

House File 2569 - Introduced

HOUSE FILE 2569
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HF 2136)

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
5 move to the state to fill specific jobs, and making an
6 appropriation.

7 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 hundred fifty thousand
33 dollars. Of the moneys appropriated under this paragraph,
34 sixty percent shall be reserved for grant awards to eligible
35 businesses located in rural communities.

1 *c.* The director of the authority may transfer any
2 unobligated and unencumbered moneys in any fund created
3 pursuant to section 15.106A, subsection 1, paragraph "o", for
4 deposit in the fund.

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

14 *e.* The authority may use not more than five percent of the
15 moneys in the fund at the beginning of the fiscal year for
16 purposes of administrative costs, marketing, and other program
17 support.

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

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

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

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

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

30 *c.* The business only employs individuals legally authorized
31 to work in the state.

32 *d.* The business is not in bankruptcy and is not imminently
33 contemplating filing for bankruptcy.

34 *e.* The business has a candidate pending hire for a job with
35 the business that pays the laborshed wage and the candidate

1 currently resides in Puerto Rico. For purposes of this
2 paragraph, "laborshed wage" means the wage level represented
3 by a wage within two standard deviations from the mean wage
4 within the laborshed area in which the business is located, as
5 calculated by the authority, by rule, using the most current
6 covered wage and employment data available from the department
7 of workforce development for the laborshed area.

8 *f.* The business offers health insurance for its employees
9 and the employees' dependents.

10 *g.* The business has at least one letter of support from
11 community leaders of the community in which the candidate will
12 be working that supports the relocation of the candidate to the
13 community.

14 *h.* The business can demonstrate the ability to match the
15 grant awarded by the authority in an amount equal to one dollar
16 for every dollar of the grant awarded by the authority.

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

21 *a.* The business shall use the grant, and the matching
22 dollar-for-dollar contribution from the business, specifically
23 for relocation-related expenses for the candidate for whom
24 the business was awarded the grant. The relocation-related
25 expenses must be substantiated by the candidate.

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

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

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

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

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

34 (5) Temporary storage fees for the candidate's personal
35 possessions.

1 (6) A transportation allowance.

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

6 c. If, after being awarded a grant, the business ceases
7 operations or removes a significant portion of its operations
8 to a location outside of the state, all or a portion of the
9 grant received is subject to disallowance, recapture, or
10 immediate repayment.

11 7. A grant awarded to an eligible business pursuant to the
12 program shall not exceed five thousand dollars per relocating
13 candidate.

14 8. An eligible business may receive more than one grant
15 under this section. An eligible business must submit a new
16 application for each grant.

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

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

23 b. The job, and the pay rate, for which each candidate
24 relocated.

25 c. The total amount of the grant the authority awarded to
26 the business.

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

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

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

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

32 EXPLANATION

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

35 This bill relates to the establishment of a grant fund

1 and a grant program administered by the economic development
2 authority to assist eligible out-of-state candidates residing
3 in Puerto Rico with relocation expenses to move to the state
4 to fill specific jobs.

5 The bill creates a grow Iowa's talent pool grant fund
6 (fund) in the state treasury under the control of the economic
7 development authority (authority) that consists of any moneys
8 appropriated to the fund by the general assembly and any other
9 moneys available to the authority for placement in the fund.
10 The fund must be used to provide grants as provided under
11 the grow Iowa's talent pool grant program (program) and the
12 authority must use any moneys specifically appropriated for
13 purposes of the program only for purposes of the program.

14 The bill appropriates \$250,000 from the general fund of the
15 state to the authority for deposit in the fund for the fiscal
16 year beginning July 1, 2020. Of the appropriated moneys, 60
17 percent must be reserved for grants to eligible businesses
18 located in rural communities. "Rural community" is defined in
19 the bill as any city or township located in the state that has
20 a population of 50,000 or less, except those located wholly
21 within 1 or more of the 11 most populous counties in the state,
22 as determined by the most recent population estimates issued by
23 the United States bureau of census.

24 Interest or earnings on moneys in the fund accrue to the
25 authority and must be used for purposes of the program. Moneys
26 in the fund at the end of each fiscal year do not revert to
27 any other fund but remain in the fund for expenditure for
28 subsequent fiscal years. All repayments or recaptures of
29 grants provided under the program accrue to the authority to
30 be used for purposes of the program. The director of the
31 authority may transfer any unobligated and unencumbered moneys
32 in any fund created pursuant to Code section 15.106A(1)(o)
33 for deposit in the fund. The authority may use not more than
34 5 percent of the moneys in the fund at the beginning of the
35 fiscal year for purposes of administrative costs, marketing,

1 and other program support. The authority must begin to award
2 grants from the fund not later than January 1, 2021.

3 The bill requires the authority to establish and administer
4 the program for purposes of awarding grants to eligible
5 businesses. A business is eligible to apply for a grant
6 under the program if, at the time the business applies, the
7 business is located in Iowa, as defined in the bill; if the
8 business has been a going concern for two years or more,
9 the business has not been found to be in violation of any
10 environmental or worker safety laws or rules; the business
11 only employs individuals legally authorized to work in the
12 state; the business is not in bankruptcy and is not imminently
13 contemplating filing for bankruptcy; the business has a
14 candidate pending hire for a job at the business that pays
15 the laborshed wage and the candidate currently resides in
16 Puerto Rico; the business offers health insurance for its
17 employees and the employees' dependents; the business has at
18 least one letter of support from community leaders of the
19 community in which the candidate will be working that supports
20 the candidate's relocation; and the business can demonstrate
21 the ability to match a grant awarded by the authority in an
22 amount equal to \$1 for every dollar awarded by the authority.
23 "Laborshed wage" is defined in the bill as the wage level
24 represented by a wage within two standard deviations from the
25 mean wage within the laborshed area in which the business is
26 located, as calculated by the authority, by rule, using the
27 most current covered wage and employment data available from
28 the department of workforce development for the laborshed area.

29 A grant awarded to an eligible business cannot exceed \$5,000
30 per relocating candidate. Upon approval of a business's
31 application, the business must enter into an agreement
32 with the authority that must include a provision requiring
33 the business to use the grant assistance, and the matching
34 dollar-for-dollar contribution from the business, specifically
35 for relocation-related expenses, as detailed in the bill, for

1 the candidate for whom the business was awarded the grant. The
2 candidate must substantiate the relocation-related expenses.

3 The agreement must also have provisions allowing for all or
4 a portion of the grant received to be subject to disallowance,
5 recapture, or immediate repayment, in certain circumstances as
6 outlined in the bill.

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

9 The bill requires the authority to submit an annual report on
10 the program to the general assembly. The report must include
11 information as outlined in the bill for each business that is
12 awarded a grant under the program in the immediately preceding
13 calendar year.

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