

**House File 2136 - Introduced**

HOUSE FILE 2136

BY MITCHELL

**A BILL FOR**

1 An Act relating to the establishment of a grant fund and a  
2 grant program administered by the economic development  
3 authority to assist eligible out-of-state candidates  
4 residing in Puerto Rico with relocation expenses to move to  
5 the state to fill specific jobs.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 15.371 Grow Iowa's talent pool  
2 grant program and fund.

3 1. As used in this section, unless the context otherwise  
4 requires:

5 a. "*Eligible business*" means a business meeting the  
6 requirements of subsection 5.

7 b. "*Fund*" means the grow Iowa's talent pool grant fund.

8 c. "*Located in*" means the place at which a business's  
9 operations are located and where at least ninety-five percent  
10 of the business's employees work, or where employees that are  
11 paid at least ninety-five percent of the business's payroll  
12 work.

13 d. "*Program*" means the grow Iowa's talent pool grant  
14 program.

15 e. "*Rural community*" means any city or township located  
16 in the state that has a population of fifty thousand or less,  
17 except those located wholly within one or more of the eleven  
18 most populous counties in the state, as determined by the most  
19 recent population estimates issued by the United States bureau  
20 of census.

21 2. a. A grow Iowa's talent pool grant fund is created  
22 in the state treasury under the control of the authority and  
23 consisting of any moneys appropriated to the fund by the  
24 general assembly and any other moneys available and obtained or  
25 accepted by the authority for placement in the fund. The fund  
26 shall be used to provide grants as provided under the program.  
27 The authority shall use any moneys specifically appropriated  
28 for purposes of this section only for the purposes of this  
29 section.

30 b. There is appropriated from the general fund of the state  
31 to the authority for deposit in the fund for the fiscal year  
32 beginning July 1, 2020, the sum of two million dollars. Of the  
33 moneys appropriated under this paragraph, sixty percent shall  
34 be reserved for grant awards to eligible businesses located in  
35 rural communities.

1     *c.* Notwithstanding section 12C.7, subsection 2, interest  
2 or earnings on moneys in the fund shall accrue to the  
3 authority and shall be used for purposes of this section.  
4 Notwithstanding section 8.33, moneys in the fund at the end  
5 of each fiscal year shall not revert to any other fund but  
6 shall remain in the fund for expenditure for subsequent fiscal  
7 years. All repayments or recaptures of grants provided under  
8 this section shall accrue to the authority and shall be used  
9 for purposes of this section.

10    *d.* The authority may use not more than five percent of the  
11 moneys in the fund at the beginning of the fiscal year for  
12 purposes of administrative costs, marketing, and other program  
13 support.

14    3. The authority shall establish and administer a grow  
15 Iowa's talent pool grant program for purposes of awarding  
16 grants to eligible businesses.

17    4. The authority shall begin to award grants from the fund  
18 not later than January 1, 2021.

19    5. A business is eligible to apply for a grant under the  
20 program if the business meets all of the following criteria at  
21 the time of the business's application:

22    *a.* The business is located in Iowa.

23    *b.* If the business has been a going concern for two years or  
24 more, the business has not been found to be in violation of any  
25 environmental or worker safety laws or rules.

26    *c.* The business only employs individuals legally authorized  
27 to work in the state.

28    *d.* The business is not in bankruptcy and is not imminently  
29 contemplating filing for bankruptcy.

30    *e.* The business has a candidate pending hire for a job with  
31 the business that pays a minimum of fifteen dollars per hour  
32 and the candidate currently resides in Puerto Rico.

33    *f.* The business has at least one letter of support from  
34 community leaders of the community in which the candidate will  
35 be working that supports the relocation of the candidate to the

1 community.

2 *g.* The business can demonstrate the ability to match the  
3 grant awarded by the authority in an amount equal to one dollar  
4 for every dollar of the grant awarded by the authority.

5 6. Upon approval by the authority of a business's  
6 application, the business shall enter into an agreement with  
7 the authority which shall include but not be limited to all of  
8 the following provisions:

9 *a.* The business shall use the grant, and the matching  
10 dollar-for-dollar contribution from the business, specifically  
11 for relocation-related expenses for the candidate for whom  
12 the business was awarded the grant. The relocation-related  
13 expenses must be substantiated by the candidate.

14 Relocation-related expenses may include any of the following:

15 (1) The cost of the candidate's transportation to the state.

16 (2) The costs to pack and move the candidate's personal  
17 possessions.

18 (3) Housing and utility deposits for the candidate's  
19 housing in the state.

20 (4) Up to three months rent for the candidate's housing in  
21 the state.

22 (5) Temporary storage fees for the candidate's personal  
23 possessions.

24 (6) A transportation allowance.

25 *b.* If the business, after being awarded a grant, does  
26 not continue to meet all of the eligibility criteria under  
27 subsection 5, all or a portion of the grant received is subject  
28 to disallowance, recapture, or immediate repayment.

29 *c.* If, after being awarded a grant, the business ceases  
30 operations or removes a significant portion of its operations  
31 to a location outside of the state, all or a portion of the  
32 grant received is subject to disallowance, recapture, or  
33 immediate repayment.

34 7. A grant awarded to an eligible business pursuant to the  
35 program shall not exceed five thousand dollars per relocating

1 candidate.

2 8. An eligible business may receive more than one grant  
3 under this section. An eligible business must submit a new  
4 application for each grant.

5 9. The authority shall, by January 15 of each year, submit  
6 a report on the program to the general assembly. The report  
7 shall include all of the following information for each  
8 business that is awarded a grant under the program in the  
9 immediately preceding calendar year:

10 a. The number of candidates relocated by the business.

11 b. The job, and the pay rate, for which each candidate  
12 relocated.

13 c. The total amount of the grant the authority awarded to  
14 the business.

15 d. The city and county in which the business is located.

16 e. Whether the business is a start-up or a going concern.

17 f. The current number of open jobs at the business.

18 10. The authority shall adopt rules pursuant to chapter 17A  
19 as necessary to administer the program.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with  
22 the explanation's substance by the members of the general assembly.

23 This bill relates to the establishment of a grant fund  
24 and a grant program administered by the economic development  
25 authority to assist eligible out-of-state candidates residing  
26 in Puerto Rico with relocation expenses to move to the state  
27 to fill specific jobs.

28 The bill creates a grow Iowa's talent pool grant fund  
29 (fund) in the state treasury under the control of the economic  
30 development authority (authority) that consists of any moneys  
31 appropriated to the fund by the general assembly and any other  
32 moneys available to the authority for placement in the fund.  
33 The fund must be used to provide grants as provided under  
34 the grow Iowa's talent pool grant program (program) and the  
35 authority must use any moneys specifically appropriated for

1 purposes of the program only for purposes of the program.

2 The bill establishes a \$2 million standing appropriation  
3 from the general fund of the state to the authority for deposit  
4 in the fund for the fiscal year beginning July 1, 2020. Of the  
5 appropriated moneys, 60 percent must be reserved for grants  
6 to eligible businesses located in rural communities. "Rural  
7 community" is defined in the bill as any city or township  
8 located in the state that has a population of 50,000 or less,  
9 except those located wholly within 1 or more of the 11 most  
10 populous counties in the state, as determined by the most  
11 recent population estimates issued by the United States bureau  
12 of census.

13 Interest or earnings on moneys in the fund accrue to the  
14 authority and must be used for purposes of the program. Moneys  
15 in the fund at the end of each fiscal year do not revert to  
16 any other fund but remain in the fund for expenditure for  
17 subsequent fiscal years. All repayments or recaptures of  
18 grants provided under the program accrue to the authority to  
19 be used for purposes of the program. The authority may use not  
20 more than 5 percent of the moneys in the fund at the beginning  
21 of the fiscal year for purposes of administrative costs,  
22 marketing, and other program support. The authority must begin  
23 to award grants from the fund not later than January 1, 2021.

24 The bill requires the authority to establish and administer  
25 the program for purposes of awarding grants to eligible  
26 businesses. A business is eligible to apply for a grant  
27 under the program if, at the time the business applies, the  
28 business is located in Iowa, as defined in the bill; if the  
29 business has been a going concern for two years or more,  
30 the business has not been found to be in violation of any  
31 environmental or worker safety laws or rules; the business  
32 only employs individuals legally authorized to work in the  
33 state; the business is not in bankruptcy and is not imminently  
34 contemplating filing for bankruptcy; the business has a  
35 candidate pending hire for a job at the business that pays a

1 minimum of \$15 per hour and the candidate currently resides in  
2 Puerto Rico; the business has at least one letter of support  
3 from community leaders of the community in which the candidate  
4 will be working that supports the candidate's relocation; and  
5 the business can demonstrate the ability to match a grant  
6 awarded by the authority in an amount equal to \$1 for every  
7 dollar awarded by the authority.

8 A grant awarded to an eligible business cannot exceed \$5,000  
9 per relocating candidate. Upon approval of a business's  
10 application, the business must enter into an agreement  
11 with the authority that must include a provision requiring  
12 the business to use the grant assistance, and the matching  
13 dollar-for-dollar contribution from the business, specifically  
14 for relocation-related expenses, as detailed in the bill, for  
15 the candidate for whom the business was awarded the grant. The  
16 candidate must substantiate the relocation-related expenses.

17 The agreement must also have provisions allowing for all or  
18 a portion of the grant received to be subject to disallowance,  
19 recapture, or immediate repayment, in certain circumstances as  
20 outlined in the bill.

21 An eligible business may receive more than one grant under  
22 the program and must submit a new application for each award.

23 The bill requires the authority to submit an annual report on  
24 the program to the general assembly. The report must include  
25 information as outlined in the bill for each business that is  
26 awarded a grant under the program in the immediately preceding  
27 calendar year.

28 The authority is required to adopt rules pursuant to Code  
29 chapter 17A as necessary to administer the program.