

Senate File 19 - Introduced

SENATE FILE 19
BY HOGG

A BILL FOR

1 An Act relating to competition restrictions under certain
2 economic development programs.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.329, subsection 5, paragraph b, Code
2 2011, is amended to read as follows:

3 b. (1) The impact of the proposed project on other
4 businesses in competition with the business being considered
5 for assistance. The department shall make a good faith effort
6 to identify existing Iowa businesses within an industry in
7 competition with the business being considered for assistance.
8 The department shall make a good faith effort to determine
9 the probability that the proposed financial assistance will
10 displace employees of the existing businesses. In determining
11 the impact on businesses in competition with the business being
12 considered for assistance, jobs created or retained as a result
13 of other jobs being displaced elsewhere in the state shall not
14 be considered direct jobs created or retained.

15 (2) The department may waive consideration of the factor
16 in subparagraph (1) if the proposed project, at the time the
17 application is being considered, is located in a community
18 located within an area declared to be a disaster area in a
19 declaration issued by the president of the United States or the
20 governor and if the failure of the business being considered
21 for assistance would cause significant job loss considering
22 the population of the community. This subparagraph applies
23 to proposed projects located in disaster areas declared on or
24 after January 1, 2010.

25 Sec. 2. Section 15E.193, subsection 2, paragraph d, Code
26 2011, is amended to read as follows:

27 d. (1) The impact the business will have on other
28 businesses in competition with it. The enterprise zone
29 commission shall make a good faith effort to identify existing
30 Iowa businesses within an industry in competition with the
31 business being considered for assistance. The enterprise
32 zone commission shall make a good faith effort to determine
33 the probability that the proposed financial assistance will
34 displace employees of the existing businesses. In determining
35 the impact on businesses in competition with the business being

1 considered for assistance, jobs created or retained as a result
2 of other jobs being displaced elsewhere in the state shall not
3 be considered direct jobs created or retained.

4 (2) The commission may waive consideration of the factor in
5 subparagraph (1) if the business, at the time the application
6 is being considered, is located in a community located within
7 an area declared to be a disaster area in a declaration issued
8 by the president of the United States or the governor and if
9 the failure of the business being considered for assistance
10 would cause significant job loss considering the population of
11 the community. This subparagraph applies to businesses located
12 in disaster areas declared on or after January 1, 2010.

13 Sec. 3. Section 15G.112, subsection 2, paragraph c, Code
14 2011, is amended to read as follows:

15 c. (1) The proposed project shall not negatively impact
16 other businesses in competition with the business being
17 considered for assistance. The department shall make a good
18 faith effort to identify existing Iowa businesses within an
19 industry in competition with the business being considered for
20 financial assistance. The department shall make a good faith
21 effort to determine the probability that the proposed financial
22 assistance will displace employees of the existing businesses.
23 In determining the impact on businesses in competition with
24 the business being considered for financial assistance, jobs
25 created or retained as a result of other jobs being displaced
26 elsewhere in the state shall not be considered direct jobs
27 created or retained.

28 (2) The department may waive consideration of the factor
29 in subparagraph (1) if the proposed project, at the time the
30 application is being considered, is located in a community
31 located within an area declared to be a disaster area in a
32 declaration issued by the president of the United States or the
33 governor and if the failure of the business being considered
34 for assistance would cause significant job loss considering
35 the population of the community. This subparagraph applies to

1 projects located in disaster areas declared on or after January
2 1, 2010.

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EXPLANATION

4 This bill relates to competition restrictions under certain
5 economic development programs.

6 Under the high quality jobs program, the enterprise zone
7 program, and the grow Iowa values financial assistance program,
8 consideration is given to whether financial assistance awarded
9 to a project would have an impact on competing businesses
10 in the state. The bill provides that the department and an
11 enterprise zone commission may waive consideration of this
12 factor if the proposed project, at the time the application is
13 being considered, is located in a community located within an
14 area declared to be a disaster area in a declaration issued by
15 the president of the United States or the governor and if the
16 failure of the business being considered for assistance would
17 cause significant job loss considering the population of the
18 community. The provisions allowing such waiver only apply to
19 projects located in disaster areas declared on or after January
20 1, 2010.