

**Senate Study Bill 3062 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_

BY (PROPOSED DEPARTMENT OF  
ECONOMIC DEVELOPMENT BILL)

**A BILL FOR**

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

DIVISION I

MISCELLANEOUS PROGRAM CHANGES

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2  
3 Section 1. Section 15.335A, subsection 1, paragraph e, Code  
4 Supplement 2009, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

29 DIVISION II

30 ECONOMIC DEVELOPMENT BOARD

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

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

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

27 Sec. 6. ECONOMIC DEVELOPMENT BOARD MEMBER TERMS.

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

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

3 enactment.

4

EXPLANATION

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

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

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

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

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