

Sec. 23. Section 215.20, unnumbered paragraph 1, Code 1987, is amended to read as follows:
 The secretary of agriculture shall annually inspect and test all liquid meters used for the measurement and retail sale of liquefied petroleum gas and the secretary shall condemn all meters which are found to be inaccurate. A reasonable tolerance within a maximum of two percent, plus or minus, shall be allowed. It is unlawful to use a meter for retail measurement and sale which has been condemned. All condemned meters shall be conspicuously marked "inaccurate", and the mark shall not be removed or defaced except upon authorization of the secretary of agriculture or the secretary's authorized representative. The secretary of agriculture shall charge an annual fee of ~~ten~~ thirty-five dollars for each meter tested but the testing fee provided for by this section shall not be charged more than once in a calendar year to each meter tested. When liquefied petroleum gas is sold or delivered to a consumer as a liquid and by liquid measurement, the volume of liquid sold and delivered shall be corrected to a temperature of 60 degrees F. through use of an approved volume correction factor table, or through use of an approved meter with sealed automatic compensation mechanism. All sale tickets shall show the delivered gallons, the temperature at the time of delivery, and the corrected gallonage, or shall state that temperature correction was automatically made.

Sec. 24. All federal grants to and the federal receipts, not otherwise appropriated, of the agencies appropriated funds under this Act are appropriated for the purposes set forth in the federal grants or receipts, unless otherwise provided by the general assembly.

Approved April 12, 1988

CHAPTER 1273

APPROPRIATIONS AND PROGRAMS FOR ECONOMIC DEVELOPMENT

S.F. 2309

AN ACT relating to and making appropriations to the department of economic development, providing for the creation and repeal of programs, and transferring administration of a program.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. General administration

For salaries and support for not more than twenty-one point five full-time equivalent positions, maintenance, and other operational purposes:

..... \$ 266,827

2. For tourism and promotion programs, including salaries and support for not more than fifteen full-time equivalent positions:

..... \$ 926,533

The department shall evaluate the feasibility of providing financial and nonfinancial assistance to local and regional tourism organizations to promote local and regional tourism and recreational attractions and sites at the Iowa state fair, and to educate residents of this state and out-of-state visitors about the significant number of tourism and recreational attractions and sites within the state. The department shall consult with regional tourism councils and local tourism organizations to evaluate the type, extent, and effectiveness of providing

financial and nonfinancial assistance programs. The department shall report the recommendations, findings, and conclusions resulting from the evaluation to the governor's office and the general assembly on or before February 15, 1989.

3. For contracting exclusively for advertising for in-state and out-of-state tourism, tourism marketing, and tourism promotion programs for electronic media and printed materials:

..... \$ 915,000

Of the funds appropriated in this subsection thirty thousand (30,000) dollars shall be used for the promotion of state-owned historic attractions and thirty thousand (30,000) dollars shall be used for the promotion of other cultural attractions as determined by the department of cultural affairs.

The department shall develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts and to the fullest extent possible, match on a dollar-for-dollar basis, contributions from other sources to fund the advertising contracts.

4. For participation in the development, printing, and distribution of multistate regional tourism materials:

..... \$ 5,000

5. For national marketing programs, including salaries and support for not more than twelve point seventy-five full-time equivalent positions:

..... \$ 716,623

6. For the operation and maintenance of the film office, including salaries and support for not more than one full-time equivalent position:

..... \$ 114,000

7. For contracting exclusively for marketing and advertising contracts for out-of-state national marketing programs for electronic media and printed materials:

..... \$ 790,000

The department shall develop public-private partnerships with Iowa businesses, Iowa business organizations, Iowa chambers of commerce, and political subdivisions in this state, to assist in the development of the marketing efforts and to the fullest extent possible, match on a dollar-for-dollar basis, contributions from other sources to fund the marketing contracts.

8. International trade programs

For salaries and support for not more than six point zero full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 403,669

The department shall give attention to using a portion of these funds to contract and coordinate with international programs at Iowa colleges and universities to develop a network of trade contacts overseas through the use of alumni from Iowa colleges and universities.

9. Export trade activities.

For the establishment of international trade activities including a program to encourage and increase participation in trade shows and trade missions by providing financial assistance to businesses for a percentage of their costs of participating in trade shows and trade missions, lease/sublease showcase space in existing world trade centers, provide temporary office space for foreign buyers, international prospects, and potential reverse investors, development of an Iowa export trading company, and other promotional and assistance activities.

..... \$ 400,000

10. For the operation and maintenance of the West German trade office, including salaries and support for not more than one point five full-time equivalent positions:

..... \$ 195,350

11. For the operation and maintenance of the Hong Kong trade office, including salaries and support for not more than two point zero full-time equivalent positions:

..... \$ 163,939

12. For the operation and maintenance of the Asian trade office, including salaries and support for not more than two point zero full-time equivalent positions:	\$ 290,709
13. Agricultural product advisory council	
For support, maintenance, and miscellaneous purposes:	\$ 4,885
14. For small business programs, including salaries and support for not more than five point zero full-time equivalent positions:	\$ 302,094
15. For community progress programs, including salaries and support for not more than eight point five full-time equivalent positions:	\$ 426,768
16. For additional and supplemental funding for the child care services program and the displaced homemakers program, including salaries and support for not more than zero point seventy-five full-time equivalent positions:	\$ 727,272
17. Mississippi river parkway commission	
For support, maintenance, and miscellaneous purposes:	\$ 19,535
18. Community development block grant administration and related federal housing and urban development grant administration	
For salaries and support for not more than thirteen point five full-time equivalent positions, maintenance, and miscellaneous purposes:	\$ 55,509
19. Job training partnership Act: dislocated workers	
For salaries and support for not more than twenty-eight point five full-time equivalent positions, maintenance, and miscellaneous purposes:	\$ 480,000
20. Iowa youth corps and youth services administration	
For salaries and support for not more than two point zero full-time equivalent positions, maintenance, and miscellaneous purposes to develop and administer employment opportunities for youth:	\$ 286,287
21. Iowa finance authority	
For the housing trust fund program, to be deposited in the housing trust fund and to be used for the grant program for the homeless for the construction, rehabilitation, or expansion of group home shelter for the homeless:	\$ 100,000

Sec. 2. 1987 Iowa Acts, chapter 233, section 301, subsection 9, is amended to read as follows:

9. Job training partnership Act: dislocated workers

For salaries and support for not more than twenty-eight point seven full-time equivalent positions, maintenance, and miscellaneous purposes \$ 960,151

Notwithstanding section 8.33, funds appropriated under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, shall not revert to the general fund of the state but shall remain available for expenditure in the fiscal year beginning July 1, 1988, and ending July 1, 1989.

Sec. 3. Section 10A.104, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 8. Establish by rule standards and procedures for certifying that targeted small businesses are eligible to participate in the procurement set-aside program established in sections 73.15 through 73.21. The procedure for determination of eligibility shall not include self-certification by a business. Rules and guidelines adopted pursuant to this subsection are subject to review and approval by the director of the department of management. The director shall maintain a current directory of targeted small businesses which have been certified pursuant to this subsection.

Sec. 4. Section 12.43, subsections 1 and 2, Code Supplement 1987, are amended to read as follows:

1. "Targeted small business" means a business as defined in section ~~220.111~~ 15.102, subsection ~~1~~ 5.

2. A linked deposit shall only be approved in connection with a loan application for a targeted small business which has been certified pursuant to section ~~15.108~~ 10A.104, subsection ~~7~~ 8, ~~paragraph "c", subparagraph (4).~~

Sec. 5. Section 12.44, unnumbered paragraphs 1 and 2, Code Supplement 1987, are amended to read as follows:

Agencies of state government shall be required to waive the requirement of satisfaction or performance bonds for targeted small businesses which are able to demonstrate the inability of securing such a bond because of a lack of experience. This waiver shall not apply to businesses with a record of repeated failure of substantial performance or material breach of contract in prior circumstances. The waiver shall be applied only to a project or individual transaction amounting to fifty thousand dollars or less, notwithstanding section 573.2. In order to qualify, the targeted small business shall provide written evidence to the department of ~~economic development~~ inspections and appeals that the bond would otherwise be denied the business. The granting of the waiver shall in no way relieve the business from its contractual obligations and shall not preclude the state agency from pursuing any remedies under law upon default or breach of contract.

The department of ~~economic development~~ inspections and appeals shall certify targeted small businesses for eligibility and participation in this program and shall make this information available to other state agencies.

Sec. 6. Section 15.108, subsection 7, paragraph c, unnumbered paragraph 1, subparagraph (2), and subparagraph (5), unnumbered paragraph 1, Code Supplement 1987, are amended to read as follows:

Aid in the development and implementation of the Iowa targeted small business procurement Act established in sections 73.15 through 73.21 and the targeted small business ~~loan guarantee financial assistance program of the Iowa finance authority~~ established in section ~~220.111~~ 15.111. The duties of the director under this paragraph include the following:

(2) The director, in conjunction with the director of the department of management, shall publicize the ~~loan guarantee financial assistance program of the Iowa finance authority~~ established in section 15.111 to targeted small businesses.

The director shall submit an annual report to the governor and the general assembly relating progress toward realizing the goals and objectives of the procurement set-aside program and the ~~loan guarantee financial assistance program of the Iowa finance authority~~ established in section 15.111 during the preceding fiscal year. The ~~Iowa finance authority and the director~~ of the department of management shall assist in compiling the data to be included in the report. The report shall include the following information:

Sec. 7. Section 15.108, subsection 7, paragraph c, subparagraph (4), Code Supplement 1987, is amended by striking the subparagraph.

Sec. 8. Section 15.108, subsection 7, paragraph g, subparagraph (1), Code Supplement 1987, is amended to read as follows:

(1) Developing a uniform small business vendor application form which can be adopted by all agencies and departments of state government to identify small businesses and targeted small businesses which desire to sell goods and services to the state. This form shall also contain information which can be used to determine certification as a targeted small business pursuant to ~~paragraph "e", subparagraph (4)~~ section 10A.104, subsection 8.

Sec. 9. NEW SECTION. 15.111 TARGETED SMALL BUSINESS FINANCIAL ASSISTANCE PROGRAM.

1. As used in this section, "small business" and "targeted small business" mean the same as defined in section 15.102, subsections 4 and 5.

2. The department shall establish, contingent upon the availability of funds authorized for the program, a targeted small business financial assistance program, to provide for loans, loan guarantees, or grants to targeted small businesses. A targeted small business in any year shall receive under this program not more than twenty-five thousand dollars in a loan or grant, and not more than forty thousand dollars in a guarantee, or a combination of loans, grants, or guarantees. The program shall provide guarantees not to exceed seventy-five percent for loans made by qualified lenders. The department shall establish a financial assistance reserve account from funds provided for this program, from which any default on a guaranteed loan under this section shall be paid. In administering the program the department shall not guarantee loan values in excess of the amount credited to the reserve account and only moneys set aside in the loan reserve account may be used for the payment of a default.

3. All moneys designated for the targeted small business financial assistance program shall be credited to the financial assistance reserve account. The department shall also establish an administrative account from which the operating costs of the program shall be paid. The department may transfer moneys between the reserve and the administrative accounts except that not more than twenty-five percent of the funds, pursuant to section 15.241, shall be used to administer the fund. The department shall determine what is the actuarially sound reserve requirement for the amount of guaranteed loans outstanding.

4. The department shall adopt rules as necessary for the administration of the financial assistance program under this section.

5. The general assembly is not obligated to appropriate moneys to pay for any defaults or to appropriate moneys to be credited to the loan reserve account. The loan guarantee program does not obligate the state except to the extent provided in this section, and the department in administering the program shall not give or lend the credit of the state of Iowa.

Sec. 10. NEW SECTION. 15.235 AMBASSADOR'S PROGRAM ESTABLISHED.

The department shall administer, contingent upon the availability of funds authorized for the program, an ambassador's program as originally established pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 4. However, notwithstanding that Act, the program shall be administered to attract capital to be used by the department to develop a comprehensive national and state marketing program. Funds appropriated by the general assembly to support the program shall be matched on a dollar-for-dollar basis with capital provided by private sources. The program shall implement a statewide initiative that includes a toll-free number, billboards, displays in key business locations, a direct marketing program, a "trade and

marketing institute", and an "invest in Iowa" program. The department shall secure the necessary private participation from groups and organizations most appropriate for any particular function. In-kind expenditures from the private sector may be considered as a portion of the dollar-for-dollar match.

Sec. 11. Section 73.16, subsection 2, Code 1987, is amended to read as follows:

2. The director of each agency or department of state government having purchasing authority shall designate and set aside for awarding to certified targeted small businesses identified pursuant to section 15.108, ~~subsection 7, paragraph "e"~~ 10A.104, subsection 8, at least two percent, and should set a goal of up to ten percent, of the value of anticipated procurements of goods and services, including construction, but not including utility services, each fiscal year. The director of each department and agency of state government shall cooperate with the director of the department of inspections and appeals, the director of the department of economic development and the director of the department of management and do all acts necessary to carry out the provisions of this division.

Sec. 12. Section 73.18, Code 1987, is amended to read as follows:

73.18 NOTICE OF SOLICITATION FOR BIDS — IDENTIFICATION OF TARGETED SMALL BUSINESSES.

The director of each agency or department releasing a solicitation for bids or request for proposal under the set-aside program shall notify the director of the department of ~~economic development inspections and appeals~~ prior to or upon release of the solicitation. The director of the department of ~~economic development inspections and appeals~~ shall notify the soliciting agency or department of any targeted small businesses which have been certified pursuant to section 15.108, ~~subsection 7, paragraph "e", subparagraph (4)~~ 10A.104, subsection 8, and which may be qualified to bid.

Sec. 13. The department shall honor a contract executed prior to the effective date of this Act under the ambassador's program established pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 4, as amended by 1987 Iowa Acts, chapter 233, section 303. However, the department shall not extend the date that a contract executed under either Act terminates, if the contract is not allowed under section 15.235, and the department shall not execute a contract or begin or continue an initiative allowed under either Act but not allowed under section 15.235, unless discontinuing the initiative involves a breach of contract.

Sec. 14. Notwithstanding section 8.33, funds appropriated under 1986 Iowa Acts, chapter 1246, section 1, subsection 4, as amended by 1987 Iowa Acts, chapter 233, section 303, shall not revert to the general fund of the state but shall remain available for expenditure by the department to administer section 15.235 for the fiscal year beginning July 1, 1988, and ending June 30, 1989.

Sec. 15. 1987 Iowa Acts, chapter 233, section 305, is amended to read as follows:

SEC. 305. **Notwithstanding section 8.33, moneys appropriated pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 6, not in excess of five hundred thousand (500,000) dollars to the department of economic development for the establishment and maintenance of an export finance program for the fiscal year beginning July 1, 1986, and ending June 30, 1987, which remain unexpended or unencumbered shall carry forward to the fiscal year beginning July 1, 1987, and ending June 30, 1988, to be used for the same purpose as originally appropriated.* On June 30, 1988, the unobligated funds up to four hundred eighty thousand (480,000)*

*Item veto; see message at end of the Act

dollars shall be transferred for the general administration of the department of economic development as provided in section 1, subsection 1, of this Act.

Sec. 16. The director of the department of inspections and appeals shall maintain the directory of targeted small businesses which have been certified prior to the effective date of this Act pursuant to section 15.108, subsection 7, paragraph "c", subparagraph (4). Businesses certified by the department of economic development prior to the effective date of this Act shall remain certified unless decertified.

Sec. 17. All federal grants to and federal receipts of the agencies appropriated under this Act are appropriated for the purposes set forth in such federal grants and receipts unless otherwise provided by the general assembly.

Sec. 18. REPEALS.

1. Section 15.110, Code Supplement 1987, is repealed.
2. Section 220.111, Code 1987, is repealed.

Sec. 19. Moneys credited to the loan reserve account and administrative account established under section 220.111 shall be transferred to the department of economic development prior to that section's repeal. The department may use uncommitted moneys in the loan reserve account and the administrative account for purposes of the case management assistance program established pursuant to House File 2416,* if enacted by the Seventy-second General Assembly, 1988 Session. The department shall make a good faith effort to serve clients of the self-employment loan program, clients that meet the definition of a targeted small business, or clients that qualify under the unemployment insurance demonstration project if authorized by the federal government.

Sec. 20. The department of economic development and not the Iowa finance authority shall administer any guarantee and may enforce any agreement or collect any loan made pursuant to section 15.110 or 220.111 to the same extent the department did or the Iowa finance authority did prior to the repeal of those sections. Any rule, regulation, order, or guideline established by the department of economic development pursuant to section 15.110 or by the Iowa finance authority pursuant to section 220.111 and in effect on the effective date of this Act shall continue in full force and effect until amended, repealed, or supplemented by affirmative action of the department of economic development. All guarantees made under section 15.110 or 220.111 shall be maintained by the department of economic development.

Approved April 13, 1988, except the item which I hereby disapprove and which is designated as that portion of section 15 which is herein bracketed in ink and initialed by me. My reason for vetoing this item is delineated in the item veto message pertaining to this Act to the President of the Senate this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, Governor

*Chapter 1098 herein

Dear Madam President:

I hereby transmit Senate File 2309, an Act relating to and making appropriations to the Department of Economic Development, providing for the creation and repeal of programs, and transferring administration of a program.

Senate File 2309 is approved with the following exception which I hereby disapprove.

I am unable to approve the item designated as that portion of Section 15, which reads as follows:

Notwithstanding section 8.33, moneys appropriated pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 6, not in excess of five hundred thousand (500,000) dollars to the department of economic development for the establishment and maintenance of an export finance program for the fiscal year beginning July 1, 1986, and ending June 30, 1987, which remain unexpended or unencumbered shall carry forward to the fiscal year beginning July 1, 1987, and ending June 30, 1988, to be used for the same purpose as originally appropriated.

It is clear that the intent of Section 15 in Senate File 2309 is to allow \$480,000 of carryover funds from the Export Finance Program to be used for the general administration of the Department of Economic Development. I approve of this utilization of these funds since they are needed to maintain the necessary operations of this important department. A portion of Section 15 authorizes the use of those carryover Export Finance Funds for that purpose.

However, a separate item in Section 15 inadvertently prevents that carryover from being fully utilized. In fact, a drafting error in this section would, if allowed to stand, reduce the operating budget for the Department of Economic Development by \$220,000.

The vetoed language limits the amount of funds from the Export Finance Program that are allowed to be carried over by the department from fiscal year 1987 to fiscal year 1988 to \$500,000. In fact, \$720,000 was carried over during that time.

Thus, retroactively capping the allowable carryover to \$500,000 would effectively reduce the available funds for the department's general administration budget by \$220,000.

It is my understanding that the Economic Development Appropriation Subcommittee chairpersons have been notified of this drafting error and approve of my action to item veto this restrictive carryover language.

For the above reasons, I hereby respectfully disapprove this item in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2309 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*