

Senate File 2289 - Reprinted

SENATE FILE 2289
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3109)

(As Amended and Passed by the Senate March 5, 2024)

A BILL FOR

1 An Act relating to economic development and energy shortages
2 under the purview of the economic development authority and
3 governor, and providing penalties.

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

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DIVISION I

ECONOMIC DEVELOPMENT PROGRAMS

Section 1. Section 15.106B, subsection 5, paragraph b, Code 2024, is amended by striking the paragraph.

Sec. 2. NEW SECTION. 15.106E **Application or award — prohibition.**

1. The authority may prohibit a person from receiving an award of financial assistance, or from being selected as a vendor to provide goods or services to the authority in any of the following circumstances:

a. An act or omission by the person seriously affects or threatens public health, public safety, or the environment.

b. The person is charged with or convicted of a crime involving dishonesty.

c. An act or omission by the person indicates a lack of integrity or honesty.

d. The person violates the terms of an agreement or transaction that detrimentally impacts the integrity of a program administered by the authority, or other governmental entity as defined in section 8A.101.

e. A compelling cause exists that is relevant to and affects the person's obligations under the programs administered by the authority, or is relevant to and affects the provision of goods and services to the authority by a vendor.

2. Upon a determination by the authority, a person shall be prohibited from receiving an award of financial assistance, or from being selected as a vendor pursuant to subsection 1. The authority shall provide written notice to the prohibited person stating the reason for the prohibition. The authority may immediately disqualify a prohibited person from receiving financial assistance, or from being selected as a vendor.

3. A prohibited person may request a review of the determination made by the authority pursuant to subsection 2.

a. The request to review the determination shall be made within thirty-five calendar days of the date the authority

1 provided written notice to the prohibited person. The request
2 to review the determination must be in writing and state the
3 specific reasons or legal basis for review.

4 *b.* Within sixty calendar days of the receipt of the request
5 to review, the authority shall approve, deny, or modify the
6 determination, if the authority finds that the determination
7 is based on a clear error of material fact or law, or if the
8 authority finds the determination was arbitrary, capricious, or
9 an abuse of discretion.

10 *c.* The authority shall issue its decision in writing and
11 provide written notice of the decision to the prohibited
12 person.

13 *d.* The decision of the authority pursuant to this subsection
14 shall be considered final agency action. A petition for
15 judicial review of the decision of the authority shall be filed
16 pursuant to section 17A.19.

17 4. The authority shall adopt rules as necessary pursuant to
18 chapter 17A to administer this section.

19 Sec. 3. Section 15.108, subsection 2, Code 2024, is amended
20 by striking the subsection and inserting in lieu thereof the
21 following:

22 2. *Marketing.* To aid in all of the following:

23 *a.* The marketing and promotion of Iowa products and
24 services.

25 *b.* The promotion and development of the agricultural
26 processing industry in the state.

27 Sec. 4. Section 15.108, subsection 3, paragraph a,
28 subparagraph (5), Code 2024, is amended to read as follows:

29 (5) Encourage cities, counties, local and regional
30 government organizations, and local and regional economic
31 development organizations to develop and implement
32 comprehensive community and economic development plans. ~~In~~
33 ~~evaluating financial assistance applications, the authority~~
34 ~~shall award supplementary credit to applications submitted by~~
35 ~~cities, counties, local and regional government organizations,~~

1 ~~and local and regional economic development organizations~~
2 ~~that have developed a comprehensive community and economic~~
3 ~~development plan.~~

4 Sec. 5. Section 15.108, subsection 4, Code 2024, is amended
5 by striking the subsection and inserting in lieu thereof the
6 following:

7 4. *Exporting.* To promote and aid in the marketing and
8 sale of Iowa industrial and agricultural products and services
9 outside of the state. To carry out this responsibility, the
10 authority shall:

11 a. Perform the duties and activities specified for the
12 agricultural marketing program under sections 15.201 and
13 15.202.

14 b. Seek assistance and advice from the Iowa district export
15 council which advises the United States department of commerce.

16 Sec. 6. Section 15.108, subsection 5, paragraph d, Code
17 2024, is amended to read as follows:

18 ~~d. Coordinate with other divisions of the authority to add~~
19 Promote the contributions of Iowa's recreation, tourism, and
20 leisure resources ~~to the agricultural and other images which~~
21 ~~characterize the state on a national level.~~

22 Sec. 7. Section 15.108, subsection 5, paragraph o, Code
23 2024, is amended by striking the paragraph.

24 Sec. 8. Section 15.108, subsection 6, paragraph c, Code
25 2024, is amended by striking the paragraph and inserting in
26 lieu thereof the following:

27 c. Provide aid for the development and implementation of
28 the Iowa targeted small business procurement Act established in
29 sections 73.15 through 73.22.

30 Sec. 9. Section 15.108, subsection 6, paragraphs f and g,
31 Code 2024, are amended by striking the paragraphs.

32 Sec. 10. Section 15.108, subsection 7, Code 2024, is amended
33 by striking the subsection.

34 Sec. 11. Section 15.108, subsection 10, paragraph b,
35 subparagraph (3), Code 2024, is amended to read as follows:

1 (3) Establish programs which assist communities or local
2 entities in developing housing to meet a range of community
3 needs, including ~~programs to assist homeless shelter operations~~
4 ~~and~~ programs to assist in the development of housing to enhance
5 economic development opportunities in the community.

6 Sec. 12. Section 15.371, subsection 5, paragraph e, Code
7 2024, is amended to read as follows:

8 e. Employ a minimum of three full-time employees and no more
9 than ~~seventy-five~~ one hundred twenty-five full-time employees
10 across all of the manufacturer's locations.

11 Sec. 13. NEW SECTION. 73.22 Reports.

12 1. By December 1 of each calendar year, the department of
13 administrative services shall provide a written summary to the
14 economic development authority of all activities undertaken
15 by the department of administrative services to maximize the
16 purposes of this subchapter during the immediately preceding
17 fiscal year.

18 2. By December 1 of each calendar year, the economic
19 development authority shall compile a list of the procurement
20 goals established pursuant to section 73.16, subsection 2, for
21 the prior fiscal year, and the performance of each agency or
22 department of state government having purchasing authority in
23 meeting the goals. The compilation shall be based upon the
24 reports required to be filed under section 73.16, subsection 2.

25 3. By January 15 of each calendar year, the economic
26 development authority shall submit to the governor and the
27 general assembly a summary of all reports required under this
28 section.

29 4. The director of the economic development authority, in
30 cooperation with the department of administrative services and
31 other state agencies shall do all of the following:

32 a. Publicize the targeted small business procurement goal
33 program to targeted small businesses and to agencies of state
34 government.

35 b. Identify targeted small businesses able to perform

1 contracts under the program.

2 c. Encourage targeted small businesses to participate in the
3 program.

4 Sec. 14. REPEAL. Sections 15.246, 15.271, and 15.272, Code
5 2024, are repealed.

6 DIVISION II

7 ENERGY SHORTAGES

8 Sec. 15. Section 12.28, subsection 6, Code 2024, is amended
9 to read as follows:

10 6. The maximum principal amount of financing agreements
11 which the treasurer of state can enter into shall be one
12 million dollars per state agency in a fiscal year, subject
13 to the requirements of [section 8.46](#). For the fiscal year,
14 the treasurer of state shall not enter into more than one
15 million dollars of financing agreements per state agency,
16 not considering interest expense. However, the treasurer
17 of state may enter into financing agreements in excess of
18 the one million dollar per agency per fiscal year limit if a
19 constitutional majority of each house of the general assembly,
20 or the legislative council if the general assembly is not in
21 session, and the governor, authorize the treasurer of state
22 to enter into additional financing agreements above the one
23 million dollar authorization contained in [this section](#). The
24 treasurer of state shall not enter into a financing agreement
25 for real or personal property which is to be constructed for
26 use as a prison or prison-related facility without prior
27 authorization by a constitutional majority of each house of
28 the general assembly and approval by the governor of the use,
29 location, and maximum cost, not including interest expense,
30 of the real or personal property to be financed. However,
31 financing agreements for an energy conservation measure, as
32 defined in [section 7D.34](#), ~~for an energy management improvement,~~
33 ~~as defined in [section 473.19](#), or for costs associated with~~
34 ~~projects under [section 473.13A](#),~~ are exempt from the provisions
35 of [this subsection](#), but are subject to the requirements of

1 section 7D.34. In addition, financing agreements funded
2 through the materials and equipment revolving fund established
3 in [section 307.47](#) are exempt from the provisions of this
4 subsection.

5 Sec. 16. Section 279.53, Code 2024, is amended to read as
6 follows:

7 **279.53 Loan proceeds.**

8 The proceeds of loans issued to school districts pursuant to
9 section 279.48, or [279.52](#), ~~or~~ ~~473.20~~ shall be deposited into
10 either the general fund of a school district or the physical
11 plant and equipment levy fund. The board of directors shall
12 expend the amount of the principal and interest due each year
13 to maturity from the same fund into which the loan proceeds
14 were deposited.

15 Sec. 17. Section 298.3, subsection 1, paragraph g, Code
16 2024, is amended to read as follows:

17 *g.* Expenditures for energy conservation, ~~including payments~~
18 ~~made pursuant to a guarantee furnished by a school district~~
19 ~~entering into a financing agreement for energy management~~
20 ~~improvements, limited to agreements pursuant to~~ [section 473.19](#),
21 [473.20](#), ~~or~~ ~~473.20A~~.

22 Sec. 18. Section 473.3, subsection 2, Code 2024, is amended
23 by striking the subsection.

24 Sec. 19. NEW SECTION. **473.4 Duties of the authority.**

25 The authority shall do the following:

26 1. Periodically update the Iowa energy plan that identifies
27 objectives and strategies for developing the energy sector in
28 the state.

29 2. Administer and coordinate federal funds received for
30 energy conservation, energy management, and alternative and
31 renewable energy programs.

32 3. Apply for, receive, administer, and use federal or other
33 funds available for achieving the purposes of this chapter.

34 Sec. 20. NEW SECTION. **473.5 Energy security plan.**

35 1. The governor or the governor's designee shall maintain

1 an energy security plan.

2 2. The energy security plan shall include but is not limited
3 to the following:

4 a. A description of the circumstances that indicate an
5 actual or imminent acute shortage of usable energy, including
6 liquid fossil fuels.

7 b. Any action to be taken by the authority or relevant
8 agencies in response to an executive order by the governor
9 under section 473.8.

10 Sec. 21. REPEAL. Sections 473.13A, 473.15, 473.19,
11 473.19A, 473.20, 473.20A, and 473.41, Code 2024, are repealed.

12 Sec. 22. TRANSFER OF MONEYS. On the effective date of this
13 division of this Act, any moneys remaining in the building
14 energy management fund in section 473.19A, Code 2024, shall be
15 transferred to the general fund of the state.