

House Study Bill 504 - Introduced

SENATE/HOUSE FILE _____

BY (PROPOSED DEPARTMENT OF
ECONOMIC DEVELOPMENT BILL)

A BILL FOR

1 An Act relating to economic development including changes
2 to the administration of certain economic development
3 programs and to the terms served by members of the economic
4 development board and including effective date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

MISCELLANEOUS PROGRAM CHANGES

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3 Section 1. Section 15.335A, subsection 1, paragraph e, Code
4 Supplement 2009, is amended to read as follows:

5 e. The number of jobs is sixteen ~~but not more than thirty or~~
6 more and the amount of the qualifying investment is one of the
7 following:

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

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

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

18 Sec. 2. Section 15.411, subsection 6, Code Supplement 2009,
19 is amended to read as follows:

20 6. The department shall, upon board approval, establish
21 and administer a targeted industries internship program for
22 ~~students of Iowa community colleges, private colleges, or~~
23 ~~institutions of higher learning under the control of the~~
24 ~~state board of regents~~ Iowa students. For purposes of this
25 subsection, "Iowa student" means a student of an Iowa community
26 college, private college, or institution of higher learning
27 under the control of the state board of regents, or a student
28 who graduated from high school in Iowa but now attends an
29 institution of higher learning outside the state of Iowa. The
30 purpose of the program is to link Iowa students to small and
31 medium sized Iowa firms in the targeted industries through
32 internship opportunities. An Iowa employer may receive
33 financial assistance in an amount of one dollar for every
34 two dollars paid by the employer to an intern. The amount
35 of financial assistance shall not exceed three thousand one

1 hundred dollars for any single internship, or nine thousand
2 three hundred dollars for any single employer. In order to be
3 eligible to receive financial assistance under this subsection,
4 the employer must have five hundred or fewer employees and
5 must be engaged in a targeted industry. The department shall
6 encourage youth who reside in economically distressed areas,
7 youth adjudicated to have committed a delinquent act, and youth
8 transitioning out of foster care to participate in the targeted
9 industries internship program.

10 Sec. 3. Section 15G.111, subsection 5, paragraph c, Code
11 Supplement 2009, is amended to read as follows:

12 c. The state board of regents shall annually prepare a
13 report for submission to the governor, the general assembly,
14 the department, and the legislative services agency regarding
15 the activities, projects, and programs funded with moneys
16 allocated under this subsection. The report shall be provided
17 in an electronic format and shall include a list of metrics and
18 criteria mutually agreed to in advance by the board of regents
19 and the department. The metrics and criteria shall allow the
20 governor's office, the general assembly, and the department
21 to quantify and evaluate the progress of the board of regents
22 institutions with regard to their activities, projects,
23 and programs in the areas of technology commercialization,
24 entrepreneurship, regional development, and market research.

25 Sec. 4. EFFECTIVE UPON ENACTMENT. The following provision
26 of this division of this Act, being deemed of immediate
27 importance, takes effect upon enactment:

28 1. Section 1 of this Act amending section 15.335A.

29 DIVISION II

30 ECONOMIC DEVELOPMENT BOARD

31 Sec. 5. Section 15.103, subsection 1, paragraph a, Code
32 Supplement 2009, is amended to read as follows:

33 a. The Iowa economic development board is created,
34 consisting of fifteen voting members appointed by the governor
35 and seven ex officio, nonvoting members. The ex officio,

1 nonvoting members are four legislative members; one president,
2 or the president's designee, of the university of northern
3 Iowa, the university of Iowa, or Iowa state university of
4 science and technology designated by the state board of regents
5 on a rotating basis; and one president, or the president's
6 designee, of a private college or university appointed by the
7 Iowa association of independent colleges and universities;
8 and one superintendent, or the superintendent's designee, of
9 a community college, appointed by the Iowa association of
10 community college presidents. The legislative members are two
11 state senators, one appointed by the president of the senate
12 after consultation with the majority leader of the senate,
13 and one appointed by the minority leader of the senate from
14 their respective parties; and two state representatives, one
15 appointed by the speaker and one appointed by the minority
16 leader of the house of representatives from their respective
17 parties. Not more than eight of the voting members shall
18 be from the same political party. Beginning with the first
19 appointment to the board made after July 1, 2005, at least one
20 voting member shall have been less than thirty years of age
21 at the time of appointment. The governor shall appoint the
22 voting members of the board ~~for a term~~ to staggered terms of
23 four years beginning and ending as provided by section 69.19,
24 subject to confirmation by the senate, and the governor's
25 appointments shall include persons knowledgeable of the various
26 elements of the department's responsibilities.

27 Sec. 6. ECONOMIC DEVELOPMENT BOARD MEMBER TERMS.

28 Notwithstanding the four-year term required by section 15.103
29 for members of the economic development board, and in order to
30 ensure that members of the board serve staggered terms, of the
31 fifteen members initially appointed after the effective date of
32 this Act, the governor shall appoint seven members to terms of
33 two years and eight members to terms of four years.

1 Sec. 7. EFFECTIVE UPON ENACTMENT. This division of this
2 Act, being deemed of immediate importance, takes effect upon

3 enactment.

4

EXPLANATION

5 This bill makes miscellaneous changes to certain economic
6 development programs and staggers the terms served by members
7 of the economic development board.

8 Currently, the tax incentives for the high quality jobs
9 program do not allow incentives for a business creating 31 or
10 more jobs unless that business invests \$10 million or more.
11 The bill adjusts the program's incentive schedule to allow
12 incentives to be provided to businesses investing less than \$10
13 million provided they create at least 16 jobs.

14 The department of economic development currently operates a
15 targeted industries internship program for students attending
16 an institution of higher learning in Iowa. The bill allows
17 students who graduated from an Iowa high school, but now
18 attend an institution of higher learning in another state, to
19 participate in the program.

20 Currently, the board of regents must prepare an annual
21 report for the governor, the general assembly, the department,
22 and the legislative services agency regarding the activities,
23 projects, and programs funded with the \$5 million received
24 by the regents as part of the annual grow Iowa values
25 appropriation. The bill directs the board of regents and the
26 department to mutually agree on certain metrics and criteria
27 for evaluating the success of the activities, projects, and
28 programs funded with those moneys, particularly as they relate
29 to the areas of technology commercialization, entrepreneurship,
30 regional development, and market research.

31 Currently, the economic development board's 15 members
32 appointed by the governor all serve four-year terms that expire
33 on the same date. The bill provides for the staggering of
34 these terms, and, since the terms of the current board members
35 expire on April 30, 2010, the bill takes effect upon enactment.