

Senate Study Bill 1084 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED ECONOMIC
DEVELOPMENT AUTHORITY BILL)

A BILL FOR

1 An Act relating to bioscience-based economic development, the
2 establishment of a bioscience development corporation, and
3 membership on the Iowa innovation council.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8.11, subsection 2, paragraph a, Code
2 2019, is amended to read as follows:

3 a. "Disability" means the same as ~~provided~~ defined in
4 section 15.102, ~~subsection 10, paragraph "b", subparagraph (1).~~

5 Sec. 2. Section 12.34, subsection 1, Code 2019, is amended
6 to read as follows:

7 1. The treasurer of state may invest up to the lesser of
8 one hundred eight million dollars or twenty-five percent of
9 the balance of the state pooled money fund in certificates
10 of deposit in eligible lending institutions as provided
11 in section 12.32, this section, and sections 12.35 through
12 12.43. One-half of the moneys invested pursuant to this
13 section shall be made available under the program implemented
14 pursuant to section 12.43 to increase the availability of lower
15 cost moneys for purposes of injecting needed capital into
16 small businesses which are fifty-one percent or more owned,
17 operated, and actively managed by one or more women, minority
18 persons, or persons with disabilities. "Disability" means and
19 "minority person" mean the same as defined in section 15.102,
20 ~~subsection 10. A "minority person" means the same as defined~~
21 ~~in section 15.102, subsection 10.~~ The treasurer shall invest
22 the remaining one-half of the moneys invested pursuant to this
23 section to support any other eligible applicant as provided in
24 section 12.43.

25 Sec. 3. Section 15.102, Code 2019, is amended by adding the
26 following new subsections:

27 NEW SUBSECTION. 1A. "Bioscience-based economic development"
28 means economic development related to industries involved in
29 any of the bioscience development platforms.

30 NEW SUBSECTION. 1B. "Bioscience development platforms"
31 means industries involved in any of the following:

- 32 a. Vaccines and immunotherapeutics.
- 33 b. Biobased chemicals.
- 34 c. Precision and digital agriculture.
- 35 d. Medical devices and medical diagnostics.

1 Sec. 4. Section 15.102, subsection 5, Code 2019, is amended
2 to read as follows:

3 5. "*Corporation*" means ~~the Iowa innovation~~ a bioscience
4 development corporation created pursuant to section 15.107.

5 Sec. 5. Section 15.106B, subsection 2, paragraph b, Code
6 2019, is amended to read as follows:

7 b. Establish a nonprofit corporation pursuant to
8 section 15.107, for the purpose of receiving and disbursing
9 funds from public or private sources to be used to enhance
10 bioscience-based economic development in the state and to
11 further the overall development and economic well-being of the
12 state.

13 Sec. 6. Section 15.106B, subsection 2, paragraph d,
14 subparagraph (1), Code 2019, is amended by adding the following
15 new subparagraph division:

16 NEW SUBPARAGRAPH DIVISION. (i) Services to expand,
17 enhance, and advance the bioscience development platforms.

18 Sec. 7. Section 15.107, Code 2019, is amended by striking
19 the section and inserting in lieu thereof the following:

20 **15.107 Bioscience development corporation.**

21 1. The authority shall establish a bioscience development
22 corporation as a nonprofit corporation organized under chapter
23 504 and qualifying under section 501(c)(3) of the Internal
24 Revenue Code as an organization exempt from taxation. Unless
25 otherwise provided in this subchapter, the corporation is
26 subject to the provisions of chapter 504. The corporation
27 shall be established for the purpose of providing services and
28 receiving and disbursing funds from public or private sources
29 to enhance bioscience-based economic development in the state
30 and to further the overall development and economic well-being
31 of the state.

32 2. The corporation shall collaborate with the authority as
33 described in this subchapter, but the corporation shall not
34 be considered, in whole or in part, an agency, department, or
35 administrative unit of the state.

1 *a.* The corporation shall not receive appropriations from the
2 general assembly.

3 *b.* The corporation shall not be required to comply with
4 any requirements that apply to a state agency, department, or
5 administrative unit and shall not exercise any sovereign power
6 of the state.

7 *c.* The corporation shall not have authority to pledge the
8 credit of the state, and the state shall not be liable for
9 the debts or obligations of the corporation. All debts and
10 obligations of the corporation shall be payable solely from the
11 corporation's funds.

12 3. *a.* The corporation shall be established so that
13 donations and bequests to the corporation qualify as tax
14 deductible under state income tax laws and under section
15 501(c)(3) of the Internal Revenue Code.

16 *b.* The corporation shall be established for the purpose of
17 expanding bioscience-based economic development opportunities
18 in the state of Iowa and for Iowa businesses, and to further
19 the overall development and economic well-being of the state.
20 The corporation may effectuate this purpose by performing
21 certain functions delegated to it by the authority pursuant to
22 section 15.106B.

23 4. The articles of the corporation shall provide for its
24 governance and its efficient management. In providing for its
25 governance, the articles of the corporation shall address the
26 following:

27 *a.* A board of directors to govern the corporation.

28 (1) The board of directors shall initially be comprised of
29 seven members appointed by the governor to concurrent terms
30 of three years. Two of such members shall be subject to
31 confirmation by the senate.

32 (2) For appointments subsequent to the initial appointments
33 pursuant to subparagraph (1), two of the members shall be
34 appointed by the governor, subject to confirmation by the
35 senate, to staggered terms of three years each, and the

1 remaining five members shall be selected by a majority vote of
2 the board of directors of the corporation for terms the length
3 of which shall be provided in the articles of the corporation.

4 (3) The governor and the board of directors of the
5 corporation shall not appoint or select any person who is
6 either the spouse or a relative within the first degree of
7 consanguinity of a serving member of the board of directors or
8 of the authority board.

9 b. The appointment of a chief executive officer by the board
10 to manage the corporation's daily operations.

11 c. The delegation of such powers and responsibilities
12 to the chief executive officer as may be necessary for the
13 corporation's efficient operation.

14 d. The employment of personnel necessary for the efficient
15 performance of the duties assigned to the corporation. All
16 such personnel shall be considered employees of a private,
17 nonprofit corporation and shall be exempt from the personnel
18 requirements imposed on state agencies, departments, and
19 administrative units.

20 e. The financial operations of the corporation including the
21 authority to receive and expend funds from public and private
22 sources and to use its property, money, or other resources for
23 the purpose of the corporation.

24 5. The board of directors of the corporation and the chief
25 executive officer shall act to ensure all of the following:

26 a. That the corporation reviews and, at the board's
27 direction, implements the applicable portions of the strategic
28 plan developed by members of the authority pursuant to section
29 15.105.

30 b. That the corporation prepares an annual budget that
31 includes funding levels for the corporation's activities and
32 that shows sufficient moneys are available to support those
33 activities.

34 c. That the corporation annually completes and files an
35 information return as described in section 422.15 and that the

1 information return is submitted to the general assembly.

2 Sec. 8. Section 15.107A, subsection 2, unnumbered paragraph
3 1, Code 2019, is amended to read as follows:

4 The corporation shall, to the extent its articles so provide
5 and within its public purpose, do all of the following with
6 the purpose of increasing innovation in Iowa's economy, and
7 bringing more innovative businesses to the state, and enhancing
8 and expanding the bioscience development platforms:

9 Sec. 9. Section 15.107A, subsection 2, paragraph b, Code
10 2019, is amended to read as follows:

11 b. Act as an innovation intermediary by aligning local
12 technologies, assets, and resources to work together on
13 advancing innovation and the bioscience development platforms.

14 Sec. 10. Section 15.107C, subsection 2, paragraph b, Code
15 2019, is amended to read as follows:

16 b. The report shall describe how the operations and
17 activities serve the interests of the state, enhance
18 bioscience-based economic development in the state, and further
19 economic development.

20 Sec. 11. Section 15.117A, subsection 2, paragraph a,
21 subparagraphs (1) and (2), Code 2019, are amended to read as
22 follows:

23 (1) Twenty members selected by the board to serve staggered,
24 two-year terms beginning and ending as provided in section
25 69.19. Of the members selected by the board, ~~seven~~ fourteen
26 shall be representatives from businesses in the targeted
27 industries and ~~thirteen~~ six shall be individuals who serve
28 on the technology commercialization committee created in
29 section 15.116, or other committees of the board, and who
30 have expertise with the targeted industries. At least ten of
31 the members selected pursuant to this subparagraph shall be
32 executives actively engaged in the management of a business in
33 a targeted industry. The members selected pursuant to this
34 paragraph shall reflect the size and diversity of businesses
35 in the targeted industries and of the various geographic areas

1 of the state.

2 (2) One member, selected by the ~~governor~~ board, who also
3 ~~serves on the Iowa capital investment board created in section~~
4 ~~15E.63~~ has experience supporting businesses in the targeted
5 industries.

6 Sec. 12. TRANSITION — APPOINTMENT AND TERMS OF IOWA
7 INNOVATION COUNCIL MEMBERS. This Act shall not affect the
8 appointment or term of a member serving on the Iowa innovation
9 council immediately prior to the effective date of this Act.

10 EXPLANATION

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

13 This bill relates to bioscience-based economic development,
14 the establishment of a bioscience development corporation, and
15 membership on the Iowa innovation council.

16 The bill replaces the Iowa innovation corporation with a
17 bioscience development corporation. The bioscience development
18 corporation is structured similarly and functions similarly to
19 the Iowa innovation corporation. The bioscience development
20 corporation has the added duty and responsibility of enhancing
21 the state's bioscience-based economic development. The bill
22 defines "bioscience-based economic development" as economic
23 development related to industries involved in any of the
24 "bioscience development platforms", which are defined as
25 industries involved in vaccines and immunotherapeutics,
26 biobased chemicals, precision and digital agriculture, and
27 medical devices and diagnostics.

28 The bill changes the number of members who are selected by
29 the board for the Iowa innovation council. Members who are
30 representatives from businesses in targeted industries increase
31 from 7 to 14, and members who are individuals who serve on the
32 technology commercialization committee, or other committees of
33 the board, and who have expertise with the targeted industries
34 are reduced from 13 to 6. In addition, one member will be
35 selected by the board and must have experience supporting

1 businesses in the targeted industries. Currently, that member
2 is selected by the governor and has to also serve on the Iowa
3 capital investment board. The bill provides that a member
4 serving on the council immediately prior to the effective date
5 of this Act shall continue to serve until the member's term
6 expires.