

Innovation and Commercialization Development Act Senate File 142

FINAL ACTION

April 7, 2009

Executive Summary Only

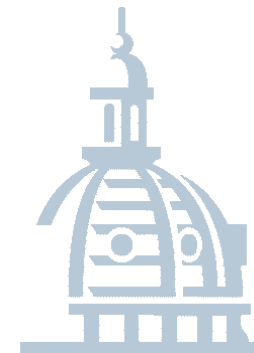
An Act relating to economic development by providing for an Innovation and Commercialization Development Fund, making the Department of Revenue responsible for approving certain tax credits for third-party developers, making appropriations, and providing an effective date.

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

Fiscal Services Division

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**EXECUTIVE SUMMARY
NOBA**

SENATE FILE 142

INNOVATION AND COMMERCIALIZATION DEVELOPMENT ACT

**INNOVATION AND
COMMERCIALIZATION
DEVELOPMENT FUND**

- Division I creates an Innovation and Commercialization Development Fund (Fund) in the State Treasury under the control of the Department of Economic Development (DED).
- Specifies that additional moneys that become available to the DED from sources such as loan repayments or recaptures of awards from federal economic stimulus funds are to be transferred to the Fund, rather than expended.
- The Fund will consist of moneys appropriated to the DED and any other moneys the DED is authorized to place in the Fund.
- The Fund is to retain all interest, repayments, and recaptures.
- The Fund is exempt from reversion requirements.
- The DED is authorized, with the approval of the Economic Development Board, to use the moneys in the Fund for facilitating agreements and enhancing commercialization in the targeted industries, for increasing the availability of skilled workers within those targeted industries, and other purposes as specified.
- Targeted industries include the industries of advanced manufacturing, biosciences, and information technology.
- Transfers the current \$3.0 million appropriation from the Grow Iowa Values Fund (GIVF) to the DED for the purpose of providing commercialization services for FY 2010 through FY 2014. This Act appropriates the funds to the DED for transfer to the Fund.
- Makes the Department of Revenue, rather than the DED, responsible for issuing certain corporate tax credits for sales and use taxes paid by third-party developers
- Requires nonreversion of the FY 2009 General Fund appropriation of \$2.2 million to the Administration Division of the DED through FY 2010. This appropriation was made in HF 2699 (FY 2009 Economic Development Appropriations Act). The DED does not anticipate any funds will remain.

TARGETED INDUSTRIES DEFINED

**GROW IOWA VALUES FUND
APPROPRIATION**

TAX CREDITS

NONREVERSION OF FUNDS

**EXECUTIVE SUMMARY
NOBA**

**SENATE FILE 142
INNOVATION AND COMMERCIALIZATION DEVELOPMENT ACT**

**EXTENSION OF NONREVERSION
LANGUAGE**

- Extends nonreversion of the following appropriations to the DED that were originally made during the 2007 Legislative Session in HF 890 (Targeted Small Business Assistance Programs and Appropriations Act) until the funds are expended:
 - An FY 2007 General Fund appropriation of \$900,000 for the establishment of targeted small business advocate service providers. The DED anticipates approximately \$800,000 of the funds will remain at the end of FY 2009.
 - An FY 2007 General Fund appropriation of \$2.5 million that was deposited in the Targeted Small Business Financial Assistance Program Account of the Strategic Investment Fund. The DED anticipates approximately \$1.3 million will remain at the end of FY 2009.
 - An FY 2007 General Fund appropriation of \$225,000 for purposes of marketing and compliance activities and for administrative costs related to the Targeted Small Business Financial Assistance Program and the Iowa Targeted Small Business Procurement Act. The DED anticipates approximately \$92,000 will remain at the end of FY 2009.
 - An FY 2007 General Fund appropriation of \$225,000 for targeted small business process improvement and marketing activities. The DED anticipates all of the funds will remain at the end of FY 2009.
- Makes changes to conform with HF 2450 (Economic Development – Miscellaneous Changes Act) that eliminated a requirement that the Department prepare a three-year comprehensive, or State, strategic plan.
- The Division related to nonreversion of funds is effective on enactment.
- This Act was approved by the General Assembly on April 7, 2009, and signed by the Governor on April 24, 2009.

CONFORMING CHANGES

**EFFECTIVE DATE
ENACTMENT DATE**