

j. Four members who are members of the general assembly, two who are senators and two who are representatives appointed by the legislative council with a senator and representative representing the majority party and a senator and representative representing the minority party.

Alternative members may be appointed for the nonlegislative members.

3. The task force shall provide the general assembly with a preliminary report by January 1, 2001. The final report with the task force's findings and recommendations is due by January 1, 2002.

Sec. 6. REFUNDS. Refunds of taxes, interest, or penalties which arise from claims resulting from the enactment of section 422.45, subsection 57, in this Act, for sales, rentals, or services occurring between March 15, 1995, and the effective date of this Act, shall be limited to twenty-five thousand dollars in the aggregate and shall not be allowed unless refund claims are filed prior to October 1, 2000, notwithstanding any other provision of law. If the amount of claims totals more than twenty-five thousand dollars in the aggregate, the department of revenue and finance shall prorate the twenty-five thousand dollars among all claimants in relation to the amounts of the claimants' valid claims.

Sec. 7. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISION. This Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to March 15, 1995.

Approved May 16, 2000

CHAPTER 1196

ACCELERATED CAREER EDUCATION AND JOB TRAINING

S.F. 2439

AN ACT relating to the accelerated career education program, providing a tax credit from withholding, creating an accelerated career education grant program and fund, relating to the transfer of job training withholding to the workforce development fund account, and providing an effective date.

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

Section 1. Section 15.342A, Code Supplement 1999, is amended to read as follows:¹
15.342A WORKFORCE DEVELOPMENT FUND ACCOUNT.

A workforce development fund account is established in the office of the treasurer of state under the control of the department. The account shall receive funds pursuant to section 422.16A up to a maximum of ~~ten~~ nine million dollars per year. The account shall also receive funds pursuant to section 15.251 with no dollar limitation.

Sec. 2. Section 260G.2, Code Supplement 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 12A. "Program job credit" means the credit as provided in section 260G.4A.

Sec. 3. Section 260G.3, subsection 2, Code Supplement 1999, is amended to read as follows:

2. An agreement may include reasonable and necessary provisions to implement the accelerated career education program. If an agreement is entered into, the community

¹ See chapter 1230, §35 herein

college and the employer shall notify the department of revenue and finance as soon as possible. The community college shall also file a copy of the agreement with the department of economic development as required in section 260G.4B. The agreement shall provide for program costs, including deferred costs, which may be paid from any of the following sources:

a. Program job credits which the employer receives based on the number of program job positions agreed to by the employer to be available under the agreement.

~~a. b.~~ Cash or in-kind contributions by the employer toward the program cost. At a minimum, the employer contribution shall be twenty percent of the program costs.

~~b. c.~~ Tuition, student fees, or special charges fixed by the board of directors to defray program costs.

~~e. d.~~ Guarantee by the employer of payments to be received under ~~paragraph paragraphs~~ "a" and "b".

Sec. 4. NEW SECTION. 260G.4A PROGRAM JOB CREDITS FROM WITHHOLDING.

In order to develop and retain program jobs within the state, an agreement entered into under section 260G.3 may include a provision for program job credits based on program jobs identified in the agreement. If a program provides that part of the program costs are to be met by receipt of program job credits, the method to be used shall be as follows:

1. Program job credits shall be based upon the program job positions identified and agreed to in the agreement.

2. Eligibility for program job credits shall be based on certification of program job positions and program job wages by the employer at the time established in the agreement. An amount up to ten percent of the gross program job wage as certified by the employer in the agreement shall be credited from the total payment made by an employer pursuant to section 422.16. The employer shall receive a credit against all withholding taxes due by the employer regardless of whether or not the withholding from the employer of current program job wages is less than ten percent. The employer shall remit the amount of the credit quarterly in the same manner as withholding payments are reported to the department of revenue and finance, to the community college to be allocated to and when collected paid into a special fund of the community college to pay, in part, the program costs. When the program costs have been paid, the employer credits shall cease and any moneys received after the program costs have been paid shall be remitted to the treasurer of state to be deposited in the general fund of the state.

3. The employer shall certify to the department of revenue and finance that the program job credit is in accordance with the agreement and shall provide other information the department may require.

4. A community college shall certify to the department of revenue and finance that the amount of the program job credit is in accordance with an agreement and shall provide other information the department may require.

5. Employees from an employer participating in an agreement shall receive full credit for the amount withheld as provided in section 422.16.

Sec. 5. NEW SECTION. 260G.4B MAXIMUM STATEWIDE PROGRAM JOB CREDIT.

1. The total amount of program job credits from all employers which shall be allocated for all accelerated career education programs in the state in any one fiscal year shall not exceed the sum of three million dollars in the fiscal year beginning July 1, 2000, six million dollars in the fiscal year beginning July 1, 2001, and six million dollars in the fiscal year beginning July 1, 2002, and every fiscal year thereafter. Any increase in program job credits above the six-million-dollar limitation per fiscal year shall be developed, based on recommendations in a study which shall be conducted by the department of economic development of the needs and performance of approved programs in the fiscal years beginning July 1, 2000, and July 1, 2001. The study's findings and recommendations shall be submitted to the general assembly by the department by December 31, 2002. The study shall include but not be limited to an examination of the quality of the programs, the number of program participant placements, the wages and benefits in program jobs, the level of employer contributions, the

size of participating employers, and employer locations. A community college shall file a copy of each agreement with the department of economic development. The department shall maintain an annual record of the proposed program job credits under each agreement for each fiscal year. Upon receiving a copy of an agreement, the department shall allocate any available amount of program job credits to the community college according to the agreement sufficient for the fiscal year and for the term of the agreement. When the total available program job credits are allocated for a fiscal year, the department shall notify all community colleges that the maximum amount has been allocated and that further program job credits will not be available for the remainder of the fiscal year. Once program job credits have been allocated to a community college, the full allocation shall be received by the community college throughout the fiscal year and for the term of the agreement even if the statewide program job credit maximum amount is subsequently allocated and used.

2. For the fiscal years beginning July 1, 2000, and July 1, 2001, the department of economic development shall allocate eighty thousand dollars of the first one million two hundred thousand dollars of program job credits authorized and available for that fiscal year to each community college. This allocation shall be used by each community college to provide funding for approved programs. For the fiscal year beginning July 1, 2002, and for every fiscal year thereafter, the department of economic development shall divide equally among the community colleges thirty percent of the program job credits available for that fiscal year for allocation to each community college to be used to provide funding for approved programs. If any portion of the allocation to a community college under this subsection has not been committed by April 1 of the fiscal year for which the allocation is made, the uncommitted portion is available for use by other community colleges. Once a community college has committed its allocation for any fiscal year under this subsection, the community college may receive additional program job credit allocations from those program job credits authorized and still available for that fiscal year.

Sec. 6. NEW SECTION. 260G.4C FACILITATOR.

The department of economic development shall administer the statewide allocations of program job credits to accelerated career education programs. The department shall collect data related to the programs and prepare an annual report regarding the activities of the programs during the previous fiscal year. The report shall be submitted to the governor and the general assembly by December 31 of each year.

Sec. 7. NEW SECTION. 260G.7 FUTURE PROGRAM DISCONTINUANCE.

The general assembly shall act on or before March 1, 2006, to discontinue the program job credits from withholding provided for in section 260G.4A.

Sec. 8. NEW SECTION. 261.22 ACCELERATED CAREER EDUCATION GRANTS.

1. An accelerated career education grant program is established to be administered by the college student aid commission. An individual is eligible for the grant program if the individual is a resident of this state who is enrolled at a community college as a participant in an accelerated career education program in accordance with the provisions of chapter 260G. The college student aid commission shall adopt rules pursuant to chapter 17A for determining financial need and to administer this section and shall develop and implement a method for allocating moneys based upon the need for skills and occupations for which an applied technical education is required.

2. To be eligible to receive a grant under this section, an applicant shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for an accelerated career education grant. The individual shall be responsible for the prompt submission of any information required by the commission.

b. File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed grant will be evaluated and determined.

3. If a student receives financial aid from any source other than the program established under this section, the full amount of such financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for the period of the financial aid. Grant moneys received by a student in accordance with this section shall be used to pay the student's cost of attendance, which includes community college tuition and fees, materials, textbooks and supplies, transportation, room and board, dependent care during the time the person is in class, and the purchase or rental of a computer.

4. The amount of the grant shall not exceed a student's annual financial need or two thousand dollars, whichever is less. The grants shall be awarded on an annual basis. Applicants who meet the application deadline shall be ranked by the commission in order of need. The commission shall award grants to applicants in order of need beginning with applicants with the greatest need, insofar as funds permit. If a student receiving grant moneys discontinues attendance before the end of any term, the entire amount of any refund due that student, up to the amount of any payments made under the grant, shall be paid by the institution to the state for deposit in the accelerated career education grant fund.

5. An accelerated career education grant fund is created in the state treasury as a separate fund under the control of the commission. Moneys in the fund shall be used for accelerated career education grants. The fund shall consist of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the commission from the federal government or private sources for placement in the fund. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for the purposes of this section in subsequent fiscal years.

6. By December 15 of each year, the commission shall submit a report to the general assembly, the department of management, and the legislative fiscal bureau including, but not limited to, all of the following data:

a. The total funding of the grant program for the previous fiscal year itemized by type of funding including state, federal, or other funding. The information shall also be provided according to each community college.

b. The expenditures under the grant program and related information of the grant program including, but not limited to, all of the following:

(1) The number of participants in the accelerated career education program receiving moneys under the grant program.

(2) The number of participants in the accelerated career education program receiving moneys under the grant program who remain in the state upon completion of a program agreement.

(3) The number of participants in the accelerated career education program receiving moneys under the grant program who successfully complete a program agreement and the number who fail to successfully complete a program agreement.

c. Any other information requested by the general assembly.

Sec. 9. Section 422.16A, Code 1999, is amended to read as follows:²

422.16A JOB TRAINING WITHHOLDING — CERTIFICATION AND TRANSFER.

Upon the completion by a business of its repayment obligation for a training project funded under chapter 260E, including a job training project funded under section 15A.8 or repaid in whole or in part by the supplemental new jobs credit from withholding under section 15A.7 or section 15.331, the sponsoring community college shall report to the department of economic development the amount of withholding paid by the business to the community college during the final twelve months of withholding payments. The department of economic development shall notify the department of revenue and finance of that amount. The department shall credit to the workforce development fund account established in section 15.342A twenty-five percent of that amount each quarter for a period of ten

² See chapter 1230, §35 herein

years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is ~~ten~~ nine million dollars.

Sec. 10. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 18, 2000

CHAPTER 1197

PRODUCTION OF LIFE SCIENCE PRODUCTS

H.F. 2491

AN ACT providing for the production of life science products, and providing for penalties and an effective date.

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

Section 1. Section 10B.4, subsection 2, Code 1999, is amended by adding the following new paragraph:

NEW PARAGRAPH. g. If the reporting entity is a life science enterprise, as provided in chapter 10C, as that chapter exists on or before June 30, 2004, the total amount of commercial sale of life science products and products other than life science products which are produced from the agricultural land held by the life science enterprise.

Sec. 2. **NEW SECTION.** 10C.1 DEFINITIONS.

1. "Actively engaged in farming" means the same as defined in section 10.1.
2. "Agricultural commodity" means the same as defined in section 190C.1.
3. "Agricultural land" means land suitable for use in farming as defined in section 9H.1.
4. "Animal" means a creature belonging to the bovine, caprine, equine, ovine, or porcine species.
5. "Corporation" means a domestic or foreign corporation subject to chapter 490, a non-profit corporation, or a cooperative.
6. "Economic development board" or "board" means the economic development board created pursuant to section 15.103.
7. "Family farm entity" means the same as defined in section 10.1.
8. "Life science by-product" means a commodity, other than a life science product, if the commodity derives from the production of a life science product and the commodity is not intended or used for human consumption.
9. "Life science enterprise" or "enterprise" means a corporation or limited liability company organized for the purpose of using biotechnological systems or techniques for the production of life science products.
10. "Life science product" or "product" means a product derived from an animal by using biotechnological systems or techniques and which includes only the following: