

House File 2799 - Reprinted

HOUSE FILE 2799

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 755)

(As Amended and Passed by the House May 3, 2026)

A BILL FOR

1 An Act relating to matters under the purview of the economic
2 development authority, the utilities commission, and
3 the department of education, including creation of the
4 headquarters expansion and development for growth and
5 employment program, and the business incentives for growth
6 program training fund; repeal of the new jobs tax credit
7 program; the major economic growth attraction program; load
8 forecasting and analysis of electric transmission system
9 expansion plans; creation of the electric transmission
10 system expansion planning and analysis and load forecasting
11 fund; the industrial new jobs training program; and
12 establishing the new jobs training program interim study
13 committee; and including effective date provisions.

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

1 DIVISION I
2 HEADQUARTERS EXPANSION AND DEVELOPMENT FOR GROWTH EMPLOYMENT
3 PROGRAM

4 Section 1. NEW SECTION. 15.600 Short title.

5 This part shall be known and may be cited as the
6 "*Headquarters Expansion and Development for Growth and Employment*
7 *Program*", or "*EDGE Program*".

8 Sec. 2. NEW SECTION. 15.601 Definitions.

9 As used in this part, unless the context otherwise requires:

10 1. "*Agreement*" means an agreement entered into by an
11 eligible business and the authority pursuant to section 15.604.

12 2. "*Base employment level*" means the number of full-time
13 equivalent positions at a business, as established by the
14 authority and the business based on the business's payroll
15 records, on the date the business applies for the program.

16 3. "*Benefits*" means nonwage compensation provided to an
17 employee. "*Benefits*" include medical and dental insurance, a
18 pension, a retirement plan, a profit-sharing plan, child care,
19 life insurance, vision insurance, and disability insurance.

20 4. "*Community*" means a city or county in the state.

21 5. "*Corporate headquarters*" means a location in the
22 state that serves as the principal executive office or
23 houses the core administrative operations for a business,
24 and that includes executive leadership offices, strategic
25 decision-making functions, and administrative and support staff
26 employees.

27 6. "*Corporate job*" means a position based at a corporate
28 headquarters that involves strategic planning, executive
29 decision-making, or core administrative functions.

30 7. "*Created jobs*" or "*create jobs*" means new, permanent,
31 full-time equivalent positions added to an eligible business's
32 payroll, at the location of the eligible business's project, in
33 excess of the eligible business's base employment level.

34 8. "*Data center business*" means the same as defined in
35 section 423.3, subsection 95.

1 9. "*Eligible business*" means a business that meets the
2 requirements of section 15.602.

3 10. "*Full-time equivalent position*" means a non-part-time
4 position for the number of hours or days per week considered
5 to be full-time work for the kind of service or work performed
6 for an employer. Typically, a full-time equivalent position
7 requires two thousand eighty hours of work in a calendar year,
8 including all paid holidays, vacations, sick time, and other
9 paid leave.

10 11. "*Gross annual wages*" means all regular wages and
11 salaries received by an employee for performing services as
12 an employee of an employer. "*Gross annual wages*" does not
13 include nonregular forms of compensation, such as bonuses,
14 unusual overtime pay, commissions, stock options, pensions,
15 retirement or death benefits, unemployment benefits, life or
16 other insurance, or other fringe benefits.

17 12. "*New corporate job*" means a corporate job that is a
18 created job.

19 13. "*Program*" means the headquarters expansion and
20 development for growth and employment program.

21 14. "*Project*" means the retention or location of a corporate
22 headquarters for an eligible business, proposed in an eligible
23 business's application to the program, that will accomplish the
24 goals of the program.

25 15. "*Qualifying wage threshold*" means the mean wage level
26 represented by the wages within two standard deviations of
27 the mean wage within the laborshed area in which the eligible
28 business is located, as calculated by the authority by rule,
29 using the most current covered wage and employment data
30 available from the department of workforce development for the
31 laborshed area in which the eligible business is located.

32 16. "*Retained corporate job*" means a corporate job that is
33 also a retained job.

34 17. "*Retained jobs*" means a full-time equivalent position
35 that is in existence at the time an eligible business applies

1 for the program that remains continuously filled, and that is
2 at risk of elimination if the proposed project for which the
3 eligible business is applying to the program does not proceed.

4 18. "*Tax incentives*" means tax credits authorized under the
5 program by the authority for an eligible business.

6 Sec. 3. NEW SECTION. 15.602 **Eligible business.**

7 1. To be eligible to receive tax incentives under
8 the program, a business must meet all of the following
9 requirements:

10 a. The community in which the proposed project is located
11 must approve the project either by ordinance or resolution.

12 b. The business must have a global presence, significant
13 market share, or national recognition in the industry in which
14 the business operates.

15 c. The business must be able to provide documentation that a
16 minimum of fifty-one percent of the business's gross revenue is
17 generated from business conducted outside the state.

18 d. The business must be able to provide documentation that
19 a state other than Iowa is meaningfully competing for the
20 location or retention of the business's corporate headquarters.

21 e. (1) The business must be primarily engaged in advanced
22 manufacturing, bioscience, insurance and finance, technology
23 and innovation, or research and development. The business
24 shall not be a data center business, a retail business, or
25 a business where a cover charge or membership requirement
26 restricts certain individuals from entering the business.

27 (2) Factors the authority shall consider to determine if
28 a business is primarily engaged in advanced manufacturing,
29 bioscience, insurance and finance, technology and innovation,
30 or research and development shall include but are not limited
31 to all of the following:

32 (a) The business's North American industry classification
33 system code.

34 (b) The business's main sources of revenue.

35 (c) The business's customer base.

1 *f.* (1) The business must not be solely relocating
2 operations from one area of the state to another area of
3 the state. A proposed project that does not create jobs or
4 involve a substantial amount of new capital investment shall
5 be presumed to be a relocation of operations. For purposes of
6 this subparagraph, the authority shall consider a letter from
7 the affected local community's government officials supporting
8 the business's move away from the affected local community
9 in making a determination whether the business is solely
10 relocating operations.

11 (2) This paragraph shall not be construed to prohibit
12 a business from expanding the business's operations in a
13 community if the business has similar operations in this state
14 that are not closing or undergoing a substantial reduction in
15 operations.

16 *g.* The business must offer comprehensive benefits to
17 each full-time equivalent employee employed at its corporate
18 headquarters. The authority may adopt rules under chapter 17A
19 to determine the requirements for comprehensive benefits.

20 *h.* (1) The business must not have a record of violations
21 of law or of rules, including but not limited to antitrust,
22 environmental, trade, or worker safety, that over a period of
23 time show a consistent pattern or that establish the business's
24 intentional, criminal, or reckless conduct in violation of such
25 laws or rules.

26 (2) In making determinations and findings under
27 subparagraph (1), and making a determination whether a business
28 is disqualified from the program, the authority shall be exempt
29 from chapter 17A.

30 2. In determining if a business is eligible to participate
31 in the program, the authority shall consider a variety of
32 factors including but not limited to all of the following:

33 *a.* The cost to the state of providing tax incentives
34 compared to the potential increase in state and local tax
35 collections from the project, the potential for population

1 growth resulting from the project, and the potential for wage
2 growth resulting from the project.

3 *b.* The impact of the business's proposed project on
4 businesses that are in competition with the business.
5 The authority shall make a good-faith effort to identify
6 existing Iowa businesses in competition with the business
7 being considered for the program. The authority shall make
8 a good-faith effort to determine the probability that any
9 proposed tax incentives will displace employees of a competing
10 business. In determining the impact on a competing business,
11 employee displacement from the competing business shall not be
12 considered created jobs for the applying business's project.

13 *c.* The business's proposed project's economic impact on
14 the state. The authority shall place greater emphasis on
15 businesses and proposed projects that meet the following
16 requirements:

- 17 (1) The business has a high proportion of in-state
18 suppliers.
- 19 (2) The proposed project will diversify the state economy.
- 20 (3) The business has few in-state competitors.
- 21 (4) The proposed project has the potential to create jobs on
22 an ongoing basis, or will result in increased skills and wages
23 for employees of the eligible business.
- 24 (5) The proposed project has the potential to increase the
25 state's overall gross domestic product.
- 26 (6) The proposed project will result in a newly constructed
27 facility, or a facility with a significantly increased taxable
28 valuation.
- 29 (7) Any other factors the authority deems relevant in
30 determining the economic impact of a proposed project.

31 Sec. 4. NEW SECTION. 15.603 **Applications — authorization**
32 **of tax incentives.**

33 1. Applications for the program shall be submitted to the
34 authority in the form and manner prescribed by the authority by
35 rule. Each application must be accompanied by an application

1 fee in an amount determined by the authority by rule.

2 2. In determining the eligibility of a business to
3 participate in the program the authority may engage outside
4 experts to complete a technical, financial, or other review
5 of an application submitted by a business if such review is
6 outside the expertise of the authority.

7 3. The authority and the board may negotiate with an
8 eligible business regarding the terms of, and the aggregate
9 value of, the tax incentives the eligible business may receive
10 under the program.

11 Sec. 5. NEW SECTION. 15.604 Agreement.

12 1. An eligible business that is approved by the authority to
13 participate in the program shall enter into an agreement with
14 the authority that specifies the criteria for the successful
15 completion of all requirements of the program. The agreement
16 must contain, at a minimum, provisions related to all of the
17 following:

18 a. The eligible business must certify to the authority
19 annually that the business is in compliance with the agreement.

20 b. If the eligible business fails to comply with any
21 requirements of the program or the agreement, the eligible
22 business may be required to repay any tax incentives the
23 authority issued to the eligible business. After a final
24 determination by the authority, the authority will notify
25 the department of revenue of any required repayment of a
26 tax incentive, which shall be considered a tax payment due
27 and payable to the department of revenue by any taxpayer
28 that claimed the tax incentive, and the failure to make the
29 repayment may be treated by the department of revenue in the
30 same manner as a failure to pay the tax shown due, or required
31 to be shown due, with the filing of a return or deposit form.

32 c. If the eligible business undergoes a layoff or
33 permanently closes any of its facilities within the state, the
34 eligible business may be subject to all of the following:

35 (1) A reduction or elimination of some or all of the tax

1 incentives the authority issued to the eligible business.

2 (2) Repayment of any tax incentives that the business
3 has claimed, and payment of any penalties assessed by the
4 department of revenue.

5 *d.* The end date of the agreement.

6 *e.* The number of new corporate jobs and retained corporate
7 jobs to be created or retained as part of the project, the
8 qualifying wage threshold applicable to the project, and the
9 date on which the authority will initially verify the eligible
10 business employs the required number of new corporate jobs and
11 retained corporate jobs.

12 *f.* The maximum aggregate value of the tax incentives
13 authorized by the board.

14 *g.* The eligible business shall only employ individuals
15 legally authorized to work in this state. If the eligible
16 business is found to knowingly employ individuals who are
17 not legally authorized to work in this state, in addition to
18 any penalties provided by law, the eligible business may be
19 required to repay all or a portion of any tax incentives the
20 authority issued to the eligible business.

21 *h.* A requirement that the eligible business must continue to
22 own and operate a corporate headquarters in the state until the
23 end date of the agreement as specified in paragraph "d".

24 *i.* Any terms deemed necessary by the authority to effect the
25 eligible business's ongoing compliance with section 15.602.

26 2. The board shall not amend the terms of the agreement
27 to allow an increase in the maximum aggregate value of tax
28 incentives authorized by the board under section 15.603.

29 3. The eligible business shall comply with all applicable
30 terms of the agreement until the agreement end date. An
31 eligible business shall maintain the business's base employment
32 level until the agreement end date.

33 4. The eligible business shall not assign the agreement
34 to another entity without the advance written approval of the
35 board.

1 5. The authority may enforce the terms of the agreement as
2 necessary and appropriate.

3 Sec. 6. NEW SECTION. 15.605 **Qualifying wage tax credit.**

4 1. If the authority has entered into an agreement with an
5 eligible business pursuant to section 15.604, the authority
6 may authorize a qualifying wage tax credit with the eligible
7 business for a period not to exceed three years according
8 to the start and end date specified in the agreement. The
9 authority may issue a qualifying wage tax credit to the
10 eligible business for each year of the authorized period upon
11 verification under section 15.604, subsection 1, paragraph
12 "e", that the eligible business employed the required number
13 of employees in new corporate jobs and retained corporate jobs
14 that pay at least two hundred percent of the qualifying wage
15 threshold. The tax credit for each year of the authorized
16 period shall equal no more than the sum of all of the
17 following:

18 a. Up to fifteen percent of the gross annual wages of new
19 corporate jobs that pay at least two hundred percent of the
20 qualifying wage threshold.

21 b. Up to one percent of the gross annual wages of retained
22 corporate jobs that pay at least two hundred percent of the
23 qualifying wage threshold, not to exceed one million dollars.

24 2. A tax credit shall be allowed against the taxes imposed
25 in chapter 422, subchapters II, III, and V, and against the
26 moneys and credits tax imposed in section 533.329.

27 3. In order for a taxpayer to claim a tax credit under
28 subsection 1, a tax credit certificate issued by the authority
29 shall be included with the taxpayer's tax return. The tax
30 credit certificate shall contain the taxpayer's name, address,
31 tax identification number, the amount of the credit, and other
32 information required by the authority.

33 4. An individual may claim a tax credit under subsection
34 1 on behalf of a partnership, limited liability company,
35 S corporation, estate, or trust electing to have income

1 taxed directly to the individual. The amount claimed by the
2 individual shall be based upon the pro rata share of the
3 individual's earnings from the partnership, limited liability
4 company, S corporation, estate, or trust.

5 5. Any tax credit in excess of the taxpayer's liability
6 for the tax year is refundable. In lieu of claiming a refund,
7 an eligible business may elect to have the overpayment shown
8 on the eligible business's final, completed return credited
9 to the eligible business's tax liability for the immediately
10 succeeding tax year. A tax credit shall not be carried back
11 to a tax year prior to the tax year in which the tax credit is
12 first claimed by the eligible business.

13 6. Tax credit certificates issued pursuant to this section
14 are not transferable.

15 Sec. 7. NEW SECTION. 15.606 Other incentives.

16 The authority, in its discretion, may prohibit an eligible
17 business that has been issued tax incentives under the program
18 from receiving any additional tax incentive, tax credit,
19 grant, loan, or other financial assistance under any program
20 administered by the authority.

21 Sec. 8. NEW SECTION. 422.12R Qualifying wage tax credit.

22 The taxes imposed under this subchapter, less the credits
23 allowed under section 422.12, shall be reduced by a qualifying
24 wage tax credit allowed under section 15.605.

25 Sec. 9. Section 422.33, Code 2026, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 4. The taxes imposed under this subchapter
28 shall be reduced by a qualifying wage tax credit allowed under
29 section 15.605.

30 Sec. 10. Section 422.60, Code 2026, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 2. The taxes imposed under this subchapter
33 shall be reduced by a qualifying wage tax credit allowed under
34 section 15.605.

35 Sec. 11. Section 533.329, subsection 2, Code 2026, is

1 amended by adding the following new paragraph:

2 NEW PARAGRAPH. *m.* The moneys and credits tax imposed under
3 this section shall be reduced by a qualifying wage tax credit
4 allowed under section 15.605.

5 Sec. 12. CODE EDITOR DIRECTIVE. The Code editor is directed
6 to designate sections 15.600 through 15.606, as enacted in this
7 division of this Act, as part 37 of subchapter II.

8 DIVISION II

9 MAJOR ECONOMIC GROWTH ATTRACTION PROGRAM

10 Sec. 13. Section 15.491, subsection 12, Code 2026, is
11 amended to read as follows:

12 12. "*Foreign adversary*" means a the following:

13 a. A foreign government or foreign non-government person as
14 determined in 15 C.F.R. §7.4, and that is listed in 15 C.F.R.
15 §7.4(a) at any time from March 4, 2024, through ~~the termination~~
16 ~~of the program~~ July 17, 2024.

17 b. A foreign government or foreign non-government person as
18 determined in 15 C.F.R. §791.4, and that is listed in 15 C.F.R.
19 §791.4 at any time from July 18, 2024, through the termination
20 of the program.

21 Sec. 14. Section 15.501, Code 2026, is amended to read as
22 follows:

23 **15.501 Restrictions on board.**

24 The board shall not authorize tax incentives available under
25 the program, or an exemption to restrictions on agricultural
26 land holdings pursuant to [this part](#), for more than two eligible
27 businesses, or on or after January 1, ~~2027~~ 2030, whichever
28 occurs first.

29 DIVISION III

30 BUSINESS INCENTIVES FOR GROWTH PROGRAM TRAINING FUND

31 Sec. 15. NEW SECTION. **15.512 Training fund.**

32 1. A business incentives for growth program training fund
33 is created in the state treasury under the control of the
34 authority. An amount up to one and one-half percent of the
35 gross wages an eligible business pays to employees specified in

1 an agreement entered into pursuant to section 15.506 shall be
2 credited to the fund from the withholding payments made by an
3 eligible business pursuant to section 422.16. Such jobs shall
4 be identified by the authority as having a sufficient economic
5 impact to warrant assistance with training.

6 2. On a quarterly basis, an eligible business shall disclose
7 the amount of gross wages that qualify under subsection 1 to
8 the authority and to the department of revenue. Based upon
9 the gross wage amount provided to the authority, the authority
10 shall calculate the amount of gross wages to be deposited into
11 the fund for the quarter, and the department of revenue shall
12 deposit that amount into the fund.

13 3. Moneys in the fund shall be used to reimburse training
14 expenses incurred by an eligible business that are associated
15 with the eligible business's project.

16 4. An eligible business's training expenses that may be
17 eligible for reimbursement must meet all of the following
18 criteria:

19 a. The expenses are paid to a third party.

20 b. The expenses are for training that is specific to the
21 project of the eligible business and necessary for the success
22 of the project.

23 c. The expenses were incurred over the period of time
24 identified in the agreement under section 15.506, but not to
25 exceed four years.

26 d. The expenses are documented to the satisfaction of the
27 authority.

28 5. An eligible business that has been approved by the
29 authority to receive a reimbursement from the fund shall not be
30 eligible to receive any other state incentive to be used for
31 the same purpose.

32 DIVISION IV

33 REPEAL OF THE NEW JOBS TAX CREDIT

34 Sec. 16. Section 2.48, subsection 3, paragraph e,
35 subparagraph (7), Code 2026, is amended by striking the

1 subparagraph.

2 Sec. 17. Section 422.33, subsection 6, Code 2026, is amended
3 by striking the subsection.

4 Sec. 18. REPEAL. Section 422.11A, Code 2026, is repealed.

5 Sec. 19. PRESERVATION OF EXISTING RIGHTS. This division of
6 this Act shall not limit, modify, or otherwise adversely affect
7 any amount of tax incentive issued, awarded, or allowed before
8 the effective date of this division of this Act, nor shall
9 it limit, modify, or otherwise adversely affect a taxpayer's
10 right to claim or redeem a tax incentive issued, awarded, or
11 allowed before the effective date of this division of this Act,
12 including but not limited to any tax incentive carryforward
13 amount.

14 Sec. 20. EFFECTIVE DATE. This division of this Act, being
15 deemed of immediate importance, takes effect upon enactment.

16 DIVISION V

17 LOAD FORECASTING

18 Sec. 21. NEW SECTION. 15.120A Load forecasting report and
19 analysis of electric transmission system expansion plans.

20 To support economic development in the state, the authority
21 shall commission Iowa state university of science and
22 technology to produce a report forecasting the probable future
23 growth of the use of electricity within Iowa and within the
24 midwest region. The report shall include a load forecast and
25 an analysis of electric transmission system expansion plans.
26 The authority must commission such report from the university
27 at least every two years. In developing the report, the
28 university shall solicit the input of residential, commercial,
29 and industrial consumers and the electric industry. The
30 published report shall only rely on information provided by
31 utilities as required by section 476.2 in aggregate form and
32 exclude identifying information about an individual utility's
33 electric system. The load forecast and state electric
34 transmission system expansion planning analysis must be
35 published by December 31, 2028, and biennially published on or

1 before December 31 thereafter. The authority may commission
2 other reports as necessary to evaluate energy needs including
3 but not limited to natural gas. A report commissioned pursuant
4 to this section must be publicly available on the authority's
5 internet site.

6 Sec. 22. Section 476.1A, subsection 2, Code 2026, is amended
7 to read as follows:

8 2. However, ~~sections~~ section 476.2, subsection 7, section
9 476.20, subsections 1 through 4, sections 476.21, 476.51,
10 476.56, 476.58, 476.62, and 476.66, and chapters 476A and 478,
11 to the extent applicable, apply to such electric utilities.

12 Sec. 23. Section 476.1B, subsection 2, Code 2026, is amended
13 to read as follows:

14 2. ~~Section 476.20, subsections 1 through 4,~~ Section 476.2,
15 subsection 7, section 476.20, subsections 1 through 4, sections
16 476.51, 476.56, 476.58, 476.62, and 476.66, and chapters 476A
17 and 478, to the extent applicable, apply to such electric and
18 gas utilities.

19 Sec. 24. Section 476.2, Code 2026, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 7. The commission shall have the authority
22 to compel all public utilities to share with Iowa state
23 university of science and technology the utility's information
24 necessary to develop state load forecasts and state electric
25 transmission system expansion planning analysis pursuant to
26 section 15.120A. A public utility may use a third party
27 to prepare such information to be shared with Iowa state
28 university of science and technology. A public utility may
29 enter into a nondisclosure agreement with Iowa state university
30 of science and technology requiring the shared information be
31 kept confidential if the public utility reasonably believes
32 the information is a confidential record pursuant to section
33 22.7. The state load forecast and state electric transmission
34 system expansion planning aggregate analysis published pursuant
35 to section 15.120A may be used as evidentiary support in any

1 proceedings before the commission, provided the confidentiality
2 of any information provided by a public utility is maintained.

3 Sec. 25. NEW SECTION. **476.10C Load forecasts and analyses**
4 **of state electric transmission system expansion plans — fund.**

5 1. An electric transmission system expansion plans analysis
6 and load forecasting fund is created in the state treasury
7 under the control of the economic development authority. The
8 commission shall direct all electric utilities to remit to the
9 treasurer of state for deposit in the electric transmission
10 system expansion plans analysis and load forecasting fund not
11 more than two one-hundredths of one percent of the total gross
12 operating revenues during the last calendar year derived from
13 the utilities' intrastate public utility operations. Moneys in
14 the fund are appropriated to the economic development authority
15 to be used for the purposes of commissioning a report pursuant
16 to section 15.120A. Notwithstanding section 8.33, moneys in
17 the fund that remain unencumbered or unobligated at the close
18 of a fiscal year shall not revert but shall remain available
19 for expenditure for the purposes designated. Notwithstanding
20 section 12C.7, subsection 2, interest or earnings on moneys in
21 the fund shall be credited to the fund.

22 2. The commission shall, by rule, establish a maximum
23 amount of remittances in aggregate and provide a schedule
24 for remittances. The remittances collected pursuant to this
25 section shall be in addition to the assessments permitted
26 pursuant to section 476.10. The commission shall allow
27 inclusion of these remittances in the budgets approved by the
28 commission pursuant to section 476.6, subsection 15, paragraph
29 "c", but such remittances shall not be included when computing
30 the projected cumulative average annual cost for an electric
31 utility's energy efficiency plan and demand response plan under
32 section 476.6, subsection 15, paragraph "c".

33 DIVISION VI

34 IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM

35 Sec. 26. Section 260E.2, subsection 10, Code 2026, is

1 amended by striking the subsection and inserting in lieu
2 thereof the following:

3 10. "New job" means a new, permanent, full-time equivalent
4 position added to an employer's payroll, at the location of the
5 employer's project, in excess of the employer's base employment
6 level.

7 Sec. 27. Section 260E.3, subsection 2, Code 2026, is amended
8 to read as follows:

9 2. a. Payment For an agreement entered into on or
10 before June 30, 2026, payment of program costs shall not be
11 deferred for a period longer than ten years from the date of
12 commencement of the project, and the agreed upon period shall
13 not be extended.

14 b. For an agreement entered into on or after July 1, 2026,
15 payment of program costs shall not be deferred for a period
16 longer than seven years from the date of commencement of the
17 project.

18 Sec. 28. Section 260E.3, Code 2026, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 6. Upon receipt of a notice that a
21 community college and an employer have entered into an
22 agreement, the department of revenue shall provide a copy of
23 the agreement to the department of workforce development for
24 review. The department of workforce development may provide
25 feedback regarding the agreement to the department of revenue
26 within seven calendar days after the date of receipt of the
27 copy of the agreement. The department of revenue must share
28 any such feedback with the community college.

29 Sec. 29. Section 260E.5, Code 2026, is amended by adding the
30 following new subsection:

31 NEW SUBSECTION. 7. A bond issued to a community college
32 for a project shall not exceed seventy percent of total program
33 costs related to training expenses.

34 Sec. 30. Section 260E.7, Code 2026, is amended by adding the
35 following new subsection:

1 NEW SUBSECTION. 4. A community college that receives
2 a new jobs credit from withholding under section 260E.5
3 shall annually report a detailed accounting of the community
4 college's bond interest to the department of workforce
5 development, the department of education, and the department
6 of revenue.

7 Sec. 31. NEW SECTION. 260E.8 Eligible program costs.

8 To be eligible to receive a new jobs credit from withholding,
9 a community college must document to the satisfaction of the
10 department that the community college's program costs meet all
11 of the following criteria:

12 1. The program costs are incurred over the period of time
13 specified in the agreement under section 260E.3.

14 2. The program costs are not incurred to reimburse travel,
15 conferences, or legal fees.

16 3. Administrative expenses account for no more than fifteen
17 percent of the program costs.

18 4. The program costs are not incurred for a project that
19 leads directly to a professional degree in medicine, law,
20 accounting, or other professional area, or a project that
21 includes onboarding or basic computer skills.

22 Sec. 32. IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM INTERIM
23 STUDY COMMITTEE.

24 1. The legislative council is requested to establish an
25 interim study committee to meet during the 2026 legislative
26 interim to review the new jobs training program and make
27 recommendations regarding the program.

28 2. The membership of the committee shall consist of, at a
29 minimum:

30 a. Three members of the senate, two republicans and one
31 democrat, appointed by the majority leader of the senate.

32 b. Three members of the house of representatives, two
33 republicans and one democrat, appointed by the speaker of the
34 house of representatives.

35 c. Three representatives of community colleges located

1 within the state.

2 d. A representative of the Iowa economic development
3 authority.

4 e. A representative of the department of workforce
5 development.

6 f. Three business owners who have participated in the new
7 jobs training program.

8 g. One business owner who has not participated in the new
9 jobs training program.

10 h. A representative of the office of the governor.

11 i. A local director of economic development.

12 3. The interim study committee shall do all of the
13 following:

14 a. Review the new jobs training program, including but not
15 limited to all of the following:

16 (1) The original objectives of the program, and an
17 evaluation of whether the objectives are aligned with the
18 current workforce needs in the state.

19 (2) The number of jobs created as a result of the program.

20 (3) Wage increases for participants in the program prior to
21 and after participating in the program.

22 (4) Employee retention rates for employers participating
23 in the program.

24 (5) The financial impact of the program, including an
25 evaluation of the cost-effectiveness of the program, a
26 comparison of state funding versus economic output and job
27 creation, and an assessment of the return on investment for the
28 state and businesses that participate in the program.

29 (6) The quality and relevance of the training programs that
30 are offered, including whether each training program meets
31 industry standards and needs, and whether participants in the
32 training gain necessary skills to succeed in each participant's
33 job.

34 (7) The effectiveness of the program in targeting
35 industries with the highest demand for skilled labor.

1 (8) Sectors that may require more focus and support from the
2 program.

3 b. Gather qualitative data through surveys or interviews
4 with program participants, and identify the strengths
5 and weaknesses of the new jobs training program from the
6 perspective of the participants.

7 c. Review partnerships with community colleges and training
8 providers to evaluate whether the partnerships are effective in
9 delivering relevant training, and identify ways to strengthen
10 or expand partnerships.

11 d. Assess the effectiveness of the program's compliance
12 monitoring and oversight of the use of program funds and
13 participants' adherence to the program requirements.

14 e. Compare the benefit that employers receive from
15 participating in the program to the benefits available to the
16 same employers through other incentive programs.

17 f. Review how community colleges participating in the
18 program use bond interest.

19 g. Evaluate whether skills gained by employees through the
20 program are transferable.

21 h. Review the program's payment mechanism.

22 4. Meetings of the interim study committee may be held
23 electronically or in person, provided that the final meeting of
24 the interim study committee is held in person.

25 5. The interim study committee shall submit a report
26 detailing the committee's findings and recommendations to the
27 general assembly no later than December 15, 2026.

28 6. The interim study committee shall hold the committee's
29 first meeting on or before August 1, 2026.