, full-time
1 22 equivalent position added to a business's payroll in excess of
1 23 the business's base employment level.
1 24 6. "Department" means the department of economic
1 25 development.
1 26 7. "Financial assistance" means assistance provided only
1 27 from the funds, rights, and assets legally available to the
1 28 department pursuant to this chapter and includes but is not
1 29 limited to assistance in the form of grants, loans, forgivable
1 30 loans, and royalty payments.
1 31 8. "Fiscal impact ratio" means the ratio of the amount of
1 32 all taxes to be received from a business by the state and its
1 33 political subdivisions divided by the total cost to the state
1 34 and its political subdivisions of providing certain financial
1 35 incentives to the business.
2 1 9. "Full-time equivalent position" means a non-part-time
2 2 position for the number of hours or days per week considered
2 3 to be full-time work for the kind of service or work performed
2 4 for an employer. Typically, a full-time equivalent position
2 5 requires two thousand eighty hours of work in a calendar year,
2 6 including all paid holidays, vacations, sick time, and other
2 7 paid leave.
2 8 10. "Fund" means the grow Iowa values fund created in
2 9 section 15G.111.
2 10 11. "Maintenance period" means the period of time between
2 11 the project completion date and maintenance period completion
2 12 date.
2 13 12. "Maintenance period completion date" means the date on
2 14 which the maintenance period ends.

2 15 13. "Project completion date" means the date by which a
2 16 recipient of financial assistance has agreed to meet all the
2 17 terms and obligations contained in an agreement with the
2 18 department as described in section 15G.112, subsection 1,
2 19 paragraph "d".

2 20 14. "Project completion period" means the period of time
2 21 between the date financial assistance is awarded and the
2 22 project completion date.

2 23 15. "Qualifying wage threshold" means the county wage or
2 24 the regional wage, as calculated by the department pursuant to
2 25 section 15G.112, subsection 3, whichever is lower.

2 26 16. "Regional wage" means the regional wage calculation
2 27 performed by the department pursuant to section 15G.112,
2 28 subsection 3.

2 29 17. "Retained job" means a full-time equivalent position,
2 30 in existence at the time an employer applies for financial
2 31 assistance which remains continuously filled or authorized to
2 32 be filled as soon as possible and which is at risk of
2 33 elimination if the project for which the employer is seeking
2 34 assistance does not proceed.

2 35 Sec. 2. Section 15G.111, Code 2009, is amended to read as
3 1 follows:

3 2 15G.111 APPROPRIATIONS GROW IOWA VALUES FUND ==
3 3 APPROPRIATION == ALLOCATION OF FUND MONEYS.

~~3 4 1. a. For the fiscal period beginning July 1, 2007, and
3 5 ending June 30, 2015, there is appropriated each fiscal year
3 6 from the grow Iowa values fund created in section 15G.108, the
3 7 following amounts for the purposes designated:~~

~~3 8 (1) For each fiscal year of the fiscal period beginning
3 9 July 1, 2007, and ending June 30, 2009, to the department of
3 10 economic development thirty million dollars for the following
3 11 programs administered by the department:~~

~~3 12 (a) The targeted small business financial assistance
3 13 program established pursuant to section 15.247.~~

~~3 14 (b) The community economic betterment program established
3 15 pursuant to section 15.317.~~

~~3 16 (c) The entrepreneurial ventures assistance program
3 17 established pursuant to section 15.339.~~

~~3 18 (d) The value-added agricultural products and processes
3 19 financial assistance program established pursuant to section
3 20 15E.111.~~

~~3 21 (e) The physical infrastructure financial assistance
3 22 program established pursuant to section 15E.175.~~

~~3 23 (f) The loan and credit guarantee program established
3 24 pursuant to section 15E.224.~~

~~3 25 (2) For each fiscal year of the fiscal period beginning
3 26 July 1, 2009, and ending June 30, 2015, to the department of
3 27 economic development thirty-two million dollars for the
3 28 following programs administered by the department:~~

~~3 29 (a) The targeted small business financial assistance
3 30 program established pursuant to section 15.247.~~

~~3 31 (b) The community economic betterment program established
3 32 pursuant to section 15.317.~~

~~3 33 (c) The entrepreneurial ventures assistance program
3 34 established pursuant to section 15.339.~~

~~4 1 (d) The value-added agricultural products and processes
4 2 financial assistance program established pursuant to section
4 3 15E.111.~~

~~4 4 (e) The physical infrastructure financial assistance
4 5 program established pursuant to section 15E.175.~~

~~4 6 (f) The loan and credit guarantee program established
4 7 pursuant to section 15E.224.~~

~~4 8 b. Each year that moneys are appropriated under this
4 9 subsection, the department shall allocate a percentage of the
4 10 moneys for each of the following types of activities:~~

~~4 11 (1) Business start-ups.~~

~~4 12 (2) Business expansion.~~

~~4 13 (3) Business modernization.~~

~~4 14 (4) Business attraction.~~

~~4 15 (5) Business retention.~~

~~4 16 (6) Marketing.~~

~~4 17 (7) Research and development.~~

~~4 18 c. The department shall require an applicant for moneys
4 19 appropriated under this subsection to include in the
4 20 application a statement regarding the intended return on
4 21 investment. A recipient of moneys appropriated under this
4 22 subsection shall annually submit a statement to the department
4 23 regarding the progress achieved on the intended return on
4 24 investment stated in the application. A recipient of moneys
4 25 appropriated under this subsection shall also annually submit
4 26 a statement to the department regarding the type and amount of~~

~~4 26 funds spent on any major maintenance, repair, or renovation of
4 27 any new or existing building. The department, in cooperation
4 28 with the department of revenue, shall develop a method of
4 29 identifying and tracking each new job created and the
4 30 leveraging of moneys through financial assistance from moneys
4 31 appropriated under this subsection. The department of
4 32 economic development shall identify research and development
4 33 activities funded through financial assistance from not more
4 34 than ten percent of the moneys appropriated under this
4 35 subsection, and, instead of determining return on investment
5 1 and job creation for the identified funding, determine the
5 2 potential impact on the state's economy. The department's
5 3 annual project status report satisfies the reporting
5 4 requirement contained in this section.~~

~~5 5 d. The department may use moneys appropriated under this
5 6 subsection to procure technical assistance from either the
5 7 public or private sector, for information technology purposes,
5 8 for a statewide labor shed study, and for rail, air, or river
5 9 port transportation-related purposes. The use of moneys
5 10 appropriated for rail, air, or river port
5 11 transportation-related purposes must be directly related to an
5 12 economic development project and the moneys must be used to
5 13 leverage other financial assistance moneys.~~

~~5 14 e. Of the moneys appropriated under this subsection, the
5 15 department may use up to one and one-half percent for
5 16 administrative purposes.~~

~~5 17 f. The Iowa economic development board shall approve or
5 18 deny applications for financial assistance provided with
5 19 moneys appropriated under this subsection. In providing such
5 20 financial assistance, the board shall, whenever possible,
5 21 coordinate the assistance with other programs administered by
5 22 the department of economic development, including the
5 23 community economic betterment program established in section
5 24 15.317 and the value-added agricultural products and processes
5 25 financial assistance program established in section 15E.111.~~

~~5 26 g. It is the policy of this state to expand and stimulate
5 27 the state economy by advancing, promoting, and expanding
5 28 biotechnology industries in this state. To implement this
5 29 policy, the Iowa economic development board shall consider
5 30 providing assistance to projects that increase value-added
5 31 income to individuals or organizations involved in
5 32 agricultural business or biotechnology projects. Such a
5 33 project need not create jobs specific to the project site;
5 34 however, such a project must foster the knowledge and
5 35 creativity necessary to promote the state's agricultural
6 1 economy and to increase employment in urban and rural areas as
6 2 a result.~~

~~6 3 2. a. For the fiscal period beginning July 1, 2005, and
6 4 ending June 30, 2015, there is appropriated each fiscal year
6 5 from the grow Iowa values fund created in section 15G.108 to
6 6 the department of economic development~~

~~6 7 1. FUND CREATED. A grow Iowa values fund is created in
6 8 the state treasury under the control of the department of
6 9 economic development consisting of the following:~~

~~6 10 a. The moneys appropriated to the department pursuant to
6 11 section 15G.110.~~

~~6 12 b. Payments of interest, repayments of moneys loaned, and
6 13 recaptures of grants and loans made pursuant to this chapter.~~

~~6 14 c. All moneys accruing to the department, including
6 15 payments of interest, repayments of moneys loaned, royalty
6 16 payments received, and recaptures of grants, loans, or other
6 17 forms of financial assistance provided to recipients, from the
6 18 department's administration of the following preexisting
6 19 programs:~~

~~6 20 (1) The community economic betterment program established
6 21 pursuant to section 15.317, Code 2009.~~

~~6 22 (2) The entrepreneurial ventures assistance program
6 23 established pursuant to section 15.339, Code 2009.~~

~~6 24 (3) The value-added agricultural products and processes
6 25 financial assistance program established pursuant to section
6 26 15E.111, Code 2009.~~

~~6 27 (4) The physical infrastructure assistance program
6 28 established pursuant to section 15E.175, Code 2009.~~

~~6 29 (5) The loan and credit guarantee program established
6 30 pursuant to section 15E.224, Code 2009.~~

~~6 31 2. FUND ADMINISTRATION.~~

~~6 32 a. The department shall administer the fund consistent
6 33 with the provisions of this chapter and with other pertinent
6 34 Acts of the general assembly, including providing financial
6 35 assistance awards pursuant to section 15G.112.~~

~~7 1 c. Moneys credited to the fund are not subject to section~~

7 2 8.33. Notwithstanding section 12C.7, interest or earnings on
7 3 moneys in the fund shall be credited to the fund.

7 4 d. Of the moneys accruing to the fund pursuant to
7 5 subsection 1, paragraph "c", the department, with the approval
7 6 of the board, may allocate an amount necessary to fund
7 7 administrative and operations costs. An allocation pursuant
7 8 to this section may be made in addition to any allocations
7 9 made pursuant to subsection 4, paragraph "a".

7 10 3. APPROPRIATION. For each fiscal year of the fiscal
7 11 period beginning July 1, 2009, and ending June 30, 2015, there
7 12 is appropriated from the fund to the department of economic
7 13 development for purposes of making expenditures pursuant to
7 14 this chapter fifty million dollars.

7 15 4. DEPARTMENTAL PURPOSES. Of the moneys appropriated to
7 16 the department pursuant to subsection 3, the department shall
7 17 allocate thirty-two million dollars each fiscal year as
7 18 follows:

7 19 a. For administrative costs, an amount not more than two
7 20 and one-half percent of the moneys subject to allocation under
7 21 this subsection.

7 22 b. For awards of financial assistance pursuant to section
7 23 15G.112, an amount approved by the board.

7 24 c. For marketing proposals pursuant to section 15G.109, an
7 25 amount approved by the board.

7 26 d. For a statewide labor shed study conducted in
7 27 coordination with the department of workforce development, an
7 28 amount approved by the board.

7 29 e. For responding to opportunities and threats, as
7 30 described in section 15G.113, an amount approved by the board.

7 31 f. For procuring technical assistance from either the
7 32 public or private sector and for information technology
7 33 purposes, an amount approved by the board.

7 34 g. For covering existing guarantees made under the loan
7 35 and credit guarantee program established pursuant to section
8 1 15E.224, Code 2009, an amount approved by the board.

8 2 h. During the fiscal year beginning July 1, 2009, and
8 3 ending June 30, 2010, for deposit in the renewable fuel
8 4 infrastructure fund as provided in section 15G.205, two
8 5 million dollars. This paragraph is repealed on July 1, 2010.

8 6 5. BOARD OF REGENTS INSTITUTIONS. Of the moneys
8 7 appropriated to the department pursuant to subsection 3, the
8 8 department shall allocate five million dollars each fiscal
8 9 year for financial assistance to institutions of higher
8 10 learning under the control of the state board of regents.

8 11 a. The financial assistance allocated pursuant to this
8 12 subsection is for capacity building infrastructure in areas
8 13 related to technology commercialization, for marketing and
8 14 business development efforts in areas related to technology
8 15 commercialization, entrepreneurship, and business growth, and
8 16 for infrastructure projects and programs needed to assist in
8 17 the implementation of activities under chapter 262B.

8 18 b. In allocating moneys to institutions under the control
8 19 of the state board of regents, the board shall require the
8 20 institutions to provide a one-to-one match of additional
8 21 moneys for the activities funded with moneys appropriated
8 22 under this subsection.

8 23 c. The board of regents shall submit to the board each
8 24 fiscal year a plan describing all proposed expenditures of the
8 25 moneys received from the department pursuant to this
8 26 subsection. The economic development board shall approve,
8 27 deny, modify, or defer all proposed expenditures under the
8 28 plan.

8 29 d. The state board of regents shall annually prepare a
8 30 report for submission to the governor, the general assembly,
8 31 and the legislative services agency regarding the activities,
8 32 projects, and programs funded with moneys appropriated
8 33 allocated under this subsection.

8 34 ~~b-~~ e. The state board of regents may ~~allocate~~ disburse
8 35 any moneys ~~appropriated~~ allocated under this subsection and
9 1 received from the department for financial assistance to a
9 2 single biosciences development organization determined by the
9 3 department to possess expertise in promoting the area of
9 4 bioscience entrepreneurship. The organization must be
9 5 composed of representatives of both the public and the private
9 6 sector and shall be composed of subunits or subcommittees in
9 7 the areas of existing identified biosciences platforms,
9 8 education and workforce development, commercialization,
9 9 communication, policy and governance, and finance. Such
9 10 financial assistance shall be used for purposes of activities
9 11 related to biosciences and bioeconomy development under
9 12 chapter 262B, and to accredited private universities in this

9 13 state.

~~9 14 3. For the fiscal period beginning July 1, 2005, and
9 15 ending June 30, 2015, there is appropriated each fiscal year
9 16 from the grow Iowa values fund created in section 15G.108 to
9 17 the department of economic development~~

~~9 18 6. STATE PARKS. Of the moneys appropriated to the
9 19 department pursuant to subsection 3, the department shall
9 20 allocate one million dollars each fiscal year for purposes of
9 21 providing financial assistance for projects in targeted state
9 22 parks, state banner parks, and destination parks.
9 23 a. The department of natural resources shall submit a plan
9 24 to the department of economic development board for the
9 25 proposed expenditure of moneys appropriated under received
9 26 from the department pursuant to this subsection. The plan
9 27 shall focus on improving state parks, state banner parks, and
9 28 destination parks for economic development purposes. The
9 29 board shall approve, deny, modify, or defer proposed
9 30 expenditures under the plan. Based on the report plan
9 31 submitted and the action of the board in regard to the plan,
9 32 the department of economic development shall provide financial
9 33 assistance to the department of natural resources for support
9 34 of state parks, state banner parks, and destination parks.~~

~~9 35 b. For purposes of this subsection, "state banner park"
10 1 means a park with multiple uses and which focuses on the
10 2 economic development benefits of a community or area of the
10 3 state.~~

~~10 4 4. For the fiscal period beginning July 1, 2005, and
10 5 ending June 30, 2015, there is appropriated each fiscal year
10 6 from the grow Iowa values fund created in section 15G.108 to
10 7 the office of the treasurer of state~~

~~10 8 7. CULTURAL TRUST FUND. Of the moneys appropriated to the
10 9 department pursuant to subsection 3, the department shall
10 10 allocate one million dollars each fiscal year for deposit in
10 11 the Iowa cultural trust fund created in section 303A.4. The
10 12 department of cultural affairs shall submit a plan to the
10 13 board for the proposed expenditure of moneys received from the
10 14 department pursuant to this subsection. The board shall
10 15 approve, deny, modify, or defer proposed expenditures under
10 16 the plan. Based on the plan submitted and the action of the
10 17 board in regard to the plan, the department of economic
10 18 development shall release the moneys allocated in this
10 19 subsection for deposit in the cultural trust fund.~~

~~10 20 5. For the fiscal period beginning July 1, 2005, and
10 21 ending June 30, 2015, there is appropriated each fiscal year
10 22 from the grow Iowa values fund created in section 15G.108 to
10 23 the department of economic development~~

~~10 24 8. COMMUNITY COLLEGES. Of the moneys appropriated to the
10 25 department pursuant to subsection 3, the department shall
10 26 allocate seven million dollars each fiscal year for deposit
10 27 into the workforce training and economic development funds of
10 28 the community colleges created pursuant to section 260C.18A.
10 29 The community colleges shall submit a plan to the board for
10 30 the proposed expenditure of moneys received from the
10 31 department pursuant to this subsection. The board shall
10 32 approve, deny, modify, or defer proposed expenditures under
10 33 the plan. Based on the plan submitted and the action of the
10 34 board in regard to the plan, the department shall release the
10 35 moneys allocated in this subsection for deposit in the
11 1 workforce training and economic development fund.~~

~~11 2 6. a. For the fiscal period beginning July 1, 2005, and
11 3 ending June 30, 2015, there is appropriated each fiscal year
11 4 from the grow Iowa values fund created in section 15G.108 to
11 5 the department of economic development~~

~~11 6 9. REGIONAL FINANCIAL ASSISTANCE. Of the moneys
11 7 appropriated to the department pursuant to subsection 3, the
11 8 department shall allocate one million dollars each fiscal year
11 9 for providing economic development region financial assistance
11 10 under section 15E.232, subsections 3, 5, 6, 7, and 8, and
11 11 under section 15E.233, and for providing financial assistance
11 12 for business accelerators pursuant to section 15E.351.~~

~~11 13 b. a. Of the moneys appropriated allocated in this
11 14 subsection, the department shall transfer three hundred fifty
11 15 thousand dollars each fiscal year for the fiscal period
11 16 beginning July 1, 2005 2009, and ending June 30, 2015, to Iowa
11 17 state university of science and technology, for purposes of
11 18 providing financial assistance to establish small business
11 19 development centers in areas of the state previously served by
11 20 a small business development center, to develop business
11 21 succession plans, and to maintain existing small business
11 22 development centers. Of the three hundred fifty thousand
11 23 dollars transferred each fiscal year pursuant to this~~

11 24 paragraph, not more than one hundred thousand dollars shall be
11 25 used for business succession activities. Financial assistance
11 26 for a small business development center shall not exceed fifty
11 27 thousand dollars per fiscal year and shall not be awarded
11 28 unless the city or county where the center is located or
11 29 scheduled to be located demonstrates the ability to obtain
11 30 local matching moneys on a dollar-for-dollar basis for at
11 31 least twenty-five percent of the cost of the center.

11 32 ~~e.~~ b. Of the moneys ~~appropriated~~ allocated under this
11 33 subsection, the department may use up to fifty thousand
11 34 dollars each fiscal year during the fiscal period beginning
11 35 July 1, ~~2005~~ 2009, and ending June 30, 2015, for purposes of
12 1 providing training, materials, and assistance to Iowa business
12 2 resource centers.

~~12 3 7. a. For the fiscal period beginning July 1, 2006, and
12 4 ending June 30, 2009, there is appropriated for each fiscal
12 5 year from the grow Iowa values fund created in section 15G.108
12 6 two million dollars for deposit in the renewable fuel
12 7 infrastructure fund as provided in section 15G.205.~~

~~12 8 b. This subsection is repealed on July 1, 2009.~~

~~12 9 8. For the fiscal period beginning July 1, 2007, and
12 10 ending June 30, 2015, there is appropriated for each fiscal
12 11 year from the grow Iowa values fund created in section 15G.108
12 12 to the department of economic development~~

~~12 13 10. COMMERCIALIZATION SERVICES. Of the moneys
12 14 appropriated to the department pursuant to subsection 3, the
12 15 department shall allocate three million dollars for the
12 16 purpose of providing the commercialization services described
12 17 in section 15.411, subsections 2 and 3.~~

~~12 18 9. For the fiscal period beginning July 1, 2008, and
12 19 ending June 30, 2015, from the moneys appropriated each fiscal
12 20 year from the grow Iowa values fund created in section
12 21 15G.108, to the department for program administration pursuant
12 22 to subsection 1, paragraph "a", the department may allocate up
12 23 to five million dollars to projects qualifying for assistance
12 24 under the physical infrastructure financial assistance program
12 25 established pursuant to section 15E.175 which, notwithstanding
12 26 section 15G.112, shall not be subject to job or wage
12 27 requirements. The department may allocate moneys from the
12 28 grow Iowa values fund above five million dollars each year to
12 29 projects qualifying for assistance under the physical
12 30 infrastructure financial assistance program but such projects
12 31 shall be subject to the job and wage requirements of section
12 32 15G.112.~~

~~12 33 10. Notwithstanding section 8.33, moneys that remain
12 34 unexpended at the end of a fiscal year shall not revert to any
12 35 fund but shall remain available for expenditure for the
13 1 designated purposes during the succeeding fiscal year.~~

13 2 Sec. 3. Section 15G.112, Code 2009, is amended by striking
13 3 the section and inserting in lieu thereof the following:

13 4 15G.112 GROW IOWA VALUES FINANCIAL ASSISTANCE PROGRAM.

13 5 1. PROGRAM ESTABLISHED.

13 6 a. The department shall establish and administer a grow
13 7 Iowa values financial assistance program for purposes of
13 8 providing financial assistance from the fund to applicants.
13 9 The financial assistance shall be provided from moneys
13 10 credited to the grow Iowa values fund and not otherwise
13 11 obligated or allocated pursuant to section 15G.111.

13 12 b. The program shall consist of the components described
13 13 in subsections 4 through 9. Each fiscal year, the department,
13 14 with the approval of the board, shall allocate an amount of
13 15 financial assistance from the fund that may be awarded under
13 16 each component of the program to qualifying applicants.

13 17 c. In making awards of financial assistance pursuant to
13 18 subsections 4 and 5, the department shall calculate the fiscal
13 19 impact ratio, and in reviewing each application to determine
13 20 the amount of financial assistance to award, the board shall
13 21 ensure that the amount of each award is appropriate to the
13 22 fiscal impact ratio of the project.

13 23 d. For each award of financial assistance under the
13 24 program, the department and the recipient of the financial
13 25 assistance shall enter into an agreement describing the terms
13 26 and obligations under which the financial assistance is being
13 27 provided. The department may negotiate, subject to approval
13 28 by the board, the terms and obligations of the agreement. An
13 29 agreement shall contain but need not be limited to all of the
13 30 following terms and obligations:

- 13 31 (1) A project completion date.
- 13 32 (2) A maintenance period completion date.
- 13 33 (3) The number of jobs to be created or retained.
- 13 34 (4) The amount of financial assistance to be provided

13 35 under the program.

14 1 (5) An amount of matching funds from a city or county.
14 2 The department shall adopt by rule a formula for determining
14 3 the amount of matching funds required.
14 4 e. The department may enforce the terms and obligations of
14 5 agreements described in paragraph "d".
14 6 f. A recipient of financial assistance shall meet all
14 7 terms and obligations in an agreement by the project
14 8 completion date, but the board may for good cause extend the
14 9 project completion date.

14 10 g. During the maintenance period, a recipient of financial
14 11 assistance shall continue to comply with the terms and
14 12 obligations of an agreement entered into pursuant to paragraph
14 13 "d".

14 14 h. If a business that is approved to receive financial
14 15 assistance experiences a layoff within this state or closes
14 16 any of its facilities within this state, the board has the
14 17 discretion to reduce or eliminate some or all of the amount of
14 18 financial assistance to be received. If a business has
14 19 received financial assistance under this part and experiences
14 20 a layoff within this state or closes any of its facilities
14 21 within this state, the business may be subject to repayment of
14 22 all or a portion of the incentives that the business has
14 23 received.

14 24 2. STANDARD PROGRAM REQUIREMENTS. In addition to the
14 25 eligibility requirements of the individual program components
14 26 applicable to the financial assistance sought, a business
14 27 shall be subject to all of the following requirements:

14 28 a. The business shall submit to the department with its
14 29 application for financial assistance a report describing all
14 30 violations of environmental law or worker safety law within
14 31 the last five years. If, upon review of the application, the
14 32 board finds that a business has a record of violations of the
14 33 law, statutes, rules, or regulations that tends to show a
14 34 consistent pattern, the board shall not make an award of
14 35 financial assistance to the business unless the board finds
15 1 either that the violations did not seriously affect public
15 2 health, public safety, or the environment, or, if such
15 3 violations did seriously affect public health, public safety,
15 4 or the environment, that mitigating circumstances were
15 5 present.

15 6 b. The business shall not have closed, or substantially
15 7 reduced, operations in one area of this state and relocated
15 8 substantially the same operations in a community in another
15 9 area of this state. However, this paragraph shall not be
15 10 construed to prohibit a business from expanding its operation
15 11 in a community if existing operations of a similar nature in
15 12 this state are not closed or substantially reduced.

15 13 c. The proposed project shall not negatively impact other
15 14 businesses in competition with the business being considered
15 15 for assistance. The department shall make a good faith effort
15 16 to identify existing Iowa businesses within an industry in
15 17 competition with the business being considered for financial
15 18 assistance. The department shall make a good faith effort to
15 19 determine the probability that the proposed financial
15 20 assistance will displace employees of the existing businesses.
15 21 In determining the impact on businesses in competition with
15 22 the business being considered for financial assistance, jobs
15 23 created or retained as a result of other jobs being displaced
15 24 elsewhere in the state shall not be considered direct jobs
15 25 created or retained.

15 26 3. COUNTY AND REGIONAL WAGE CALCULATIONS.

15 27 a. In administering the financial assistance program, the
15 28 department shall annually calculate a county wage and a
15 29 regional wage for each county for purposes of determining the
15 30 eligibility of applicants for financial assistance under the
15 31 program.

15 32 (1) The county wage and the regional wage shall be an
15 33 hourly wage rate based on data from the most recent four
15 34 quarters of wage and employment information from the quarterly
15 35 covered wage and employment data report issued by the
16 1 department of workforce development.

16 2 (2) The department shall not include the value of benefits
16 3 when calculating the county wage or the regional wage.

16 4 b. The county wage shall be the average of the wages paid
16 5 for jobs performed in the county by employers in all
16 6 employment categories except the employment categories of
16 7 government, agriculture, and mining.

16 8 c. The regional wage shall be calculated as follows:

16 9 (1) Multiplying by four the county wage of a county.

16 10 (2) Adding together the county wage of each of the

16 11 counties adjacent to the county.

16 12 (3) Adding the result obtained in subparagraph (1) to the
16 13 result obtained in subparagraph (2).

16 14 (4) Dividing the result obtained in subparagraph (3) by
16 15 the sum of the number of counties adjacent to the county plus
16 16 four.

16 17 4. ONE HUNDRED THIRTY PERCENT WAGE COMPONENT.

16 18 a. In order to qualify for financial assistance under this
16 19 component of the program, a business shall meet all of the
16 20 following requirements:

16 21 (1) The business shall create or retain jobs as part of a
16 22 project, and the jobs created or retained shall meet one of
16 23 the following requirements:

16 24 (a) If the business is creating jobs, the business shall
16 25 demonstrate that the jobs will pay at least one hundred
16 26 percent of the qualifying wage threshold at the start of the
16 27 project completion period, at least one hundred thirty percent
16 28 of the qualifying wage threshold by the project completion
16 29 date, and at least one hundred thirty percent of the
16 30 qualifying wage threshold until the maintenance period
16 31 completion date.

16 32 (b) If the business is retaining jobs, the business shall
16 33 demonstrate that the jobs retained will pay at least one
16 34 hundred thirty percent of the qualifying wage threshold
16 35 throughout both the project completion period and the
17 1 maintenance period.

17 2 (2) The business shall provide a sufficient package of
17 3 benefits to each employee holding a created or retained job.
17 4 The board, at the recommendation of the department, shall
17 5 adopt rules determining what constitutes a sufficient package
17 6 of benefits.

17 7 (3) The business shall demonstrate that the jobs created
17 8 or retained will have a sufficient impact on state and local
17 9 government revenues as determined by the department after
17 10 calculating the fiscal impact ratio of the project.

17 11 (4) The business shall not be a retail business or a
17 12 business where entrance is limited by a cover charge or
17 13 membership requirement.

17 14 b. A business providing a sufficient package of benefits
17 15 to each employee holding a created or retained job shall
17 16 qualify for a credit against any of the one hundred thirty
17 17 percent qualifying wage threshold requirements described in
17 18 paragraph "a", subparagraph (1). The credit shall be
17 19 calculated and applied as follows:

17 20 (1) By multiplying the qualifying wage threshold of the
17 21 county in which the business is located by one and
17 22 three-tenths.

17 23 (2) By multiplying the result of subparagraph (1) by
17 24 one-tenth.

17 25 (3) The amount of the result of subparagraph (2) shall be
17 26 credited against the amount of the one hundred thirty percent
17 27 qualifying wage threshold requirement that the business is
17 28 required to meet under paragraph "a", subparagraph (1).

17 29 (4) The credit shall not be applied against the one
17 30 hundred percent of qualifying wage threshold requirement
17 31 described in paragraph "a", subparagraph (1).

17 32 c. Notwithstanding the qualifying wage threshold
17 33 requirements described in paragraph "a", subparagraph (1), if
17 34 a business is also the recipient of financial assistance under
17 35 another program administered by the department, and the other
18 1 program requires the payment of higher wages than the wages
18 2 required under this subsection, the business shall be required
18 3 to pay the higher wages.

18 4 d. An applicant may apply to the board for a waiver of the
18 5 qualifying wage threshold requirements of this subsection.

18 6 5. ONE HUNDRED PERCENT WAGE COMPONENT. In order to
18 7 qualify for financial assistance under this component of the
18 8 program, a business shall meet all of the following
18 9 requirements:

18 10 a. The business shall create or retain jobs as part of a
18 11 project, and the jobs created or retained shall meet one of
18 12 the following qualifying wage thresholds:

18 13 (1) If the business is creating jobs, the business shall
18 14 demonstrate that the jobs pay at least one hundred percent of
18 15 the qualifying wage threshold at the start of the project
18 16 completion period, by the project completion date, and until
18 17 the maintenance period completion date.

18 18 (2) If the business is retaining jobs, the business shall
18 19 demonstrate that the jobs retained will pay at least one
18 20 hundred percent of the qualifying wage threshold throughout
18 21 both the project completion period and the maintenance period.

18 22 b. The business shall provide a sufficient package of
18 23 benefits to each employee holding a created or retained job.
18 24 The board, at the recommendation of the department, shall
18 25 adopt rules determining what constitutes a sufficient package
18 26 of benefits.

18 27 c. The business shall demonstrate that the jobs created or
18 28 retained will have a sufficient impact on state and local
18 29 government revenues as determined by the department after
18 30 calculating the fiscal impact ratio of the project.

18 31 d. The business shall not be a retail business or a
18 32 business where entrance is limited by a cover charge or
18 33 membership requirement.

18 34 6. ENTREPRENEURIAL COMPONENT.

18 35 a. In order to qualify for financial assistance under the
19 1 entrepreneurial component of the program, a business shall
19 2 meet all of the following requirements:

19 3 (1) The business shall be an early-stage business. For
19 4 purposes of this subparagraph, "early-stage business" means a
19 5 business that has been competing in a particular industry for
19 6 three years or less.

19 7 (2) The business shall have consulted with and obtained a
19 8 letter of endorsement from either a business accelerator
19 9 approved by the department or from an entrepreneurial
19 10 development organization recognized by the department.

19 11 b. Notwithstanding subsection 1, paragraph "d",
19 12 subparagraph (5), a business applying for financial assistance
19 13 under the entrepreneurial component is eligible for financial
19 14 assistance regardless of whether the business has received
19 15 matching funds from a city or county.

19 16 c. In awarding financial assistance under the
19 17 entrepreneurial component of the program, the department and
19 18 the board shall give priority to businesses in those sectors
19 19 of the Iowa economy with the greatest potential for growth and
19 20 expansion. Sectors having such potential include but are not
19 21 limited to biotechnology, recyclable materials, software
19 22 development, computer-related products, advanced materials,
19 23 advanced manufacturing, and medical and surgical instruments.

19 24 7. INFRASTRUCTURE COMPONENT. In order to qualify for
19 25 financial assistance under the infrastructure component of the
19 26 program, a business or community shall be engaged in a
19 27 physical infrastructure project. For purposes of this
19 28 subsection, "physical infrastructure project" means a project
19 29 that creates necessary infrastructure for economic success
19 30 throughout Iowa, provides the foundation for the creation of
19 31 jobs, and that involves the investment of a substantial amount
19 32 of capital. Physical infrastructure projects include but are
19 33 not limited to projects involving any mode of transportation;
19 34 public works and utilities such as sewer, water, power, or
19 35 telecommunications; physical improvements that mitigate,
20 1 prevent, or eliminate environmental contamination; and other
20 2 similar projects deemed to be physical infrastructure by the
20 3 department.

20 4 8. VALUE-ADDED AGRICULTURE COMPONENT.

20 5 a. In order to qualify for financial assistance under the
20 6 value-added agriculture component of the program, a business
20 7 shall be a production facility engaged in the process of
20 8 adding value to agricultural products. Projects considered
20 9 eligible under this subsection include but are not limited to
20 10 innovative agricultural products and processes, innovative and
20 11 new renewable fuels, agricultural biotechnology, biomass and
20 12 alternative energy production, and organic products and
20 13 emerging markets. Financial assistance is available for
20 14 project development as well as project creation.

20 15 b. The board and the department shall not award financial
20 16 assistance under the value-added agriculture component in an
20 17 amount exceeding fifty percent of the total capital investment
20 18 in a project.

20 19 c. Notwithstanding subsection 1, paragraph "d",
20 20 subparagraph (5), a business applying for financial assistance
20 21 under the value-added agriculture component is eligible for
20 22 financial assistance regardless of whether the business has
20 23 received matching funds from a city or county.

20 24 9. DISASTER RECOVERY COMPONENT. In order to qualify for
20 25 financial assistance under the disaster recovery component of
20 26 the program, a business shall meet all of the following
20 27 conditions:

20 28 a. The business is located in an area declared a disaster
20 29 area by a federal official.

20 30 b. The business has sustained substantial physical damage
20 31 and has closed as the result of a natural disaster.

20 32 c. The business has a plan for reopening that includes

20 33 employing a sufficient number of the employees the business
20 34 employed before the natural disaster occurred. The department
20 35 shall adopt rules governing the number of employees that is
21 1 sufficient under this paragraph.

21 2 d. The business will pay wages at the same level after
21 3 reopening as the business paid before the natural disaster
21 4 occurred.

21 5 Sec. 4. NEW SECTION. 15G.113 OPPORTUNITIES AND THREATS.

21 6 1. The department, with the approval of the board, may
21 7 award financial assistance from the fund to a business, an
21 8 individual, a development corporation, a nonprofit
21 9 organization, an organization established in section 28H.1, or
21 10 a political subdivision of this state if, in the opinion of
21 11 the department, a project presents a unique opportunity for
21 12 economic development in this state, or if the project
21 13 addresses a situation constituting a threat to the continued
21 14 economic prosperity of this state.

21 15 2. The board shall adopt rules governing the eligibility
21 16 of projects for financial assistance pursuant to this section.

21 17 Sec. 5. NEW SECTION. 15G.114 RULES.

21 18 1. The board, upon the recommendation of the department,
21 19 shall adopt rules for the administration of this chapter in
21 20 accordance with chapter 17A.

21 21 2. To the extent necessary, the rules shall provide for
21 22 the inclusion of uniform terms and obligations in agreements
21 23 between the department and the recipients of financial
21 24 assistance under the grow Iowa values financial assistance
21 25 program, the high quality jobs program, and the enterprise
21 26 zone program. For purposes of this section, "terms and
21 27 obligations" includes but is not limited to the created or
21 28 retained jobs, qualifying wage thresholds, project completion
21 29 dates, project completion periods, maintenance periods, and
21 30 maintenance period completion dates that are applicable to the
21 31 grow Iowa values financial assistance program, the high
21 32 quality job creation program, and the enterprise zone program.

21 33 Sec. 6. NEW SECTION. 15G.115 APPLICATIONS == ADVISORY
21 34 BODY RECOMMENDATIONS == FINAL BOARD ACTIONS.

21 35 1. The department shall accept and process applications
22 1 for financial assistance under the grow Iowa values financial
22 2 assistance program. After processing the applications, the
22 3 department shall prepare them for review by advisory
22 4 committees and for final action by the board as described in
22 5 this section.

22 6 2. a. Each application from a business for financial
22 7 assistance under the grow Iowa values financial assistance
22 8 program shall be reviewed by the due diligence committee
22 9 established by the board pursuant to section 15.103,
22 10 subsection 6. The due diligence committee shall make a
22 11 recommendation on each application to the board.

22 12 b. Each application from a business for financial
22 13 assistance under the value-added agriculture component of the
22 14 grow Iowa values financial assistance program shall be
22 15 reviewed by the agricultural products advisory council
22 16 established in section 15.203, which shall make a
22 17 recommendation on each application to the board.

22 18 3. In overseeing the administration of the grow Iowa
22 19 values fund and grow Iowa values financial assistance program
22 20 pursuant to this chapter, the board shall do all of the
22 21 following:

22 22 a. At the first scheduled meeting of the board after the
22 23 start of a new fiscal year, take final action on all of the
22 24 following:

22 25 (1) The department's recommendations for the annual fiscal
22 26 year allocation of moneys in the fund, as provided in section
22 27 15G.111, subsection 4. The board may adjust the allocation of
22 28 moneys during the fiscal year as necessary.

22 29 (2) The department's recommendations for the allocation of
22 30 moneys among the program components referred to in section
22 31 15G.112, subsection 1, paragraph "b". The board may adjust
22 32 the allocation of moneys during the fiscal year as necessary.

22 33 b. Consider the recommendation of the due diligence
22 34 committee and the agricultural products advisory council on
22 35 each application for financial assistance, as described in
23 1 subsection 2, and take final action on each application.

23 2 c. Take final action on the required plans for proposed
23 3 expenditures submitted by the entities receiving moneys
23 4 allocated under section 15G.111, subsections 5 through 8.

23 5 d. Take final action on any rules recommended by the
23 6 department for the implementation of the provisions of this
23 7 chapter.

23 8 Sec. 7. Section 260G.6, Code 2009, is amended to read as

23 9 follows:

23 10 260G.6 ~~PROGRAM CAPITAL FUNDS ALLOCATION FUND ESTABLISHED~~

23 11 == ~~ALLOCATION OF MONEYS.~~

23 12 1. An accelerated career education fund is established in
23 13 the state treasury under the control of the department of
23 14 economic development consisting of moneys appropriated to the
23 15 department for purposes of funding the cost of accelerated
23 16 career education program capital projects.

23 17 2. Projects funded pursuant to this section shall be for
23 18 vertical infrastructure as defined in section 8.57, subsection
23 19 6, paragraph "c".

23 20 3. If moneys are appropriated by the general assembly to
23 21 support program capital costs, the moneys shall be allocated
23 22 according to rules adopted by the department of economic
23 23 development pursuant to chapter 17A.

23 24 4. In order to receive ~~such~~ moneys pursuant to this
23 25 section, a program agreement approved by the community college
23 26 board of directors ~~must~~ shall be in place, program capital
23 27 cost requests shall be approved by the Iowa economic
23 28 development board created in section 15.103, program capital
23 29 cost requests shall be approved or denied not later than sixty
23 30 days following receipt of the request by the department of
23 31 economic development, and employer contributions toward
23 32 program capital costs shall be certified and agreed to in the
23 33 agreement.

23 34 Sec. 8. Sections 15.315 through 15.325, 15.338, 15.339,
23 35 15E.111, 15E.112, 15E.175, 15E.221 through 15E.227, and
24 1 15G.108, Code 2009, are repealed.

24 2 Sec. 9. FUND AND ACCOUNT BALANCE TRANSFERS.

24 3 1. Notwithstanding any provision of law to the contrary,
24 4 effective July 1, 2009, the unencumbered or unobligated
24 5 balance remaining in any of the funds or accounts associated
24 6 with the following programs on June 30, 2009, shall be
24 7 transferred to the grow Iowa values fund established in
24 8 section 15G.112:

24 9 a. The community economic betterment program established
24 10 pursuant to section 15.317.

24 11 b. The entrepreneurial ventures assistance program
24 12 established pursuant to section 15.339.

24 13 c. The value-added agricultural products and processes
24 14 financial assistance program established pursuant to section
24 15 15E.111.

24 16 d. The physical infrastructure financial assistance
24 17 program established pursuant to section 15E.175.

24 18 e. The loan and credit guarantee program established
24 19 pursuant to section 15E.224.

24 20 2. If any moneys in the loan and credit guarantee fund
24 21 established pursuant to section 15E.227 are obligated or
24 22 encumbered at the close of the fiscal year ending June 30,
24 23 2009, but subsequently become unencumbered or otherwise cease
24 24 to be obligated, such moneys shall be transferred to the grow
24 25 Iowa values fund established in section 15G.112 as soon as
24 26 practicable.

24 27 3. Effective July 1, 2009, all unencumbered and
24 28 unobligated moneys appropriated to the department of economic
24 29 development pursuant to 2008 Iowa Acts, chapter 1179, section
24 30 1, subsection 5, and 2008 Iowa Acts, chapter 1179, section 9,
24 31 subsection 2, shall be transferred to the accelerated career
24 32 education fund established in section 260G.6, subsection 1.

24 33 DIVISION II

24 34 HIGH QUALITY JOBS PROGRAM

24 35 Sec. 10. Section 15.326, Code 2009, is amended to read as
25 1 follows:

25 2 15.326 SHORT TITLE.

25 3 This part shall be known and may be cited as the "High
25 4 Quality Job Creation Act" Jobs Program.

25 5 Sec. 11. Section 15.327, Code 2009, is amended to read as
25 6 follows:

25 7 15.327 DEFINITIONS.

25 8 As used in this part, unless the context otherwise
25 9 requires:

25 10 1. "Benefit" has the same meaning as defined in section
25 11 15G.108A.

25 12 ~~1.~~ 2. "Community" means a city, county, or entity
25 13 established pursuant to chapter 28E.

25 14 ~~2.~~ 3. "Contractor or subcontractor" means a person who
25 15 contracts with the eligible business or subcontracts with a
25 16 contractor for the provision of property, materials, or
25 17 services for the construction or equipping of a facility of
25 18 the eligible business.

25 19 4. "Created job" has the same meaning as defined in

25 20 section 15G.108A.

25 21 ~~3- 5.~~ "Department" means the Iowa department of economic
25 22 development.

25 23 ~~4- 6.~~ "Eligible business" means a business meeting the
25 24 conditions of section 15.329.

25 25 ~~7.~~ "Fiscal impact ratio" has the same meaning as defined
25 26 in section 15G.108A.

25 27 ~~8.~~ "Maintenance period completion date" has the same
25 28 meaning as defined in section 15G.108A.

25 29 ~~5- 9.~~ "Program" means the high quality job creation jobs
25 30 program.

25 31 ~~6- 10.~~ "Project completion" means the first date upon
25 32 which the average annualized production of finished product
25 33 for the preceding ninety-day period at the manufacturing
25 34 facility operated by the eligible business is at least fifty
25 35 percent of the initial design capacity of the facility. The
26 1 eligible business shall inform the department of revenue in
26 2 writing within two weeks of project completion date" has the
26 3 same meaning as defined in section 15G.108A.

26 4 ~~7- 11.~~ "Qualifying investment" means a capital investment
26 5 in real property including the purchase price of land and
26 6 existing buildings and structures, site preparation,
26 7 improvements to the real property, building construction, and
26 8 long-term lease costs. "Qualifying investment" also means a
26 9 capital investment in depreciable assets.

26 10 ~~12.~~ "Qualifying wage threshold" has the same meaning as
26 11 defined in section 15G.108A.

26 12 ~~13.~~ "Retained job" has the same meaning as defined in
26 13 section 15G.108A.

26 14 Sec. 12. Section 15.329, subsections 1, 2, and 5, Code
26 15 2009, are amended to read as follows:

26 16 1. To be eligible to receive incentives under this part, a
26 17 business shall meet all of the following requirements:

26 18 a. If the qualifying investment is ten million dollars or
26 19 more, the community has approved by ordinance or resolution
26 20 the start-up, location, or expansion of the business for the
26 21 purpose of receiving the benefits of this part.

26 22 b. The business has not closed or substantially reduced
26 23 ~~its operation~~ operations in one area of the ~~this~~ state and
26 24 relocated substantially the same ~~operation~~ operations in the a
26 25 community ~~in another area of this state~~. This ~~subsection does~~
26 26 ~~paragraph shall not be construed to prohibit a business from~~
26 27 expanding its operation in the a community if existing
26 28 operations of a similar nature in the ~~this~~ state are not
26 29 closed or substantially reduced.

26 30 c. ~~The business is not a retail or service business.~~

26 31 2. ~~In addition to the requirements of subsection 1, a~~
26 32 ~~business shall do at least four of the following in order to~~
26 33 ~~be eligible for incentives under the program:~~

26 34 a. Offer a pension or profit-sharing plan to full-time
26 35 employees.

27 1 b. (1) Produce or manufacture high value-added goods or
27 2 services or be engaged in one of the following industries:

27 3 (a) Value-added agricultural products.

27 4 (b) Insurance and financial services.

27 5 (c) Plastics.

27 6 (d) Metals.

27 7 (e) Printing paper or packaging products.

27 8 (f) Drugs and pharmaceuticals.

27 9 (g) Software development.

27 10 (h) Instruments and measuring devices and medical

27 11 instruments.

27 12 (i) Recycling and waste management.

27 13 (j) Telecommunications.

27 14 (k) Trucking and warehousing.

27 15 (2) Retail and service businesses shall not be eligible
27 16 for benefits under this part.

27 17 c. Provide and pay at least eighty percent of the cost of
27 18 a standard medical and dental insurance plan for all full-time
27 19 employees working at the facility in which the new investment
27 20 occurred.

27 21 d. Make child care services available to its employees.

27 22 e. Invest annually no less than one percent of pretax
27 23 profits, from the facility located to Iowa or expanded under
27 24 the program, in research and development in Iowa.

27 25 f. Invest annually no less than one percent of pretax
27 26 profits, from the facility located to Iowa or expanded under
27 27 the program, in worker training and skills enhancement.

27 28 g. Have an active productivity and safety improvement
27 29 program involving management and worker participation and
27 30 cooperation with benchmarks for gauging compliance.

27 31 h. ~~Occupy an existing facility, at least one of the~~
27 32 ~~buildings of which shall be vacant and shall contain at least~~
27 33 ~~twenty thousand square feet.~~

27 34 c. The business shall create or retain jobs as part of a
27 35 project, and the jobs created or retained shall meet one of
28 1 the following qualifying wage thresholds:

28 2 (1) If the business is creating jobs, the business shall
28 3 demonstrate that the jobs will pay at least one hundred
28 4 percent of the qualifying wage threshold at the start of the
28 5 project completion period, at least one hundred thirty percent
28 6 of the qualifying wage threshold by the project completion
28 7 date, and at least one hundred thirty percent of the
28 8 qualifying wage threshold until the maintenance period
28 9 completion date.

28 10 (2) If the business is retaining jobs, the business shall
28 11 demonstrate that the jobs retained will pay at least one
28 12 hundred thirty percent of the qualifying wage threshold
28 13 throughout both the project completion period and the
28 14 maintenance period.

28 15 d. The business shall provide a sufficient package of
28 16 benefits to each employee holding a created or retained job.
28 17 The board, at the recommendation of the department, shall
28 18 adopt rules determining what constitutes a sufficient package
28 19 of benefits.

28 20 e. The business shall demonstrate that the jobs created or
28 21 retained will have a sufficient impact on state and local
28 22 government revenues as determined by the department after
28 23 calculating the fiscal impact ratio of the project.

28 24 f. The business shall not be a retail business or a
28 25 business where entrance is limited by a cover charge or
28 26 membership requirement.

28 27 g. Notwithstanding the qualifying wage threshold
28 28 requirements in paragraph "c", if a business is also the
28 29 recipient of financial assistance under another program
28 30 administered by the department, and the other program requires
28 31 the payment of higher wages than the wages required under this
28 32 subsection, the business shall be required to pay the higher
28 33 wages.

28 34 2. A business providing a sufficient package of benefits
28 35 to each employee holding a created or retained job shall
29 1 qualify for a credit against the qualifying wage threshold
29 2 requirements described in subsection 1, paragraph "c". The
29 3 credit shall be calculated in the manner described in section
29 4 15G.112, subsection 4, paragraph "b".

29 5 5. The department shall also consider a variety of
29 6 factors, including but not limited to the following in
29 7 determining the eligibility of a business to participate in
29 8 the program:

29 9 a. The quality of the jobs to be created or retained. In
29 10 rating the quality of the jobs, the department shall place
29 11 greater emphasis on those jobs that have a higher wage scale,
29 12 have a lower turnover rate, are full-time or career-type
29 13 positions, provide comprehensive health benefits, or have
29 14 other related factors which could be considered to be higher
29 15 in quality, than to other jobs. Businesses that have wage
29 16 scales substantially below that of existing Iowa businesses in
29 17 that area should be rated as providing the lowest quality of
29 18 jobs and should therefore be given the lowest ranking for
29 19 providing such assistance.

29 20 b. The impact of the proposed project on other businesses
29 21 in competition with the business being considered for
29 22 assistance. The department shall make a good faith effort to
29 23 identify existing Iowa businesses within an industry in
29 24 competition with the business being considered for assistance.
29 25 The department shall make a good faith effort to determine the
29 26 probability that the proposed financial assistance will
29 27 displace employees of the existing businesses. In determining
29 28 the impact on businesses in competition with the business
29 29 being considered for assistance, jobs created or retained as a
29 30 result of other jobs being displaced elsewhere in the state
29 31 shall not be considered direct jobs created or retained.

29 32 c. The economic impact to the this state of the proposed
29 33 project. In measuring the economic impact, the department
29 34 shall place greater emphasis on projects which have greater
29 35 consistency with the state strategic plan than other projects.

30 1 Greater consistency may include any or all of demonstrate the
30 2 following:

30 3 (1) A business with a greater percentage of sales
30 4 out-of-state or of import substitution.

30 5 (2) A business with a higher proportion of in-state
30 6 suppliers.

30 7 (3) A project which would provide greater diversification
30 8 of the state economy.
30 9 (4) A business with fewer in-state competitors.
30 10 (5) A potential for future job growth.
30 11 (6) A project which is not a retail operation.
30 12 ~~d. If a business has, within three years of application~~
30 13 ~~for assistance, acquired or merged with an Iowa corporation or~~
30 14 ~~company and the business has made a good faith effort to hire~~
30 15 ~~the workers of the acquired or merged company.~~
30 16 ~~e. Whether a business provides for a preference for hiring~~
30 17 ~~residents of the state, except for out-of-state employees~~
30 18 ~~offered a transfer to Iowa.~~
30 19 ~~f. Whether all known required environmental permits have~~
30 20 ~~been issued and regulations met before moneys are released.~~
30 21 Sec. 13. Section 15.330, subsection 4, Code 2009, is
30 22 amended to read as follows:
30 23 4. ~~A business creating fifteen or fewer new high quality~~
30 24 ~~jobs shall have up to three years to complete a project and~~
30 25 ~~shall be required to maintain the jobs for an additional two~~
30 26 ~~years. A business creating sixteen or more new high quality~~
30 27 ~~jobs shall have up to five years to complete a project and~~
30 28 ~~shall be required to maintain the jobs for an additional two~~
30 29 ~~years. A project completion date, a maintenance period~~
30 30 ~~completion date, the number of jobs to be created or retained,~~
30 31 ~~or certain other terms and obligations described in section~~
30 32 ~~15G.112, subsection 1, paragraph "d", as the department deems~~
30 33 ~~necessary in order to make the requirements in project~~
30 34 ~~agreements uniform. The department, with the approval of the~~
30 35 ~~board, may adopt rules as necessary for making such~~
31 1 ~~requirements uniform. Such rules shall be in compliance with~~
31 2 ~~the provisions of this part and with the provisions of chapter~~
31 3 ~~15G.~~
31 4 Sec. 14. Section 15.331A, subsection 2, Code 2009, is
31 5 amended by adding the following new paragraph:
31 6 NEW PARAGRAPH. c. The eligible business shall inform the
31 7 department of revenue in writing within two weeks of project
31 8 completion. For purposes of this section, "project
31 9 completion" means the first date upon which the average
31 10 annualized production of finished product for the preceding
31 11 ninety-day period at the manufacturing facility operated by
31 12 the eligible business is at least fifty percent of the initial
31 13 design capacity of the facility.
31 14 Sec. 15. Section 15.333, subsection 1, unnumbered
31 15 paragraph 1, Code 2009, is amended to read as follows:
31 16 An eligible business may claim a tax credit equal to a
31 17 percentage of the new investment directly related to new jobs
31 18 created or retained by the location or expansion of an
31 19 eligible business under the program. The tax credit shall be
31 20 amortized equally over five calendar years. The tax credit
31 21 shall be allowed against taxes imposed under chapter 422,
31 22 division II, III, or V, and against the moneys and credits tax
31 23 imposed in section 533.329. If the business is a partnership,
31 24 S corporation, limited liability company, cooperative
31 25 organized under chapter 501 and filing as a partnership for
31 26 federal tax purposes, or estate or trust electing to have the
31 27 income taxed directly to the individual, an individual may
31 28 claim the tax credit allowed. The amount claimed by the
31 29 individual shall be based upon the pro rata share of the
31 30 individual's earnings of the partnership, S corporation,
31 31 limited liability company, cooperative organized under chapter
31 32 501 and filing as a partnership for federal tax purposes, or
31 33 estate or trust. The percentage shall be determined as
31 34 provided in section 15.335A. Any tax credit in excess of the
31 35 tax liability for the tax year may be credited to the tax
32 1 liability for the following seven years or until depleted,
32 2 whichever occurs first.
32 3 Sec. 16. Section 15.335A, Code 2009, is amended to read as
32 4 follows:
32 5 15.335A TAX INCENTIVES.
32 6 1. Tax incentives are available to eligible businesses as
32 7 provided in this section. The incentives are based upon the
32 8 number of new high quality jobs created or retained that pay
32 9 at least one hundred thirty percent of the qualifying wage
32 10 threshold as computed pursuant to section 15G.112, subsection
32 11 4, and the amount of the qualifying investment made according
32 12 to the following schedule:
32 13 ~~a. The number of new high quality jobs created with an~~
32 14 ~~annual wage, including benefits, equal to or greater than one~~
32 15 ~~hundred thirty percent of the average county wage is one of~~
32 16 ~~the following:~~
32 17 (+) a. The number of jobs is zero and economic activity

32 18 is furthered by the qualifying investment and the amount of
32 19 the qualifying investment is one of the following:

32 20 ~~(a)~~ (1) Less than one hundred thousand dollars, then the
32 21 tax incentive is the investment tax credit of up to one
32 22 percent.

32 23 ~~(b)~~ (2) At least one hundred thousand dollars but less
32 24 than five hundred thousand dollars, then the tax incentives
32 25 are the investment tax credit of up to one percent and the
32 26 sales tax refund.

32 27 ~~(c)~~ (3) At least five hundred thousand dollars, then the
32 28 tax incentives are the investment tax credit of up to one
32 29 percent, the sales tax refund, and the additional research and
32 30 development tax credit.

32 31 ~~(2)~~ b. The number of jobs is one but not more than five
32 32 and the amount of the qualifying investment is one of the
32 33 following:

32 34 ~~(a)~~ (1) Less than one hundred thousand dollars, then the
32 35 tax incentive is the investment tax credit of up to two
33 1 percent.

33 2 ~~(b)~~ (2) At least one hundred thousand dollars but less
33 3 than five hundred thousand dollars, then the tax incentives
33 4 are the investment tax credit of up to two percent and the
33 5 sales tax refund.

33 6 ~~(c)~~ (3) At least five hundred thousand dollars, then the
33 7 tax incentives are the investment tax credit of up to two
33 8 percent, the sales tax refund, and the additional research and
33 9 development tax credit.

33 10 ~~(3)~~ c. The number of jobs is six but not more than ten
33 11 and the amount of the qualifying investment is one of the
33 12 following:

33 13 ~~(a)~~ (1) Less than one hundred thousand dollars, then the
33 14 tax incentive is the investment tax credit of up to three
33 15 percent.

33 16 ~~(b)~~ (2) At least one hundred thousand dollars but less
33 17 than five hundred thousand dollars, then the tax incentives
33 18 are the investment tax credit of up to three percent and the
33 19 sales tax refund.

33 20 ~~(c)~~ (3) At least five hundred thousand dollars, then the
33 21 tax incentives are the investment tax credit of up to three
33 22 percent, the sales tax refund, and the additional research and
33 23 development tax credit.

33 24 ~~(4)~~ d. The number of jobs is eleven but not more than
33 25 fifteen and the amount of the qualifying investment is one of
33 26 the following:

33 27 ~~(a)~~ (1) Less than one hundred thousand dollars, then the
33 28 tax incentive is the investment tax credit of up to four
33 29 percent.

33 30 ~~(b)~~ (2) At least one hundred thousand dollars but less
33 31 than five hundred thousand dollars, then the tax incentives
33 32 are the investment tax credit of up to four percent and the
33 33 sales tax refund.

33 34 ~~(c)~~ (3) At least five hundred thousand dollars, then the
33 35 tax incentives are the investment tax credit of up to four
34 1 percent, the sales tax refund, and the additional research and
34 2 development tax credit.

34 3 ~~(5)~~ e. The number of jobs is sixteen ~~or~~ but not more than
34 4 thirty and the amount of the qualifying investment is one of
34 5 the following:

34 6 ~~(a)~~ (1) Less than one hundred thousand dollars, then the
34 7 tax incentive is the investment tax credit of up to five
34 8 percent.

34 9 ~~(b)~~ (2) At least one hundred thousand dollars but less
34 10 than five hundred thousand dollars, then the tax incentives
34 11 are the investment tax credit of up to five percent and the
34 12 sales tax refund.

34 13 ~~(c)~~ (3) At least five hundred thousand dollars, then the
34 14 tax incentives are the investment tax credit of up to five
34 15 percent, the sales tax refund, and the additional research and
34 16 development tax credit.

34 17 ~~b. In lieu of paragraph "a", the number of new high
34 18 quality jobs created with an annual wage, including benefits,
34 19 equal to or greater than one hundred sixty percent of the
34 20 average county wage is one of the following:~~

34 21 ~~(1)~~ f. The number of jobs is ~~twenty-one~~ thirty-one but
34 22 not more than ~~thirty~~ forty and the amount of the qualifying
34 23 investment is at least ten million dollars, then the tax
34 24 incentives are the local property tax exemption, the
34 25 investment tax credit of up to six percent, the sales tax
34 26 refund, and the additional research and development tax
34 27 credit.

34 28 ~~(2)~~ g. The number of jobs is ~~thirty-one~~ forty-one but not

34 29 more than ~~forty sixty~~ and the amount of the qualifying
34 30 investment is at least ten million dollars, then the tax
34 31 incentives are the local property tax exemption, the
34 32 investment tax credit of up to seven percent, the sales tax
34 33 refund, and the additional research and development tax
34 34 credit.

34 35 ~~(3)~~ h. The number of jobs is ~~forty-one sixty-one~~ but not
35 1 more than ~~fifty eighty~~ and the amount of the qualifying
35 2 investment is at least ten million dollars, then the tax
35 3 incentives are the local property tax exemption, the
35 4 investment tax credit of up to eight percent, the sales tax
35 5 refund, and the additional research and development tax
35 6 credit.

35 7 ~~(4)~~ i. The number of jobs is ~~fifty-one eighty-one~~ but not
35 8 more than ~~sixty one hundred~~ and the amount of the qualifying
35 9 investment is at least ten million dollars, then the tax
35 10 incentives are the local property tax exemption, the
35 11 investment tax credit of up to nine percent, the sales tax
35 12 refund, and the additional research and development tax
35 13 credit.

35 14 ~~(5)~~ j. The number of jobs is at least ~~sixty-one one~~
35 15 hundred one and the amount of the qualifying investment is at
35 16 least ten million dollars, then the tax incentives are the
35 17 local property tax exemption, the investment tax credit of up
35 18 to ten percent, the sales tax refund, and the additional
35 19 research and development tax credit.

35 20 2. For purposes of this section:

35 21 a. "Additional research and development tax credit" means
35 22 the research activities credit as provided under section
35 23 15.335.

~~35 24 b. "Average county wage" means the annualized, average
35 25 hourly wage based on wage information compiled by the
35 26 department of workforce development.~~

~~35 27 c. "Benefits" means all of the following:~~

~~35 28 (1) Medical and dental insurance plans. If an employer
35 29 offers medical insurance under both single and family coverage
35 30 plans, the employer shall be given credit for providing
35 31 medical insurance under family coverage plans to all new
35 32 employees.~~

~~35 33 (2) Pension and profit-sharing plans.~~

~~35 34 (3) Child care services.~~

~~35 35 (4) Life insurance coverage.~~

~~36 1 (5) Other benefits identified by rule of the department of
36 2 revenue.~~

~~36 3 b. "Benefits" means the same as defined in section~~

~~36 4 15G.108A.~~

~~36 5 c. "County wage" means the same as defined in section~~

~~36 6 15G.108A.~~

~~36 7 d. "Investment tax credit" means the investment tax credit
36 8 or the insurance premium tax credit as provided under section
36 9 15.333 or 15.333A, respectively.~~

~~36 10 e. "Local property tax exemption" means the property tax
36 11 exemption as provided under section 15.332.~~

~~36 12 f. "Qualifying wage threshold" means the same as defined
36 13 in section 15G.108A.~~

~~36 14 g. "Regional wage" means the same as defined in section
36 15 15G.108A.~~

~~36 16 f- h. "Sales tax refund" means the sales and use tax
36 17 refund as provided under section 15.331A or the corporate tax
36 18 credit for certain sales taxes paid by third-party developers
36 19 as provided under section 15.331C.~~

~~36 20 3. A community may apply to the Iowa economic development
36 21 board for a project-specific waiver from the average county
36 22 wage calculations qualifying wage threshold requirement
36 23 provided in subsection 1 in order for an eligible business to
36 24 receive to seek tax incentives for an eligible business. The
36 25 board may grant a project-specific waiver from the average
36 26 county wage calculations qualifying wage threshold requirement
36 27 in subsection 1 for the remainder of ~~the a~~ calendar year,
36 28 based on average county wage or regional wage calculations
36 29 brought forth by the applicant county including, but not
36 30 limited to, any of the following:~~

~~36 31 a. The average county wage calculated without wage data
36 32 from the business in the county employing the greatest number
36 33 of full-time employees.~~

~~36 34 b. The average regional wage calculated without wage data
36 35 from up to two adjacent counties.~~

~~37 1 c. The average county wage calculated without wage data
37 2 from the largest city in the county.~~

~~37 3 d. A qualifying wage guideline for a specific project
37 4 based upon unusual economic circumstances present in the city~~

37 5 or county.
37 6 e. The annualized, average hourly wage paid by all
37 7 businesses in the county located outside the largest city of
37 8 the county.

37 9 f. The annualized, average hourly wage paid by all
37 10 businesses other than the largest employer in the entire
37 11 county.

~~37 12 4. Average wage calculations made under this section shall
37 13 be calculated quarterly using wage data submitted to the
37 14 department of workforce development during the previous four
37 15 quarters.~~

37 16 ~~5.~~ 4. Each calendar year, the department shall not
37 17 approve more than three million six hundred thousand dollars
37 18 worth of investment tax credits for projects with qualifying
37 19 investments of less than one million dollars.

37 20 ~~6.~~ 5. The department shall negotiate the amount of tax
37 21 incentives provided to an applicant under the program in
37 22 accordance with this section and section 15G.112, as
37 23 applicable.

37 24 DIVISION III
37 25 ENTERPRISE ZONES

37 26 Sec. 17. Section 15E.193, subsections 1 and 2, Code 2009,
37 27 are amended to read as follows:

37 28 1. A business which is or will be located, in whole or in
37 29 part, in an enterprise zone is eligible to receive incentives
37 30 and assistance under this division if the business has not
37 31 closed or reduced its operation in one area of the state and
37 32 relocated substantially the same operation into the enterprise
37 33 zone and if the business meets all of the following
37 34 requirements:

37 35 a. Is not a retail business or a business where entrance
38 1 is limited by a cover charge or membership requirement.

~~38 2 b. Provides all full-time employees with the option of
38 3 choosing one of the following:~~

~~38 4 (1) The business pays eighty percent of both of the
38 5 following:~~

~~38 6 (a) The cost of a standard medical insurance plan.~~

~~38 7 (b) The cost of a standard dental insurance plan or an
38 8 equivalent plan.~~

~~38 9 (2) The business provides the employee with a monetarily
38 10 equivalent plan to the plan provided for in subparagraph (1).~~

~~38 11 c. Pays an average wage that is at or greater than ninety
38 12 percent of the lesser of the average county wage or average
38 13 regional wage, as determined by the department. However, the
38 14 wage paid by the business shall not be less than seven dollars
38 15 and fifty cents per hour.~~

~~38 16 b. (1) The business shall provide a sufficient package of
38 17 benefits to each employee holding a created or retained job.~~

~~38 18 For purposes of this paragraph, "created job" and "retained
38 19 job" have the same meaning as defined in section 15G.108A.~~

~~38 20 (2) The board, upon the recommendation of the department,
38 21 shall adopt rules determining what constitutes a sufficient
38 22 package of benefits.~~

~~38 23 c. The business shall pay a wage that is at least ninety
38 24 percent of the qualifying wage threshold. For purposes of
38 25 this paragraph, "qualifying wage threshold" has the same
38 26 meaning as defined in section 15G.108A.~~

~~38 27 d. Creates or retains at least ten full-time equivalent
38 28 positions and maintains them for at least ten years. For an
38 29 existing business in counties with a population of ten
38 30 thousand or less or in cities with a population of two
38 31 thousand or less, the commission may adopt a provision that
38 32 allows the business to create at least five initial jobs with
38 33 the additional jobs to be added in five years. The business
38 34 shall include in its strategic plan the timeline for job
38 35 creation. If the existing business fails to meet the ten-job
39 1 creation requirement within the five-year period, all
39 2 incentives or assistance will cease immediately until the
39 3 maintenance period completion date. For purposes of this
39 4 paragraph, "maintenance period completion date" and "full-time
39 5 equivalent position" have the same meanings as defined in
39 6 section 15G.108A.~~

~~39 7 e. Makes a capital investment of at least five hundred
39 8 thousand dollars. If the business will be occupying a vacant
39 9 building suitable for industrial use, the fair market value of
39 10 the building and land, not to exceed two hundred fifty
39 11 thousand dollars, shall be counted toward the capital
39 12 investment requirement. An existing business that has been
39 13 operating in the enterprise zone for at least five years is
39 14 exempt from the capital investment requirement of this
39 15 paragraph of up to two hundred fifty thousand dollars of the~~

~~39 16 fair market value, as established by an appraisal, of the
39 17 building and land.~~

39 18 f. If the business is only partially located in an
39 19 enterprise zone, the business must be located on contiguous
39 20 parcels of land.

39 21 2. In addition to meeting the requirements under
39 22 subsection 1, an eligible business shall provide the
39 23 enterprise zone commission with all of the following:

39 24 a. The long-term strategic plan for the business which
39 25 shall include labor and infrastructure needs.

39 26 b. Information dealing with the benefits the business will
39 27 bring to the area.

39 28 c. Examples of why the business should be considered or
39 29 would be considered a good business enterprise.

39 30 d. The impact the business will have on other businesses
39 31 in competition with it. The enterprise zone commission shall
39 32 make a good faith effort to identify existing Iowa businesses
39 33 within an industry in competition with the business being
39 34 considered for assistance. The enterprise zone commission

39 35 shall make a good faith effort to determine the probability
40 1 that the proposed financial assistance will displace employees
40 2 of the existing businesses. In determining the impact on
40 3 businesses in competition with the business being considered
40 4 for assistance, jobs created or retained as a result of other
40 5 jobs being displaced elsewhere in the state shall not be
40 6 considered direct jobs created or retained.

40 7 e. ~~An affidavit that it has not, within the last five
40 8 years, violated state or federal environmental and worker
40 9 safety statutes, rules, and regulations or if such violation
40 10 has occurred that there were mitigating circumstances or such
40 11 violations did not seriously affect public health or safety or
40 12 the environment.~~

40 13 e. A report describing all violations of environmental law
40 14 or worker safety law within the last five years. If, upon
40 15 review of the application, the enterprise zone commission
40 16 finds that a business has a record of violations of the law,
40 17 statutes, rules, or regulations that tends to show a
40 18 consistent pattern, the enterprise zone commission shall not
40 19 make an award of financial assistance to the business unless
40 20 the board finds either that the violations did not seriously
40 21 affect public health, public safety, or the environment, or,
40 22 if such violations did seriously affect public health, public
40 23 safety, or the environment, that mitigating circumstances were
40 24 present.

DIVISION IV

CONFORMING AMENDMENTS

40 25 Sec. 18. Section 15.103, subsection 6, Code 2009, is
40 26 amended to read as follows:

40 27 6. As part of the organizational structure of the
40 28 department, the board shall establish a due diligence
40 29 committee and a loan and credit guarantee committee composed
40 30 of members of the board. The committees shall serve in an
40 31 advisory capacity to the board and shall carry out any duties
40 32 assigned by the board in relation to programs administered by
40 33 the department. The loan and credit guarantee committee shall
41 1 advise the board on the winding up of loan guarantees made
41 2 under the loan and credit guarantee program established
41 3 pursuant to section 15E.224, Code 2009, and on the proper
41 4 amount of the allocation described in section 15G.111,
41 5 subsection 4, paragraph "g".

41 6 Sec. 19. Section 15.104, Code 2009, is amended by adding
41 7 the following new subsection:

41 8 NEW SUBSECTION. 1. Perform duties related to the
41 9 administration of the grow Iowa values fund and grow Iowa
41 10 values financial assistance program as described in chapter
41 11 15G.

41 12 Sec. 20. Section 15.104, subsection 9, paragraphs a and b,
41 13 Code 2009, are amended to read as follows:

41 14 a. FINANCIAL ASSISTANCE PROGRAMS. Data on all assistance
41 15 provided to ~~business finance projects under the community
41 16 economic betterment program established in section 15.317,~~
41 17 eligible businesses under the high quality job creation jobs
41 18 program described in section 15.326, and eligible facilities
41 19 under the value-added agricultural products and processes
41 20 financial assistance program established in section 15E.111.

41 21 b. PROJECTS FUNDED THROUGH THE GROW IOWA VALUES FUND
41 22 FINANCIAL ASSISTANCE PROGRAM ESTABLISHED IN SECTION 15G.112.
41 23 For each job creation or retention business finance project
41 24 receiving moneys from the grow Iowa values fund ~~created in~~
41 25 ~~section 15G.108,~~ the following information:

41 26 (1) The net number of new jobs created as of June 30 of

41 27 the prior year. For the purposes of this subparagraph, "net
41 28 number of new jobs" is the number of new or retained jobs as
41 29 identified in the contract.

41 30 (2) The number of jobs created, as of June 30 of the prior
41 31 year, that are at or above the qualifying wage threshold for
41 32 the project. For the purposes of this subparagraph,
41 33 "qualifying wage threshold" ~~means the wage that meets the~~
41 34 ~~required percentage of the average county or average regional~~
41 35 ~~wage for the programs or funding sources involved with the~~
42 1 ~~project has the same meaning as defined in section 15G.108A.~~

42 2 (3) The number of retained jobs, as of June 30 of the
42 3 prior year. For the purposes of this subparagraph, "retained
42 4 jobs" means the number of retained jobs as identified in the
42 5 contract.

42 6 (4) The total amount expended by a business, as of June 30
42 7 of the prior year, toward the total project cost as identified
42 8 in the contract.

42 9 (5) The project's location.

42 10 (6) The amount, if any, of private and local matching
42 11 funds, as of June 30 of the prior year.

42 12 (7) The amount spent on research and development
42 13 activities, as of June 30 of the prior year.

42 14 Sec. 21. Section 15.104, subsection 9, paragraphs i and j,
42 15 Code 2009, are amended to read as follows:

42 16 i. GROW IOWA VALUES FUND EXPENDITURES. Detailed financial
42 17 data that delineate expenditures made under each component of
42 18 the grow Iowa values fund created in section ~~15G.108~~ 15G.111.

42 19 j. RENEWABLE FUEL PROGRAMS. A detailed accounting of
42 20 expenditures in support of renewable fuel infrastructure
42 21 programs, as provided in sections 15G.203 and 15G.204. The
42 22 renewable fuel infrastructure board established in section
42 23 15G.202 shall approve that portion of the department's annual
42 24 report regarding projects supported from the grow Iowa values
42 25 fund created in section ~~15G.108~~ 15G.111. This paragraph is
42 26 repealed on July 1, 2012.

42 27 Sec. 22. Section 15.116, Code 2009, is amended to read as
42 28 follows:

42 29 15.116 TECHNOLOGY COMMERCIALIZATION COMMITTEE.

42 30 To evaluate and approve funding for the projects and
42 31 programs ~~under~~ referred to in section 15G.111, subsection ~~2~~
42 32 10, the economic development board shall create a technology
42 33 commercialization committee composed of members with expertise
42 34 in the areas of biosciences, engineering, manufacturing,
42 35 pharmaceuticals, materials, information solutions, software,
43 1 and energy. At least one member of the technology
43 2 commercialization committee shall be a member of the economic
43 3 development board. An organization designated by the
43 4 department, composed of members from both the public and
43 5 private sectors and composed of subunits or subcommittees in
43 6 the areas of already identified bioscience platforms,
43 7 education and workforce development, commercialization,
43 8 communication, policy and governance, and finance, shall
43 9 provide funding recommendations to the technology
43 10 commercialization committee.

43 11 Sec. 23. Section 15.203, Code 2009, is amended by adding
43 12 the following new subsection:

43 13 NEW SUBSECTION. 5. The agricultural products advisory
43 14 council shall review applications for financial assistance
43 15 under the value-added agriculture component of the grow Iowa
43 16 values financial assistance program established in section
43 17 15G.112.

43 18 Sec. 24. Section 15.313, subsection 1, Code 2009, is
43 19 amended to read as follows:

43 20 1. a. An Iowa strategic investment fund is created as a
43 21 revolving fund consisting of any money appropriated by the
43 22 general assembly for that purpose and any other moneys
43 23 available to and obtained or accepted by the department from
43 24 the federal government or private sources for placement in the
43 25 fund. ~~The fund shall also include all of the following:~~

43 26 ~~(1) All unencumbered and unobligated funds from the~~
43 27 ~~special community economic betterment program fund created~~
43 28 ~~under 1990 Iowa Acts, chapter 1262, section 1, subsection 18,~~
43 29 ~~remaining on June 30, 1992, all repayments of loans or other~~
43 30 ~~awards made under the community economic betterment account or~~
43 31 ~~under the community economic betterment program during any~~
43 32 ~~fiscal year beginning on or after July 1, 1985, and recaptures~~
43 33 ~~of awards.~~

43 34 ~~(2) All unencumbered and unobligated funds from the~~
43 35 ~~targeted small business financial assistance program, the~~
44 1 ~~financing rural economic development or successor loan~~
44 2 ~~program, and the value-added agricultural products and~~

~~44 3 processes financial assistance fund remaining on June 30,
44 4 1992, and all repayments of loans or other awards or
44 5 recaptures of awards made under these programs.~~

44 6 b. Notwithstanding section 8.33, moneys in the strategic
44 7 investment fund at the end of each fiscal year shall not
44 8 revert to any other fund but shall remain in the strategic
44 9 investment fund for expenditure for subsequent fiscal years.

44 10 Sec. 25. Section 15A.7, subsection 3, Code 2009, is
44 11 amended to read as follows:

44 12 3. That the employer shall agree to pay wages for the jobs
44 13 for which the credit is taken of at least the ~~average~~ county
44 14 wage or ~~average~~ the regional wage, as calculated by the
44 15 department pursuant to section 15G.112, subsection 3,
44 16 ~~whichever is lower, as compiled annually by the department of~~
44 17 ~~economic development for the community economic betterment~~
44 18 ~~program. For the purposes of this section, the average~~
44 19 ~~regional wage shall be compiled based upon the service~~
44 20 ~~delivery areas in section 84B.2. Eligibility for the~~
44 21 supplemental credit shall be based on a one-time determination
44 22 of starting wages by the community college.

44 23 Sec. 26. Section 15E.120, subsection 5, Code 2009, is
44 24 amended to read as follows:

44 25 5. Loan repayments received by the Iowa department of
44 26 economic development shall be deposited into a special account
44 27 to be used at its discretion as matching funds to attract
44 28 financial assistance from and to participate in programs with
44 29 national rural development and finance corporations. Funds in
44 30 this special account shall not revert to the state general
44 31 fund at the end of any fiscal year. If the programs for which
44 32 the funds in the special account are to be used are terminated
44 33 or expire, the funds in the special account and funds that
44 34 would be repaid, if any, to the special account shall be
44 35 transferred or repaid to ~~the community economic betterment~~
45 1 ~~account of the strategic investment fund established in~~
45 2 section 15.313.

45 3 Sec. 27. Section 15E.231, subsection 1, unnumbered
45 4 paragraph 1, Code 2009, is amended to read as follows:

45 5 In order for an economic development region to receive
45 6 moneys ~~from under~~ the grow Iowa values ~~fund created financial~~
45 7 assistance program established in section 15G.108 15G.112, an
45 8 economic development region's regional development plan must
45 9 be approved by the department. An economic development region
45 10 shall consist of not less than three counties, unless two
45 11 contiguous counties have a combined population of at least
45 12 three hundred thousand based on the most recent federal
45 13 decennial census. An economic development region shall
45 14 establish a focused economic development effort that shall
45 15 include a regional development plan relating to one or more of
45 16 the following areas:

45 17 Sec. 28. Section 15E.351, subsection 1, Code 2009, is
45 18 amended to read as follows:

45 19 1. The department shall establish and administer a
45 20 business accelerator program to provide financial assistance
45 21 for the establishment and operation of a business accelerator
45 22 for technology-based, value-added agricultural, information
45 23 solutions, alternative and renewable energy including the
45 24 alternative and renewable energy sectors listed in section
45 25 476.42, subsection 1, paragraph "a", or advanced manufacturing
45 26 start-up businesses or for a satellite of an existing business
45 27 accelerator. The program shall be designed to foster the
45 28 accelerated growth of new and existing businesses through the
45 29 provision of technical assistance. The department ~~shall use~~

~~45 30 moneys appropriated to the department from the grow Iowa~~
45 31 ~~values fund pursuant to section 15G.111, subsection 1, subject~~
45 32 ~~to the approval of the economic development board, to may~~
45 33 ~~provide financial assistance under this section from moneys~~
45 34 allocated for regional financial assistance pursuant to
45 35 section 15G.111, subsection 9.

46 1 Sec. 29. Section 159A.6B, unnumbered paragraph 2, Code
46 2 2009, is amended to read as follows:

46 3 The office may execute contracts in order to provide
46 4 technical support and outreach services for purposes of
46 5 assisting and educating interested persons as provided in this
46 6 section. The office may also contract with a consultant to
46 7 provide part or all of these services. The office may require
46 8 that a person receiving assistance pursuant to this section
46 9 contribute up to fifty percent of the amount required to
46 10 support the costs of contracting with the consultant to
46 11 provide assistance to the person. The office shall assist the
46 12 person in completing any technical information required in
46 13 order to receive assistance by the department of economic

46 14 development pursuant to the value-added ~~agricultural products~~
46 15 ~~and processes agriculture component of the grow Iowa values~~
46 16 financial assistance program ~~created~~ established pursuant to
46 17 section ~~15E.111~~ 15G.112. The office shall cooperate with the
46 18 department of economic development, the department of natural
46 19 resources, and regents institutions or other universities and
46 20 colleges ~~as provided in section 15E.111~~, in order to carry out
46 21 this section.

46 22 Sec. 30. Section 266.19, Code 2009, is amended to read as
46 23 follows:

46 24 266.19 RENEWABLE FUEL == ASSISTANCE.

46 25 The university shall cooperate in assisting renewable fuel
46 26 production facilities supporting livestock operations managed
46 27 by persons receiving assistance pursuant to the value-added
46 28 ~~agricultural products and processes agriculture component of~~
46 29 ~~the grow Iowa values~~ financial assistance program established
46 30 in section ~~15E.111~~ 15G.112.

46 31 Sec. 31. Section 455B.104, subsection 2, Code 2009, is
46 32 amended to read as follows:

46 33 2. The department shall assist persons applying for
46 34 assistance to establish and operate renewable fuel production
46 35 facilities pursuant to the value-added ~~agricultural products~~
47 1 ~~and processes agriculture component of the grow Iowa values~~
47 2 financial assistance program established in section ~~15E.111~~
47 3 15G.112.

47 4 Sec. 32. Section 455B.433, Code 2009, is amended to read
47 5 as follows:

47 6 455B.433 PHYSICAL INFRASTRUCTURE ASSISTANCE == FUNDING ==
47 7 LIABILITY.

47 8 1. The department of natural resources shall work in
47 9 conjunction with the Iowa department of economic development
47 10 to identify environmentally contaminated sites which qualify
47 11 for the ~~physical infrastructure assistance component of the~~
47 12 ~~grow Iowa values financial assistance program under~~

47 13 ~~established in section 15E.175~~ 15G.112. The department shall
47 14 provide an assessment of the site and shall provide any
47 15 emergency response activities which the department deems
47 16 necessary. The department may take any further action,
47 17 including remediation of the site, that the department deems
47 18 to be appropriate and which promotes the purposes of the
47 19 ~~physical infrastructure assistance program component.~~

47 20 2. The department shall be reimbursed from the ~~physical~~
47 21 ~~infrastructure assistance grow Iowa values fund under created~~
47 22 in section ~~15E.175~~ 15G.111 for any costs incurred pursuant to
47 23 this section.

47 24 3. A person shall not have standing pursuant to section
47 25 455B.111 to commence a citizen suit which is based upon
47 26 property that is part of the ~~physical infrastructure~~
47 27 ~~assistance component of the grow Iowa values financial~~
47 28 ~~assistance program pursuant to established in section 15E.175~~
47 29 ~~15G.112.~~

47 30 Sec. 33. CONDITIONAL ENACTMENTS.

47 31 1. If 2009 Iowa Acts, Senate File 142, is enacted, the
47 32 section of that Act amending section 15G.111 is repealed and
47 33 section 15G.111, subsection 10, as enacted in this Act, is
47 34 amended to read as follows:

47 35 10. COMMERCIALIZATION SERVICES. Of the moneys
48 1 appropriated to the department pursuant to subsection 3, the
48 2 department shall allocate three million dollars for ~~the~~
48 3 ~~purpose of providing the commercialization services described~~
48 4 ~~in section 15.411, subsections 2 and 3 deposit in the~~
48 5 ~~innovation and commercialization development fund created in~~
48 6 ~~section 15.412.~~

48 7 2. If 2009 Iowa Acts, Senate File 142, is enacted, section
48 8 15.116, as amended in this Act, is amended to read as follows:

48 9 15.116 TECHNOLOGY COMMERCIALIZATION COMMITTEE.

48 10 To evaluate and ~~approve~~ ~~make recommendations to the board~~
48 11 ~~on appropriate funding for the projects and programs referred~~
48 12 ~~to in section 15G.111, subsection 10 applying for financial~~
48 13 ~~assistance from the innovation and commercialization~~

48 14 ~~development fund created in section 15.412~~, the economic
48 15 development board shall create a technology commercialization
48 16 committee composed of members with expertise in the areas of
48 17 biosciences, engineering, manufacturing, pharmaceuticals,
48 18 materials, information solutions, software, and energy. At
48 19 least one member of the technology commercialization committee
48 20 shall be a member of the economic development board. An
48 21 organization designated by the department, composed of members
48 22 from both the public and private sectors and composed of
48 23 subunits or subcommittees in the areas of already identified
48 24 bioscience platforms, education and workforce development,

48 25 commercialization, communication, policy and governance, and
48 26 finance, shall provide funding recommendations to the
48 27 technology commercialization committee.
48 28 3. If 2009 Iowa Acts, Senate File 142, is enacted, section
48 29 15G.115, subsection 2, as enacted in this Act, is amended by
48 30 adding the following new paragraph:

48 31 NEW PARAGRAPH. c. Each application for financial
48 32 assistance from funds allocated by the department for deposit
48 33 in the innovation and commercialization development fund
48 34 pursuant to section 15G.111, subsection 10, shall be reviewed
48 35 by the technology commercialization committee established in
49 1 section 15.116, which shall make a recommendation on each
49 2 application to the board.

49 3 EXPLANATION

49 4 This bill relates to various financial assistance programs
49 5 operated by the department of economic development. The bill
49 6 makes organizational changes to the administration of the grow
49 7 Iowa values fund and the programs funded with moneys
49 8 appropriated to it. The bill also makes related changes to
49 9 the high quality job creation program and the enterprise zone
49 10 program.

49 11 Division I of the bill reorganizes the administration of
49 12 the grow Iowa values fund. While the grow Iowa values fund is
49 13 sometimes referred to as if it were a single program, under
49 14 current law, it is actually an annual appropriation to the
49 15 department of economic development that the department uses to
49 16 fund a number of otherwise unrelated programs. The programs
49 17 the department funds through the grow Iowa values fund include
49 18 the community economic betterment program, the entrepreneurial
49 19 ventures assistance program, the value-added agricultural
49 20 products and processes financial assistance program, the
49 21 physical infrastructure financial assistance program, and the
49 22 loan and credit guarantee program. Each of these programs has
49 23 separate eligibility requirements and financial assistance
49 24 mechanisms, and some have funding sources other than moneys
49 25 appropriated from the grow Iowa values fund. When moneys from
49 26 the grow Iowa values fund are used to fund one of these
49 27 programs, recipients of the moneys are required to pay wages
49 28 at 130 percent of the average county wage, regardless of any
49 29 wage requirements contained in the program itself. If,
49 30 however, a recipient receives financial assistance under one
49 31 of the programs that comes from a funding source other than
49 32 the grow Iowa values fund, the recipient is only subject to
49 33 the job and wage requirements of the program through which the
49 34 financial assistance was received. In order to simplify and
49 35 make uniform the job, wage, and benefit requirements and the
50 1 funding mechanisms of these programs, division I restructures
50 2 the appropriations within the grow Iowa values fund, creates a
50 3 grow Iowa values financial assistance program, repeals the
50 4 programs listed above, and creates a number of components
50 5 within the program, some of which correspond to the repealed
50 6 programs.

50 7 Division I establishes the grow Iowa values fund and
50 8 specifies that the fund consists of moneys from the following
50 9 sources: (1) the annual \$50 million appropriation pursuant to
50 10 Code section 15G.110; (2) interest, loan repayments, and grant
50 11 recaptures of fund moneys; (3) moneys accruing to the
50 12 department from the repealed programs listed above; and (4)
50 13 interest on moneys appropriated to the fund. The department,
50 14 with the board's approval, is authorized to use a portion of
50 15 the moneys accruing to the fund from the accounts or funds
50 16 associated with the repealed programs for covering
50 17 administrative costs and operations.

50 18 Currently, the grow Iowa values fund consists of multiple
50 19 appropriations. Code section 15G.110 appropriates \$50 million
50 20 to the department annually for deposit in the grow Iowa values
50 21 fund, and, for each fiscal year of the fiscal period beginning
50 22 July 1, 2009, Code section 15G.111 appropriates that \$50
50 23 million again in smaller amounts as follows: (1) \$32 million
50 24 to the department for financial assistance programs; (2) \$5
50 25 million to the department for allocation to the regents
50 26 institutions; (3) \$1 million to the department for allocation
50 27 to the department of natural resources for assistance to
50 28 certain state parks; (4) \$1 million to the treasurer of state
50 29 for deposit in the cultural trust fund; (5) \$7 million to the
50 30 department for allocation to community colleges; (6) \$1
50 31 million to the department for financial assistance to economic
50 32 development regions; and (7) \$3 million to the department for
50 33 providing certain commercialization services. Division I
50 34 restructures the multiple appropriations in Code section
50 35 15G.111 as a single appropriation of \$50 million to the

51 1 department, and the department is then directed to allocate
51 2 the same amounts in substantially the same manner as they are
51 3 appropriated under existing law.

51 4 While the allocations are substantially similar to
51 5 appropriations under current law, division I makes the
51 6 following changes to current law: (1) the department's \$32
51 7 million allocation for certain departmental purposes is
51 8 further allocated, including amounts for administrative costs,
51 9 financial assistance to businesses under the program,
51 10 marketing proposals, a labor shed study, responding to
51 11 opportunities and threats, procuring technical assistance,
51 12 covering existing loan guarantees, and \$2 million for deposit
51 13 in the renewable fuel infrastructure fund; (2) the current
51 14 appropriation to the treasurer of state for deposit in the
51 15 cultural trust fund is no longer appropriated to the treasurer
51 16 of state but instead to the department for deposit in the
51 17 cultural trust fund; and (3) the regents institutions, the
51 18 department of natural resources, the department of cultural
51 19 affairs, and the community colleges must submit a plan for
51 20 approval describing their proposed expenditure of allocations
51 21 under Code section 15G.111 to the economic development board
51 22 before the allocated moneys are released.

51 23 Division I establishes a grow Iowa values financial
51 24 assistance program. The purpose of the program is to provide
51 25 financial assistance from the moneys credited to the grow Iowa
51 26 values fund which have not been specifically allocated under
51 27 Code section 15G.111. The program consists of six components
51 28 under which an applicant may qualify for financial assistance:
51 29 (1) a 130 percent wage component; (2) a 100 percent wage
51 30 component; (3) an entrepreneurial component; (4) an
51 31 infrastructure component; (5) a value-added agriculture
51 32 component; and (6) a disaster recovery component. The purpose
51 33 and eligibility requirements of the program components are
51 34 similar in many respects to those of the repealed programs,
51 35 but the requirements of the program components are more
52 1 uniform with each other than those of the repealed programs
52 2 because they are reorganized and administered under a single
52 3 program.

52 4 Division I directs the department, with the approval of the
52 5 board, to allocate from the moneys in the fund an amount of
52 6 financial assistance that may be awarded under each component
52 7 of the program. This allocation among the program components
52 8 is distinct from the \$32 million allocation from the \$50
52 9 million annual appropriation as it encompasses all moneys in
52 10 the fund, including those accruing to the fund from sources
52 11 other than the annual appropriation to the department, as
52 12 described in Code section 15G.111, subsection 1.

52 13 Division I requires the department to calculate a fiscal
52 14 impact ratio before the board approves an award of financial
52 15 assistance under certain components of the program. The board
52 16 is directed to ensure that the amount of each award is
52 17 appropriate to the fiscal impact ratio. The fiscal impact
52 18 ratio is calculated by taking the amount of all taxes to be
52 19 received from a business and dividing that amount by the total
52 20 cost to the state of providing financial incentives to the
52 21 business.

52 22 Division I provides that for each award of financial
52 23 assistance, the department must enter into an agreement with
52 24 the recipient that describes the terms and obligations under
52 25 which the financial assistance is provided. Each agreement
52 26 must contain a project completion date, a maintenance period
52 27 completion date, the number of jobs created or retained, the
52 28 amount of financial assistance provided, and the amount of
52 29 matching funds from a city or county.

52 30 Division I provides for a number of standard requirements
52 31 that every recipient of financial assistance under the program
52 32 must meet: (1) a report on violations of law must be
52 33 submitted; (2) the business cannot have closed or reduced
52 34 operations in one area of the state and simply moved them to
52 35 another area of the state; and (3) providing financial
53 1 assistance to one business cannot have a negative impact on
53 2 other businesses in competition with the business.

53 3 Division I provides that in administering the financial
53 4 assistance program, the department must annually calculate a
53 5 county wage and a regional wage for each county for purposes
53 6 of determining eligibility for financial assistance under the
53 7 program. The county wage and the regional wage are based on
53 8 data from the most recent four quarters of wage and employment
53 9 data as reported by the department of workforce development.
53 10 The county and regional wage calculations do not include the
53 11 value of benefits.

53 12 The county wage is the average of the wages paid for jobs
53 13 performed in the county by employers in all employment
53 14 categories except government, agriculture, and mining. The
53 15 regional wage is an average of certain county wages and is
53 16 calculated as follows: (1) multiplying by four the county
53 17 wage of a county; (2) adding together the county wage of each
53 18 of the counties adjacent to the county; (3) adding the result
53 19 obtained in step 1 to the result obtained in step 2; and (4)
53 20 dividing the result obtained in step 3 by the sum of the
53 21 number of counties adjacent to the county plus four.

53 22 Division I provides for a 130 percent wage component. In
53 23 order to qualify for financial assistance under this
53 24 component, a business must create or retain jobs as part of a
53 25 project and demonstrate that the jobs meet a wage requirement.
53 26 The precise amount and timing of the wage requirement depends
53 27 on whether the business is creating or retaining jobs. For
53 28 created jobs, the requirement is that the jobs pay at least
53 29 100 percent of the qualifying wage threshold at the start of
53 30 the project and at least 130 percent as of the project
53 31 completion and maintenance period completion dates identified
53 32 in the agreement with the department. For retained jobs, the
53 33 wage requirement is that the jobs pay at least 130 percent of
53 34 the qualifying wage threshold throughout the period covered by
53 35 the agreement. The qualifying wage threshold is the county
54 1 wage or the regional wage, as described above, whichever is
54 2 lower.

54 3 In order to qualify under the 130 percent wage component, a
54 4 business must also provide a sufficient benefits package to
54 5 its employees. The department, with board approval, is
54 6 directed to formulate rules determining what constitutes a
54 7 sufficient benefits package. A business providing a
54 8 sufficient benefits package automatically qualifies for a
54 9 credit against the 130 percent qualifying wage threshold. The
54 10 amount of the credit is calculated and applied as follows:
54 11 (1) multiplying by one and three-tenths the qualifying wage
54 12 threshold of the county in which the business is located; (2)
54 13 multiplying the result of step 1 by one-tenth; and (3)
54 14 crediting the amount of the result of step 2 against the
54 15 amount represented by the 130 percent qualifying wage
54 16 threshold requirement. The credit cannot be applied to the
54 17 100 percent qualifying wage threshold that is applicable at
54 18 the beginning of certain projects.

54 19 In order to qualify under the 130 percent wage component, a
54 20 business must also demonstrate that the jobs created or
54 21 retained will have a sufficient impact on state and local
54 22 government revenues, as determined by the department's fiscal
54 23 impact ratio calculation.

54 24 In order to qualify under the 130 percent wage component, a
54 25 business cannot be a retail business or a business where
54 26 entrance is limited by a cover charge or membership
54 27 requirement.

54 28 If a business qualifies for financial assistance under
54 29 another program that has higher wage requirements than the 130
54 30 percent wage component, then the business must meet those
54 31 requirements, regardless of the wage requirements imposed
54 32 under the 130 percent wage component.

54 33 Division I provides for a 100 percent wage component. In
54 34 order to qualify for financial assistance under this
54 35 component, a business must create or retain jobs as part of a
55 1 project and demonstrate that the jobs meet a wage requirement.
55 2 The wage requirement depends on whether the business is
55 3 creating or retaining jobs. The wage requirement for this
55 4 component is that the jobs pay at least 100 percent of the
55 5 qualifying wage threshold throughout all stages of the
55 6 agreement with the department.

55 7 In order to qualify under the 100 percent wage component, a
55 8 business must also provide a sufficient benefits package to
55 9 its employees. The department, with board approval, is
55 10 directed to formulate rules determining what constitutes a
55 11 sufficient benefits package. There is no credit toward the
55 12 qualifying wage threshold under the 100 percent wage
55 13 component.

55 14 As with the 130 percent wage component, a business must
55 15 show a sufficient impact on government revenues, as determined
55 16 by the fiscal impact ratio, and cannot be a retail business or
55 17 a business where entrance is limited by a cover charge or
55 18 membership requirement.

55 19 Division I provides for an entrepreneurial component. This
55 20 component is similar in purpose to the entrepreneurial
55 21 ventures assistance program repealed in division I of the
55 22 bill. In order to qualify under this component, a business

55 23 must be an early-stage business. "Early-stage business" means
55 24 a business which has been competing in a particular industry
55 25 for three years or less. A business must also have consulted
55 26 with and obtained a letter of endorsement from either a
55 27 business accelerator approved by the department or from an
55 28 entrepreneurial development organization recognized by the
55 29 department. Businesses applying for financial assistance
55 30 under this component are not required to have matching funds
55 31 from a city or county. In awarding financial assistance under
55 32 this component, the department and the board are directed to
55 33 give priority to certain industries with the greatest
55 34 potential for growth.

55 35 Division I provides for an infrastructure component. This
56 1 component is similar in purpose to the physical infrastructure
56 2 assistance component repealed in division I of the bill. In
56 3 order to qualify for financial assistance under this
56 4 component, a business or community must be engaged in a
56 5 physical infrastructure project. "Physical infrastructure
56 6 project" means a project that creates necessary infrastructure
56 7 for economic success throughout Iowa, provides the foundation
56 8 for the creation of jobs, and that involves the investment of
56 9 a substantial amount of capital.

56 10 Division I provides for a value-added agriculture
56 11 component. This component is similar in purpose to the
56 12 value-added agricultural products and processes financial
56 13 assistance program repealed in division I of the bill. In
56 14 order to qualify for financial assistance under this
56 15 component, a business must be a production facility engaged in
56 16 the process of adding value to certain agricultural products.
56 17 The board and the department cannot award financial assistance
56 18 under this component in an amount exceeding 50 percent of the
56 19 total capital investment in a project. A business applying
56 20 for financial assistance under this component is eligible for
56 21 financial assistance regardless of whether the business has
56 22 received matching funds from a city or county.

56 23 Division I of the bill provides for a disaster recovery
56 24 component. In order to qualify for financial assistance under
56 25 this component, a business must meet all of the following
56 26 conditions: (1) the business must be located in an area
56 27 declared a disaster area by a federal official; (2) the
56 28 business must have sustained substantial physical damage and
56 29 have closed as the result of a natural disaster; (3) the
56 30 business must have a plan for reopening that includes
56 31 employing a sufficient number of the employees the business
56 32 employed before the natural disaster occurred; and (4) the
56 33 business must pay wages at the same level after reopening as
56 34 it paid before the natural disaster occurred.

56 35 Division I provides for financial assistance under certain
57 1 circumstances constituting either an opportunity or a threat
57 2 to the state. The department, with the approval of the board,
57 3 may award financial assistance to a business, an individual, a
57 4 development corporation, a nonprofit organization, a council
57 5 of governments, or a political subdivision of the state where,
57 6 in the opinion of the department, there is a project
57 7 presenting a unique opportunity for economic development in
57 8 the state, or where there is a need to address a situation
57 9 constituting a threat to the continued economic prosperity of
57 10 the state. Financial assistance provided under these
57 11 circumstances comes from the grow Iowa values fund, but such
57 12 financial assistance is not subject to the standard
57 13 requirements of the grow Iowa values financial assistance
57 14 program or any of its components. The board is directed to
57 15 adopt rules governing the eligibility of projects for this
57 16 form of financial assistance.

57 17 Division I directs the department, with the approval of the
57 18 board, to adopt rules making the terms of agreements with the
57 19 recipients of financial assistance uniform across different
57 20 programs, to the extent possible. These programs include the
57 21 grow Iowa values financial assistance program, the high
57 22 quality jobs program, and the enterprise zone program.

57 23 Division I requires the department to accept and process
57 24 applications for financial assistance under the program before
57 25 preparing them for the board. The due diligence committee
57 26 established by the board pursuant to Code section 15.103 must
57 27 review all applications and make a recommendation to the
57 28 board. Applications for financial assistance under the
57 29 value-added agriculture component must also be reviewed and
57 30 recommended by the agricultural products advisory council
57 31 established pursuant to Code section 15.203. Applications for
57 32 financial assistance related to technology commercialization
57 33 must be reviewed by the technology commercialization

57 34 committee. In overseeing the administration of the grow Iowa
57 35 values fund and financial assistance program, the board must
58 1 take final action on the department's recommended annual
58 2 allocations of fund moneys at the first board meeting after
58 3 the start of a new fiscal year, consider the recommendations
58 4 of the due diligence committee and agricultural products
58 5 advisory council, and take final action on the plans for
58 6 proposed expenditures submitted by the entities receiving
58 7 moneys allocated under Code section 15G.111.

58 8 Division I establishes an accelerated career education fund
58 9 in the state treasury under the control of the department and
58 10 consisting of moneys appropriated to the department for
58 11 purposes of funding the cost of accelerated career education
58 12 program capital projects.

58 13 Division I provides for the transfer of the balance of
58 14 moneys remaining in the various funds and accounts associated
58 15 with the programs abolished in division I of the bill.
58 16 Because there are moneys obligated as guarantees made under
58 17 the loan and credit guarantee program which may become
58 18 unobligated on a future date, division I provides for the
58 19 future transfer of such moneys to the grow Iowa values fund.
58 20 Division I also provides for the transfer to the accelerated
58 21 career education fund of certain past appropriations made to
58 22 the department for purposes of accelerated career education
58 23 program capital projects.

58 24 Division II of the bill relates to the high quality job
58 25 creation program. Currently, the high quality job creation
58 26 program provides financial incentives to businesses that meet
58 27 certain job and wage requirements, but these requirements are
58 28 independent of any similar requirements in programs funded
58 29 through the grow Iowa values fund. Because applicants can
58 30 apply to both programs, they are often subject to differing
58 31 requirements on the same project. Division II applies the job
58 32 creation requirements and the 130 percent qualifying wage
58 33 threshold requirements, including the credit for providing a
58 34 benefits package, of the grow Iowa values financial assistance
58 35 program to the high quality job creation program. These
59 1 changes include making financial assistance under the high
59 2 quality job creation program available for projects retaining
59 3 jobs, thus division II changes the name of the program to the
59 4 high quality jobs program.

59 5 Division II makes some changes to the high quality jobs
59 6 program in addition to the changes necessary to standardize
59 7 certain requirements with the requirements in the grow Iowa
59 8 values financial assistance program. Under current law, the
59 9 department must consider all of the following: (1) whether a
59 10 business that has merged with an Iowa company within the past
59 11 three years has made a good faith effort to hire the workers
59 12 of the acquired company; (2) whether the business has a hiring
59 13 preference for Iowa residents; and (3) whether all known
59 14 environmental permits have been issued and regulations met.

59 15 Division II eliminates these provisions.
59 16 Division II moves the definition of "project completion"
59 17 from the definitions in Code section 15.327 to the sales tax
59 18 refund provision in Code section 15.331A. The provision
59 19 defining "project completion" is only applicable to sales tax
59 20 refunds.

59 21 Currently, the high quality job creation program contains a
59 22 schedule of certain tax incentives available to eligible
59 23 businesses under the program. The schedule is graduated,
59 24 providing increasing investment tax credits and sales tax
59 25 refunds as the number of jobs created and the amount of the
59 26 qualifying investment are increased. The graduated schedule
59 27 contains two tiers: one for jobs paying 130 percent of the
59 28 average county wage and one for jobs paying 160 percent of the
59 29 average county wage. Division II removes the current "average
59 30 county wage" language and replaces it with the qualifying wage
59 31 threshold requirements described in the grow Iowa values
59 32 financial assistance program. The 160 percent tier of
59 33 incentives is eliminated, and the graduated scale of
59 34 incentives is adjusted by changing the number of jobs that are
59 35 required to be created in order to reach certain incentive
60 1 levels.

60 2 Currently, the high quality job creation program provides
60 3 for project-specific waivers from the wage requirements of the
60 4 program. These waivers refer to average county or average
60 5 regional wage calculations. Division II retains the waivers,
60 6 but amends the language of the waiver provisions to reflect
60 7 the county wage and regional wage calculations of the grow
60 8 Iowa values financial assistance program.

60 9 Division III of the bill relates to enterprise zones. Like

60 10 the high quality job creation program, there are
60 11 benefit-related, job-related, and wage-related eligibility
60 12 requirements under the enterprise zone program. Division III
60 13 standardizes some of these requirements with similar
60 14 requirements in the high quality jobs program and the grow
60 15 Iowa values financial assistance program.

60 16 Currently, in order to be eligible, a business must provide
60 17 employees with a benefit plan that pays 80 percent of the cost
60 18 of medical and dental insurance or the monetary equivalent of
60 19 such a plan. Division III standardizes the benefit
60 20 requirement for the enterprise zone program with the benefit
60 21 requirements of the grow Iowa values financial assistance
60 22 program and the high quality jobs program. Specifically, a
60 23 business must provide a sufficient package of benefits to
60 24 employees, but what constitutes sufficient is determined by
60 25 rule.

60 26 Currently, an eligible business under the enterprise zone
60 27 program must pay wages that are at least 90 percent of the
60 28 average county wage, but not less than \$7.50 per hour.
60 29 Division III changes the wage requirement to be 90 percent of
60 30 the qualifying wage threshold, as defined in the grow Iowa
60 31 values financial assistance program. The \$7.50 per hour
60 32 requirement is eliminated.

60 33 Currently, an eligible business under the enterprise zone
60 34 program must create at least 10 full-time positions and
60 35 maintain them for at least 10 years. Division III requires
61 1 instead that 10 full-time positions must be maintained until
61 2 the maintenance period completion date, as defined in the grow
61 3 Iowa values financial assistance program. Currently, under
61 4 certain circumstances in low-population counties, a business
61 5 may only be required to create five jobs initially, with the
61 6 other five jobs to be created within five years. Division III
61 7 eliminates the provision that allows this.

61 8 Currently, an eligible business under the enterprise zone
61 9 program must make a capital investment of at least \$500,000,
61 10 but is allowed to count the fair market value of the building
61 11 and the land, up to \$250,000, toward this capital investment
61 12 requirement if the business will be occupying a vacant
61 13 building suitable for industrial use. Existing businesses
61 14 operating in an enterprise zone for at least five years are
61 15 also eligible for an exemption from the capital investment
61 16 requirement of up to \$250,000. Division III eliminates the
61 17 ability to count the fair market value of the building and the
61 18 land, as well as the exemption for existing businesses.

61 19 Currently, an enterprise zone commission must consider the
61 20 impact an eligible business will have on competing businesses.
61 21 Division III standardizes the language of this requirement
61 22 with similar language in the grow Iowa values financial
61 23 assistance program.

61 24 Currently, an eligible business under the enterprise zone
61 25 program must submit an affidavit on its compliance with
61 26 federal environmental and worker safety laws. Division III
61 27 standardizes this language with similar language in the grow
61 28 Iowa values financial assistance program requiring a report on
61 29 violations of law.

61 30 Division IV of the bill makes amendments to the Code in
61 31 conformance with the changes made in divisions I, II, and III
61 32 of the bill. These amendments include changes to the duties
61 33 of the economic development board's loan and credit guarantee
61 34 committee, adding administration of the grow Iowa values
61 35 financial assistance program to the duties of the board,
62 1 removing references in certain reporting requirements to the
62 2 programs abolished in division I, adding review of
62 3 applications for financial assistance under the value-added
62 4 agriculture component of the grow Iowa values financial
62 5 assistance program to the duties of the agricultural products
62 6 advisory council, removing various references throughout the
62 7 Code to the programs abolished in division I, and changing
62 8 certain provisions to refer to the grow Iowa values financial
62 9 assistance program instead of the grow Iowa values fund or the
62 10 programs abolished in division I.

62 11 Division IV contains two conditional enactments. If House
62 12 Study Bill 109 is enacted, division IV makes certain
62 13 conforming amendments to harmonize sections of the Code.

62 14 LSB 1441HV 83

62 15 tw/rj/14