

**House Study Bill 103 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED GOVERNOR'S BILL)

**A BILL FOR**

1 An Act relating to the organization of the executive branch  
2 agencies responsible for administering economic development  
3 programs, making certain properly related changes, and  
4 including effective date and transition provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

IOWA PARTNERSHIP FOR ECONOMIC PROGRESS AND ECONOMIC PROGRESS  
AUTHORITY

Section 1. Section 15.101, Code 2011, is amended by striking the section and inserting in lieu thereof the following:

**15.101 Findings and purpose — partnership described.**

1. The general assembly finds that economic development is an important public purpose and that both the public and private sectors have a shared interest in fostering the economic vitality of the state. Therefore, it is the purpose of this subchapter to implement economic development policy in the state by means of a collaboration between government and the private sector.

2. The collaboration shall involve the partnership for economic progress, the economic progress authority, and the economic progress corporation, all of which shall work together to further economic development policy according to the provisions of this subchapter.

Sec. 2. Section 15.102, Code 2011, is amended by adding the following new subsections:

NEW SUBSECTION. 01. "*Authority*" means the economic progress authority created in section 15.105.

NEW SUBSECTION. 1A. "*Chief executive officer*" means the chief executive officer of the corporation.

NEW SUBSECTION. 2A. "*Corporation*" means the economic progress corporation created pursuant to section 15.107.

NEW SUBSECTION. 4A. "*Financial assistance*" means assistance provided only from the funds, rights, and assets legally available to the authority and includes but is not limited to assistance in the form of grants, loans, forgivable loans, and royalty payments.

NEW SUBSECTION. 5A. "*Partnership*" means the collaboration between the board, the authority, and the corporation as described in section 15.101.

Sec. 3. Section 15.102, subsections 1 and 4, Code 2011, are

1 amended to read as follows:

2 1. "*Board*" means the ~~Iowa economic development board~~ seven  
3 members of the authority appointed by the governor and in whom  
4 the powers of the authority are vested pursuant to section  
5 15.105.

6 4. "*Director*" means the director of the ~~department~~  
7 authority, appointed pursuant to section 15.106C, or the  
8 director's designee.

9 Sec. 4. Section 15.102, subsection 3, Code 2011, is amended  
10 by striking the subsection.

11 Sec. 5. Section 15.103, Code 2011, is amended by striking  
12 the section and inserting in lieu thereof the following:

13 **15.103 Partnership for economic progress.**

14 1. The partnership for economic progress is hereby created.  
15 The partnership shall serve as an advisory body within state  
16 government and shall function on a continuing basis for the  
17 study and recommendation of solutions and policy alternatives  
18 for issues arising in the area of economic development.

19 2. The powers of the partnership are vested in and shall  
20 be exercised by seven members to be appointed by the governor.  
21 To the extent possible, the governor shall appoint to the  
22 membership of the partnership persons who are actively employed  
23 in the private, for-profit sector of the economy or who  
24 otherwise have substantial expertise in economic development.

25 3. Members of the partnership shall be appointed for  
26 staggered terms of two years beginning and ending as provided  
27 in section 69.19. A person appointed to fill a vacancy shall  
28 serve only for the unexpired portion of the term. A member  
29 is eligible for reappointment. A member of the authority  
30 may be removed from office by the governor for misfeasance,  
31 malfeasance, or willful neglect of duty or other just cause,  
32 after notice and hearing, unless the notice and hearing is  
33 expressly waived in writing.

34 4. Four members of the partnership constitute a quorum and  
35 the affirmative vote of a majority of the appointed members

1 is necessary for any action taken by the partnership. The  
2 majority shall not include any member who has a conflict of  
3 interest and a statement by a member of a conflict of interest  
4 shall be conclusive for this purpose. A vacancy in the  
5 membership does not impair the right of a quorum to exercise  
6 all rights and perform all duties of the authority.

7 5. Members of the partnership shall receive a per diem as  
8 described in section 7E.6 for each day spent in performance of  
9 duties as members and shall be reimbursed for all actual and  
10 necessary expenses incurred in the performance of duties as  
11 members.

12 6. Members of the partnership shall give bond as required  
13 for public officers in chapter 64.

14 7. The governor or, if the governor so designates, the  
15 lieutenant governor shall serve as the chairperson of the  
16 partnership. Members shall elect a vice chairperson and  
17 secretary biannually, and other officers as they determine.

18 8. Meetings of the partnership shall be held at least  
19 quarterly and may be held more frequently at the call of the  
20 chairperson or when four or more members of the partnership so  
21 request.

22 Sec. 6. Section 15.104, Code 2011, is amended by striking  
23 the section and inserting in lieu thereof the following:

24 **15.104 Duties and powers of the partnership.**

25 The partnership created in section 15.103 shall have the  
26 following duties and powers:

27 1. To call and hold meetings for the purposes described in  
28 section 15.103, subsection 1.

29 2. To create and maintain records of the partnership's  
30 activities and recommendations.

31 3. To develop a strategic vision for economic development  
32 in Iowa. The partnership shall submit this vision to the  
33 authority and the general assembly by January 31 of each year  
34 for their consideration.

35 Sec. 7. Section 15.105, Code 2011, is amended by striking

1 the section and inserting in lieu thereof the following:

2 **15.105 Economic progress authority.**

3 1. The economic progress authority is created, and  
4 constituted a public instrumentality and agency of the state  
5 exercising public and essential governmental functions, to  
6 undertake programs which implement economic development policy  
7 in the state, and to undertake certain finance programs.

8 a. The powers of the authority are vested in and shall be  
9 exercised by a board of seven voting members appointed by the  
10 governor subject to confirmation by the senate.

11 b. There shall be four ex officio, nonvoting legislative  
12 members consisting of the following:

13 (1) Two state senators, one appointed by the president of  
14 the senate after consultation with the majority leader of the  
15 senate and one appointed by the minority leader of the senate  
16 from their respective parties.

17 (2) Two state representatives, one appointed by the speaker  
18 and one appointed by the minority leader of the house of  
19 representatives from their respective parties.

20 c. To the extent possible, the governor shall appoint  
21 persons who are actively employed in the private, for-profit  
22 sector of the economy or who otherwise have substantial  
23 expertise in economic development.

24 2. Members of the authority shall be appointed for staggered  
25 terms of four years beginning and ending as provided in section  
26 69.19. A person appointed to fill a vacancy shall serve only  
27 for the unexpired portion of the term. A member is eligible  
28 for reappointment. A member of the authority may be removed  
29 from office by the governor for misfeasance, malfeasance, or  
30 willful neglect of duty or other just cause, after notice and  
31 hearing, unless the notice and hearing is expressly waived in  
32 writing.

33 3. Four members of the authority constitute a quorum, and  
34 the affirmative vote of a majority of the appointed members is  
35 necessary for any action taken by the authority. The majority

1 shall not include any member who has a conflict of interest  
2 and a statement by a member of a conflict of interest shall be  
3 conclusive for this purpose. A vacancy in the membership does  
4 not impair the right of a quorum to exercise all rights and  
5 perform all duties of the authority.

6 4. Members of the authority are entitled to receive a  
7 per diem as specified in section 7E.6 for each day spent in  
8 performance of duties as members, and shall be reimbursed for  
9 all actual and necessary expenses incurred in the performance  
10 of duties as members.

11 5. Members of the authority and the director shall give bond  
12 as required for public officers in chapter 64.

13 6. Meetings of the authority shall be held at the call of  
14 the chairperson or when two members so request.

15 7. Members shall elect a chairperson and vice chairperson  
16 annually, and other officers as they determine, but the  
17 director shall serve as secretary to the authority.

18 8. The net earnings of the authority, beyond that necessary  
19 for retirement of its notes, bonds, or other obligations, or to  
20 implement the public purposes and programs herein authorized,  
21 shall not inure to the benefit of any person other than the  
22 state. Upon termination of the existence of the authority,  
23 title to all property owned by the authority, including any  
24 such net earnings of the authority, shall vest in the state.  
25 The state reserves the right at any time to alter, amend,  
26 repeal, or otherwise change the structure, organization,  
27 programs, or activities of the authority, including the power  
28 to terminate the authority, except that no law shall impair  
29 the obligation of any contract or contracts entered into by  
30 the authority to the extent that any such law would contravene  
31 Article I, section 21, of the Constitution of the State of  
32 Iowa, or Article I, section 10, of the Constitution of the  
33 United States.

34 9. Members of the authority, or persons acting on behalf  
35 of the authority while acting within the scope of their agency

1 or employment, are not subject to personal liability resulting  
2 from carrying out the powers and duties in this chapter.

3 10. The authority shall be the successor entity to the  
4 economic development board and the department of economic  
5 development which are hereby eliminated. The authority  
6 shall assume all duties and responsibilities previously  
7 assigned to the economic development board and the department  
8 of economic development to the extent that such duties and  
9 responsibilities are not otherwise assigned by the provisions  
10 of this subchapter.

11 Sec. 8. Section 15.106, Code 2011, is amended by striking  
12 the section and inserting in lieu thereof the following:

13 **15.106 Conflicts of interest.**

14 1. *a.* If a member or employee of the authority other than  
15 the director of the authority has an interest, either direct or  
16 indirect, in a contract to which the authority is, or is to be,  
17 a party, the interest shall be disclosed to the authority in  
18 writing and shall be set forth in the minutes of the authority.

19 *b.* The member or employee having the interest shall not  
20 participate in any action of the authority with respect to  
21 that contract. A violation of a provision of this subsection  
22 is misconduct in office under section 721.2. However, a  
23 resolution of the authority is not invalid because of a vote  
24 cast by a member in violation of this subsection or of section  
25 15.105, subsection 3, unless the vote was decisive in the  
26 passage of the resolution.

27 *c.* For the purposes of this subsection, "*action of the*  
28 *authority with respect to that contract*" means only an action  
29 directly affecting a separate contract, and does not include an  
30 action which benefits the general public or which affects all  
31 or a substantial portion of the contracts included in a program  
32 of the authority.

33 2. The director shall not have an interest in a bank or  
34 other financial institution in which the funds of the authority  
35 are, or are to be, deposited or which is, or is to be, acting

1 as trustee or paying agent under a trust indenture to which  
2 the authority is a party. The director shall not receive,  
3 in addition to fixed salary or compensation, any money or  
4 valuable thing, either directly or indirectly, or through any  
5 substantial interest in any other corporation or business unit,  
6 for negotiating, procuring, recommending, or aiding in any  
7 purchase or sale of property, or loan, made by the authority,  
8 nor shall the director be pecuniarily interested, either as  
9 principal, coprincipal, agent, or beneficiary, either directly  
10 or indirectly, or through any substantial interest in any other  
11 corporation or business unit, in any such purchase, sale, or  
12 loan.

13 Sec. 9. NEW SECTION. 15.106A **General powers of the**  
14 **authority.**

15 1. The authority has any and all powers necessary and  
16 convenient to carry out its purposes and duties and exercise  
17 its specific powers, including but not limited to the power to:

18 a. Issue negotiable bonds and notes as provided in this  
19 subchapter in order to finance its programs.

20 b. Sue and be sued in its own name.

21 c. Have and alter a corporate seal.

22 d. Make and alter bylaws for its management consistent with  
23 the provisions of this chapter.

24 e. Make and execute agreements, contracts, and other  
25 instruments of any and all types on such terms and conditions  
26 as the authority may find necessary or convenient to the  
27 purposes of the authority, with any public or private entity,  
28 including but not limited to contracts for goods and services.

29 All political subdivisions, other public agencies, and state  
30 departments and agencies may enter into contracts and otherwise  
31 cooperate with the authority.

32 f. Adopt by rule pursuant to chapter 17A procedures relating  
33 to competitive bidding, including the identification of those  
34 circumstances under which competitive bidding by the authority,  
35 either formally or informally, shall be required. In any

1 bidding process, the authority may administer its own bidding  
2 and procurement or may utilize the services of the department  
3 of administrative services or any other agency. Except when  
4 such rules apply, the authority and all contracts made by it in  
5 carrying out its public and essential governmental functions  
6 with respect to any of its programs shall be exempt from the  
7 provisions and requirements of all laws or rules of the state  
8 which require competitive bids in connection with the letting  
9 of such contracts.

10 *g.* Acquire, hold, improve, mortgage, lease, and dispose of  
11 real and personal property, including but not limited to the  
12 power to sell at public or private sale, with or without public  
13 bidding, any such property, or other obligation held by it.

14 *h.* Procure insurance against any loss in connection with its  
15 operations and property interests.

16 *i.* Fix and collect fees and charges for its services.

17 *j.* Subject to an agreement with bondholders or noteholders,  
18 invest or deposit moneys of the authority in a manner  
19 determined by the authority, notwithstanding chapter 12B or  
20 12C.

21 *k.* Accept appropriations, gifts, grants, loans, or other  
22 aid from public or private entities. A record of all gifts or  
23 grants, stating the type, amount, and donor, shall be clearly  
24 set out in the authority's annual report along with the record  
25 of other receipts.

26 *l.* Provide to public and private entities technical  
27 assistance and counseling related to the authority's purposes.

28 *m.* In cooperation with other local, state, or federal  
29 governmental agencies, conduct research studies, develop  
30 estimates of unmet economic development needs, gather and  
31 compile data useful to facilitating decision making, and enter  
32 into agreements to carry out programs within or without the  
33 state which the authority finds to be consistent with the goals  
34 of the authority.

35 *n.* Enter into agreements with the federal government,

1 tribes, and other states to undertake economic development  
2 activities in the state of Iowa.

3 o. Own or acquire intellectual property rights including  
4 but not limited to copyrights, trademarks, service marks, and  
5 patents, and enforce the rights of the authority with respect  
6 to such intellectual property rights.

7 p. Make, alter, and repeal rules consistent with the  
8 provisions of this chapter, and subject to chapter 17A.

9 q. Form committees or panels as necessary to facilitate the  
10 authority's duties.

11 r. Establish one or more funds within the state treasury  
12 under the control of the authority and invest moneys of the  
13 authority therein. Notwithstanding section 8.33 or 12C.7,  
14 or any other provision to the contrary, moneys invested by  
15 the treasurer of state pursuant to this subsection shall not  
16 revert to the general fund of the state and interest accrued  
17 on the moneys shall be moneys of the authority and shall not be  
18 credited to the general fund. For purposes of this paragraph,  
19 the treasurer of state shall enter into an agreement with the  
20 authority to carry out the provisions of this paragraph.

21 s. Select projects to receive assistance by the exercise of  
22 diligence and care.

23 t. Exercise generally all powers typically exercised by  
24 private enterprises engaged in business pursuits unless the  
25 exercise of such a power would violate the terms of this  
26 chapter or the Constitution of the State of Iowa.

27 2. Notwithstanding any other provision of law, any purchase  
28 or lease of real property, other than on a temporary basis,  
29 when necessary in order to implement the programs of the  
30 authority or protect the investments of the authority, shall  
31 require written notice from the authority to the government  
32 oversight standing committees of the general assembly and the  
33 prior approval of the executive council.

34 3. The powers enumerated in this section are cumulative of  
35 and in addition to those powers enumerated elsewhere in this

1 chapter and such powers do not limit or restrict any other  
2 powers of the authority.

3 4. Notwithstanding any other provision of law, the  
4 authority may elect to utilize any or all of the goods or  
5 services available from other state agencies in the conduct  
6 of its affairs. Departments, boards, commissions, or other  
7 agencies of the state shall provide reasonable assistance and  
8 services to the authority upon the request of the director.

9 Sec. 10. NEW SECTION. 15.106B **Specific program powers.**

10 1. In addition to the general powers described in section  
11 15.106A, the authority shall have all powers convenient and  
12 necessary to carry out its programs.

13 2. For purposes of this section, "*powers convenient and*  
14 *necessary*" includes but is not limited to the power to:

15 a. Undertake more extensive research and discussion of  
16 the issues identified by the partnership in order to better  
17 formulate and implement state economic development policy.

18 b. Establish a nonprofit corporation pursuant to section  
19 15.107, for the purpose of receiving and disbursing funds from  
20 public or private sources to be used to further the overall  
21 development and economic well-being of the state.

22 c. Provide export documentation to Iowa businesses that are  
23 exporting goods and services if no other government entity is  
24 providing export documentation in a form deemed necessary for  
25 international commerce.

26 d. (1) Pursuant to a contract executed between the  
27 authority and the corporation, the authority may delegate to  
28 the corporation the performance of the following functions on  
29 behalf of the authority:

30 (a) Marketing and promotional activities.

31 (b) Policy research.

32 (c) Economic analysis.

33 (d) Expansion of international markets for Iowa-produced  
34 or Iowa-based products.

35 (e) Consulting services. However, such consulting

1 services shall not be provided in relation to an applicant for  
2 financial assistance under any of the programs administered  
3 by the authority or to persons who have an interest in or any  
4 financial connection to the corporation.

5 (2) A contract executed pursuant to this paragraph "d"  
6 shall not delegate an essential government function, including  
7 the budgetary or personnel management responsibilities of the  
8 authority, and shall not delegate any sovereign power of the  
9 state.

10 (3) The terms of a contract executed pursuant to this  
11 paragraph "d" may provide for compensation at the fair market  
12 value of the services to be provided under the contract.

13 Sec. 11. NEW SECTION. 15.106C Director — responsibilities.

14 1. The board shall appoint a director of the authority,  
15 who shall serve at the pleasure of the authority board. The  
16 director shall be selected primarily for administrative ability  
17 and knowledge in the field and without regard to political  
18 affiliation.

19 2. The director shall not, directly or indirectly, exert  
20 influence to induce any other officers or employees of the  
21 state to adopt a political view or to favor a political  
22 candidate for office.

23 3. The director shall advise the authority on matters  
24 relating to economic development and act on the authority's  
25 behalf to carry out all directives from the authority board in  
26 regard to the operation of the authority.

27 4. The director shall designate certain employees as  
28 key professional personnel and shall classify and fix the  
29 compensation of the personnel so designated.

30 5. The director shall employ personnel as necessary to  
31 carry out the duties and responsibilities of the authority.  
32 For nonprofessional employees, employment shall be consistent  
33 with chapter 8A, subchapter IV. The employment of professional  
34 employees shall be exempt from the provisions of chapter 8A,  
35 subchapter IV, and chapter 20.

1 6. The director, in consultation with the authority  
2 board, may establish incentive programs for employees of the  
3 authority.

4 Sec. 12. NEW SECTION. 15.106D Bonds and notes.

5 1. The authority may issue its negotiable bonds and notes  
6 in principal amounts as, in the opinion of the authority, are  
7 necessary to provide sufficient funds for achievement of its  
8 corporate purposes, the payment of interest on its bonds and  
9 notes, the establishment of reserves to secure its bonds and  
10 notes, and all other expenditures of the authority incident  
11 to and necessary or convenient to carry out its purposes and  
12 powers. The bonds and notes shall be deemed to be investment  
13 securities and negotiable instruments within the meaning of and  
14 for all purposes of the uniform commercial code, chapter 554.

15 2. Bonds and notes issued by the authority are payable  
16 solely and only out of the moneys, assets, or revenues of the  
17 authority, and as provided in the agreement with bondholders  
18 or noteholders pledging any particular moneys, assets, or  
19 revenues. Bonds or notes are not an obligation of this state  
20 or any political subdivision of this state other than the  
21 authority within the meaning of any constitutional or statutory  
22 debt limitations, but are special obligations of the authority  
23 payable solely and only from the sources provided in this  
24 chapter, and the authority may not pledge the credit or taxing  
25 power of this state or any political subdivision of this state  
26 other than the authority, or make its debts payable out of any  
27 moneys except those of the authority.

28 3. Bonds and notes must be authorized by a resolution of the  
29 authority. However, a resolution authorizing the issuance of  
30 bonds or notes may delegate to an officer of the authority the  
31 power to negotiate and fix the details of an issue of bonds or  
32 notes by an appropriate certificate of such authorized officer.

33 4. Bonds shall:

34 a. State the date and series of the issue, be consecutively  
35 numbered, and state on their face that they are payable both

1 as to principal and interest solely out of the assets of  
2 the authority, constitute an indebtedness of the authority,  
3 and do not constitute an indebtedness of this state or any  
4 political subdivision of this state within the meaning of any  
5 constitutional or statutory debt limit.

6     *b.* Be either registered, registered as to principal only,  
7 or in coupon form, issued in denominations as the authority  
8 prescribes, fully negotiable instruments under the laws of this  
9 state, signed on behalf of the authority with the manual or  
10 facsimile signature of the chairperson or vice chairperson,  
11 attested by the manual or facsimile signature of the secretary,  
12 have impressed or imprinted thereon the seal of the authority  
13 or a facsimile of the seal of the authority, and the coupons  
14 attached shall be signed with the facsimile signature of the  
15 chairperson or vice chairperson, be payable as to interest at  
16 rates and at times as the authority determines, be payable  
17 as to principal at times over a period not to exceed fifty  
18 years from the date of issuance, at places, and with reserved  
19 rights of prior redemption, as the authority prescribes, be  
20 sold at prices, at public or private sale, and in a manner  
21 as the authority prescribes, and the authority may pay all  
22 expenses, premiums, and commissions which it deems necessary  
23 or advantageous in connection with the issuance and sale,  
24 and be issued under and subject to the terms, conditions,  
25 and covenants providing for the payment of the principal,  
26 redemption premiums, if any, interest, and other terms,  
27 conditions, covenants, and protective provisions safeguarding  
28 payment, not inconsistent with this chapter, as are found to  
29 be necessary by the authority for the most advantageous sale,  
30 which may include but are not limited to covenants with the  
31 holders of the bonds as to:

32     (1) Pledging or creating a lien, to the extent provided  
33 by the resolution, on moneys or property of the authority or  
34 moneys held in trust or otherwise by others to secure the  
35 payment of the bonds.

1 (2) Providing for the custody, collection, securing,  
2 investment, and payment of any moneys of or due to the  
3 authority.

4 (3) The setting aside of reserves or sinking funds and the  
5 regulation or disposition of them.

6 (4) Limitations on the purpose to which the proceeds of  
7 sale of an issue of bonds then or thereafter to be issued may  
8 be applied.

9 (5) Limitations on the issuance of additional bonds and on  
10 the refunding of outstanding or other bonds.

11 (6) The procedure by which the terms of a contract with the  
12 holders of bonds may be amended or abrogated, the amount of  
13 bonds the holders of which must consent thereto, and the manner  
14 in which consent may be given.

15 (7) The creation of special funds into which moneys of the  
16 authority may be deposited.

17 (8) Vesting in a trustee properties, rights, powers, and  
18 duties in trust as the authority determines, which may include  
19 the rights, powers, and duties of the trustee appointed for  
20 the holders of any issue of bonds pursuant to section 16.28,  
21 in which event the provisions of that section authorizing  
22 appointment of a trustee by the holders of bonds shall not  
23 apply, or limiting or abrogating the right of the holders of  
24 bonds to appoint a trustee under that section, or limiting the  
25 rights, duties, and powers of the trustee.

26 (9) Defining the acts or omissions which constitute a  
27 default in the obligations and duties of the authority and  
28 providing for the rights and remedies of the holders of bonds  
29 in the event of a default. However, rights and remedies shall  
30 be consistent with the laws of this state and other provisions  
31 of this chapter.

32 (10) Any other matters which affect the security and  
33 protection of the bonds and the rights of the holders.

34 5. The authority may issue its bonds for the purpose of  
35 refunding any bonds or notes of the authority then outstanding,

1 including the payment of any redemption premiums thereon and  
2 any interest accrued or to accrue to the date of redemption  
3 of the outstanding bonds or notes. Until the proceeds  
4 of bonds issued for the purpose of refunding outstanding  
5 bonds or notes are applied to the purchase or retirement of  
6 outstanding bonds or notes or the redemption of outstanding  
7 bonds or notes, the proceeds may be placed in escrow and be  
8 invested and reinvested in accordance with the provisions of  
9 this chapter. The interest, income, and profits earned or  
10 realized on an investment may also be applied to the payment  
11 of the outstanding bonds or notes to be refunded by purchase,  
12 retirement, or redemption. After the terms of the escrow have  
13 been fully satisfied and carried out, any balance of proceeds  
14 and interest earned or realized on the investments may be  
15 returned to the authority for use by it in any lawful manner.  
16 All refunding bonds shall be issued and secured and subject to  
17 the provisions of this chapter in the same manner and to the  
18 same extent as other bonds issued pursuant to this chapter.

19 6. The authority may issue negotiable bond anticipation  
20 notes and may renew them from time to time but the maximum  
21 maturity of the notes, including renewals, shall not exceed  
22 ten years from the date of issue of the original notes. Notes  
23 are payable from any available moneys of the authority not  
24 otherwise pledged, or from the proceeds of the sale of bonds  
25 of the authority in anticipation of which the notes were  
26 issued. Notes may be issued for any corporate purpose of the  
27 authority. Notes shall be issued in the same manner as bonds,  
28 and notes, and the resolution authorizing them may contain  
29 any provisions, conditions, or limitations, not inconsistent  
30 with the provisions of this subsection, which the bonds or a  
31 bond resolution of the authority may contain. Notes may be  
32 sold at public or private sale. In case of default on its  
33 notes or violation of any obligations of the authority to  
34 the noteholders, the noteholders shall have all the remedies  
35 provided in this chapter for bondholders. Notes shall be as

1 fully negotiable as bonds of the authority.

2 7. A copy of each pledge agreement by or to the authority,  
3 including without limitation each bond resolution, indenture  
4 of trust or similar agreement, or any revisions or supplements  
5 to it shall be filed with the secretary of state and no further  
6 filing or other action under chapter 554, article 9, of the  
7 uniform commercial code, or any other law of the state shall  
8 be required to perfect the security interest in the collateral  
9 or any additions to it or substitutions for it, and the lien  
10 and trust so created shall be binding from and after the time  
11 made against all parties having claims of any kind in tort,  
12 contract, or otherwise against the pledgor.

13 8. Neither the members of the authority nor any person  
14 executing its bonds, notes, or other obligations shall be  
15 liable personally on the bonds, notes, or other obligations  
16 or be subject to any personal liability or accountability by  
17 reason of the issuance of the authority's bonds or notes.

18 Sec. 13. Section 15.107, Code 2011, is amended by striking  
19 the section and inserting in lieu thereof the following:

20 **15.107 Economic progress corporation.**

21 1. The authority shall establish the economic progress  
22 corporation as a nonprofit corporation organized under chapter  
23 504 and qualifying under section 501(c)(3) of the Internal  
24 Revenue Code as an organization exempt from taxation. Unless  
25 otherwise provided in this subchapter, the corporation is  
26 subject to the provisions of chapter 504. The corporation  
27 shall be established for the purpose of receiving and  
28 disbursing funds from public or private sources to be used to  
29 further the overall development and economic well-being of the  
30 state.

31 2. The corporation shall collaborate with the authority as  
32 described in this subchapter, but the corporation shall not  
33 be considered, in whole or in part, an agency, department, or  
34 administrative unit of the state.

35 a. The corporation shall not receive appropriations from the

1 general assembly.

2 *b.* The corporation shall not be required to comply with  
3 any requirements that apply to a state agency, department, or  
4 administrative unit and shall not exercise any sovereign power  
5 of the state.

6 *c.* The corporation does not have authority to pledge the  
7 credit of the state, and the state shall not be liable for  
8 the debts or obligations of the corporation. All debts and  
9 obligations of the corporation shall be payable solely from the  
10 corporation's funds.

11 3. *a.* The corporation shall be established so that  
12 donations and bequests to it qualify as tax deductible under  
13 state income tax laws and under section 501(c)(3) of the  
14 Internal Revenue Code.

15 *b.* The corporation shall be established for the purpose  
16 of expanding economic development opportunities in the state  
17 of Iowa and for Iowa businesses operating in foreign markets  
18 in connection with the public purpose of economic development  
19 in Iowa. The corporation may effectuate this purpose by  
20 performing certain functions delegated to it by the authority  
21 pursuant to section 15.106B.

22 4. The articles of the corporation shall provide for its  
23 governance and its efficient management. In providing for its  
24 governance, the articles of the corporation shall address the  
25 following:

26 *a.* A board of directors to govern the corporation which  
27 shall be comprised of seven members initially appointed by the  
28 governor and thereafter selected by a majority vote of the  
29 authority board.

30 *b.* The appointment of a chief executive officer by the board  
31 to manage the corporation's daily operations.

32 *c.* The delegation of such powers and responsibilities  
33 to the chief executive officer as may be necessary for the  
34 corporation's efficient operation.

35 *d.* The employment of personnel necessary for the efficient

1 performance of the duties assigned to the corporation in  
2 connection with the partnership. All such personnel shall be  
3 considered employees of a private, nonprofit corporation and  
4 shall be exempt from the personnel requirements imposed on  
5 state agencies, departments, and administrative units.

6 e. The financial operations of the corporation including the  
7 authority to receive and expend funds from public and private  
8 sources and to use its property, money, or other resources for  
9 the purpose of the corporation.

10 5. The board of directors of the corporation and the chief  
11 executive officer shall act to ensure all of the following:

12 a. That the corporation review and, at the board's  
13 direction, implement the strategic plan developed by the  
14 partnership pursuant to section 15.104.

15 b. That the corporation prepares an annual budget that  
16 includes funding levels for the corporation's activities and  
17 that shows sufficient moneys are available to support those  
18 activities.

19 c. That the corporation prepares an annual report for the  
20 authority on the corporation's activities no later than January  
21 31 of each year.

22 d. That the corporation prepares or causes to be prepared a  
23 financial audit conducted by a certified public accountant in  
24 accordance with generally accepted accounting principles.

25 6. The corporation shall keep confidential all information  
26 disclosed to it by the authority as part of a contract executed  
27 pursuant to section 15.106B.

28 **Sec. 14. NEW SECTION. 15.107A Duties and responsibilities**  
29 **of the corporation.**

30 1. The corporation's board of directors and the chief  
31 executive officer shall determine the activities and priorities  
32 of the corporation within the general parameters of the duties  
33 and responsibilities described in this section and in this  
34 subchapter.

35 2. The corporation shall, to the extent its articles so

1 provide and within its public purpose, do all of the following:

2     *a.* Perform any functions delegated by the authority pursuant  
3 to section 15.106B.

4     *b.* Encourage, stimulate, and support the development and  
5 expansion of the state's economy.

6     *c.* Develop and implement effective marketing and promotional  
7 programs.

8     *d.* Provide pertinent information to prospective new  
9 businesses.

10    *e.* Formulate and pursue programs for encouraging the  
11 location of new businesses in the state and for retaining and  
12 fostering the growth of existing businesses.

13    *f.* Solicit the involvement of the private sector, including  
14 support and funding, for economic development initiatives in  
15 the state.

16    *g.* Coordinate the economic development efforts of other  
17 state and local entities in an effort to achieve policy  
18 consistency.

19    *h.* Collect and maintain any economic data and research that  
20 is relevant to the formulation and implementation of effective  
21 policies.

22    *i.* Encourage the expansion of trade and the export of Iowa  
23 products and services to national and international markets.

24    *j.* Cooperate with and provide information to state agencies,  
25 local governments, community colleges, and the regents  
26 universities on economic development matters, including the  
27 areas of workforce development and job training.

28    *k.* Work in consultation with the Iowa innovation council  
29 established in section 15.117A to formulate policy ideas and  
30 further innovation within the state's economy.

31    Sec. 15. NEW SECTION. 15.107B **Annual reporting**  
32 **requirements.**

33    1. On or before January 31 of each year, the director shall  
34 submit to the authority board a report that describes the  
35 activities of the authority during the preceding fiscal year.

1 The report may include such information as the director deems  
2 necessary or as otherwise required by law.

3 2. The report submitted pursuant to subsection 1 shall at a  
4 minimum include the following:

5 a. A summary of the report filed by December 1 of each year  
6 by the department of administrative services with the authority  
7 regarding targeted small business procurement activities  
8 conducted during the previous fiscal year.

9 b. A summary of the report filed by December 1 of each year  
10 by the department of inspections and appeals with the authority  
11 regarding certifications of targeted small businesses. At a  
12 minimum, the summary shall include the number of certified  
13 targeted small businesses for the previous year, the increase  
14 or decrease in that number during the previous fiscal year  
15 compared to the prior fiscal year, and the number of targeted  
16 small businesses that have been decertified in the previous  
17 fiscal year.

18 c. A summary of the internal report compiled by December  
19 1 of each year by the authority regarding the targeted small  
20 business financial assistance program. At a minimum, the  
21 summary shall contain the number of loans, loan guarantees,  
22 and grants distributed during the previous fiscal year, the  
23 individual amounts provided to targeted small businesses during  
24 the previous fiscal year, and how many financial assistance  
25 awards to targeted small businesses were the subject of  
26 repayment or collection activity during the previous fiscal  
27 year.

28 d. A list of the procurement goals established pursuant to  
29 section 73.16, subsection 2, and compiled by the authority's  
30 targeted small business marketing and compliance manager and  
31 the performance of each agency in meeting the goals. The  
32 performance of each agency shall be determined based upon the  
33 reports required pursuant to section 73.16, subsection 2.

34 Sec. 16. Section 15.108, subsection 1, paragraph b, Code  
35 2011, is amended by striking the paragraph.

1     Sec. 17. REPEAL. Sections 15E.11, 15E.14, 15E.15, and  
2 15E.16, Code 2011, are repealed.

3     Sec. 18. CONTINUING VALIDITY OF DEPARTMENT RULES.

4     1. All rules promulgated by the department of economic  
5 development shall be valid and enforceable after the  
6 elimination of the department as rules promulgated by the  
7 economic progress authority.

8     2. As soon as practicable, the authority shall adopt revised  
9 rules issued under its own rulemaking authority.

10    Sec. 19. TRANSITION OF EMPLOYEES.

11    1. All employees of the department of economic development  
12 shall be considered employees of the economic progress  
13 authority upon the elimination of the former and creation of  
14 the latter.

15    2. Such employees shall suffer no loss in years served,  
16 sick leave and vacation time accrued, or other benefits of  
17 their current employment upon transition to employment with the  
18 authority.

19    3. All employees of the department transitioning to  
20 employment with the authority shall be considered employees  
21 for purposes of chapter 97B and may elect to remain a covered  
22 employee or to file an optional exclusion from membership as  
23 provided in section 97B.42A.

24    Sec. 20. CONTINUATION OF FINANCIAL ASSISTANCE.

25    1. Any moneys remaining in any account or fund under the  
26 control of the department of economic development on the  
27 effective date of this Act and relating to the provisions of  
28 this Act shall be transferred to a comparable fund or account  
29 under the control of the economic progress authority for such  
30 purposes. Notwithstanding section 8.33, the moneys transferred  
31 in accordance with this subsection shall not revert to the  
32 account or fund from which appropriated or transferred.

33    2. Any license, permit, or contract issued or entered into  
34 by the department of economic development relating to the  
35 provisions of this Act in effect on the effective date of this

1 Act shall continue in full force and effect pending transfer of  
2 such licenses, permits, or contracts to the economic progress  
3 authority.

4 3. Financial assistance provided for in agreements entered  
5 into under the Iowa values fund and financial assistance  
6 program pursuant to the provisions of chapter 15G prior to  
7 the effective date of this Act shall continue as provided in  
8 such agreements. Such agreements shall be administered by the  
9 economic progress authority according to the provisions of  
10 chapter 15G.

11 4. Federal funds utilized by the director of the department  
12 of economic development prior to the effective date of this Act  
13 to employ personnel necessary for the administration of the  
14 department's programs shall be applied to and be available for  
15 the transfer of such personnel from the department of economic  
16 development to the economic progress authority.

17 DIVISION II

18 MISCELLANEOUS PROGRAM CHANGES

19 Sec. 21. Section 10B.5, subsection 2, Code 2011, is amended  
20 to read as follows:

21 2. Information provided in reports required in this chapter  
22 is a confidential record as provided in section 22.7. The  
23 attorney general may have access to the reports, and may use  
24 information in the reports in any action to enforce state law,  
25 including but not limited to chapters 9H, and 9I, ~~and 10C~~.  
26 The reports shall be made available to members of the general  
27 assembly and appropriate committees of the general assembly  
28 in order to determine the extent that agricultural land is  
29 held in this state by corporations and other business and  
30 foreign entities and the effect of such land ownership upon the  
31 economy of this state. The secretary of state shall assist any  
32 committee of the general assembly studying these issues.

33 Sec. 22. Section 15G.101, subsection 10, Code 2011, is  
34 amended to read as follows:

35 10. "*Fund*" means the ~~grow Iowa values~~ economic progress fund

1 created in section 15G.111.

2 Sec. 23. Section 15G.111, subsection 1, unnumbered  
3 paragraph 1, Code 2011, is amended to read as follows:

4 ~~A grow Iowa values~~ An economic progress fund is created  
5 in the state treasury under the control of the ~~department of~~  
6 ~~economic development~~ economic progress authority consisting of  
7 the following:

8 Sec. 24. Section 15G.112, subsection 1, paragraph a, Code  
9 2011, is amended to read as follows:

10 a. The department shall establish and administer ~~a grow Iowa~~  
11 ~~values~~ an economic progress financial assistance program for  
12 purposes of providing financial assistance from the fund to  
13 applicants. The financial assistance shall be provided from  
14 moneys credited to the ~~grow Iowa values~~ economic progress fund  
15 and not otherwise obligated or allocated pursuant to section  
16 15G.111.

17 Sec. 25. NEW SECTION. 15H.1A Definitions.

18 For purposes of this chapter, unless the context otherwise  
19 requires:

20 1. "*Authority*" means the economic progress authority created  
21 in section 15.105.

22 2. "*Director*" means the director of the authority.

23 Sec. 26. Section 15H.2, subsections 1 and 2, Code 2011, are  
24 amended to read as follows:

25 1. The ~~governor shall establish the~~ Iowa commission on  
26 volunteer service ~~which shall be part of the governor's office~~  
27 is created within the authority. The governor shall appoint  
28 the commission's members. The director shall employ personnel  
29 as necessary to carry out the duties and responsibilities of  
30 the commission.

31 2. The mission of the commission is to advise and  
32 assist the director in the development and implementation  
33 of a comprehensive, statewide plan for promoting volunteer  
34 involvement and citizen participation in Iowa, as well  
35 as to serve as the state's liaison to national and state

1 organizations which support the commission's mission.

2 Sec. 27. Section 15H.3, Code 2011, is amended by striking  
3 the section and inserting in lieu thereof the following:

4 **15H.3 Volunteer service commission membership.**

5 1. The Iowa commission on volunteer service shall consist of  
6 such authority personnel as the director deems best qualified  
7 to administer the programs, duties, and responsibilities of the  
8 commission.

9 2. The Iowa commission on volunteer service shall not be  
10 considered an appointive commission for purposes of chapter 69.

11 Sec. 28. Section 15H.4, subsection 1, Code 2011, is amended  
12 to read as follows:

13 1. ~~The governor's office shall serve as the lead agency for~~  
14 ~~administration of~~ authority shall administer the commission.

15 The authority may consult with the department of education,  
16 the state board of regents, and the department of workforce  
17 development, ~~and the department of economic development shall~~  
18 provide for any additional administrative support as necessary  
19 to fulfill the duties of the commission. All other state  
20 agencies, at the request of the authority, shall provide  
21 assistance to the commission to ensure a fully coordinated  
22 state effort for promoting national and community service.

23 Sec. 29. Section 175.37, subsection 2, paragraph a, Code  
24 2011, is amended to read as follows:

25 a. Be a person who may acquire or otherwise obtain or lease  
26 agricultural land in this state pursuant to chapter 9H or 9I.  
27 However, the taxpayer must not be a person who may acquire  
28 or otherwise obtain or lease agricultural land exclusively  
29 because of an exception provided in one of those chapters or in  
30 a provision of another chapter of this Code including but not  
31 limited to chapter 10, ~~10C,~~ 10D, or 501, or section 15E.207.

32 Sec. 30. Section 260E.7, Code 2011, is amended to read as  
33 follows:

34 ~~260E.7 Department of economic development~~ Economic progress  
35 authority.



1 commission shall work with the collaborating agencies and  
2 nonprofit agencies in developing a strategy for attracting  
3 additional financial resources for the program from other  
4 sources which may include but are not limited to utilities,  
5 private sector, and local, state, and federal government  
6 funding sources. The financial resources received shall be  
7 credited to the community programs account created pursuant to  
8 section 15H.5.

9 Sec. 34. Section 22.7, subsection 60, Code 2011, is amended  
10 by striking the subsection.

11 Sec. 35. Section 103A.8B, Code 2011, is amended to read as  
12 follows:

13 **103A.8B Sustainable design or green building standards.**

14 The commissioner, after consulting with and receiving  
15 recommendations from the department of natural resources  
16 ~~and the office of energy independence~~, shall adopt rules  
17 pursuant to chapter 17A specifying standards and requirements  
18 for sustainable design and construction based upon or  
19 incorporating nationally recognized ratings, certifications,  
20 or classification systems, and procedures relating to  
21 documentation of compliance. The standards and requirements  
22 shall be incorporated into the state building code established  
23 in section 103A.7, but in lieu of general applicability shall  
24 apply to construction projects only if such applicability is  
25 expressly authorized by statute, or as established by another  
26 state agency by rule.

27 Sec. 36. Section 268.6, subsection 2, Code 2011, is amended  
28 to read as follows:

29 2. The university is encouraged to cooperate with  
30 agricultural and energy efficiency advocates and governmental  
31 entities in administering the program, ~~including the office of~~  
32 ~~energy independence established pursuant to section 469.2.~~

33 Sec. 37. Section 470.1, Code 2011, is amended by adding the  
34 following new subsection:

35 NEW SUBSECTION. 01. "*Authority*" means the economic progress

1 authority created in section 15.105.

2 Sec. 38. Section 470.1, subsection 2, Code 2011, is amended  
3 to read as follows:

4 2. "*Director*" means the director of the ~~office of energy~~  
5 independence economic progress authority.

6 Sec. 39. Section 470.1, subsection 8, Code 2011, is amended  
7 by striking the subsection.

8 Sec. 40. Section 473.1, Code 2011, is amended by adding the  
9 following new subsection:

10 NEW SUBSECTION. 1A. "*Authority*" means the economic progress  
11 authority created in section 15.105.

12 Sec. 41. Section 473.1, subsection 3, Code 2011, is amended  
13 to read as follows:

14 3. "*Director*" means the director of the ~~office~~ authority or  
15 a designee.

16 Sec. 42. Section 473.1, subsection 5, Code 2011, is amended  
17 by striking the subsection.

18 Sec. 43. REPEAL. Section 455B.851, Code 2011, is repealed.

19 Sec. 44. REPEAL. Chapter 469, Code 2011, is repealed.

20 Sec. 45. CODE EDITOR DIRECTIVE.

21 1. The Code editor is directed to change the words "office  
22 of energy independence" to "economic progress authority" in  
23 Code sections 7D.34, 7D.35, 8A.362, 72.5, 103A.8, 103A.27,  
24 159A.3, 159A.6B, 266.39C, 272C.2, 279.44, 323A.2, 441.21,  
25 476.6, and 476.63.

26 2. The Code editor is directed to change the word "office"  
27 to "authority" in Code sections 470.3, 470.7, 473.7, 473.8,  
28 473.10, 473.13A, 473.15, 473.19, 473.19A, 473.20, 473.20A, and  
29 473.41.

30 Sec. 46. TRANSITION PROVISIONS — CONTINUATION OF GRANTS.

31 1. Any moneys remaining in any account or fund under the  
32 control of the office of energy independence on the effective  
33 date of this Act relative to the provisions of this Act shall  
34 be transferred to a comparable fund or account under the  
35 control of the economic progress authority for such purposes.

1 Notwithstanding section 8.33, the moneys transferred in  
2 accordance with this subsection shall not revert to the account  
3 or fund from which appropriated or transferred.

4 2. Any license, permit, or contract issued or entered into  
5 by the office of energy independence relating to the provisions  
6 of this Act in effect on the effective date of this Act shall  
7 continue in full force and effect pending transfer of such  
8 licenses, permits, or contracts to the authority.

9 3. Grants or loans awarded from the Iowa power fund pursuant  
10 to section 469.9 prior to the effective date of this Act shall  
11 continue as provided by the terms of the grants or loans and  
12 shall be administered by the authority.

13 4. Federal funds utilized by the director of the office of  
14 energy independence prior to the effective date of this Act to  
15 employ personnel necessary to administer the provisions of this  
16 Act shall be applicable to the authority for the same purposes.

17 Sec. 47. TRANSITION PROVISIONS — EMERGENCY

18 RULEMAKING. Not later than July 1, 2011, the economic  
19 progress authority shall adopt administrative rules previously  
20 adopted by the office of energy independence relative to the  
21 provisions of this Act in existence on the effective date of  
22 this Act by emergency rulemaking pursuant to section 17A.4,  
23 subsection 3, and section 17A.5, subsection 2, paragraph "b".  
24 The rules shall be effective immediately upon filing unless  
25 a later date is specified in the rules. Any rules adopted  
26 in accordance with this section shall also be published as a  
27 notice of intended action as provided in section 17A.4. Any  
28 rule, regulation, form, order, or directive promulgated by the  
29 office relative to the provisions of this Act shall continue in  
30 full force and effect until such emergency rules are adopted.

31 Sec. 48. EFFECTIVE UPON ENACTMENT. The sections of this  
32 division of this Act providing for emergency rulemaking,  
33 and repealing section 455B.851, being deemed of immediate  
34 importance, take effect upon enactment.

35

DIVISION IV

1 CONFORMING CHANGES

2 Sec. 49. Section 7E.5, subsection 1, paragraph g, Code 2011,  
3 is amended to read as follows:

4 *g.* The ~~Iowa department of economic development~~ progress  
5 authority, created in section 15.105, which has ~~primary~~  
6 responsibility for ~~programs for carrying out~~ ensuring that the  
7 economic development policies of the state are effectively and  
8 efficiently carried out.

9 Sec. 50. Section 15.327, Code 2011, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 01. "Authority" means the economic progress  
12 authority created in section 15.105.

13 Sec. 51. Section 15.327, subsection 5, Code 2011, is amended  
14 by striking the subsection.

15 Sec. 52. Section 15E.1, Code 2011, is amended to read as  
16 follows:

17 **15E.1 Definition.**

18 As used in this chapter, unless the context otherwise  
19 requires, ~~"department"~~ "authority" means the ~~Iowa department~~  
20 ~~of economic development~~ progress authority created in section  
21 15.105.

22 Sec. 53. Section 15E.64, subsection 2, paragraph a, Code  
23 2011, is amended to read as follows:

24 *a.* The chairperson of the ~~Iowa economic development board~~  
25 progress authority or a designee of the chairperson.

26 Sec. 54. Section 15E.64, subsection 3, Code 2011, is amended  
27 to read as follows:

28 3. After incorporation, the initial board of directors  
29 shall be elected by the members of an appointment committee.  
30 The members of the appointment committee shall be appointed  
31 by the ~~Iowa economic development board~~ progress authority.  
32 The initial board of directors shall consist of five members.  
33 The persons elected to the initial board of directors by  
34 the appointment committee shall include persons who have  
35 an expertise in the areas of the selection and supervision

1 of investment managers or in the fiduciary management of  
2 investment funds, and other areas of expertise as deemed  
3 appropriate by the appointment committee. After the election  
4 of the initial board of directors, vacancies in the board  
5 of directors of the corporation shall be elected by the  
6 remaining directors of the corporation. Members of the board  
7 of directors shall be subject to any restrictions on conflicts  
8 of interest specified in the organizational documents and  
9 shall have no interest in any venture capital investment fund  
10 allocation manager selected by the corporation pursuant to the  
11 provisions of this division or in any investments made by the  
12 Iowa fund of funds.

13 Sec. 55. Section 15E.202, Code 2011, is amended by adding  
14 the following new subsection:

15 NEW SUBSECTION. 6A. "*Authority*" means the economic progress  
16 authority created in section 15.105.

17 Sec. 56. Section 15E.202, subsection 9, Code 2011, is  
18 amended by striking the subsection.

19 Sec. 57. Section 15E.202, subsection 10, Code 2011, is  
20 amended to read as follows:

21 10. "*Economic development board progress authority*" means the  
22 economic ~~development board~~ progress authority created pursuant  
23 to section ~~15.103~~ 15.105.

24 Sec. 58. Section 15E.206, subsection 2, paragraph a, Code  
25 2011, is amended to read as follows:

26 a. ~~The chairperson~~ A member of the economic development  
27 ~~board~~ progress authority chosen by the members of the authority  
28 or a designee of the ~~chairperson~~ member.

29 Sec. 59. Section 15E.206, subsection 3, paragraphs a and d,  
30 Code 2011, are amended to read as follows:

31 a. After incorporation, such a corporation shall be  
32 organized by an initial board of directors as provided in  
33 chapter 490, division II. The initial board of directors shall  
34 be elected by the members of an appointment committee. The  
35 members of the appointment committee shall be appointed by the

1 ~~economic development board~~ progress authority. The initial  
2 board of directors shall consist of seven members. The members  
3 of the appointment committee shall include persons who have an  
4 expertise in areas of banking, agricultural lending, business  
5 development, agricultural production and processing, seed and  
6 venture capital investment, and other areas of expertise as  
7 deemed appropriate by the interim board of directors.

8 *d.* The department shall assist the incorporators and the  
9 appointment committee in any manner determined necessary  
10 and appropriate by the ~~economic development board~~ progress  
11 authority and the director of the ~~department~~ authority in order  
12 to administer this section.

13 Sec. 60. Section 15E.208, subsection 4, paragraph c, Code  
14 2011, is amended to read as follows:

15 *c.* A member of the ~~economic development board~~ progress  
16 authority, an employee of the ~~department of economic~~  
17 ~~development~~ progress authority, an elected state official,  
18 or any director or other officer or an employee of the  
19 corporation.

20 Sec. 61. Section 15E.351, subsection 1, Code 2011, is  
21 amended to read as follows:

22 1. The ~~department~~ economic progress authority shall  
23 establish and administer a business accelerator program  
24 to provide financial assistance for the establishment and  
25 operation of a business accelerator for technology-based,  
26 value-added agricultural, information solutions, alternative  
27 and renewable energy including the alternative and renewable  
28 energy sectors listed in section 476.42, subsection 1,  
29 paragraph "a", or advanced manufacturing start-up businesses  
30 or for a satellite of an existing business accelerator. The  
31 program shall be designed to foster the accelerated growth of  
32 new and existing businesses through the provision of technical  
33 assistance. The ~~department, subject to the approval of the~~  
34 ~~economic development board,~~ economic progress authority may  
35 provide financial assistance under this section from moneys

1 allocated for regional financial assistance pursuant to section  
2 15G.111, subsection 9.

3 Sec. 62. Section 15F.101, Code 2011, is amended by adding  
4 the following new subsection:

5 NEW SUBSECTION. 01. "Authority" means the economic progress  
6 authority created in section 15.105.

7 Sec. 63. Section 15F.101, subsection 2, Code 2011, is  
8 amended by striking the subsection.

9 Sec. 64. Section 15G.101, Code 2011, is amended by adding  
10 the following new subsection:

11 NEW SUBSECTION. 01. "Authority" means the economic progress  
12 authority created in section 15.105.

13 Sec. 65. Section 15G.101, subsection 3, Code 2011, is  
14 amended by striking the subsection.

15 Sec. 66. Section 15G.101, subsection 6, Code 2011, is  
16 amended by striking the subsection.

17 Sec. 67. Section 15G.115, subsection 2, paragraph a, Code  
18 2011, is amended by striking the paragraph.

19 Sec. 68. Section 15G.201, Code 2011, is amended by adding  
20 the following new subsection:

21 NEW SUBSECTION. 01. "Authority" means the economic progress  
22 authority created in section 15.105.

23 Sec. 69. Section 15G.201, subsection 2, Code 2011, is  
24 amended by striking the subsection.

25 Sec. 70. Section 97B.1A, subsection 8, paragraph a, Code  
26 2011, is amended by adding the following new subparagraph:

27 NEW SUBPARAGRAPH. (12) Persons employed by the economic  
28 progress authority on or after July 1, 2011.

29 Sec. 71. Section 260F.2, Code 2011, is amended by adding the  
30 following new subsection:

31 NEW SUBSECTION. 1A. "Authority" means the economic progress  
32 authority created in section 15.105.

33 Sec. 72. Section 260F.2, subsection 4, Code 2011, is amended  
34 by striking the subsection.

35 Sec. 73. Section 260G.4C, Code 2011, is amended to read as

1 follows:

2 **260G.4C Facilitator.**

3 The ~~department of economic development~~ progress authority  
4 shall administer the statewide allocations of program job  
5 credits to accelerated career education programs. The  
6 ~~department~~ authority shall provide information about the  
7 accelerated career education programs in accordance with its  
8 annual reporting requirements in section ~~15.104, subsection 8~~  
9 15.107B.

10 Sec. 74. Section 260G.6, subsection 4, Code 2011, is amended  
11 to read as follows:

12 4. In order to receive moneys pursuant to this section,  
13 a program agreement approved by the community college board  
14 of directors shall be in place, program capital cost requests  
15 shall be approved by the ~~Iowa economic development board~~  
16 progress authority created in section ~~15.103~~ 15.105, program  
17 capital cost requests shall be approved or denied not later  
18 than sixty days following receipt of the request by the  
19 ~~department of economic development~~ progress authority, and  
20 employer contributions toward program capital costs shall be  
21 certified and agreed to in the agreement.

22 Sec. 75. Section 496B.2, Code 2011, is amended by adding the  
23 following new subsection:

24 NEW SUBSECTION. 01. "*Authority*" means the economic progress  
25 authority created in section 15.105, or any entity which  
26 succeeds to the functions of the authority.

27 Sec. 76. Section 496B.2, subsection 2, Code 2011, is amended  
28 by striking the subsection.

29 Sec. 77. CODE EDITOR DIRECTIVE. Sections 10C.6, 15.116,  
30 15.247, 15.294, 15.335A, 15E.64, 15E.202, 15E.206, 15E.208,  
31 15E.351, 15G.101, 68B.35, 260G.6, and 308.1, Code 2011, are  
32 amended as follows:

33 1. By striking from the sections the words "economic  
34 development board" and inserting in lieu thereof the words  
35 "economic progress authority".

1 2. By striking from the sections the word "board", when  
2 referring to the economic development board, and inserting in  
3 lieu thereof the word "authority".

4 Sec. 78. CODE EDITOR DIRECTIVE. Sections 7C.4A, 7E.5,  
5 8.6, 8.31, 12.38, 12.73, 15.108, 15.109, 15.274, 15.293A,  
6 15.294, 15.333, 15.393, 15.411, 15.421, 15A.9, 15E.17, 15E.19,  
7 15E.64, 15E.116, 15E.117, 15E.120, 15E.192, 15E.193, 15E.193B,  
8 15E.194, 15E.195, 15E.196, 15E.197, 15E.206, 15E.208, 15E.311,  
9 15E.351, 15F.102, 15G.109, 15G.110, 15G.111, 15H.5, 15H.6,  
10 16.100A, 16.135, 16.191, 19B.7, 22.7, 28I.8, 28J.28, 28L.1,  
11 28N.2, 28N.3, 73.16, 73.17, 73.18, 73.19, 73.20, 84A.1A, 84A.5,  
12 84A.6, 99F.6, 99F.11, 123.143, 123.183, 159.18, 159.20, 159A.3,  
13 159A.6B, 184.6, 185.3, 185C.10, 231.51, 239B.8, 239B.17,  
14 256.31, 256.39, 256.40, 260C.18A, 260F.6, 260F.6B, 260F.7,  
15 260G.3, 260G.4B, 260G.4C, 260G.6, 262.34A, 262B.3, 262B.23,  
16 268.4, 303.3B, 303.3C, 306D.2, 307.49, 307C.3, 321.19, 321.252,  
17 335.8, 352.4, 368.9, 403.19A, 403.21, 403.22, 404A.4, 422.16A,  
18 422.33, 427B.1, 455B.199B, 455B.433, 455E.11, 455J.6, 461A.79,  
19 461A.80, 465A.2, 465B.2, 465B.3, 466B.3, 483A.24, 496B.3,  
20 496B.6, 496B.12, 496B.17, Code 2011, are amended as follows:

21 1. By striking from the sections the words "department of  
22 economic development" and inserting in lieu thereof the words  
23 "economic progress authority".

24 2. By striking from the sections the words "Iowa department  
25 of economic development" and inserting in lieu thereof the  
26 words "economic progress authority".

27 3. By striking from the sections the word "department",  
28 when referring to the department of economic development, and  
29 inserting in lieu thereof the word "authority".

30 Sec. 79. CODE EDITOR DIRECTIVE. Sections 15E.231, 15E.232,  
31 15E.233, 15G.101, 15G.110, 15G.111, 15G.112, 15G.114, 15G.115,  
32 159A.6B, 266.19, 455B.104, and 455B.433, Code 2011, are amended  
33 as follows:

34 1. By striking from the sections the words "grow Iowa  
35 values fund" and inserting in lieu thereof the words "economic

1 progress fund".

2 2. By striking from the sections the words "grow Iowa values  
3 financial assistance program" and inserting in lieu thereof the  
4 words "economic progress financial assistance program".

5 Sec. 80. CODE EDITOR DIRECTIVE.

6 1. To the extent not amended or identified by the provisions  
7 of this Act, the Code editor is directed to correct all  
8 internal references to the economic development board, the  
9 department of economic development, the director of the  
10 department of economic development, the grow Iowa values  
11 fund, and the grow Iowa values financial assistance program  
12 by replacing such references with references to the economic  
13 progress authority, the director of the economic progress  
14 authority, the economic progress fund, and the economic  
15 progress financial assistance program, as is appropriate to  
16 the context and to the extent that such corrections are in  
17 conformance with the intent of this Act.

18 2. The Code editor is also directed to correct in the same  
19 manner all similar references in any enacted Iowa Acts as  
20 necessary.

21

#### EXPLANATION

22 This bill relates to economic development by reorganizing  
23 the executive branch agencies created to administer economic  
24 development programs.

25 Currently, the state's economic development programs are  
26 administered by the department of economic development which  
27 is subject to the oversight of the economic development board.  
28 Division I of the bill eliminates both the department and the  
29 board and creates in their place the partnership for economic  
30 progress, the economic progress authority, and the economic  
31 progress corporation.

32 The division creates the partnership for economic progress  
33 to serve as an advisory body within state government. The  
34 partnership must function on a continuing basis for the study  
35 and recommendation of solutions and policy alternatives arising

1 in the area of economic development. The partnership is  
2 comprised of seven members appointed by the governor. To the  
3 extent possible, the governor must appoint persons with private  
4 sector economic development experience. Members are appointed  
5 for staggered two-year terms. Members are entitled to per  
6 diems and must give bond as required in Code chapter 64. The  
7 governor, or if the governor so designates, the lieutenant  
8 governor serves as the chairperson of the partnership.

9 Meetings are to be held at least quarterly. The partnership  
10 has the power to call and hold meetings, keep records, and  
11 develop a strategic vision for economic development in Iowa.  
12 This vision must be submitted to the authority and the general  
13 assembly by January 31 of each year for their consideration.

14 The division creates the economic progress authority as  
15 a public instrumentality and agency of the state exercising  
16 public and essential governmental functions to undertake  
17 programs which implement economic development policy in  
18 the state and to undertake certain finance programs. The  
19 authority is the successor entity to the department of economic  
20 development, which is eliminated, and all of the existing  
21 duties of the department pass to the authority. The powers of  
22 the authority are vested in a board of seven members appointed  
23 by the governor and subject to confirmation by the senate. The  
24 board also has four ex officio nonvoting legislative members,  
25 two senators and two representatives appointed by legislative  
26 leaders. To the extent possible, the members of the board are  
27 to be persons actively employed in the private sector or who  
28 otherwise have expertise in economic development. Members of  
29 the board serve staggered terms of four years. Members are  
30 entitled to per diems and must give bond as required in Code  
31 chapter 64. The assets and earnings of the authority, beyond  
32 those necessary for the retirement of financial obligations or  
33 to implement required programs, inure to the benefit of the  
34 state. Members of the authority, while acting within the scope  
35 of their agency or employment, are not subject to personal

1 liability. Conflicts of interest arising from the actions of  
2 the authority are not permitted.

3 The division provides the authority certain general powers  
4 that are necessary and convenient for purposes of carrying out  
5 its duties. Such powers include the power to issue bonds, sue  
6 and be sued, have a seal, make bylaws, enter into contracts,  
7 adopt rules, acquire property interests, procure insurance,  
8 charge fees for its services, invest moneys of the authority,  
9 accept appropriations and other forms of financial assistance  
10 from various sources, provide technical assistance to public  
11 and private entities, conduct research, form committees or  
12 panels, establish funds within the state treasury for investing  
13 money, provide assistance to select projects, and to exercise  
14 all powers typically exercised by private enterprises engaged  
15 in business pursuits unless the exercise of such power would  
16 be a violation of law.

17 The division also provides certain specific program powers  
18 necessary and convenient to carry out programs. Such powers  
19 include the power to make contracts for the delegation of  
20 services to the economic progress corporation. The functions  
21 that can be delegated include marketing, policy research,  
22 economic analysis, market expansion, and consulting services.  
23 Essential governmental functions and sovereign powers of the  
24 state may not be delegated. The contracts may provide for  
25 compensation at fair market value.

26 The division provides that the board of the authority must  
27 appoint a director for the authority. The director is to be  
28 selected primarily for administrative ability and not based on  
29 political affiliation. The director is to advise the authority  
30 on matters relating to economic development and is to carry out  
31 all directives from the board in regard to the operation of the  
32 authority. The director must designate certain employees as  
33 key professional personnel and must fix their compensation.  
34 Other employees of the authority may be professional or  
35 nonprofessional. Nonprofessional employees must be employed

1 consistent with Code chapter 8A, subchapter IV. Professional  
2 employees are exempt from Code chapter 8A, subchapter IV and  
3 Code chapter 20.

4 The division provides the authority the power to issue bonds  
5 and notes. Such bonds and notes must be issued solely from  
6 the moneys of the authority. The authority may not pledge the  
7 credit of the state. The issuance of bonds and notes requires  
8 a resolution of the authority. However, such a resolution may  
9 delegate to an officer of the authority the power to negotiate  
10 the details of such transactions. Certain standard statutory  
11 requirements for the issuance of bonds are provided.

12 The division provides for the establishment of the economic  
13 progress corporation by the authority. The corporation is to  
14 be established as a nonprofit corporation organized under Code  
15 chapter 504 and qualifying as exempt under section 501(c)(3) of  
16 the Internal Revenue Code. The corporation must collaborate  
17 with the authority, but is not to be considered, in whole or  
18 in part, an agency, department, or administrative unit of the  
19 state. The corporation cannot receive appropriations from  
20 the general assembly and is not required to comply with any  
21 requirements that apply to a state agency. The corporation  
22 does not have authority to pledge the credit of the state and  
23 the state is not liable for the debts or obligations of the  
24 corporation. The corporation is to be established for the  
25 purpose of expanding economic development opportunities in  
26 Iowa and may effectuate this purpose by performing certain  
27 functions delegated to it by the authority. The articles of  
28 the corporation must provide for its efficient management by a  
29 board of directors to be initially appointed by the governor  
30 and thereafter selected by a majority vote of the corporation's  
31 board members and a chief executive officer appointed by the  
32 corporation's board.

33 The division provides that the chief executive officer must  
34 act to ensure that the corporation creates a strategic plan,  
35 prepares an annual budget, and provides an annual report to the

1 economic progress authority.

2 The division authorizes the corporation to receive and  
3 expend funds from public and private sources and to use its  
4 resources for the purpose of performing the duties assigned to  
5 it.

6 The corporation is required to keep confidential all  
7 information disclosed to it by the authority as part of a  
8 contract for services.

9 The division provides that the corporation perform certain  
10 duties and responsibilities related to its activities under  
11 contract with the authority and to economic development in  
12 general.

13 On or before January 31 of each year, the director of  
14 the authority is to submit a report to the members of the  
15 authority. This report may include the information deemed  
16 necessary by the director, but must include certain information  
17 related to targeted small business procurement activities.

18 The division repeals certain provisions in Code chapter  
19 15E relating to a nonprofit corporation operated under the  
20 authority of the department of economic development.

21 The division provides for the continuing validity of rules  
22 promulgated by the department of economic development and  
23 allows for their enforcement by the authority. As soon as  
24 practicable, the authority is required to adopt new rules  
25 issued under its own rulemaking authority.

26 The division provides for the continuance of financial  
27 assistance provided under the programs administered by the  
28 department of economic development.

29 Division II of the bill makes certain program changes of more  
30 significance than the conforming changes in division III.

31 Division II repeals Code chapter 10C relating to life  
32 science products and enterprises.

33 Division II changes the name of the grow Iowa values fund and  
34 financial assistance program to the economic progress fund and  
35 financial assistance program.

1 Division II also changes the membership and organizational  
2 structure of the Iowa commission on volunteer service.  
3 Currently, the commission is created within the governor's  
4 office and is comprised of certain appointed members. The  
5 division creates the commission within the authority. The  
6 commission's responsibilities, funding, and programs are not  
7 changed in the division.

8 Division II also provides that the authority must work  
9 in consultation with the departments of education, revenue,  
10 and workforce development in the adoption of rules for the  
11 industrial new jobs training program described in Code chapter  
12 260E. The authority must also monitor compliance of community  
13 colleges participating in the program and compile a report on  
14 its effectiveness.

15 Division III moves the office of energy independence to the  
16 economic progress authority, makes certain conforming changes,  
17 and provides transition provisions related to employees,  
18 grants, and financial assistance. The division provides  
19 for emergency rulemaking by the authority relating to the  
20 provisions of the bill. Certain provisions of the division  
21 take effect upon enactment.

22 Division IV makes certain changes in conformance with the  
23 provisions of division I and directs the Code editor to correct  
24 internal references to the eliminated entities and renamed fund  
25 and program throughout the Code.