

Senate File 383 - Introduced

SENATE FILE 383

BY CHELGREN

A BILL FOR

1 An Act repealing the grow Iowa values fund, reverting
2 appropriations and prohibiting further obligating of moneys,
3 and including effective date provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.103, subsection 6, Code 2011, is
2 amended to read as follows:

3 6. As part of the organizational structure of the
4 department, the board shall establish a due diligence
5 committee and a loan and credit guarantee committee composed
6 of members of the board. The committees shall serve in an
7 advisory capacity to the board and shall carry out any duties
8 assigned by the board in relation to programs administered
9 by the department. The loan and credit guarantee committee
10 shall advise the board on the winding up of loan guarantees
11 made under the loan and credit guarantee program established
12 pursuant to section 15E.224, Code 2009, ~~and on the proper~~
13 ~~amount of the allocation described in section 15G.111,~~
14 ~~subsection 4, paragraph "g".~~

15 Sec. 2. Section 15.104, subsection 1, Code 2011, is amended
16 by striking the subsection.

17 Sec. 3. Section 15.104, subsection 8, paragraphs b and i,
18 Code 2011, are amended by striking the paragraphs.

19 Sec. 4. Section 15.104, subsection 8, paragraph j, Code
20 2011, is amended to read as follows:

21 *j. Renewable fuel programs.* A detailed accounting of
22 expenditures in support of renewable fuel infrastructure
23 programs, as provided in sections 15G.203 and 15G.204. ~~The~~
24 ~~renewable fuel infrastructure board established in section~~
25 ~~15G.202 shall approve that portion of the department's annual~~
26 ~~report regarding projects supported from the grow Iowa values~~
27 ~~fund created in section 15G.111.~~ This paragraph is repealed on
28 July 1, 2012.

29 Sec. 5. Section 15.327, Code 2011, is amended by adding the
30 following new subsections:

31 NEW SUBSECTION. 01. "*Base employment level*" means the
32 number of full-time equivalent positions at a business,
33 as established by the department and a business using the
34 business's payroll records, as of the date a business applies
35 for financial assistance under the program.

1 NEW SUBSECTION. 3A. "*County wage*" means the average hourly
2 compensation rates, excluding the value of nonwage benefits for
3 comparable jobs, from the most recent four quarters of wage
4 and employment information from the quarterly covered wage and
5 employment data report issued by the department of workforce
6 development.

7 NEW SUBSECTION. 7A. "*Full-time equivalent position*" means
8 a non-part-time position for the number of hours or days per
9 week considered to be full-time work for the kind of service
10 or work performed for an employer. Typically, a full-time
11 equivalent position requires two thousand eighty hours of work
12 in a calendar year, including all paid holidays, vacations,
13 sick time, and other paid leave.

14 NEW SUBSECTION. 7B. "*Maintenance period*" means the period
15 of time between the project completion date and maintenance
16 period completion date.

17 NEW SUBSECTION. 12A. "*Regional wage*" means the average
18 hourly compensation rates, excluding the value of nonwage
19 benefits for comparable jobs, from the most recent four
20 quarters of wage and employment information from the quarterly
21 covered wage and employment data report issued by the
22 department of workforce development.

23 Sec. 6. Section 15.327, subsections 1, 4, 7, 8, 10, 12,
24 and 13, Code 2011, are amended by striking the subsections and
25 inserting in lieu thereof the following:

26 1. "*Benefit*" means nonwage compensation provided to an
27 employee. Benefits typically include medical and dental
28 insurance plans, pension, retirement, and profit-sharing plans,
29 child care services, life insurance coverage, vision insurance
30 coverage, disability insurance coverage, and any other nonwage
31 compensation as determined by the board.

32 4. "*Created job*" means a new, permanent, full-time
33 equivalent position added to a business's payroll in excess of
34 the business's base employment level.

35 7. "*Fiscal impact ratio*" means a ratio calculated by

1 estimating the amount of taxes to be received from a business
2 by the state and dividing the estimate by the estimated cost
3 to the state of providing certain financial incentives to
4 the business, reflecting a ten-year period of taxation and
5 incentives and expressed in terms of current dollars. For
6 purposes of the program, "*fiscal impact ratio*" does not include
7 taxes received by political subdivisions.

8 8. "*Maintenance period completion date*" means the date on
9 which the maintenance period ends.

10 10. "*Project completion date*" means the date by which
11 a recipient of financial assistance has agreed to meet all
12 the terms and obligations contained in an agreement with the
13 department as described in section 15.330.

14 12. "*Qualifying wage threshold*" means the county wage or the
15 regional wage, as calculated pursuant to subsections 3A and
16 12A, whichever is lower.

17 13. "*Retained job*" means a full-time equivalent position,
18 in existence at the time an employer applies for financial
19 assistance which remains continuously filled or authorized
20 to be filled as soon as possible and which is at risk of
21 elimination if the project for which the employer is seeking
22 assistance does not proceed.

23 Sec. 7. Section 15.329, subsection 2, Code 2011, is amended
24 to read as follows:

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

31 a. By multiplying the qualifying wage threshold of
32 the county in which the business is located by one and
33 three-tenths.

34 b. By multiplying the result of paragraph "a" by one-tenth.

35 c. The amount of the result of paragraph "b" shall be

1 credited against the amount of the one hundred thirty percent
2 qualifying wage threshold requirement that the business is
3 required to meet under subsection 1, paragraph "c".

4 d. The credit shall not be applied against the one hundred
5 percent of qualifying wage threshold requirement described in
6 subsection 1, paragraph "c".

7 Sec. 8. Section 15.330, subsection 4, Code 2011, is amended
8 to read as follows:

9 4. A project completion date, a maintenance period
10 completion date, the number of jobs to be created or retained,
11 or certain other terms and obligations described in ~~section~~
12 ~~15G.112, subsection 1, paragraph "d"~~ an agreement, as the
13 department deems necessary in order to make the requirements in
14 project agreements uniform. The department, with the approval
15 of the board, may adopt rules as necessary for making such
16 requirements uniform. Such rules shall be in compliance with
17 the provisions of this part ~~and with the provisions of chapter~~
18 ~~15G.~~

19 Sec. 9. Section 15.335A, subsection 1, unnumbered paragraph
20 1, Code 2011, is amended to read as follows:

21 Tax incentives are available to eligible businesses as
22 provided in this section. The incentives are based upon the
23 number of jobs created or retained that pay at least one
24 hundred thirty percent of the qualifying wage threshold as
25 computed pursuant to ~~section 15G.112~~ 15.329, subsection 4 1,
26 and the amount of the qualifying investment made according to
27 the following schedule:

28 Sec. 10. Section 15.335A, subsection 2, paragraphs b, c, f,
29 and g, Code 2011, are amended by striking the paragraphs.

30 Sec. 11. Section 15.335A, subsection 5, Code 2011, is
31 amended to read as follows:

32 5. The department shall negotiate the amount of tax
33 incentives provided to an applicant under the program
34 in accordance with this section ~~and section 15G.112~~, as
35 applicable.

1 Sec. 12. Section 15A.7, subsection 3, Code 2011, is amended
2 to read as follows:

3 3. That the employer shall agree to pay wages for the jobs
4 for which the credit is taken of at least the county wage or
5 the regional wage, as calculated by ~~the department~~ pursuant to
6 section ~~15G.112, subsection 3~~ 15.327, subsections 3A and 12A,
7 whichever is lower. Eligibility for the supplemental credit
8 shall be based on a one-time determination of starting wages by
9 the community college.

10 Sec. 13. Section 15E.193, subsection 1, paragraphs b
11 through d, Code 2011, are amended to read as follows:

12 **b.** (1) The business shall provide a sufficient package of
13 benefits to each employee holding a created or retained job.
14 For purposes of this paragraph, "*created job*" and "*retained job*"
15 have the same meaning as defined in section ~~15G.101~~ 15.327.

16 (2) The board, upon the recommendation of the department,
17 shall adopt rules determining what constitutes a sufficient
18 package of benefits.

19 **c.** The business shall pay a wage that is at least ninety
20 percent of the qualifying wage threshold. For purposes of this
21 paragraph, "*qualifying wage threshold*" has the same meaning as
22 defined in section ~~15G.101~~ 15.327.

23 **d.** Creates or retains at least ten full-time equivalent
24 positions and maintains them until the maintenance period
25 completion date. For purposes of this paragraph, "*maintenance*
26 *period completion date*" and "*full-time equivalent position*" have
27 the same meanings as defined in section ~~15G.101~~ 15.327.

28 Sec. 14. Section 15E.231, unnumbered paragraph 1, Code
29 2011, is amended to read as follows:

30 ~~In order for an~~ An economic development region ~~to receive~~
31 ~~moneys under the grow Iowa values financial assistance program~~
32 ~~established in section 15G.112, an~~ shall establish a regional
33 development plan. An economic development region's regional
34 development plan must be approved by the department. An
35 economic development region shall consist of not less than

1 three counties, unless two contiguous counties have a combined
2 population of at least three hundred thousand based on the
3 most recent federal decennial census. An economic development
4 region shall establish a focused economic development effort
5 that shall include a regional development plan relating to one
6 or more of the following areas:

7 Sec. 15. Section 15E.232, subsections 1, 3, 4, 5, 6, and 7,
8 Code 2011, are amended by striking the subsections.

9 Sec. 16. Section 15E.351, subsection 1, Code 2011, is
10 amended to read as follows:

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

26 Sec. 17. Section 159A.6B, subsection 2, Code 2011, is
27 amended to read as follows:

28 2. The office may execute contracts in order to provide
29 technical support and outreach services for purposes of
30 assisting and educating interested persons as provided in this
31 section. The office may also contract with a consultant to
32 provide part or all of these services. The office may require
33 that a person receiving assistance pursuant to this section
34 contribute up to fifty percent of the amount required to
35 support the costs of contracting with the consultant to provide

1 assistance to the person. ~~The office shall assist the person~~
2 ~~in completing any technical information required in order to~~
3 ~~receive assistance by the department of economic development~~
4 ~~pursuant to the value-added agriculture component of the grow~~
5 ~~Iowa values financial assistance program established pursuant~~
6 ~~to section 15G.112.~~

7 Sec. 18. Section 455B.104, subsection 2, Code 2011, is
8 amended by striking the subsection.

9 Sec. 19. 2010 Iowa Acts, chapter 1184, section 26, is
10 amended to read as follows:

11 SEC. 26. GROW IOWA VALUES FUND.

12 1. There is appropriated from the rebuild Iowa
13 infrastructure fund to the department of economic development
14 for deposit in the grow Iowa values fund, for the fiscal year
15 beginning July 1, 2010, and ending June 30, 2011, the following
16 amount, notwithstanding section 8.57, subsection 6, paragraph
17 "c":

18 \$ 38,000,000

19 2. On the effective date of this section of this 2011 Iowa
20 Act, any unobligated and unencumbered moneys appropriated in
21 this section and section 27 of this 2010 Iowa Act, shall revert
22 to the general fund of the state. Any repayments of moneys
23 loaned from moneys appropriated in this section and section 27
24 of this 2010 Iowa Act, and received after the effective date
25 of this 2011 Iowa Act, shall be credited to the general fund of
26 the state.

27 Sec. 20. 2010 Iowa Acts, chapter 1184, section 27, is
28 amended to read as follows:

29 SEC. 27. GROW IOWA VALUES FUND APPROPRIATION REDUCTION.

30 1. In lieu of the \$50,000,000 appropriated for the fiscal
31 year beginning July 1, 2010, and ending June 30, 2011, from
32 the grow Iowa values fund to the department of economic
33 development pursuant to section 15G.111, subsection 3, there is
34 appropriated from the grow Iowa values fund to the department
35 of economic development for the fiscal year beginning July 1,

1 2010, and ending June 30, 2011, \$38,000,000 for the purposes of
2 making expenditures pursuant to chapter 15G.

3 2. On the effective date of this section of this 2011 Iowa
4 Act, an entity receiving moneys appropriated pursuant to this
5 section, with the exception of moneys allocated pursuant to
6 section 28, subsections 2 and 5, of this 2010 Iowa Act, shall
7 cease obligating or encumbering such moneys.

8 Sec. 21. REPEAL. Section 15E.233, Code 2011, is repealed.

9 Sec. 22. REPEAL. Sections 15G.101 and 15G.109 through
10 15G.115, Code 2011, are repealed.

11 Sec. 23. REPEAL. Section 266.19, Code 2011, is repealed.

12 Sec. 24. REPEAL. Section 455B.433, Code 2011, is repealed.

13 Sec. 25. EFFECTIVE DATE. The provisions of this Act
14 amending 2010 Iowa Acts, chapter 1184, being deemed of
15 immediate importance, take effect upon enactment.

16 EXPLANATION

17 This bill relates to the grow Iowa values fund.

18 The bill repeals Code sections related to the grow Iowa
19 values fund and financial assistance program and makes
20 conforming amendments. The bill amends two 2010 Iowa Acts
21 provisions to prohibit the department of economic development
22 from further obligating any moneys appropriated for purposes
23 of the grow Iowa values fund for fiscal year 2010-2011 and
24 requires that unobligated and unencumbered moneys are credited
25 to the general fund of the state, which take effect upon
26 enactment. The bill requires repayments on moneys loaned from
27 the appropriated moneys to be credited to the general fund of
28 the state.