

# Senate File 344 - Introduced

SENATE FILE \_\_\_\_\_  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO SSB 1241)

Passed Senate, Date \_\_\_\_\_ Passed House, 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 1441SV 83  
8 tw/rj/14

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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.~~

~~3 35 (d) The value-added agricultural products and processes  
4 1 financial assistance program established pursuant to section  
4 2 15E.111.~~

~~4 3 (e) The physical infrastructure financial assistance  
4 4 program established pursuant to section 15E.175.~~

~~4 5 (f) The loan and credit guarantee program established  
4 6 pursuant to section 15E.224.~~

~~4 7 b. Each year that moneys are appropriated under this  
4 8 subsection, the department shall allocate a percentage of the  
4 9 moneys for each of the following types of activities:~~

~~4 10 (1) Business start-ups.~~

~~4 11 (2) Business expansion.~~

~~4 12 (3) Business modernization.~~

~~4 13 (4) Business attraction.~~

~~4 14 (5) Business retention.~~

~~4 15 (6) Marketing.~~

~~4 16 (7) Research and development.~~

~~4 17 c. The department shall require an applicant for moneys  
4 18 appropriated under this subsection to include in the  
4 19 application a statement regarding the intended return on  
4 20 investment. A recipient of moneys appropriated under this~~

~~4 21 subsection shall annually submit a statement to the department  
4 22 regarding the progress achieved on the intended return on  
4 23 investment stated in the application. A recipient of moneys~~

~~4 24 appropriated under this subsection shall also annually submit  
4 25 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 b. In awarding financial assistance in a fiscal year from  
7 2 moneys appropriated to the fund pursuant to section 15G.110,  
7 3 the department shall commit, obligate, or promise not more  
7 4 than fifty percent of the moneys appropriated from the fund  
7 5 and allocated pursuant to subsection 4, for use during the  
7 6 first fiscal year following the fiscal year in which the  
7 7 financial assistance is awarded and not more than twenty-five  
7 8 percent of the moneys appropriated from the fund and allocated  
7 9 pursuant to subsection 4, for use during the second fiscal  
7 10 year following the fiscal year in which the financial  
7 11 assistance is awarded.

7 12 c. Moneys credited to the fund are not subject to section  
7 13 8.33. Notwithstanding section 12C.7, interest or earnings on  
7 14 moneys in the fund shall be credited to the fund.

7 15 d. Of the moneys accruing to the fund pursuant to  
7 16 subsection 1, paragraph "c", the department, with the approval  
7 17 of the board, may allocate an amount necessary to fund  
7 18 administrative and operations costs. An allocation pursuant  
7 19 to this section may be made in addition to any allocations  
7 20 made pursuant to subsection 4, paragraph "a".

7 21 3. APPROPRIATION. For each fiscal year of the fiscal  
7 22 period beginning July 1, 2009, and ending June 30, 2015, there  
7 23 is appropriated from the fund to the department of economic  
7 24 development for purposes of making expenditures pursuant to  
7 25 this chapter fifty million dollars.

7 26 4. DEPARTMENTAL PURPOSES. Of the moneys appropriated to  
7 27 the department pursuant to subsection 3, the department shall  
7 28 allocate thirty-two million dollars each fiscal year as  
7 29 follows:

7 30 a. For administrative costs, an amount not more than two  
7 31 and one-half percent of the moneys subject to allocation under  
7 32 this subsection.

7 33 b. For awards of financial assistance pursuant to section  
7 34 15G.112, an amount approved by the board.

7 35 c. For marketing proposals pursuant to section 15G.109, an  
8 1 amount approved by the board.

8 2 d. For a statewide labor shed study conducted in  
8 3 coordination with the department of workforce development, an  
8 4 amount approved by the board.

8 5 e. For responding to opportunities and threats, as  
8 6 described in section 15G.113, an amount approved by the board.

8 7 f. For procuring technical assistance from either the  
8 8 public or private sector and for information technology  
8 9 purposes, an amount approved by the board.

8 10 g. For covering existing guarantees made under the loan  
8 11 and credit guarantee program established pursuant to section  
8 12 15E.224, Code 2009, an amount approved by the board.

8 13 h. During the fiscal year beginning July 1, 2009, and  
8 14 ending June 30, 2010, for deposit in the renewable fuel  
8 15 infrastructure fund as provided in section 15G.205, two  
8 16 million dollars. This paragraph is repealed on July 1, 2010.

8 17 5. BOARD OF REGENTS INSTITUTIONS. Of the moneys  
8 18 appropriated to the department pursuant to subsection 3, the  
8 19 department shall allocate five million dollars each fiscal  
8 20 year for financial assistance to institutions of higher  
8 21 learning under the control of the state board of regents.

8 22 a. The financial assistance allocated pursuant to this  
8 23 subsection is for capacity building infrastructure in areas  
8 24 related to technology commercialization, for marketing and  
8 25 business development efforts in areas related to technology  
8 26 commercialization, entrepreneurship, and business growth, and  
8 27 for infrastructure projects and programs needed to assist in  
8 28 the implementation of activities under chapter 262B.

8 29 b. In allocating moneys to institutions under the control  
8 30 of the state board of regents, the board shall require the  
8 31 institutions to provide a one-to-one match of additional  
8 32 moneys for the activities funded with moneys appropriated  
8 33 under this subsection.

8 34 c. The state board of regents shall annually prepare a  
8 35 report for submission to the governor, the general assembly,  
9 1 the department, and the legislative services agency regarding  
9 2 the activities, projects, and programs funded with moneys  
9 3 appropriated allocated under this subsection.

9 4 b- d. The state board of regents may allocate disburse  
9 5 any moneys appropriated allocated under this subsection and  
9 6 received from the department for financial assistance to a  
9 7 single biosciences development organization determined by the  
9 8 department to possess expertise in promoting the area of  
9 9 bioscience entrepreneurship. The organization must be  
9 10 composed of representatives of both the public and the private

9 11 sector and shall be composed of subunits or subcommittees in  
9 12 the areas of existing identified biosciences platforms,  
9 13 education and workforce development, commercialization,  
9 14 communication, policy and governance, and finance. Such  
9 15 financial assistance shall be used for purposes of activities  
9 16 related to biosciences and bioeconomy development under  
9 17 chapter 262B, and to accredited private universities in this  
9 18 state.

~~9 19 3. For the fiscal period beginning July 1, 2005, and  
9 20 ending June 30, 2015, there is appropriated each fiscal year  
9 21 from the grow Iowa values fund created in section 15G.108 to  
9 22 the department of economic development~~

~~9 23 6. STATE PARKS. Of the moneys appropriated to the  
9 24 department pursuant to subsection 3, the department shall  
9 25 allocate one million dollars each fiscal year for purposes of  
9 26 providing financial assistance for projects in targeted state  
9 27 parks, state banner parks, and destination parks.~~

~~9 28 a. The department of natural resources shall submit a plan  
9 29 to the department of economic development board for the  
9 30 proposed expenditure of moneys appropriated under received  
9 31 from the department pursuant to this subsection. The plan  
9 32 shall focus on improving state parks, state banner parks, and  
9 33 destination parks for economic development purposes. The  
9 34 board shall approve, deny, modify, or defer proposed  
9 35 expenditures under the plan. Based on the report plan~~

~~10 1 submitted and the action of the board in regard to the plan,  
10 2 the department of economic development shall provide financial  
10 3 assistance to the department of natural resources for support  
10 4 of state parks, state banner parks, and destination parks.~~

~~10 5 b. For purposes of this subsection, "state banner park"  
10 6 means a park with multiple uses and which focuses on the  
10 7 economic development benefits of a community or area of the  
10 8 state.~~

~~10 9 4. For the fiscal period beginning July 1, 2005, and  
10 10 ending June 30, 2015, there is appropriated each fiscal year  
10 11 from the grow Iowa values fund created in section 15G.108 to  
10 12 the office of the treasurer of state~~

~~10 13 7. CULTURAL TRUST FUND. Of the moneys appropriated to the  
10 14 department pursuant to subsection 3, the department shall  
10 15 allocate one million dollars each fiscal year for deposit in  
10 16 the Iowa cultural trust fund created in section 303A.4.~~

~~10 17 5. For the fiscal period beginning July 1, 2005, and  
10 18 ending June 30, 2015, there is appropriated each fiscal year  
10 19 from the grow Iowa values fund created in section 15G.108 to  
10 20 the department of economic development~~

~~10 21 8. COMMUNITY COLLEGES. Of the moneys appropriated to the  
10 22 department pursuant to subsection 3, the department shall  
10 23 allocate seven million dollars each fiscal year for deposit  
10 24 into the workforce training and economic development funds of  
10 25 the community colleges created pursuant to section 260C.18A.~~

~~10 26 6. a. For the fiscal period beginning July 1, 2005, and  
10 27 ending June 30, 2015, there is appropriated each fiscal year  
10 28 from the grow Iowa values fund created in section 15G.108 to  
10 29 the department of economic development~~

~~10 30 9. REGIONAL FINANCIAL ASSISTANCE. Of the moneys  
10 31 appropriated to the department pursuant to subsection 3, the  
10 32 department shall allocate one million dollars each fiscal year  
10 33 for providing economic development region financial assistance  
10 34 under section 15E.232, subsections 3, 5, 6, 7, and 8, and  
10 35 under section 15E.233, and for providing financial assistance  
11 1 for business accelerators pursuant to section 15E.351.~~

~~11 2 b. a. Of the moneys appropriated allocated in this  
11 3 subsection, the department shall transfer three hundred fifty  
11 4 thousand dollars each fiscal year for the fiscal period  
11 5 beginning July 1, 2005 2009, and ending June 30, 2015, to Iowa  
11 6 state university of science and technology, for purposes of  
11 7 providing financial assistance to establish small business  
11 8 development centers in areas of the state previously served by  
11 9 a small business development center, to develop business  
11 10 succession plans, and to maintain existing small business  
11 11 development centers. Of the three hundred fifty thousand  
11 12 dollars transferred each fiscal year pursuant to this  
11 13 paragraph, not more than one hundred thousand dollars shall be  
11 14 used for business succession activities. Financial assistance  
11 15 for a small business development center shall not exceed fifty  
11 16 thousand dollars per fiscal year and shall not be awarded  
11 17 unless the city or county where the center is located or  
11 18 scheduled to be located demonstrates the ability to obtain  
11 19 local matching moneys on a dollar-for-dollar basis for at  
11 20 least twenty-five percent of the cost of the center.~~

~~11 21 c. b. Of the moneys appropriated allocated under this~~

11 22 subsection, the department may use up to fifty thousand  
11 23 dollars each fiscal year during the fiscal period beginning  
11 24 July 1, ~~2005~~ 2009, and ending June 30, 2015, for purposes of  
11 25 providing training, materials, and assistance to Iowa business  
11 26 resource centers.

~~11 27 7. a. For the fiscal period beginning July 1, 2006, and  
11 28 ending June 30, 2009, there is appropriated for each fiscal  
11 29 year from the grow Iowa values fund created in section 15G.108  
11 30 two million dollars for deposit in the renewable fuel  
11 31 infrastructure fund as provided in section 15G.205.~~

~~11 32 b. This subsection is repealed on July 1, 2009.~~

~~11 33 8. For the fiscal period beginning July 1, 2007, and  
11 34 ending June 30, 2015, there is appropriated for each fiscal  
11 35 year from the grow Iowa values fund created in section 15G.108~~

~~12 1 to the department of economic development  
12 2 10. COMMERCIALIZATION SERVICES. Of the moneys  
12 3 appropriated to the department pursuant to subsection 3, the  
12 4 department shall allocate three million dollars for the  
12 5 purpose of providing the commercialization services described  
12 6 in section 15.411, subsections 2 and 3.~~

~~12 7 9. For the fiscal period beginning July 1, 2008, and  
12 8 ending June 30, 2015, from the moneys appropriated each fiscal  
12 9 year from the grow Iowa values fund created in section  
12 10 15G.108, to the department for program administration pursuant  
12 11 to subsection 1, paragraph "a", the department may allocate up  
12 12 to five million dollars to projects qualifying for assistance  
12 13 under the physical infrastructure financial assistance program  
12 14 established pursuant to section 15E.175 which, notwithstanding  
12 15 section 15G.112, shall not be subject to job or wage  
12 16 requirements. The department may allocate moneys from the  
12 17 grow Iowa values fund above five million dollars each year to  
12 18 projects qualifying for assistance under the physical  
12 19 infrastructure financial assistance program but such projects  
12 20 shall be subject to the job and wage requirements of section  
12 21 15G.112.~~

~~12 22 10. Notwithstanding section 8.33, moneys that remain  
12 23 unexpended at the end of a fiscal year shall not revert to any  
12 24 fund but shall remain available for expenditure for the  
12 25 designated purposes during the succeeding fiscal year.~~

~~12 26 Sec. 3. Section 15G.112, Code 2009, is amended by striking  
12 27 the section and inserting in lieu thereof the following:~~

~~12 28 15G.112 GROW IOWA VALUES FINANCIAL ASSISTANCE PROGRAM.~~

~~12 29 1. PROGRAM ESTABLISHED.~~

~~12 30 a. The department shall establish and administer a grow  
12 31 Iowa values financial assistance program for purposes of  
12 32 providing financial assistance from the fund to applicants.  
12 33 The financial assistance shall be provided from moneys  
12 34 credited to the grow Iowa values fund and not otherwise  
12 35 obligated or allocated pursuant to section 15G.111.~~

~~13 1 b. The program shall consist of the components described  
13 2 in subsections 4 through 9. Each fiscal year, the department,  
13 3 with the approval of the board, shall allocate an amount of  
13 4 financial assistance from the fund that may be awarded under  
13 5 each component of the program to qualifying applicants.~~

~~13 6 c. In making awards of financial assistance pursuant to  
13 7 subsections 4 and 5, the department shall calculate the fiscal  
13 8 impact ratio, and in reviewing each application to determine  
13 9 the amount of financial assistance to award, the board shall  
13 10 ensure that the amount of each award is appropriate to the  
13 11 fiscal impact ratio of the project.~~

~~13 12 d. For each award of financial assistance under the  
13 13 program, the department and the recipient of the financial  
13 14 assistance shall enter into an agreement describing the terms  
13 15 and obligations under which the financial assistance is being  
13 16 provided. The department may negotiate, subject to approval  
13 17 by the board, the terms and obligations of the agreement. An  
13 18 agreement shall contain but need not be limited to all of the  
13 19 following terms and obligations:~~

~~13 20 (1) A project completion date.~~

~~13 21 (2) A maintenance period completion date.~~

~~13 22 (3) The number of jobs to be created or retained.~~

~~13 23 (4) The amount of financial assistance to be provided  
13 24 under the program.~~

~~13 25 (5) An amount of matching funds from a city or county.  
13 26 The department shall adopt by rule a formula for determining  
13 27 the amount of matching funds required.~~

~~13 28 e. The department may enforce the terms and obligations of  
13 29 agreements described in paragraph "d".~~

~~13 30 f. A recipient of financial assistance shall meet all  
13 31 terms and obligations in an agreement by the project~~

~~13 32 completion date, but the board may for good cause extend the~~

13 33 project completion date.  
13 34 g. During the maintenance period, a recipient of financial  
13 35 assistance shall continue to comply with the terms and  
14 1 obligations of an agreement entered into pursuant to paragraph  
14 2 "d".  
14 3 h. If a business that is approved to receive financial  
14 4 assistance experiences a layoff within this state or closes  
14 5 any of its facilities within this state, the board has the  
14 6 discretion to reduce or eliminate some or all of the amount of  
14 7 financial assistance to be received. If a business has  
14 8 received financial assistance under this part and experiences  
14 9 a layoff within this state or closes any of its facilities  
14 10 within this state, the business may be subject to repayment of  
14 11 all or a portion of the incentives that the business has  
14 12 received.

14 13 2. STANDARD PROGRAM REQUIREMENTS. In addition to the  
14 14 eligibility requirements of the individual program components  
14 15 applicable to the financial assistance sought, a business  
14 16 shall be subject to all of the following requirements:  
14 17 a. The business shall submit to the department with its  
14 18 application for financial assistance a report describing all  
14 19 violations of environmental law or worker safety law within  
14 20 the last five years. If, upon review of the application, the  
14 21 board finds that a business has a record of violations of the  
14 22 law, statutes, rules, or regulations that tends to show a  
14 23 consistent pattern, the board shall not make an award of  
14 24 financial assistance to the business unless the board finds  
14 25 either that the violations did not seriously affect public  
14 26 health, public safety, or the environment, or, if such  
14 27 violations did seriously affect public health, public safety,  
14 28 or the environment, that mitigating circumstances were  
14 29 present.  
14 30 b. The business shall not have closed, or substantially  
14 31 reduced, operations in one area of this state and relocated  
14 32 substantially the same operations in a community in another  
14 33 area of this state. However, this paragraph shall not be  
14 34 construed to prohibit a business from expanding its operation  
14 35 in a community if existing operations of a similar nature in  
15 1 this state are not closed or substantially reduced.  
15 2 c. The proposed project shall not negatively impact other  
15 3 businesses in competition with the business being considered  
15 4 for assistance. The department shall make a good faith effort  
15 5 to identify existing Iowa businesses within an industry in  
15 6 competition with the business being considered for financial  
15 7 assistance. The department shall make a good faith effort to  
15 8 determine the probability that the proposed financial  
15 9 assistance will displace employees of the existing businesses.  
15 10 In determining the impact on businesses in competition with  
15 11 the business being considered for financial assistance, jobs  
15 12 created or retained as a result of other jobs being displaced  
15 13 elsewhere in the state shall not be considered direct jobs  
15 14 created or retained.

15 15 3. COUNTY AND REGIONAL WAGE CALCULATIONS.  
15 16 a. In administering the financial assistance program, the  
15 17 department shall annually calculate a county wage and a  
15 18 regional wage for each county for purposes of determining the  
15 19 eligibility of applicants for financial assistance under the  
15 20 program.  
15 21 (1) The county wage and the regional wage shall be an  
15 22 hourly wage rate based on data from the most recent four  
15 23 quarters of wage and employment information from the quarterly  
15 24 covered wage and employment data report issued by the  
15 25 department of workforce development.  
15 26 (2) The department shall not include the value of benefits  
15 27 when calculating the county wage or the regional wage.  
15 28 b. The county wage shall be the average of the wages paid  
15 29 for jobs performed in the county by employers in all  
15 30 employment categories except the employment categories of  
15 31 government, agriculture, and mining.  
15 32 c. The regional wage shall be calculated as follows:  
15 33 (1) Multiplying by four the county wage of a county.  
15 34 (2) Adding together the county wage of each of the  
15 35 counties adjacent to the county.  
16 1 (3) Adding the result obtained in subparagraph (1) to the  
16 2 result obtained in subparagraph (2).  
16 3 (4) Dividing the result obtained in subparagraph (3) by  
16 4 the sum of the number of counties adjacent to the county plus  
16 5 four.

16 6 4. ONE HUNDRED THIRTY PERCENT WAGE COMPONENT.  
16 7 a. In order to qualify for financial assistance under this  
16 8 component of the program, a business shall meet all of the

16 9 following requirements:

16 10 (1) The business shall create or retain jobs as part of a  
16 11 project, and the jobs created or retained shall meet one of  
16 12 the following requirements:

16 13 (a) If the business is creating jobs, the business shall  
16 14 demonstrate that the jobs will pay at least one hundred  
16 15 percent of the qualifying wage threshold at the start of the  
16 16 project completion period, at least one hundred thirty percent  
16 17 of the qualifying wage threshold by the project completion  
16 18 date, and at least one hundred thirty percent of the  
16 19 qualifying wage threshold until the maintenance period  
16 20 completion date.

16 21 (b) If the business is retaining jobs, the business shall  
16 22 demonstrate that the jobs retained will pay at least one  
16 23 hundred thirty percent of the qualifying wage threshold  
16 24 throughout both the project completion period and the  
16 25 maintenance period.

16 26 (2) The business shall provide a sufficient package of  
16 27 benefits to each employee holding a created or retained job.  
16 28 The board, at the recommendation of the department, shall  
16 29 adopt rules determining what constitutes a sufficient package  
16 30 of benefits.

16 31 (3) The business shall demonstrate that the jobs created  
16 32 or retained will have a sufficient impact on state and local  
16 33 government revenues as determined by the department after  
16 34 calculating the fiscal impact ratio of the project.

16 35 (4) The business shall not be a retail business or a  
17 1 business where entrance is limited by a cover charge or  
17 2 membership requirement.

17 3 b. A business providing a sufficient package of benefits  
17 4 to each employee holding a created or retained job shall  
17 5 qualify for a credit against any of the one hundred thirty  
17 6 percent qualifying wage threshold requirements described in  
17 7 paragraph "a", subparagraph (1). The credit shall be  
17 8 calculated and applied as follows:

17 9 (1) By multiplying the qualifying wage threshold of the  
17 10 county in which the business is located by one and  
17 11 three-tenths.

17 12 (2) By multiplying the result of subparagraph (1) by  
17 13 one-tenth.

17 14 (3) The amount of the result of subparagraph (2) shall be  
17 15 credited against the amount of the one hundred thirty percent  
17 16 qualifying wage threshold requirement that the business is  
17 17 required to meet under paragraph "a", subparagraph (1).

17 18 (4) The credit shall not be applied against the one  
17 19 hundred percent of qualifying wage threshold requirement  
17 20 described in paragraph "a", subparagraph (1).

17 21 c. Notwithstanding the qualifying wage threshold  
17 22 requirements described in paragraph "a", subparagraph (1), if  
17 23 a business is also the recipient of financial assistance under  
17 24 another program administered by the department, and the other  
17 25 program requires the payment of higher wages than the wages  
17 26 required under this subsection, the business shall be required  
17 27 to pay the higher wages.

17 28 d. An applicant may apply to the board for a waiver of the  
17 29 qualifying wage threshold requirements of this subsection.

17 30 5. ONE HUNDRED PERCENT WAGE COMPONENT. In order to  
17 31 qualify for financial assistance under this component of the  
17 32 program, a business shall meet all of the following  
17 33 requirements:

17 34 a. The business shall create or retain jobs as part of a  
17 35 project, and the jobs created or retained shall meet one of  
18 1 the following qualifying wage thresholds:

18 2 (1) If the business is creating jobs, the business shall  
18 3 demonstrate that the jobs pay at least one hundred percent of  
18 4 the qualifying wage threshold at the start of the project  
18 5 completion period, by the project completion date, and until  
18 6 the maintenance period completion date.

18 7 (2) If the business is retaining jobs, the business shall  
18 8 demonstrate that the jobs retained will pay at least one  
18 9 hundred percent of the qualifying wage threshold throughout  
18 10 both the project completion period and the maintenance period.

18 11 b. The business shall provide a sufficient package of  
18 12 benefits to each employee holding a created or retained job.  
18 13 The board, at the recommendation of the department, shall  
18 14 adopt rules determining what constitutes a sufficient package  
18 15 of benefits.

18 16 c. The business shall demonstrate that the jobs created or  
18 17 retained will have a sufficient impact on state and local  
18 18 government revenues as determined by the department after  
18 19 calculating the fiscal impact ratio of the project.



18 20 d. The business shall not be a retail business or a  
18 21 business where entrance is limited by a cover charge or  
18 22 membership requirement.

18 23 6. ENTREPRENEURIAL COMPONENT.

18 24 a. In order to qualify for financial assistance under the  
18 25 entrepreneurial component of the program, a business shall  
18 26 meet all of the following requirements:

18 27 (1) The business shall be an early-stage business. For  
18 28 purposes of this subparagraph, "early-stage business" means a  
18 29 business that has been competing in a particular industry for  
18 30 three years or less.

18 31 (2) The business shall have consulted with and obtained a  
18 32 letter of endorsement from either a business accelerator  
18 33 approved by the department or from an entrepreneurial  
18 34 development organization recognized by the department.

18 35 b. Notwithstanding subsection 1, paragraph "d",  
19 1 subparagraph (5), a business applying for financial assistance  
19 2 under the entrepreneurial component is eligible for financial  
19 3 assistance regardless of whether the business has received  
19 4 matching funds from a city or county.

19 5 c. In awarding financial assistance under the  
19 6 entrepreneurial component of the program, the department and  
19 7 the board shall give priority to businesses in those sectors  
19 8 of the Iowa economy with the greatest potential for growth and  
19 9 expansion. Sectors having such potential include but are not  
19 10 limited to biotechnology, recyclable materials, software  
19 11 development, computer-related products, advanced materials,  
19 12 advanced manufacturing, and medical and surgical instruments.

19 13 7. INFRASTRUCTURE COMPONENT. In order to qualify for  
19 14 financial assistance under the infrastructure component of the  
19 15 program, a business or community shall be engaged in a  
19 16 physical infrastructure project. For purposes of this  
19 17 subsection, "physical infrastructure project" means a project  
19 18 that creates necessary infrastructure for economic success  
19 19 throughout Iowa, provides the foundation for the creation of  
19 20 jobs, and that involves the investment of a substantial amount  
19 21 of capital. Physical infrastructure projects include but are  
19 22 not limited to projects involving any mode of transportation;  
19 23 public works and utilities such as sewer, water, power, or  
19 24 telecommunications; physical improvements that mitigate,  
19 25 prevent, or eliminate environmental contamination; and other  
19 26 similar projects deemed to be physical infrastructure by the  
19 27 department.

19 28 8. VALUE-ADDED AGRICULTURE COMPONENT.

19 29 a. In order to qualify for financial assistance under the  
19 30 value-added agriculture component of the program, a business  
19 31 shall be a production facility engaged in the process of  
19 32 adding value to agricultural products. Projects considered  
19 33 eligible under this subsection include but are not limited to  
19 34 innovative agricultural products and processes, innovative and  
19 35 new renewable fuels, agricultural biotechnology, biomass and  
20 1 alternative energy production, and organic products and  
20 2 emerging markets. Financial assistance is available for  
20 3 project development as well as project creation.

20 4 b. The board and the department shall not award financial  
20 5 assistance under the value-added agriculture component in an  
20 6 amount exceeding fifty percent of the total capital investment  
20 7 in a project.

20 8 c. Notwithstanding subsection 1, paragraph "d",  
20 9 subparagraph (5), a business applying for financial assistance  
20 10 under the value-added agriculture component is eligible for  
20 11 financial assistance regardless of whether the business has  
20 12 received matching funds from a city or county.

20 13 9. DISASTER RECOVERY COMPONENT. In order to qualify for  
20 14 financial assistance under the disaster recovery component of  
20 15 the program, a business shall meet all of the following  
20 16 conditions:

20 17 a. The business is located in an area declared a disaster  
20 18 area by a federal official.

20 19 b. The business has sustained substantial physical damage  
20 20 and has closed as the result of a natural disaster.

20 21 c. The business has a plan for reopening that includes  
20 22 employing a sufficient number of the employees the business  
20 23 employed before the natural disaster occurred. The department  
20 24 shall adopt rules governing the number of employees that is  
20 25 sufficient under this paragraph.

20 26 d. The business will pay wages at the same level after  
20 27 reopening as the business paid before the natural disaster  
20 28 occurred.

20 29 Sec. 4. NEW SECTION. 15G.113 OPPORTUNITIES AND THREATS.

20 30 1. The department, with the approval of the board, may

20 31 award financial assistance from the fund to a business, an  
20 32 individual, a development corporation, a nonprofit  
20 33 organization, an organization established in section 28H.1, or  
20 34 a political subdivision of this state if, in the opinion of  
20 35 the department, a project presents a unique opportunity for  
21 1 economic development in this state, or if the project  
21 2 addresses a situation constituting a threat to the continued  
21 3 economic prosperity of this state.

21 4 2. The board shall adopt rules governing the eligibility  
21 5 of projects for financial assistance pursuant to this section.

21 6 Sec. 5. NEW SECTION. 15G.114 RULES.

21 7 1. The board, upon the recommendation of the department,  
21 8 shall adopt rules for the administration of this chapter in  
21 9 accordance with chapter 17A.

21 10 2. To the extent necessary, the rules shall provide for  
21 11 the inclusion of uniform terms and obligations in agreements  
21 12 between the department and the recipients of financial  
21 13 assistance under the grow Iowa values financial assistance  
21 14 program, the high quality jobs program, and the enterprise  
21 15 zone program. For purposes of this section, "terms and  
21 16 obligations" includes but is not limited to the created or  
21 17 retained jobs, qualifying wage thresholds, project completion  
21 18 dates, project completion periods, maintenance periods, and  
21 19 maintenance period completion dates that are applicable to the  
21 20 grow Iowa values financial assistance program, the high  
21 21 quality job creation program, and the enterprise zone program.

21 22 Sec. 6. NEW SECTION. 15G.115 APPLICATIONS == ADVISORY  
21 23 BODY RECOMMENDATIONS == FINAL BOARD ACTIONS.

21 24 1. The department shall accept and process applications  
21 25 for financial assistance under the grow Iowa values financial  
21 26 assistance program. After processing the applications, the  
21 27 department shall prepare them for review by advisory  
21 28 committees and for final action by the board as described in  
21 29 this section.

21 30 2. a. Each application from a business for financial  
21 31 assistance under the grow Iowa values financial assistance  
21 32 program shall be reviewed by the due diligence committee  
21 33 established by the board pursuant to section 15.103,  
21 34 subsection 6. The due diligence committee shall make a  
21 35 recommendation on each application to the board.

22 1 b. Each application from a business for financial  
22 2 assistance under the value-added agriculture component of the  
22 3 grow Iowa values financial assistance program shall be  
22 4 reviewed by the agricultural products advisory council  
22 5 established in section 15.203, which shall make a  
22 6 recommendation on each application to the board.

22 7 3. In overseeing the administration of the grow Iowa  
22 8 values fund and grow Iowa values financial assistance program  
22 9 pursuant to this chapter, the board shall do all of the  
22 10 following:

22 11 a. At the first scheduled meeting of the board after the  
22 12 start of a new fiscal year, take final action on all of the  
22 13 following:

22 14 (1) The department's recommendations for the annual fiscal  
22 15 year allocation of moneys in the fund, as provided in section  
22 16 15G.111, subsection 4. The board may adjust the allocation of  
22 17 moneys during the fiscal year as necessary.

22 18 (2) The department's recommendations for the allocation of  
22 19 moneys among the program components referred to in section  
22 20 15G.112, subsection 1, paragraph "b". The board may adjust  
22 21 the allocation of moneys during the fiscal year as necessary.

22 22 b. Consider the recommendation of the due diligence  
22 23 committee and the agricultural products advisory council on  
22 24 each application for financial assistance, as described in  
22 25 subsection 2, and take final action on each application.

22 26 c. Take final action on the required plans for proposed  
22 27 expenditures submitted by the entities receiving moneys  
22 28 allocated under section 15G.111, subsections 5 through 8.

22 29 d. Take final action on any rules recommended by the  
22 30 department for the implementation of the provisions of this  
22 31 chapter.

22 32 Sec. 7. Section 260G.6, Code 2009, is amended to read as  
22 33 follows:

22 34 260G.6 ~~PROGRAM CAPITAL FUNDS ALLOCATION FUND ESTABLISHED~~  
22 35 ~~== ALLOCATION OF MONEYS.~~

23 1 1. An accelerated career education fund is established in  
23 2 the state treasury under the control of the department of  
23 3 economic development consisting of moneys appropriated to the  
23 4 department for purposes of funding the cost of accelerated  
23 5 career education program capital projects.

23 6 2. Projects funded pursuant to this section shall be for

~~23 7 vertical infrastructure as defined in section 8.57, subsection~~  
~~23 8 6, paragraph "c".~~

23 9 3. If moneys are appropriated by the general assembly to  
23 10 support program capital costs, the moneys shall be allocated  
23 11 according to rules adopted by the department of economic  
23 12 development pursuant to chapter 17A.

23 13 4. In order to receive ~~such~~ moneys pursuant to this  
~~23 14 section,~~ a program agreement approved by the community college  
23 15 board of directors ~~must shall~~ be in place, program capital  
23 16 cost requests shall be approved by the Iowa economic  
23 17 development board created in section 15.103, program capital  
23 18 cost requests shall be approved or denied not later than sixty  
23 19 days following receipt of the request by the department of  
23 20 economic development, and employer contributions toward  
23 21 program capital costs shall be certified and agreed to in the  
23 22 agreement.

23 23 Sec. 8. Sections 15.315 through 15.325, 15.338, 15.339,  
23 24 15E.111, 15E.112, 15E.175, 15E.221 through 15E.227, and  
23 25 15G.108, Code 2009, are repealed.

23 26 Sec. 9. FUND AND ACCOUNT BALANCE TRANSFERS.

23 27 1. Notwithstanding any provision of law to the contrary,  
23 28 effective July 1, 2009, the unencumbered or unobligated  
23 29 balance remaining in any of the funds or accounts associated  
23 30 with the following programs on June 30, 2009, shall be  
23 31 transferred to the grow Iowa values fund established in  
23 32 section 15G.112:

23 33 a. The community economic betterment program established  
23 34 pursuant to section 15.317.

23 35 b. The entrepreneurial ventures assistance program  
24 1 established pursuant to section 15.339.

24 2 c. The value-added agricultural products and processes  
24 3 financial assistance program established pursuant to section  
24 4 15E.111.

24 5 d. The physical infrastructure financial assistance  
24 6 program established pursuant to section 15E.175.

24 7 e. The loan and credit guarantee program established  
24 8 pursuant to section 15E.224.

24 9 2. If any moneys in the loan and credit guarantee fund  
24 10 established pursuant to section 15E.227 are obligated or  
24 11 encumbered at the close of the fiscal year ending June 30,  
24 12 2009, but subsequently become unencumbered or otherwise cease  
24 13 to be obligated, such moneys shall be transferred to the grow  
24 14 Iowa values fund established in section 15G.112 as soon as  
24 15 practicable.

24 16 3. Effective July 1, 2009, all unencumbered and  
24 17 unobligated moneys appropriated to the department of economic  
24 18 development pursuant to 2008 Iowa Acts, chapter 1179, section  
24 19 1, subsection 5, and 2008 Iowa Acts, chapter 1179, section 9,  
24 20 subsection 2, shall be transferred to the accelerated career  
24 21 education fund established in section 260G.6, subsection 1.

24 22 DIVISION II

24 23 HIGH QUALITY JOBS PROGRAM

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

24 26 15.326 SHORT TITLE.

24 27 This part shall be known and may be cited as the "High  
24 28 Quality ~~Job Creation Act~~ Jobs Program".

24 29 Sec. 11. Section 15.327, Code 2009, is amended to read as  
24 30 follows:

24 31 15.327 DEFINITIONS.

24 32 As used in this part, unless the context otherwise  
24 33 requires:

24 34 1. "Benefit" has the same meaning as defined in section  
24 35 15G.108A.

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

25 3 ~~2.~~ 3. "Contractor or subcontractor" means a person who  
25 4 contracts with the eligible business or subcontracts with a  
25 5 contractor for the provision of property, materials, or  
25 6 services for the construction or equipping of a facility of  
25 7 the eligible business.

25 8 4. "Created job" has the same meaning as defined in  
25 9 section 15G.108A.

25 10 ~~3.~~ 5. "Department" means the Iowa department of economic  
25 11 development.

25 12 ~~4.~~ 6. "Eligible business" means a business meeting the  
25 13 conditions of section 15.329.

25 14 7. "Fiscal impact ratio" has the same meaning as defined  
25 15 in section 15G.108A.

25 16 8. "Maintenance period completion date" has the same  
25 17 meaning as defined in section 15G.108A.

25 18 5- 9. "Program" means the high quality ~~job creation jobs~~  
25 19 program.

25 20 6- 10. "Project completion" means the first date upon  
25 21 which the average annualized production of finished product  
25 22 for the preceding ninety-day period at the manufacturing  
25 23 facility operated by the eligible business is at least fifty  
25 24 percent of the initial design capacity of the facility. The  
25 25 eligible business shall inform the department of revenue in  
25 26 writing within two weeks of project completion date" has the  
25 27 same meaning as defined in section 15G.108A.

25 28 7- 11. "Qualifying investment" means a capital investment  
25 29 in real property including the purchase price of land and  
25 30 existing buildings and structures, site preparation,  
25 31 improvements to the real property, building construction, and  
25 32 long-term lease costs. "Qualifying investment" also means a  
25 33 capital investment in depreciable assets.

25 34 12. "Qualifying wage threshold" has the same meaning as  
25 35 defined in section 15G.108A.

26 1 13. "Retained job" has the same meaning as defined in  
26 2 section 15G.108A.

26 3 Sec. 12. Section 15.329, subsections 1, 2, and 5, Code  
26 4 2009, are amended to read as follows:

26 5 1. To be eligible to receive incentives under this part, a  
26 6 business shall meet all of the following requirements:

26 7 a. If the qualifying investment is ten million dollars or  
26 8 more, the community has approved by ordinance or resolution  
26 9 the start-up, location, or expansion of the business for the  
26 10 purpose of receiving the benefits of this part.

26 11 b. The business has not closed or substantially reduced  
26 12 ~~its operation~~ operations in one area of the ~~this~~ state and  
26 13 relocated substantially the same ~~operation~~ operations in the a  
26 14 community in another area of this state. This subsection does  
26 15 ~~paragraph shall not be construed to prohibit~~ a business from  
26 16 expanding its operation in the a community if existing  
26 17 operations of a similar nature in the ~~this~~ state are not  
26 18 closed or substantially reduced.

26 19 c. ~~The business is not a retail or service business.~~

26 20 2. In addition to the requirements of subsection 1, a  
26 21 business shall do at least four of the following in order to  
26 22 be eligible for incentives under the program:

26 23 a. Offer a pension or profit-sharing plan to full-time  
26 24 employees.

26 25 b. (1) Produce or manufacture high value-added goods or  
26 26 services or be engaged in one of the following industries:

26 27 (a) Value-added agricultural products.

26 28 (b) Insurance and financial services.

26 29 (c) Plastics.

26 30 (d) Metals.

26 31 (e) Printing paper or packaging products.

26 32 (f) Drugs and pharmaceuticals.

26 33 (g) Software development.

26 34 (h) Instruments and measuring devices and medical

26 35 instruments.

27 1 (i) Recycling and waste management.

27 2 (j) Telecommunications.

27 3 (k) Trucking and warehousing.

27 4 (2) Retail and service businesses shall not be eligible  
27 5 for benefits under this part.

27 6 c. Provide and pay at least eighty percent of the cost of  
27 7 a standard medical and dental insurance plan for all full-time  
27 8 employees working at the facility in which the new investment  
27 9 occurred.

27 10 d. Make child care services available to its employees.

27 11 e. Invest annually no less than one percent of pretax  
27 12 profits, from the facility located to Iowa or expanded under  
27 13 the program, in research and development in Iowa.

27 14 f. Invest annually no less than one percent of pretax  
27 15 profits, from the facility located to Iowa or expanded under  
27 16 the program, in worker training and skills enhancement.

27 17 g. Have an active productivity and safety improvement  
27 18 program involving management and worker participation and  
27 19 cooperation with benchmarks for gauging compliance.

27 20 h. Occupy an existing facility, at least one of the  
27 21 buildings of which shall be vacant and shall contain at least  
27 22 twenty thousand square feet.

27 23 c. The business shall create or retain jobs as part of a  
27 24 project, and the jobs created or retained shall meet one of  
27 25 the following qualifying wage thresholds:

27 26 (1) If the business is creating jobs, the business shall  
27 27 demonstrate that the jobs will pay at least one hundred  
27 28 percent of the qualifying wage threshold at the start of the

27 29 project completion period, at least one hundred thirty percent  
27 30 of the qualifying wage threshold by the project completion  
27 31 date, and at least one hundred thirty percent of the  
27 32 qualifying wage threshold until the maintenance period  
27 33 completion date.

27 34 (2) If the business is retaining jobs, the business shall  
27 35 demonstrate that the jobs retained will pay at least one  
28 1 hundred thirty percent of the qualifying wage threshold  
28 2 throughout both the project completion period and the  
28 3 maintenance period.

28 4 d. The business shall provide a sufficient package of  
28 5 benefits to each employee holding a created or retained job.  
28 6 The board, at the recommendation of the department, shall  
28 7 adopt rules determining what constitutes a sufficient package  
28 8 of benefits.

28 9 e. The business shall demonstrate that the jobs created or  
28 10 retained will have a sufficient impact on state and local  
28 11 government revenues as determined by the department after  
28 12 calculating the fiscal impact ratio of the project.

28 13 f. The business shall not be a retail business or a  
28 14 business where entrance is limited by a cover charge or  
28 15 membership requirement.

28 16 g. Notwithstanding the qualifying wage threshold  
28 17 requirements in paragraph "c", if a business is also the  
28 18 recipient of financial assistance under another program  
28 19 administered by the department, and the other program requires  
28 20 the payment of higher wages than the wages required under this  
28 21 subsection, the business shall be required to pay the higher  
28 22 wages.

28 23 2. A business providing a sufficient package of benefits  
28 24 to each employee holding a created or retained job shall  
28 25 qualify for a credit against the qualifying wage threshold  
28 26 requirements described in subsection 1, paragraph "c". The  
28 27 credit shall be calculated in the manner described in section  
28 28 15G.112, subsection 4, paragraph "b".

28 29 5. The department shall also consider a variety of  
28 30 factors, including but not limited to the following in  
28 31 determining the eligibility of a business to participate in  
28 32 the program:

28 33 a. The quality of the jobs to be created or retained. In  
28 34 rating the quality of the jobs, the department shall place  
28 35 greater emphasis on those jobs that have a higher wage scale,  
29 1 have a lower turnover rate, are full-time or career-type  
29 2 positions, provide comprehensive health benefits, or have  
29 3 other related factors which could be considered to be higher  
29 4 in quality, than to other jobs. Businesses that have wage  
29 5 scales substantially below that of existing Iowa businesses in  
29 6 that area should be rated as providing the lowest quality of  
29 7 jobs and should therefore be given the lowest ranking for  
29 8 providing such assistance.

29 9 b. The impact of the proposed project on other businesses  
29 10 in competition with the business being considered for  
29 11 assistance. The department shall make a good faith effort to  
29 12 identify existing Iowa businesses within an industry in  
29 13 competition with the business being considered for assistance.  
29 14 The department shall make a good faith effort to determine the  
29 15 probability that the proposed financial assistance will  
29 16 displace employees of the existing businesses. In determining  
29 17 the impact on businesses in competition with the business  
29 18 being considered for assistance, jobs created or retained as a  
29 19 result of other jobs being displaced elsewhere in the state  
29 20 shall not be considered direct jobs created or retained.

29 21 c. The economic impact to the this state of the proposed  
29 22 project. In measuring the economic impact, the department  
29 23 shall place greater emphasis on projects which have greater  
29 24 consistency with the state strategic plan than other projects.  
29 25 Greater consistency may include any or all of demonstrate the  
29 26 following:

29 27 (1) A business with a greater percentage of sales  
29 28 out-of-state or of import substitution.

29 29 (2) A business with a higher proportion of in-state  
29 30 suppliers.

29 31 (3) A project which would provide greater diversification  
29 32 of the state economy.

29 33 (4) A business with fewer in-state competitors.

29 34 (5) A potential for future job growth.

29 35 (6) A project which is not a retail operation.

30 1 d. If a business has, within three years of application  
30 2 for assistance, acquired or merged with an Iowa corporation or  
30 3 company and the business has made a good faith effort to hire  
30 4 the workers of the acquired or merged company.

30 5 e. ~~Whether a business provides for a preference for hiring~~  
30 6 ~~residents of the state, except for out-of-state employees~~  
30 7 ~~offered a transfer to Iowa.~~

30 8 f. ~~Whether all known required environmental permits have~~  
30 9 ~~been issued and regulations met before moneys are released.~~

30 10 Sec. 13. Section 15.330, subsection 4, Code 2009, is  
30 11 amended to read as follows:

30 12 4. ~~A business creating fifteen or fewer new high quality~~  
30 13 ~~jobs shall have up to three years to complete a project and~~  
30 14 ~~shall be required to maintain the jobs for an additional two~~  
30 15 ~~years. A business creating sixteen or more new high quality~~  
30 16 ~~jobs shall have up to five years to complete a project and~~  
30 17 ~~shall be required to maintain the jobs for an additional two~~  
30 18 ~~years. A project completion date, a maintenance period~~  
30 19 ~~completion date, the number of jobs to be created or retained,~~  
30 20 ~~or certain other terms and obligations described in section~~  
30 21 ~~15G.112, subsection 1, paragraph "d", as the department deems~~  
30 22 ~~necessary in order to make the requirements in project~~  
30 23 ~~agreements uniform. The department, with the approval of the~~  
30 24 ~~board, may adopt rules as necessary for making such~~  
30 25 ~~requirements uniform. Such rules shall be in compliance with~~  
30 26 ~~the provisions of this part and with the provisions of chapter~~  
30 27 ~~15G.~~

30 28 Sec. 14. Section 15.331A, subsection 2, Code 2009, is  
30 29 amended by adding the following new paragraph:

30 30 NEW PARAGRAPH. c. The eligible business shall inform the  
30 31 department of revenue in writing within two weeks of project  
30 32 completion. For purposes of this section, "project  
30 33 completion" means the first date upon which the average  
30 34 annualized production of finished product for the preceding  
30 35 ninety-day period at the manufacturing facility operated by  
31 1 the eligible business is at least fifty percent of the initial  
31 2 design capacity of the facility.

31 3 Sec. 15. Section 15.333, subsection 1, unnumbered  
31 4 paragraph 1, Code 2009, is amended to read as follows:

31 5 An eligible business may claim a tax credit equal to a  
31 6 percentage of the new investment directly related to new jobs  
31 7 created or retained by the location or expansion of an  
31 8 eligible business under the program. The tax credit shall be  
31 9 amortized equally over five calendar years. The tax credit  
31 10 shall be allowed against taxes imposed under chapter 422,  
31 11 division II, III, or V, and against the moneys and credits tax  
31 12 imposed in section 533.329. If the business is a partnership,  
31 13 S corporation, limited liability company, cooperative  
31 14 organized under chapter 501 and filing as a partnership for  
31 15 federal tax purposes, or estate or trust electing to have the  
31 16 income taxed directly to the individual, an individual may  
31 17 claim the tax credit allowed. The amount claimed by the  
31 18 individual shall be based upon the pro rata share of the  
31 19 individual's earnings of the partnership, S corporation,  
31 20 limited liability company, cooperative organized under chapter  
31 21 501 and filing as a partnership for federal tax purposes, or  
31 22 estate or trust. The percentage shall be determined as  
31 23 provided in section 15.335A. Any tax credit in excess of the  
31 24 tax liability for the tax year may be credited to the tax  
31 25 liability for the following seven years or until depleted,  
31 26 whichever occurs first.

31 27 Sec. 16. Section 15.335A, Code 2009, is amended to read as  
31 28 follows:

31 29 15.335A TAX INCENTIVES.

31 30 1. Tax incentives are available to eligible businesses as  
31 31 provided in this section. The incentives are based upon the  
31 32 number of ~~new high quality~~ jobs created or retained that pay  
31 33 at least one hundred thirty percent of the qualifying wage  
31 34 threshold as computed pursuant to section 15G.112, subsection  
31 35 4, and the amount of the qualifying investment made according  
32 1 to the following schedule:

32 2 a. ~~The number of new high quality jobs created with an~~  
32 3 ~~annual wage, including benefits, equal to or greater than one~~  
32 4 ~~hundred thirty percent of the average county wage is one of~~  
32 5 ~~the following:~~

32 6 (i) a. The number of jobs is zero and economic activity  
32 7 is furthered by the qualifying investment and the amount of  
32 8 the qualifying investment is one of the following:  
32 9 (a) (1) Less than one hundred thousand dollars, then the  
32 10 tax incentive is the investment tax credit of up to one  
32 11 percent.

32 12 (b) (2) At least one hundred thousand dollars but less  
32 13 than five hundred thousand dollars, then the tax incentives  
32 14 are the investment tax credit of up to one percent and the  
32 15 sales tax refund.

32 16 (c) (3) At least five hundred thousand dollars, then the  
32 17 tax incentives are the investment tax credit of up to one  
32 18 percent, the sales tax refund, and the additional research and  
32 19 development tax credit.

32 20 (2) b. The number of jobs is one but not more than five  
32 21 and the amount of the qualifying investment is one of the  
32 22 following:

32 23 (a) (1) Less than one hundred thousand dollars, then the  
32 24 tax incentive is the investment tax credit of up to two  
32 25 percent.

32 26 (b) (2) At least one hundred thousand dollars but less  
32 27 than five hundred thousand dollars, then the tax incentives  
32 28 are the investment tax credit of up to two percent and the  
32 29 sales tax refund.

32 30 (c) (3) At least five hundred thousand dollars, then the  
32 31 tax incentives are the investment tax credit of up to two  
32 32 percent, the sales tax refund, and the additional research and  
32 33 development tax credit.

32 34 (3) c. The number of jobs is six but not more than ten  
32 35 and the amount of the qualifying investment is one of the  
33 1 following:

33 2 (a) (1) Less than one hundred thousand dollars, then the  
33 3 tax incentive is the investment tax credit of up to three  
33 4 percent.

33 5 (b) (2) At least one hundred thousand dollars but less  
33 6 than five hundred thousand dollars, then the tax incentives  
33 7 are the investment tax credit of up to three percent and the  
33 8 sales tax refund.

33 9 (c) (3) At least five hundred thousand dollars, then the  
33 10 tax incentives are the investment tax credit of up to three  
33 11 percent, the sales tax refund, and the additional research and  
33 12 development tax credit.

33 13 (4) d. The number of jobs is eleven but not more than  
33 14 fifteen and the amount of the qualifying investment is one of  
33 15 the following:

33 16 (a) (1) Less than one hundred thousand dollars, then the  
33 17 tax incentive is the investment tax credit of up to four  
33 18 percent.

33 19 (b) (2) At least one hundred thousand dollars but less  
33 20 than five hundred thousand dollars, then the tax incentives  
33 21 are the investment tax credit of up to four percent and the  
33 22 sales tax refund.

33 23 (c) (3) At least five hundred thousand dollars, then the  
33 24 tax incentives are the investment tax credit of up to four  
33 25 percent, the sales tax refund, and the additional research and  
33 26 development tax credit.

33 27 (5) e. The number of jobs is sixteen ~~or~~ but not more than  
33 28 thirty and the amount of the qualifying investment is one of  
33 29 the following:

33 30 (a) (1) Less than one hundred thousand dollars, then the  
33 31 tax incentive is the investment tax credit of up to five  
33 32 percent.

33 33 (b) (2) At least one hundred thousand dollars but less  
33 34 than five hundred thousand dollars, then the tax incentives  
33 35 are the investment tax credit of up to five percent and the  
34 1 sales tax refund.

34 2 (c) (3) At least five hundred thousand dollars, then the  
34 3 tax incentives are the investment tax credit of up to five  
34 4 percent, the sales tax refund, and the additional research and  
34 5 development tax credit.

34 6 ~~b. In lieu of paragraph "a", the number of new high  
34 7 quality jobs created with an annual wage, including benefits,  
34 8 equal to or greater than one hundred sixty percent of the  
34 9 average county wage is one of the following:~~

34 10 (1) f. The number of jobs is ~~twenty-one~~ thirty-one but  
34 11 not more than ~~thirty~~ forty and the amount of the qualifying  
34 12 investment is at least ten million dollars, then the tax  
34 13 incentives are the local property tax exemption, the  
34 14 investment tax credit of up to six percent, the sales tax  
34 15 refund, and the additional research and development tax  
34 16 credit.

34 17 (2) g. The number of jobs is ~~thirty-one~~ forty-one but not  
34 18 more than ~~forty~~ sixty and the amount of the qualifying  
34 19 investment is at least ten million dollars, then the tax  
34 20 incentives are the local property tax exemption, the  
34 21 investment tax credit of up to seven percent, the sales tax  
34 22 refund, and the additional research and development tax  
34 23 credit.

34 24 (3) h. The number of jobs is ~~forty-one~~ sixty-one but not  
34 25 more than ~~fifty~~ eighty and the amount of the qualifying  
34 26 investment is at least ten million dollars, then the tax

34 27 incentives are the local property tax exemption, the  
34 28 investment tax credit of up to eight percent, the sales tax  
34 29 refund, and the additional research and development tax  
34 30 credit.

34 31 ~~(4) i.~~ The number of jobs is ~~fifty-one~~ eighty-one but not  
34 32 more than ~~sixty one hundred~~ and the amount of the qualifying  
34 33 investment is at least ten million dollars, then the tax  
34 34 incentives are the local property tax exemption, the  
34 35 investment tax credit of up to nine percent, the sales tax  
35 1 refund, and the additional research and development tax  
35 2 credit.

35 3 ~~(5) j.~~ The number of jobs is at least ~~sixty-one~~ one  
35 4 hundred one and the amount of the qualifying investment is at  
35 5 least ten million dollars, then the tax incentives are the  
35 6 local property tax exemption, the investment tax credit of up  
35 7 to ten percent, the sales tax refund, and the additional  
35 8 research and development tax credit.

35 9 2. For purposes of this section:

35 10 a. "Additional research and development tax credit" means  
35 11 the research activities credit as provided under section  
35 12 15.335.

35 13 b. ~~"Average county wage" means the annualized, average~~  
35 14 ~~hourly wage based on wage information compiled by the~~  
35 15 ~~department of workforce development.~~

35 16 c. ~~"Benefits" means all of the following:~~

35 17 ~~(1) Medical and dental insurance plans. If an employer~~  
35 18 ~~offers medical insurance under both single and family coverage~~  
35 19 ~~plans, the employer shall be given credit for providing~~  
35 20 ~~medical insurance under family coverage plans to all new~~  
35 21 ~~employees.~~

35 22 ~~(2) Pension and profit-sharing plans.~~

35 23 ~~(3) Child care services.~~

35 24 ~~(4) Life insurance coverage.~~

35 25 ~~(5) Other benefits identified by rule of the department of~~  
35 26 ~~revenue.~~

35 27 b. "Benefits" means the same as defined in section  
35 28 15G.108A.

35 29 c. "County wage" means the same as defined in section  
35 30 15G.108A.

35 31 d. "Investment tax credit" means the investment tax credit  
35 32 or the insurance premium tax credit as provided under section  
35 33 15.333 or 15.333A, respectively.

35 34 e. "Local property tax exemption" means the property tax  
35 35 exemption as provided under section 15.332.

36 1 f. "Qualifying wage threshold" means the same as defined  
36 2 in section 15G.108A.

36 3 g. "Regional wage" means the same as defined in section  
36 4 15G.108A.

36 5 ~~f. h.~~ "Sales tax refund" means the sales and use tax  
36 6 refund as provided under section 15.331A or the corporate tax  
36 7 credit for certain sales taxes paid by third-party developers  
36 8 as provided under section 15.331C.

36 9 3. A community may apply to the Iowa economic development  
36 10 board for a project-specific waiver from the ~~average county~~  
36 11 ~~wage calculations qualifying wage threshold requirement~~  
36 12 provided in subsection 1 in order ~~for an eligible business to~~  
36 13 ~~receive to seek tax incentives for an eligible business.~~ The  
36 14 board may grant a project-specific waiver from the ~~average~~  
36 15 ~~county wage calculations qualifying wage threshold requirement~~  
36 16 in subsection 1 for the remainder of ~~the~~ a calendar year,  
36 17 based on ~~average~~ county wage or regional wage calculations  
36 18 brought forth by the applicant county including, but not  
36 19 limited to, any of the following:

36 20 a. The ~~average~~ county wage calculated without wage data  
36 21 from the business in the county employing the greatest number  
36 22 of full-time employees.

36 23 b. The ~~average~~ regional wage calculated without wage data  
36 24 from up to two adjacent counties.

36 25 c. The ~~average~~ county wage calculated without wage data  
36 26 from the largest city in the county.

36 27 d. A qualifying wage guideline for a specific project  
36 28 based upon unusual economic circumstances present in the city  
36 29 or county.

36 30 e. The annualized, average hourly wage paid by all  
36 31 businesses in the county located outside the largest city of  
36 32 the county.

36 33 f. The annualized, average hourly wage paid by all  
36 34 businesses other than the largest employer in the entire  
36 35 county.

37 1 ~~4. Average wage calculations made under this section shall~~  
37 2 ~~be calculated quarterly using wage data submitted to the~~



~~37 3 department of workforce development during the previous four  
37 4 quarters.~~

37 5 ~~5. 4.~~ Each calendar year, the department shall not  
37 6 approve more than three million six hundred thousand dollars  
37 7 worth of investment tax credits for projects with qualifying  
37 8 investments of less than one million dollars.

37 9 ~~6. 5.~~ The department shall negotiate the amount of tax  
37 10 incentives provided to an applicant under the program in  
37 11 accordance with this section and section 15G.112, as  
37 12 applicable.

37 13 DIVISION III

37 14 ENTERPRISE ZONES

37 15 Sec. 17. Section 15E.193, subsections 1 and 2, Code 2009,  
37 16 are amended to read as follows:

37 17 1. A business which is or will be located, in whole or in  
37 18 part, in an enterprise zone is eligible to receive incentives  
37 19 and assistance under this division if the business has not  
37 20 closed or reduced its operation in one area of the state and  
37 21 relocated substantially the same operation into the enterprise  
37 22 zone and if the business meets all of the following  
37 23 requirements:

37 24 a. Is not a retail business or a business where entrance  
37 25 is limited by a cover charge or membership requirement.

37 26 ~~b. Provides all full-time employees with the option of  
37 27 choosing one of the following:~~

37 28 ~~(1) The business pays eighty percent of both of the  
37 29 following:~~

37 30 ~~(a) The cost of a standard medical insurance plan.~~

37 31 ~~(b) The cost of a standard dental insurance plan or an  
37 32 equivalent plan.~~

37 33 ~~(2) The business provides the employee with a monetarily  
37 34 equivalent plan to the plan provided for in subparagraph (1).~~

37 35 ~~c. Pays an average wage that is at or greater than ninety  
38 1 percent of the lesser of the average county wage or average  
38 2 regional wage, as determined by the department. However, the  
38 3 wage paid by the business shall not be less than seven dollars  
38 4 and fifty cents per hour.~~

38 5 ~~b. (1) The business shall provide a sufficient package of  
38 6 benefits to each employee holding a created or retained job.~~

38 7 ~~For purposes of this paragraph, "created job" and "retained  
38 8 job" have the same meaning as defined in section 15G.108A.~~

38 9 ~~(2) The board, upon the recommendation of the department,  
38 10 shall adopt rules determining what constitutes a sufficient  
38 11 package of benefits.~~

38 12 ~~c. The business shall pay a wage that is at least ninety  
38 13 percent of the qualifying wage threshold. For purposes of  
38 14 this paragraph, "qualifying wage threshold" has the same  
38 15 meaning as defined in section 15G.108A.~~

38 16 ~~d. Creates or retains at least ten full-time equivalent  
38 17 positions and maintains them for at least ten years. For an  
38 18 existing business in counties with a population of ten  
38 19 thousand or less or in cities with a population of two  
38 20 thousand or less, the commission may adopt a provision that  
38 21 allows the business to create at least five initial jobs with  
38 22 the additional jobs to be added in five years. The business  
38 23 shall include in its strategic plan the timeline for job  
38 24 creation. If the existing business fails to meet the ten-job  
38 25 creation requirement within the five-year period, all  
38 26 incentives or assistance will cease immediately until the  
38 27 maintenance period completion date. For purposes of this  
38 28 paragraph, "maintenance period completion date" and "full-time  
38 29 equivalent position" have the same meanings as defined in  
38 30 section 15G.108A.~~

38 31 ~~e. Makes a capital investment of at least five hundred  
38 32 thousand dollars. If the business will be occupying a vacant  
38 33 building suitable for industrial use, the fair market value of  
38 34 the building and land, not to exceed two hundred fifty  
38 35 thousand dollars, shall be counted toward the capital  
39 1 investment requirement. An existing business that has been  
39 2 operating in the enterprise zone for at least five years is  
39 3 exempt from the capital investment requirement of this  
39 4 paragraph of up to two hundred fifty thousand dollars of the  
39 5 fair market value, as established by an appraisal, of the  
39 6 building and land.~~

39 7 ~~f. If the business is only partially located in an  
39 8 enterprise zone, the business must be located on contiguous  
39 9 parcels of land.~~

39 10 2. In addition to meeting the requirements under  
39 11 subsection 1, an eligible business shall provide the  
39 12 enterprise zone commission with all of the following:

39 13 a. The long-term strategic plan for the business which

39 14 shall include labor and infrastructure needs.  
39 15 b. Information dealing with the benefits the business will  
39 16 bring to the area.  
39 17 c. Examples of why the business should be considered or  
39 18 would be considered a good business enterprise.  
39 19 d. The impact the business will have on other businesses  
39 20 in competition with it. The enterprise zone commission shall  
39 21 make a good faith effort to identify existing Iowa businesses  
39 22 within an industry in competition with the business being  
39 23 considered for assistance. The enterprise zone commission  
39 24 shall make a good faith effort to determine the probability  
39 25 that the proposed financial assistance will displace employees  
39 26 of the existing businesses. In determining the impact on  
39 27 businesses in competition with the business being considered  
39 28 for assistance, jobs created or retained as a result of other  
39 29 jobs being displaced elsewhere in the state shall not be  
39 30 considered direct jobs created or retained.

39 31 e. ~~An affidavit that it has not, within the last five~~  
39 32 ~~years, violated state or federal environmental and worker~~  
39 33 ~~safety statutes, rules, and regulations or if such violation~~  
39 34 ~~has occurred that there were mitigating circumstances or such~~  
39 35 ~~violations did not seriously affect public health or safety or~~  
40 1 ~~the environment.~~

40 2 e. A report describing all violations of environmental law  
40 3 or worker safety law within the last five years. If, upon  
40 4 review of the application, the enterprise zone commission  
40 5 finds that a business has a record of violations of the law,  
40 6 statutes, rules, or regulations that tends to show a  
40 7 consistent pattern, the enterprise zone commission shall not  
40 8 make an award of financial assistance to the business unless  
40 9 the board finds either that the violations did not seriously  
40 10 affect public health, public safety, or the environment, or,  
40 11 if such violations did seriously affect public health, public  
40 12 safety, or the environment, that mitigating circumstances were  
40 13 present.

#### DIVISION IV

#### CONFORMING AMENDMENTS

40 16 Sec. 18. Section 15.103, subsection 6, Code 2009, is  
40 17 amended to read as follows:

40 18 6. As part of the organizational structure of the  
40 19 department, the board shall establish a due diligence  
40 20 committee and a loan and credit guarantee committee composed  
40 21 of members of the board. The committees shall serve in an  
40 22 advisory capacity to the board and shall carry out any duties  
40 23 assigned by the board in relation to programs administered by  
40 24 the department. The loan and credit guarantee committee shall  
40 25 advise the board on the winding up of loan guarantees made  
40 26 under the loan and credit guarantee program established  
40 27 pursuant to section 15E.224, Code 2009, and on the proper  
40 28 amount of the allocation described in section 15G.111,  
40 29 subsection 4, paragraph "g".

40 30 Sec. 19. Section 15.104, Code 2009, is amended by adding  
40 31 the following new subsection:

40 32 NEW SUBSECTION. 1. Perform duties related to the  
40 33 administration of the grow Iowa values fund and grow Iowa  
40 34 values financial assistance program as described in chapter  
40 35 15G.

41 1 Sec. 20. Section 15.104, subsection 9, paragraphs a and b,  
41 2 Code 2009, are amended to read as follows:

41 3 a. ~~FINANCIAL ASSISTANCE PROGRAMS.~~ Data on all assistance  
41 4 provided to ~~business finance projects under the community~~  
41 5 ~~economic betterment program established in section 15.317,~~  
41 6 ~~eligible businesses under the high quality job creation jobs~~  
41 7 ~~program described in section 15.326, and eligible facilities~~  
41 8 ~~under the value-added agricultural products and processes~~  
41 9 ~~financial assistance program established in section 15E.111.~~

41 10 b. ~~PROJECTS FUNDED THROUGH THE GROW IOWA VALUES FUND~~  
41 11 FINANCIAL ASSISTANCE PROGRAM ESTABLISHED IN SECTION 15G.112.  
41 12 For each job creation or retention business finance project  
41 13 receiving moneys from the grow Iowa values fund ~~created in~~  
41 14 ~~section 15G.108,~~ the following information:

41 15 (1) The net number of new jobs created as of June 30 of  
41 16 the prior year. For the purposes of this subparagraph, "net  
41 17 number of new jobs" is the number of new or retained jobs as  
41 18 identified in the contract.

41 19 (2) The number of jobs created, as of June 30 of the prior  
41 20 year, that are at or above the qualifying wage threshold for  
41 21 the project. For the purposes of this subparagraph,  
41 22 "qualifying wage threshold" ~~means the wage that meets the~~  
41 23 ~~required percentage of the average county or average regional~~  
41 24 ~~wage for the programs or funding sources involved with the~~

~~41 25 project has the same meaning as defined in section 15G.108A.~~

41 26 (3) The number of retained jobs, as of June 30 of the  
41 27 prior year. For the purposes of this subparagraph, "retained  
41 28 jobs" means the number of retained jobs as identified in the  
41 29 contract.

41 30 (4) The total amount expended by a business, as of June 30  
41 31 of the prior year, toward the total project cost as identified  
41 32 in the contract.

41 33 (5) The project's location.

41 34 (6) The amount, if any, of private and local matching  
41 35 funds, as of June 30 of the prior year.

42 1 (7) The amount spent on research and development  
42 2 activities, as of June 30 of the prior year.

42 3 Sec. 21. Section 15.104, subsection 9, paragraphs i and j,  
42 4 Code 2009, are amended to read as follows:

42 5 i. GROW IOWA VALUES FUND EXPENDITURES. Detailed financial  
42 6 data that delineate expenditures made under each component of  
42 7 the grow Iowa values fund created in section ~~15G.108~~ 15G.111.

42 8 j. RENEWABLE FUEL PROGRAMS. A detailed accounting of  
42 9 expenditures in support of renewable fuel infrastructure  
42 10 programs, as provided in sections 15G.203 and 15G.204. The  
42 11 renewable fuel infrastructure board established in section  
42 12 15G.202 shall approve that portion of the department's annual  
42 13 report regarding projects supported from the grow Iowa values  
42 14 fund created in section ~~15G.108~~ 15G.111. This paragraph is  
42 15 repealed on July 1, 2012.

42 16 Sec. 22. Section 15.116, Code 2009, is amended to read as  
42 17 follows:

42 18 15.116 TECHNOLOGY COMMERCIALIZATION COMMITTEE.

42 19 To evaluate and approve funding for the projects and  
42 20 programs ~~under referred to in~~ section 15G.111, subsection ~~2~~  
42 21 10, the economic development board shall create a technology  
42 22 commercialization committee composed of members with expertise  
42 23 in the areas of biosciences, engineering, manufacturing,  
42 24 pharmaceuticals, materials, information solutions, software,  
42 25 and energy. At least one member of the technology  
42 26 commercialization committee shall be a member of the economic  
42 27 development board. An organization designated by the  
42 28 department, composed of members from both the public and  
42 29 private sectors and composed of subunits or subcommittees in  
42 30 the areas of already identified bioscience platforms,  
42 31 education and workforce development, commercialization,  
42 32 communication, policy and governance, and finance, shall  
42 33 provide funding recommendations to the technology  
42 34 commercialization committee.

42 35 Sec. 23. Section 15.203, Code 2009, is amended by adding  
43 1 the following new subsection:

43 2 NEW SUBSECTION. 5. The agricultural products advisory  
43 3 council shall review applications for financial assistance  
43 4 under the value-added agriculture component of the grow Iowa  
43 5 values financial assistance program established in section  
43 6 15G.112.

43 7 Sec. 24. Section 15.313, subsection 1, Code 2009, is  
43 8 amended to read as follows:

43 9 1. a. An Iowa strategic investment fund is created as a  
43 10 revolving fund consisting of any money appropriated by the  
43 11 general assembly for that purpose and any other moneys  
43 12 available to and obtained or accepted by the department from  
43 13 the federal government or private sources for placement in the  
43 14 fund. ~~The fund shall also include all of the following:~~

~~43 15 (1) All unencumbered and unobligated funds from the  
43 16 special community economic betterment program fund created  
43 17 under 1990 Iowa Acts, chapter 1262, section 1, subsection 18,  
43 18 remaining on June 30, 1992, all repayments of loans or other  
43 19 awards made under the community economic betterment account or  
43 20 under the community economic betterment program during any  
43 21 fiscal year beginning on or after July 1, 1985, and recaptures  
43 22 of awards.~~

~~43 23 (2) All unencumbered and unobligated funds from the  
43 24 targeted small business financial assistance program, the  
43 25 financing rural economic development or successor loan  
43 26 program, and the value-added agricultural products and  
43 27 processes financial assistance fund remaining on June 30,  
43 28 1992, and all repayments of loans or other awards or  
43 29 recaptures of awards made under these programs.~~

43 30 b. Notwithstanding section 8.33, moneys in the strategic  
43 31 investment fund at the end of each fiscal year shall not  
43 32 revert to any other fund but shall remain in the strategic  
43 33 investment fund for expenditure for subsequent fiscal years.

43 34 Sec. 25. Section 15A.7, subsection 3, Code 2009, is  
43 35 amended to read as follows:

44 1 3. That the employer shall agree to pay wages for the jobs  
44 2 for which the credit is taken of at least the ~~average~~ county  
44 3 wage or ~~average~~ the regional wage, as calculated by the  
44 4 ~~department pursuant to section 15G.112, subsection 3,~~  
44 5 ~~whichever is lower, as compiled annually by the department of~~  
44 6 ~~economic development for the community economic betterment~~  
44 7 ~~program. For the purposes of this section, the average~~  
44 8 ~~regional wage shall be compiled based upon the service~~  
44 9 ~~delivery areas in section 84B.2. Eligibility for the~~  
44 10 supplemental credit shall be based on a one-time determination  
44 11 of starting wages by the community college.

44 12 Sec. 26. Section 15E.120, subsection 5, Code 2009, is  
44 13 amended to read as follows:

44 14 5. Loan repayments received by the Iowa department of  
44 15 economic development shall be deposited into a special account  
44 16 to be used at its discretion as matching funds to attract  
44 17 financial assistance from and to participate in programs with  
44 18 national rural development and finance corporations. Funds in  
44 19 this special account shall not revert to the state general  
44 20 fund at the end of any fiscal year. If the programs for which  
44 21 the funds in the special account are to be used are terminated  
44 22 or expire, the funds in the special account and funds that  
44 23 would be repaid, if any, to the special account shall be  
44 24 transferred or repaid to ~~the community economic betterment~~  
44 25 ~~account of the strategic investment fund established in~~  
44 26 section 15.313.

44 27 Sec. 27. Section 15E.231, subsection 1, unnumbered  
44 28 paragraph 1, Code 2009, is amended to read as follows:

44 29 In order for an economic development region to receive  
44 30 moneys ~~from under~~ the grow Iowa values ~~fund created financial~~  
44 31 ~~assistance program established in section 15G.108 15G.112, an~~  
44 32 economic development region's regional development plan must  
44 33 be approved by the department. An economic development region  
44 34 shall consist of not less than three counties, unless two  
44 35 contiguous counties have a combined population of at least  
45 1 three hundred thousand based on the most recent federal  
45 2 decennial census. An economic development region shall  
45 3 establish a focused economic development effort that shall  
45 4 include a regional development plan relating to one or more of  
45 5 the following areas:

45 6 Sec. 28. Section 15E.351, subsection 1, Code 2009, is  
45 7 amended to read as follows:

45 8 1. The department shall establish and administer a  
45 9 business accelerator program to provide financial assistance  
45 10 for the establishment and operation of a business accelerator  
45 11 for technology-based, value-added agricultural, information  
45 12 solutions, alternative and renewable energy including the  
45 13 alternative and renewable energy sectors listed in section  
45 14 476.42, subsection 1, paragraph "a", or advanced manufacturing  
45 15 start-up businesses or for a satellite of an existing business  
45 16 accelerator. The program shall be designed to foster the  
45 17 accelerated growth of new and existing businesses through the  
45 18 provision of technical assistance. The department ~~shall use~~  
45 19 ~~moneys appropriated to the department from the grow Iowa~~  
45 20 ~~values fund pursuant to section 15G.111, subsection 1, subject~~  
45 21 ~~to the approval of the economic development board, to may~~  
45 22 ~~provide financial assistance under this section from moneys~~  
45 23 ~~allocated for regional financial assistance pursuant to~~  
45 24 ~~section 15G.111, subsection 9.~~

45 25 Sec. 29. Section 159A.6B, unnumbered paragraph 2, Code  
45 26 2009, is amended to read as follows:

45 27 The office may execute contracts in order to provide  
45 28 technical support and outreach services for purposes of  
45 29 assisting and educating interested persons as provided in this  
45 30 section. The office may also contract with a consultant to  
45 31 provide part or all of these services. The office may require  
45 32 that a person receiving assistance pursuant to this section  
45 33 contribute up to fifty percent of the amount required to  
45 34 support the costs of contracting with the consultant to  
45 35 provide assistance to the person. The office shall assist the  
46 1 person in completing any technical information required in  
46 2 order to receive assistance by the department of economic  
46 3 development pursuant to the value-added ~~agricultural products~~  
46 4 ~~and processes agriculture component of the grow Iowa values~~  
46 5 ~~financial assistance program created established pursuant to~~  
46 6 ~~section 15E.111 15G.112. The office shall cooperate with the~~  
46 7 ~~department of economic development, the department of natural~~  
46 8 ~~resources, and regents institutions or other universities and~~  
46 9 ~~colleges as provided in section 15E.111, in order to carry out~~  
46 10 this section.

46 11 Sec. 30. Section 266.19, Code 2009, is amended to read as

46 12 follows:

46 13 266.19 RENEWABLE FUEL == ASSISTANCE.

46 14 The university shall cooperate in assisting renewable fuel  
46 15 production facilities supporting livestock operations managed  
46 16 by persons receiving assistance pursuant to the value-added  
46 17 ~~agricultural products and processes agriculture component of~~  
46 18 ~~the grow Iowa values financial assistance program established~~  
46 19 ~~in section 15E.111 15G.112.~~

46 20 Sec. 31. Section 455B.104, subsection 2, Code 2009, is  
46 21 amended to read as follows:

46 22 2. The department shall assist persons applying for  
46 23 assistance to establish and operate renewable fuel production  
46 24 facilities pursuant to the value-added ~~agricultural products~~  
46 25 ~~and processes agriculture component of the grow Iowa values~~  
46 26 ~~financial assistance program established in section 15E.111~~  
46 27 ~~15G.112.~~

46 28 Sec. 32. Section 455B.433, Code 2009, is amended to read  
46 29 as follows:

46 30 455B.433 PHYSICAL INFRASTRUCTURE ASSISTANCE == FUNDING ==  
46 31 LIABILITY.

46 32 1. The department of natural resources shall work in  
46 33 conjunction with the Iowa department of economic development  
46 34 to identify environmentally contaminated sites which qualify  
46 35 for the ~~physical infrastructure assistance component of the~~  
47 1 ~~grow Iowa values financial assistance program under~~  
47 2 ~~established in section 15E.175 15G.112.~~ The department shall  
47 3 provide an assessment of the site and shall provide any  
47 4 emergency response activities which the department deems  
47 5 necessary. The department may take any further action,  
47 6 including remediation of the site, that the department deems  
47 7 to be appropriate and which promotes the purposes of the  
47 8 ~~physical infrastructure assistance program component.~~

47 9 2. The department shall be reimbursed from the ~~physical~~  
47 10 ~~infrastructure assistance grow Iowa values fund under created~~  
47 11 ~~in section 15E.175 15G.111~~ for any costs incurred pursuant to  
47 12 this section.

47 13 3. A person shall not have standing pursuant to section  
47 14 455B.111 to commence a citizen suit which is based upon  
47 15 property that is part of the ~~physical infrastructure~~  
47 16 ~~assistance component of the grow Iowa values financial~~  
47 17 ~~assistance program pursuant to established in section 15E.175~~  
47 18 ~~15G.112.~~

47 19 Sec. 33. CONDITIONAL ENACTMENTS.

47 20 1. If 2009 Iowa Acts, Senate File 142, is enacted, the  
47 21 section of that Act amending section 15G.111 is repealed and  
47 22 section 15G.111, subsection 10, as enacted in this Act, is  
47 23 amended to read as follows:

47 24 10. COMMERCIALIZATION SERVICES. Of the moneys  
47 25 appropriated to the department pursuant to subsection 3, the  
47 26 department shall allocate three million dollars for ~~the~~  
47 27 ~~purpose of providing the commercialization services described~~  
47 28 ~~in section 15.411, subsections 2 and 3 deposit in the~~  
47 29 ~~innovation and commercialization development fund created in~~  
47 30 ~~section 15.412.~~

47 31 2. If 2009 Iowa Acts, Senate File 142, is enacted, section  
47 32 15.116, as amended in this Act, is amended to read as follows:

47 33 15.116 TECHNOLOGY COMMERCIALIZATION COMMITTEE.

47 34 To evaluate and ~~approve~~ ~~make recommendations to the board~~  
47 35 ~~on appropriate funding for the projects and programs referred~~  
48 1 ~~to in section 15G.111, subsection 10 applying for financial~~  
48 2 ~~assistance from the innovation and commercialization~~  
48 3 ~~development fund created in section 15.412,~~ the economic

48 4 development board shall create a technology commercialization  
48 5 committee composed of members with expertise in the areas of  
48 6 biosciences, engineering, manufacturing, pharmaceuticals,  
48 7 materials, information solutions, software, and energy. At  
48 8 least one member of the technology commercialization committee  
48 9 shall be a member of the economic development board. An  
48 10 organization designated by the department, composed of members  
48 11 from both the public and private sectors and composed of  
48 12 subunits or subcommittees in the areas of already identified  
48 13 bioscience platforms, education and workforce development,  
48 14 commercialization, communication, policy and governance, and  
48 15 finance, shall provide funding recommendations to the  
48 16 technology commercialization committee.

48 17 3. If 2009 Iowa Acts, Senate File 142, is enacted, section  
48 18 15G.115, subsection 2, as enacted in this Act, is amended by  
48 19 adding the following new paragraph:

48 20 NEW PARAGRAPH. c. Each application for financial  
48 21 assistance from funds allocated by the department for deposit  
48 22 in the innovation and commercialization development fund

48 23 pursuant to section 15G.111, subsection 10, shall be reviewed  
48 24 by the technology commercialization committee established in  
48 25 section 15.116, which shall make a recommendation on each  
48 26 application to the board.

48 27 EXPLANATION

48 28 This bill relates to various financial assistance programs  
48 29 operated by the department of economic development. The bill  
48 30 makes organizational changes to the administration of the grow  
48 31 Iowa values fund and the programs funded with moneys  
48 32 appropriated to it. The bill also makes related changes to  
48 33 the high quality job creation program and the enterprise zone  
48 34 program.

48 35 Division I of the bill reorganizes the administration of  
49 1 the grow Iowa values fund. While the grow Iowa values fund is  
49 2 sometimes referred to as if it were a single program, under  
49 3 current law, it is actually an annual appropriation to the  
49 4 department of economic development that the department uses to  
49 5 fund a number of otherwise unrelated programs. The programs  
49 6 the department funds through the grow Iowa values fund include  
49 7 the community economic betterment program, the entrepreneurial  
49 8 ventures assistance program, the value-added agricultural  
49 9 products and processes financial assistance program, the  
49 10 physical infrastructure financial assistance program, and the  
49 11 loan and credit guarantee program. Each of these programs has  
49 12 separate eligibility requirements and financial assistance  
49 13 mechanisms, and some have funding sources other than moneys  
49 14 appropriated from the grow Iowa values fund. When moneys from  
49 15 the grow Iowa values fund are used to fund one of these  
49 16 programs, recipients of the moneys are required to pay wages  
49 17 at 130 percent of the average county wage, regardless of any  
49 18 wage requirements contained in the program itself. If,  
49 19 however, a recipient receives financial assistance under one  
49 20 of the programs that comes from a funding source other than  
49 21 the grow Iowa values fund, the recipient is only subject to  
49 22 the job and wage requirements of the program through which the  
49 23 financial assistance was received. In order to simplify and  
49 24 make uniform the job, wage, and benefit requirements and the  
49 25 funding mechanisms of these programs, division I restructures  
49 26 the appropriations within the grow Iowa values fund, creates a  
49 27 grow Iowa values financial assistance program, repeals the  
49 28 programs listed above, and creates a number of components  
49 29 within the program, some of which correspond to the repealed  
49 30 programs.

49 31 Division I establishes the grow Iowa values fund and  
49 32 specifies that the fund consists of moneys from the following  
49 33 sources: (1) the annual \$50 million appropriation pursuant to  
49 34 Code section 15G.110; (2) interest, loan repayments, and grant  
49 35 recaptures of fund moneys; (3) moneys accruing to the  
50 1 department from the repealed programs listed above; and (4)  
50 2 interest on moneys appropriated to the fund. The department,  
50 3 with the board's approval, is authorized to use a portion of  
50 4 the moneys accruing to the fund from the accounts or funds  
50 5 associated with the repealed programs for covering  
50 6 administrative costs and operations.

50 7 Currently, the grow Iowa values fund consists of multiple  
50 8 appropriations. Code section 15G.110 appropriates \$50 million  
50 9 to the department annually for deposit in the grow Iowa values  
50 10 fund, and, for each fiscal year of the fiscal period beginning  
50 11 July 1, 2009, Code section 15G.111 appropriates that \$50  
50 12 million again in smaller amounts as follows: (1) \$32 million  
50 13 to the department for financial assistance programs; (2) \$5  
50 14 million to the department for allocation to the regents  
50 15 institutions; (3) \$1 million to the department for allocation  
50 16 to the department of natural resources for assistance to  
50 17 certain state parks; (4) \$1 million to the treasurer of state  
50 18 for deposit in the cultural trust fund; (5) \$7 million to the  
50 19 department for allocation to community colleges; (6) \$1  
50 20 million to the department for financial assistance to economic  
50 21 development regions; and (7) \$3 million to the department for  
50 22 providing certain commercialization services. Division I  
50 23 restructures the multiple appropriations in Code section  
50 24 15G.111 as a single appropriation of \$50 million to the  
50 25 department, and the department is then directed to allocate  
50 26 the same amounts in substantially the same manner as they are  
50 27 appropriated under existing law.

50 28 While the allocations are substantially similar to  
50 29 appropriations under current law, division I makes the  
50 30 following changes to current law: (1) the department's \$32  
50 31 million allocation for certain departmental purposes is  
50 32 further allocated, including amounts for administrative costs,  
50 33 financial assistance to businesses under the program,

50 34 marketing proposals, a labor shed study, responding to  
50 35 opportunities and threats, procuring technical assistance,  
51 1 covering existing loan guarantees, and \$2 million for deposit  
51 2 in the renewable fuel infrastructure fund; and (2) the current  
51 3 appropriation to the treasurer of state for deposit in the  
51 4 cultural trust fund is no longer appropriated to the treasurer  
51 5 of state but instead to the department for deposit in the  
51 6 cultural trust fund.

51 7 Division I establishes a grow Iowa values financial  
51 8 assistance program. The purpose of the program is to provide  
51 9 financial assistance from the moneys credited to the grow Iowa  
51 10 values fund which have not been specifically allocated under  
51 11 Code section 15G.111. The program consists of six components  
51 12 under which an applicant may qualify for financial assistance:  
51 13 (1) a 130 percent wage component; (2) a 100 percent wage  
51 14 component; (3) an entrepreneurial component; (4) an  
51 15 infrastructure component; (5) a value-added agriculture  
51 16 component; and (6) a disaster recovery component. The purpose  
51 17 and eligibility requirements of the program components are  
51 18 similar in many respects to those of the repealed programs,  
51 19 but the requirements of the program components are more  
51 20 uniform with each other than those of the repealed programs  
51 21 because they are reorganized and administered under a single  
51 22 program.

51 23 Division I directs the department, with the approval of the  
51 24 board, to allocate from the moneys in the fund an amount of  
51 25 financial assistance that may be awarded under each component  
51 26 of the program. This allocation among the program components  
51 27 is distinct from the \$32 million allocation from the \$50  
51 28 million annual appropriation as it encompasses all moneys in  
51 29 the fund, including those accruing to the fund from sources  
51 30 other than the annual appropriation to the department, as  
51 31 described in Code section 15G.111, subsection 1.

51 32 Division I requires the department to calculate a fiscal  
51 33 impact ratio before the board approves an award of financial  
51 34 assistance under certain components of the program. The board  
51 35 is directed to ensure that the amount of each award is  
52 1 appropriate to the fiscal impact ratio. The fiscal impact  
52 2 ratio is calculated by taking the amount of all taxes to be  
52 3 received from a business and dividing that amount by the total  
52 4 cost to the state of providing financial incentives to the  
52 5 business.

52 6 Division I provides that for each award of financial  
52 7 assistance, the department must enter into an agreement with  
52 8 the recipient that describes the terms and obligations under  
52 9 which the financial assistance is provided. Each agreement  
52 10 must contain a project completion date, a maintenance period  
52 11 completion date, the number of jobs created or retained, the  
52 12 amount of financial assistance provided, and the amount of  
52 13 matching funds from a city or county.

52 14 Division I provides for a number of standard requirements  
52 15 that every recipient of financial assistance under the program  
52 16 must meet: (1) a report on violations of law must be  
52 17 submitted; (2) the business cannot have closed or reduced  
52 18 operations in one area of the state and simply moved them to  
52 19 another area of the state; and (3) providing financial  
52 20 assistance to one business cannot have a negative impact on  
52 21 other businesses in competition with the business.

52 22 Division I provides that in administering the financial  
52 23 assistance program, the department must annually calculate a  
52 24 county wage and a regional wage for each county for purposes  
52 25 of determining eligibility for financial assistance under the  
52 26 program. Typically, applicants must meet between 100 percent  
52 27 and 130 percent of the wage calculations, depending on the  
52 28 component and the stage of the contract process. The county  
52 29 wage and the regional wage are based on data from the most  
52 30 recent four quarters of wage and employment data as reported  
52 31 by the department of workforce development. The county and  
52 32 regional wage calculations do not include the value of  
52 33 benefits.

52 34 The county wage is the average of the wages paid for jobs  
52 35 performed in the county by employers in all employment  
53 1 categories except government, agriculture, and mining. The  
53 2 regional wage is an average of certain county wages and is  
53 3 calculated as follows: (1) multiplying by four the county  
53 4 wage of a county; (2) adding together the county wage of each  
53 5 of the counties adjacent to the county; (3) adding the result  
53 6 obtained in step 1 to the result obtained in step 2; and (4)  
53 7 dividing the result obtained in step 3 by the sum of the  
53 8 number of counties adjacent to the county plus four.

53 9 Division I provides for a 130 percent wage component. In

53 10 order to qualify for financial assistance under this  
53 11 component, a business must create or retain jobs as part of a  
53 12 project and demonstrate that the jobs meet a wage requirement.  
53 13 The precise amount and timing of the wage requirement depends  
53 14 on whether the business is creating or retaining jobs. For  
53 15 created jobs, the requirement is that the jobs pay at least  
53 16 100 percent of the qualifying wage threshold at the start of  
53 17 the project and at least 130 percent as of the project  
53 18 completion and maintenance period completion dates identified  
53 19 in the agreement with the department. For retained jobs, the  
53 20 wage requirement is that the jobs pay at least 130 percent of  
53 21 the qualifying wage threshold throughout the period covered by  
53 22 the agreement. The qualifying wage threshold is the county  
53 23 wage or the regional wage, as described above, whichever is  
53 24 lower.

53 25 In order to qualify under the 130 percent wage component, a  
53 26 business must also provide a sufficient benefits package to  
53 27 its employees. The department, with board approval, is  
53 28 directed to formulate rules determining what constitutes a  
53 29 sufficient benefits package. A business providing a  
53 30 sufficient benefits package automatically qualifies for a  
53 31 credit against the 130 percent qualifying wage threshold. The  
53 32 amount of the credit is calculated and applied as follows: (1)  
53 33 multiplying by one and three-tenths the qualifying wage  
53 34 threshold of the county in which the business is located; (2)  
53 35 multiplying the result of step 1 by one-tenth; and (3)  
54 1 crediting the amount of the result of step 2 against the  
54 2 amount represented by the 130 percent qualifying wage  
54 3 threshold requirement. The credit cannot be applied to the  
54 4 100 percent qualifying wage threshold that is applicable at  
54 5 the beginning of certain projects.

54 6 In order to qualify under the 130 percent wage component, a  
54 7 business must also demonstrate that the jobs created or  
54 8 retained will have a sufficient impact on state and local  
54 9 government revenues, as determined by the department's fiscal  
54 10 impact ratio calculation.

54 11 In order to qualify under the 130 percent wage component, a  
54 12 business cannot be a retail business or a business where  
54 13 entrance is limited by a cover charge or membership  
54 14 requirement.

54 15 If a business qualifies for financial assistance under  
54 16 another program that has higher wage requirements than the 130  
54 17 percent wage component, then the business must meet those  
54 18 requirements, regardless of the wage requirements imposed  
54 19 under the 130 percent wage component.

54 20 Division I provides for a 100 percent wage component. In  
54 21 order to qualify for financial assistance under this  
54 22 component, a business must create or retain jobs as part of a  
54 23 project and demonstrate that the jobs meet a wage requirement.  
54 24 The wage requirement depends on whether the business is  
54 25 creating or retaining jobs. The wage threshold for this  
54 26 component is 100 percent throughout each phase of the  
54 27 agreement with the department.

54 28 In order to qualify under the 100 percent wage component, a  
54 29 business must also provide a sufficient benefits package to  
54 30 its employees. The department, with board approval, is  
54 31 directed to formulate rules determining what constitutes a  
54 32 sufficient benefits package. There is no credit toward the  
54 33 qualifying wage threshold under the 100 percent wage  
54 34 component.

54 35 As with the 130 percent wage component, a business must  
55 1 show a sufficient impact on government revenues, as determined  
55 2 by the fiscal impact ratio, and cannot be a retail business or  
55 3 a business where entrance is limited by a cover charge or  
55 4 membership requirement.

55 5 Division I provides for an entrepreneurial component. This  
55 6 component is similar in purpose to the entrepreneurial  
55 7 ventures assistance program repealed in division I of the  
55 8 bill. In order to qualify under this component, a business  
55 9 must be an early-stage business. "Early-stage business" means  
55 10 a business which has been competing in a particular industry  
55 11 for three years or less. A business must also have consulted  
55 12 with and obtained a letter of endorsement from either a  
55 13 business accelerator approved by the department or from an  
55 14 entrepreneurial development organization recognized by the  
55 15 department. Businesses applying for financial assistance  
55 16 under this component are not required to have matching funds  
55 17 from a city or county. In awarding financial assistance under  
55 18 this component, the department and the board are directed to  
55 19 give priority to certain industries with the greatest  
55 20 potential for growth.



55 21 Division I provides for an infrastructure component. This  
55 22 component is similar in purpose to the physical infrastructure  
55 23 assistance component repealed in division I of the bill. In  
55 24 order to qualify for financial assistance under this  
55 25 component, a business or community must be engaged in a  
55 26 physical infrastructure project. "Physical infrastructure  
55 27 project" means a project that creates necessary infrastructure  
55 28 for economic success throughout Iowa, provides the foundation  
55 29 for the creation of jobs, and that involves the investment of  
55 30 a substantial amount of capital.

55 31 Division I provides for a value-added agriculture  
55 32 component. This component is similar in purpose to the  
55 33 value-added agricultural products and processes financial  
55 34 assistance program repealed in division I of the bill. In  
55 35 order to qualify for financial assistance under this  
56 1 component, a business must be a production facility engaged in  
56 2 the process of adding value to certain agricultural products.  
56 3 The board and the department cannot award financial assistance  
56 4 under this component in an amount exceeding 50 percent of the  
56 5 total capital investment in a project. A business applying  
56 6 for financial assistance under this component is eligible for  
56 7 financial assistance regardless of whether the business has  
56 8 received matching funds from a city or county.

56 9 Division I of the bill provides for a disaster recovery  
56 10 component. In order to qualify for financial assistance under  
56 11 this component, a business must meet all of the following  
56 12 conditions: (1) the business must be located in an area  
56 13 declared a disaster area by a federal official; (2) the  
56 14 business must have sustained substantial physical damage and  
56 15 have closed as the result of a natural disaster; (3) the  
56 16 business must have a plan for reopening that includes  
56 17 employing a sufficient number of the employees the business  
56 18 employed before the natural disaster occurred; and (4) the  
56 19 business must pay wages at the same level after reopening as  
56 20 it paid before the natural disaster occurred.

56 21 Division I provides for financial assistance under certain  
56 22 circumstances constituting either an opportunity or a threat  
56 23 to the state. The department, with the approval of the board,  
56 24 may award financial assistance to a business, an individual, a  
56 25 development corporation, a nonprofit organization, or a  
56 26 political subdivision of the state where, in the opinion of  
56 27 the department, there is a project presenting a unique  
56 28 opportunity for economic development in the state, or where  
56 29 there is a need to address a situation constituting a threat  
56 30 to the continued economic prosperity of the state. Financial  
56 31 assistance provided under these circumstances comes from the  
56 32 grow Iowa values fund, but such financial assistance is not  
56 33 subject to the standard requirements of the grow Iowa values  
56 34 financial assistance program or any of its components. The  
56 35 board is directed to adopt rules governing the eligibility of  
57 1 projects for this form of financial assistance.

57 2 Division I directs the department, with the approval of the  
57 3 board, to adopt rules making the terms of agreements with the  
57 4 recipients of financial assistance uniform across different  
57 5 programs, to the extent possible. These programs include the  
57 6 grow Iowa values financial assistance program, the high  
57 7 quality jobs program, and the enterprise zone program.

57 8 Division I requires the department to accept and process  
57 9 applications for financial assistance under the program before  
57 10 preparing them for the board. The due diligence committee  
57 11 established by the board pursuant to Code section 15.103 must  
57 12 review all applications and make a recommendation to the  
57 13 board. Applications for financial assistance under the  
57 14 value-added agriculture component must also be reviewed and  
57 15 recommended by the agricultural products advisory council  
57 16 established pursuant to Code section 15.203. Applications for  
57 17 financial assistance related to technology commercialization  
57 18 must be reviewed by the technology commercialization  
57 19 committee. In overseeing the administration of the grow Iowa  
57 20 values fund and financial assistance program, the board must  
57 21 take final action on the department's recommended annual  
57 22 allocations of fund moneys at the first board meeting after  
57 23 the start of a new fiscal year, consider the recommendations  
57 24 of the due diligence committee and agricultural products  
57 25 advisory council, and take final action on the plans for  
57 26 proposed expenditures submitted by the entities receiving  
57 27 moneys allocated under Code section 15G.111.

57 28 Division I establishes an accelerated career education fund  
57 29 in the state treasury under the control of the department and  
57 30 consisting of moneys appropriated to the department for  
57 31 purposes of funding the cost of accelerated career education

57 32 program capital projects.

57 33 Division I provides for the transfer of the balance of  
57 34 moneys remaining in the various funds and accounts associated  
57 35 with the programs abolished in division I of the bill.

58 1 Because there are moneys obligated as guarantees made under  
58 2 the loan and credit guarantee program which may become  
58 3 unobligated on a future date, division I provides for the  
58 4 future transfer of such moneys to the grow Iowa values fund.  
58 5 Division I also provides for the transfer to the accelerated  
58 6 career education fund of certain past appropriations made to  
58 7 the department for purposes of accelerated career education  
58 8 program capital projects.

58 9 Division II of the bill relates to the high quality job  
58 10 creation program. Currently, the high quality job creation  
58 11 program provides financial incentives to businesses that meet  
58 12 certain job and wage requirements, but these requirements are  
58 13 independent of any similar requirements in programs funded  
58 14 through the grow Iowa values fund. Because applicants can  
58 15 apply to both programs, they are often subject to differing  
58 16 requirements on the same project. Division II applies the job  
58 17 creation requirements and the 130 percent qualifying wage  
58 18 threshold requirements, including the credit for providing a  
58 19 benefits package, of the grow Iowa values financial assistance  
58 20 program to the high quality job creation program. These  
58 21 changes include making financial assistance under the high  
58 22 quality job creation program available for projects retaining  
58 23 jobs, thus division II changes the name of the program to the  
58 24 high quality jobs program.

58 25 Division II makes some changes to the high quality jobs  
58 26 program in addition to the changes necessary to standardize  
58 27 certain requirements with the requirements in the grow Iowa  
58 28 values financial assistance program. Under current law, the  
58 29 department must consider all of the following: (1) whether a  
58 30 business that has merged with an Iowa company within the past  
58 31 three years has made a good faith effort to hire the workers  
58 32 of the acquired company; (2) whether the business has a hiring  
58 33 preference for Iowa residents; and (3) whether all known  
58 34 environmental permits have been issued and regulations met.  
58 35 Division II eliminates these provisions.

59 1 Division II moves the definition of "project completion"  
59 2 from the definitions in Code section 15.327 to the sales tax  
59 3 refund provision in Code section 15.331A. The provision  
59 4 defining "project completion" is only applicable to sales tax  
59 5 refunds.

59 6 Currently, the high quality job creation program contains a  
59 7 schedule of certain tax incentives available to eligible  
59 8 businesses under the program. The schedule is graduated,  
59 9 providing increasing investment tax credits and sales tax  
59 10 refunds as the number of jobs created and the amount of the  
59 11 qualifying investment are increased. The graduated schedule  
59 12 contains two tiers: one for jobs paying 130 percent of the  
59 13 average county wage and one for jobs paying 160 percent of the  
59 14 average county wage. Division II removes the current "average  
59 15 county wage" language and replaces it with the qualifying wage  
59 16 threshold requirements described in the grow Iowa values  
59 17 financial assistance program. The 160 percent tier of  
59 18 incentives is eliminated, and the graduated scale of  
59 19 incentives is adjusted by changing the number of jobs that are  
59 20 required to be created in order to reach certain incentive  
59 21 levels.

59 22 Currently, the high quality job creation program provides  
59 23 for project-specific waivers from the wage requirements of the  
59 24 program. These waivers refer to average county or average  
59 25 regional wage calculations. Division II retains the waivers,  
59 26 but amends the language of the waiver provisions to reflect  
59 27 the county wage and regional wage calculations of the grow  
59 28 Iowa values financial assistance program.

59 29 Division III of the bill relates to enterprise zones. Like  
59 30 the high quality job creation program, there are  
59 31 benefit-related, job-related, and wage-related eligibility  
59 32 requirements under the enterprise zone program. Division III  
59 33 standardizes some of these requirements with similar  
59 34 requirements in the high quality jobs program and the grow  
59 35 Iowa values financial assistance program.

60 1 Currently, in order to be eligible, a business must provide  
60 2 employees with a benefit plan that pays 80 percent of the cost  
60 3 of medical and dental insurance or the monetary equivalent of  
60 4 such a plan. Division III standardizes the benefit  
60 5 requirement for the enterprise zone program with the benefit  
60 6 requirements of the grow Iowa values financial assistance  
60 7 program and the high quality jobs program. Specifically, a

60 8 business must provide a sufficient package of benefits to  
60 9 employees, but what constitutes sufficient is determined by  
60 10 rule.

60 11 Currently, an eligible business under the enterprise zone  
60 12 program must pay wages that are at least 90 percent of the  
60 13 average county wage, but not less than \$7.50 per hour.  
60 14 Division III changes the wage requirement to be 90 percent of  
60 15 the qualifying wage threshold, as defined in the grow Iowa  
60 16 values financial assistance program. The \$7.50 per hour  
60 17 requirement is eliminated.

60 18 Currently, an eligible business under the enterprise zone  
60 19 program must create at least 10 full-time positions and  
60 20 maintain them for at least 10 years. Division III requires  
60 21 instead that 10 full-time positions must be maintained until  
60 22 the maintenance period completion date, as defined in the grow  
60 23 Iowa values financial assistance program. Currently, under  
60 24 certain circumstances in low-population counties, a business  
60 25 may only be required to create five jobs initially, with the  
60 26 other five jobs to be created within five years. Division III  
60 27 eliminates the provision that allows this.

60 28 Currently, an eligible business under the enterprise zone  
60 29 program must make a capital investment of at least \$500,000,  
60 30 but is allowed to count the fair market value of the building  
60 31 and the land, up to \$250,000, toward this capital investment  
60 32 requirement if the business will be occupying a vacant  
60 33 building suitable for industrial use. Existing businesses  
60 34 operating in an enterprise zone for at least five years are  
60 35 also eligible for an exemption from the capital investment  
61 1 requirement of up to \$250,000. Division III eliminates the  
61 2 ability to count the fair market value of the building and the  
61 3 land, as well as the exemption for existing businesses.

61 4 Currently, an enterprise zone commission must consider the  
61 5 impact an eligible business will have on competing businesses.  
61 6 Division III standardizes the language of this requirement  
61 7 with similar language in the grow Iowa values financial  
61 8 assistance program.

61 9 Currently, an eligible business under the enterprise zone  
61 10 program must submit an affidavit on its compliance with  
61 11 federal environmental and worker safety laws. Division III  
61 12 standardizes this language with similar language in the grow  
61 13 Iowa values financial assistance program requiring a report on  
61 14 violations of law.

61 15 Division IV of the bill makes amendments to the Code in  
61 16 conformance with the changes made in divisions I, II, and III  
61 17 of the bill. These amendments include changes to the duties  
61 18 of the economic development board's loan and credit guarantee  
61 19 committee, adding administration of the grow Iowa values  
61 20 financial assistance program to the duties of the board,  
61 21 removing references in certain reporting requirements to the  
61 22 programs abolished in division I, adding review of  
61 23 applications for financial assistance under the value-added  
61 24 agriculture component of the grow Iowa values financial  
61 25 assistance program to the duties of the agricultural products  
61 26 advisory council, removing various references throughout the  
61 27 Code to the programs abolished in division I, and changing  
61 28 certain provisions to refer to the grow Iowa values financial  
61 29 assistance program instead of the grow Iowa values fund or the  
61 30 programs abolished in division I.

61 31 Division IV contains two conditional enactments. If House  
61 32 Study Bill 109 is enacted, division IV makes certain  
61 33 conforming amendments to harmonize sections of the Code.

61 34 LSB 1441SV 83

61 35 tw/rj/14