

Senate File 409 - Introduced

SENATE FILE 409
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO SSB 1075)

A BILL FOR

1 An Act relating to the economic development financial
2 assistance duties and powers of the economic development
3 authority by authorizing and creating fees, affecting the
4 aggregate tax credit limit for certain economic development
5 programs, making an appropriation, and including effective
6 date and retroactive applicability provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I
COLLECTION OF FEES

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Section 1. Section 12.10, Code 2013, is amended to read as follows:

12.10 Deposits by state officers.

Except as otherwise provided, all elective and appointive state officers, boards, commissions, and departments shall, within ten days succeeding the collection, deposit with the treasurer of state, or to the credit of the treasurer of state in any depository designated by the treasurer of state, ninety percent of all fees, commissions, and moneys collected or received. The balance actually collected in cash, remaining in the hands of any officer, board, or department shall not exceed the sum of five thousand dollars and money collected shall not be held more than thirty days. This section does not apply to the state fair board, the state board of regents, the utilities board of the department of commerce, the director of the department of human services, the Iowa finance authority, the economic development authority, or to the funds received by the state racing and gaming commission under sections 99D.7 and 99D.14.

Sec. 2. Section 15.106B, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 5. a. The authority may charge fees to businesses or individuals who receive financial assistance under chapter 15 or 15E. The amount of such fees shall be determined based on the costs of the authority associated with its performance of contract administration and compliance duties relating to economic development programs.

b. The authority may charge businesses and individuals a fee for the use of the authority's federal EB-5 immigrant investor regional center.

Sec. 3. Section 15.330, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 12. a. The imposition of a one-time

1 compliance cost fee of five hundred dollars to be collected
2 by the authority prior to the issuance of a tax incentive
3 certificate or the disbursement of financial assistance.

4 *b.* The imposition of a compliance cost fee equal to one-half
5 of one percent of the value of tax incentives claimed pursuant
6 to an agreement that has an aggregate tax incentive value of
7 one hundred thousand dollars or greater. The authority shall
8 collect the fee from the business after the tax incentive is
9 claimed by the business from the department of revenue.

10 Sec. 4. NEW SECTION. **15E.198 Compliance cost fees.**

11 The compliance cost fees imposed in 15.330, subsection 12,
12 shall apply to all agreements entered into under this division
13 and shall be collected by the authority in the same manner and
14 to the same extent as described in that subsection.

15 Sec. 5. **EFFECTIVE UPON ENACTMENT.** This division of this
16 Act, being deemed of immediate importance, takes effect upon
17 enactment.

18 Sec. 6. **APPLICABILITY.** This division of this Act applies to
19 agreements entered into on or after the effective date of this
20 division of this Act.

21 **DIVISION II**

22 **AGGREGATE TAX CREDIT LIMITATION**

23 Sec. 7. Section 15.119, subsection 1, Code 2013, is amended
24 to read as follows:

25 1. *a.* Notwithstanding any provision to the contrary in
26 any of the programs listed in subsection 2, the authority,
27 except as provided in paragraph "b", shall not authorize for
28 any one fiscal year an amount of tax credits for the programs
29 specified in subsection 2 that is in excess of one hundred
30 ~~twenty~~ eighty-five million dollars.

31 *b.* (1) The authority may authorize an amount of tax credits
32 during a fiscal year that is in excess of the amount specified
33 in paragraph "a", but the amount of such excess shall be counted
34 against the total amount of tax credits that may be authorized
35 for the next fiscal year.

1 on all persons or entities that enter into an agreement with
2 the EDA under its high quality jobs program or enterprise zone
3 program. First, a one-time compliance cost fee of \$500 due
4 prior to the issuance of a tax incentive certificate or the
5 disbursement of financial assistance. Second, a compliance
6 cost fee equal to 0.5 percent of the value of tax incentives
7 claimed under any agreement that has an aggregate tax incentive
8 value of \$100,000 or greater, which fee is due after a tax
9 incentive is claimed from the department of revenue.

10 The division takes effect upon enactment and applies to
11 agreements entered into on or after the effective date of the
12 division.

13 AGGREGATE TAX CREDIT LIMITATION. Division II increases
14 the aggregate tax credit limit on EDA programs listed in
15 Code section 15.119 from \$120 million per fiscal year to
16 \$185 million per fiscal year. The division allows the EDA
17 to reallocate, authorize, and award for a fiscal year any
18 amount of tax credits that were previously awarded by the EDA,
19 provided the tax credit is irrevocably declined by the awarded
20 business before the close of the fiscal year which follows the
21 fiscal year in which it was awarded. Any amount of tax credits
22 reallocated, authorized, and awarded under this provision shall
23 not be included in the calculation of the aggregate tax credit
24 limit for the fiscal year.

25 The division amends the requirement that not more than
26 \$5 million in tax credits be allocated to the redevelopment
27 tax credit program for brownfields and grayfields to require
28 that at least \$10 million in tax credits be allocated to the
29 program.

30 The division amends the requirements that \$2 million and \$8
31 million in tax credits be allocated to the qualifying business
32 and community-based seed capital funds investment tax credits
33 and the innovation fund tax credit, respectively, to allow
34 the EDA to allocate a lesser amount if it determines the tax
35 credits awarded for that fiscal year will be lower.

1 The division takes effect upon enactment and applies
2 retroactively to July 1, 2012.

3 CITY DEVELOPMENT BOARD FEES. Under current law, the EDA
4 is required to provide office space and staff assistance to
5 the city development board created in Code section 368.9,
6 and to budget funds to cover expenses of the board. Also
7 under current law, the city development board is allowed to
8 impose fees upon applications and petitions submitted to the
9 board. Division III appropriates the amounts collected from
10 those fees to the city development board for the purpose of
11 reimbursing the EDA for the budgeted costs of covering the
12 board's expenses. Any fees collected in a fiscal year by the
13 city development board in excess of such budgeted costs shall
14 be deposited in the general fund of the state.