

Senate Study Bill 1032 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON LABOR AND BUSINESS
RELATIONS BILL BY
CHAIRPERSON WHITING)

A BILL FOR

1 An Act relating to grants for new remote workers who relocate
2 to this state and who are employed by an out-of-state
3 employer and creating and making appropriations to the new
4 remote worker grant fund.

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

1 Section 1. NEW SECTION. 15.221 New remote worker grant
2 program.

3 1. a. The economic development authority shall, pursuant to
4 section 15.106A, subsection 1, paragraph "o", establish a new
5 remote worker grant fund for the purpose of providing grants to
6 new remote workers pursuant to this section.

7 b. The fund may consist of any moneys appropriated by the
8 general assembly for purposes of this section and any other
9 moneys that are lawfully available to the authority, including
10 moneys transferred or deposited from other funds created
11 pursuant to section 15.106A, subsection 1, paragraph "o".

12 c. The authority shall use any moneys specifically
13 appropriated for purposes of this section only for the purposes
14 of this section.

15 d. Notwithstanding section 8.33, moneys remaining in the
16 fund at the end of each fiscal year shall not revert to any fund
17 and shall remain in the fund.

18 e. There is appropriated from the general fund of the state
19 to the new remote worker grant fund for the new remote worker
20 grant program the following amounts:

21 (1) For the fiscal year beginning July 1, 2021, seven
22 hundred fifty thousand dollars.

23 (2) For the fiscal year beginning July 1, 2022, three
24 hundred fifty thousand dollars.

25 (3) For the fiscal year beginning July 1, 2023, four hundred
26 thousand dollars.

27 (4) For the fiscal year beginning July 1, 2024, four hundred
28 fifty thousand dollars.

29 (5) For the fiscal year beginning July 1, 2025, five hundred
30 thousand dollars.

31 2. As used in this section, unless the context otherwise
32 requires:

33 a. "Coworking space" means a shared office space in which
34 individuals that are not employed by the same organization work
35 independently or collaboratively.

1 *b. "New remote worker"* means an individual who meets all of
2 the following requirements:

3 (1) Is a full-time employee, as defined by the employer,
4 of a business that is domiciled or has its primary place of
5 business outside of this state.

6 (2) Performs the majority of the worker's duties for the
7 business remotely from a home office or a coworking space
8 located in this state.

9 (3) Becomes a full-time resident of this state on or after
10 January 1, 2022.

11 *c. "Qualifying remote worker expenses"* means actual,
12 substantiated costs that a new remote worker incurs for any
13 of the following that are necessary to perform the new remote
14 worker's employment duties and that are not reimbursed by the
15 employer:

16 (1) Relocation to this state.

17 (2) Computer software and hardware.

18 (3) Broadband access or upgrade.

19 (4) Membership in a coworking space or a similar space.

20 3. A new remote worker shall be eligible for a grant under
21 this program for qualifying new remote worker expenses in an
22 amount not to exceed five thousand dollars per calendar year
23 for a maximum of two calendar years.

24 4. Subject to funding, the authority shall award grants
25 under this program on a first-come, first-served basis, with
26 the following limitations on total grants:

27 *a.* Not to exceed seven hundred fifty thousand dollars in
28 calendar year 2022.

29 *b.* Not to exceed three hundred fifty thousand dollars in
30 calendar year 2023.

31 *c.* Not to exceed four hundred thousand dollars in calendar
32 year 2024.

33 *d.* Not to exceed four hundred fifty thousand dollars in
34 calendar year 2025.

35 *e.* Not to exceed five hundred thousand dollars in calendar

1 year 2026.

2 *f.* To the extent funds remain available, not to exceed two
3 hundred thousand dollars in any subsequent calendar year.

4 5. The authority shall adopt rules pursuant to chapter 17A
5 to implement and administer this section.

6 6. Each year that moneys are appropriated to the fund
7 established in this section, the authority shall submit a
8 report to the general assembly and the governor's office that
9 provides the total number of grants awarded, the amount of each
10 grant, the state where each grantee's employer is located, the
11 city and county in this state to which each grantee relocated,
12 whether the new remote worker works out of the person's home
13 or a coworking space, and if applicable, the city and county
14 in which the coworking space is located. The report shall be
15 submitted by January 31 of each year for the prior calendar
16 year.

17 EXPLANATION

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

20 This bill relates to grants for new remote workers who
21 relocate to this state and who are employed by an out-of-state
22 employer, and creates and makes appropriations to the new
23 remote worker grant fund.

24 The bill defines "new remote worker" as an individual who is
25 a full-time employee of a business that is domiciled or has its
26 primary place of business outside of this state, who performs
27 the majority of the person's duties for the business remotely
28 from a home office or a coworking space located in this state,
29 and who becomes a full-time resident of this state on or after
30 January 1, 2022.

31 Under the bill, a new remote worker is eligible for a
32 grant for qualifying remote worker expenses in an amount not
33 to exceed \$5,000 per calendar year. A new remote worker is
34 eligible for a grant for a maximum of two calendar years.
35 "Qualifying remote worker expenses" is defined in the bill as

1 actual, substantiated costs that a new remote worker incurs
2 for relocation to this state, computer software and hardware,
3 broadband access or upgrade, and membership in a coworking
4 space. The expenses must be necessary to perform the remote
5 worker's employment duties and cannot also be reimbursed by the
6 employer. "Coworking space" is defined in the bill.

7 The bill requires the authority to establish a new remote
8 worker grant fund for the purpose of providing grants to
9 new remote workers. There is appropriated from the general
10 fund of the state to the remote worker grant fund for the
11 new remote worker grant program \$750,000 for the fiscal year
12 beginning July 1, 2021, \$350,000 for the fiscal year beginning
13 July 1, 2022, \$400,000 for the fiscal year beginning July 1,
14 2023, \$450,000 for the fiscal year beginning July 1, 2024,
15 and \$500,000 for the fiscal year beginning July 1, 2025.
16 Notwithstanding Code section 8.33, moneys remaining in the fund
17 at the end of each fiscal year shall not revert to any fund and
18 shall remain in the fund.

19 Subject to funding, the authority is required by the bill to
20 award grants on a first-come, first-served basis, not exceeding
21 total grants of \$750,000 in calendar year 2022, \$350,000 in
22 calendar year 2023, \$400,000 in calendar year 2024, \$450,000
23 in calendar year 2025, and \$500,000 in calendar year 2026. To
24 the extent funds remain available in subsequent calendar years,
25 total grants cannot exceed \$200,000 in any calendar year.

26 The bill requires the Iowa economic development authority
27 to adopt rules to implement and administer the requirements of
28 the bill.

29 Each year that moneys are appropriated to the fund, the
30 authority must submit a report to the general assembly and the
31 governor's office providing details related to the grants and
32 grantees. The report is due by January 31 of every year for the
33 immediately preceding calendar year.