

importance, takes effect upon enactment and applies to applications made on or after the effective date of this Act.

Approved February 20, 2008

CHAPTER 1005
CULTURAL AFFAIRS —
DUTIES AND SERVICES OF DEPARTMENT
S.F. 2059

AN ACT relating to the administration of the department of cultural affairs.

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

Section 1. Section 303.2, subsection 3, paragraph b, Code 2007, is amended by striking the paragraph.

Sec. 2. Section 303.9A, subsection 1, Code 2007, is amended to read as follows:

1. An Iowa heritage fund is created in the state treasury to be administered by the state historical society ~~board of trustees~~. The fund shall consist of all moneys allocated to the fund by the treasurer of state.

Sec. 3. Sections 304A.21, 304A.22, 304A.23, 304A.24, 304A.25, 304A.26, 304A.27, 304A.28, 304A.29, and 304A.30, Code 2007, are repealed.

Approved February 28, 2008

CHAPTER 1006
SALES, USE, AND PROPERTY TAX EXEMPTIONS
FOR WEB SEARCH PORTAL BUSINESSES
H.F. 2233

AN ACT relating to providing sales, use, and property tax exemptions for certain web search portal businesses.

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

Section 1. Section 423.3, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 93. a. (1) The sales price from the sale or rental of computers and equipment that are necessary for the maintenance and operation of a web search portal busi-

ness and property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity used for the maintenance and operation of the web search portal business, including but not limited to exterior dedicated business-owned substations, back-up power generation systems, battery systems, and related infrastructure; and racking systems, cabling, and trays, which are necessary for the maintenance and operation of the web search portal business.

(2) The sales price of back-up power generation fuel, that is purchased by a web search portal business for use in the items listed in subparagraph (1).

(3) The sales price of electricity purchased for use by a web search portal business.

b. For the purpose of claiming this exemption, all of the following requirements shall be met:

(1) The purchaser or renter shall be a web search portal business.

(2) The web search portal business shall have a physical location in the state that is used for the operations and maintenance of the web search portal business.

(3) The web search portal business shall make a minimum investment in an Iowa physical location of two hundred million dollars within the first six years of operation in Iowa beginning with the date the web search portal business initiates site preparation activities. The minimum investment includes the initial investment, including land and subsequent acquisition of additional adjacent land and subsequent investment at the Iowa location.

(4) The web search portal business shall purchase, option, or lease Iowa land not later than December 31, 2008, for any initial investment. However, the December 31, 2008, date shall not affect the future purchases of adjacent land and additional investment in the initial or adjacent land to qualify as part of the minimum investment for purposes of this exemption.

c. This exemption applies from the date of the initial investment in or the initiation of site preparation activities for the web search portal facility as described in paragraph "b". For purposes of claiming this exemption, the requirements may be met by aggregating the various Iowa investments and other requirements of the web search portal business's affiliates. This exemption applies to affiliates of the web search portal business.

d. Failure to meet eighty percent of the minimum investment amount requirement specified in paragraph "b" within the first six years of operation from the date the web search portal business initiates site preparation activities will result in the web search portal business losing the right to claim this web search portal business exemption and the web search portal business shall pay all sales or use tax that would have been due on the purchase or rental or use of the items listed in this exemption, plus any applicable penalty and interest imposed by statute.

e. For purposes of this subsection:

(1) "Affiliate" means an entity that directly or indirectly controls, is controlled with or by, or is under common control with another entity.

(2) "Control" means any of the following:

(a) In the case of a United States corporation, the ownership, directly or indirectly, of fifty percent or more of the voting power to elect directors.

(b) In the case of a foreign corporation, if the voting power to elect the directors is less than fifty percent, the maximum amount allowed by applicable law.

(c) In the case of an entity other than a corporation, fifty percent or more ownership interest in the entity, or the power to direct the management of the entity.

(3) "Web search portal business" means an entity whose business among other businesses is to provide a search portal to organize information; to access, search, and navigate the internet, including research and development to support capabilities to organize information; or to provide internet access, navigation, or search functionalities.

Sec. 2. Section 427.1, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 36. WEB SEARCH PROPERTY.

a. Property, other than land and buildings and other improvements, that is utilized by a web

search portal business as defined in and meeting the requirements of section 423.3, subsection 93, including computers and equipment that are necessary for the maintenance and operation of a web search portal business and other property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity, including but not limited to exterior dedicated business-owned substations, and power distribution systems which are not subject to assessment under chapter 437A; racking systems, cabling, and trays; and back-up power generation systems, battery systems, and related infrastructure all of which are necessary for the maintenance and operation of the web search portal business.

b. This web search portal business exemption applies beginning with the assessment year the investment in or construction of the facility utilizing the materials, equipment, and systems set forth in paragraph "a" are first assessed. For purposes of claiming this web search portal business exemption, the requirements may be met by aggregating the various Iowa investments and other requirements of the web search portal business's affiliates as allowed under section 423.3, subsection 93. This exemption applies to affiliates of the web search portal business.

Sec. 3. IMPLEMENTATION. Section 25B.7 does not apply to the property tax exemption enacted in this Act.

Approved February 28, 2008

CHAPTER 1007

ENTREPRENEURS WITH DISABILITIES PROGRAM — ADMINISTRATION

S.F. 2101

AN ACT transferring administration of the entrepreneurs with disabilities program to the department of education.

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

Section 1. Section 259.4, Code 2007, is amended by adding the following new subsection: **NEW SUBSECTION.** 9. Administer the entrepreneurs with disabilities program.

Sec. 2. **ENTREPRENEURS WITH DISABILITIES PROGRAM — TRANSFER OF ADMINISTRATION.** The Iowa finance authority shall transfer the administrative duties of the entrepreneurs with disabilities program to the division of vocational rehabilitation services of the department of education. The department of education shall adopt rules pursuant to chapter 17A for purposes of administering the program. Any contract entered into under the program by the Iowa finance authority remains valid. The transfer of administrative duties to the division of vocational rehabilitation services shall not constitute grounds for rescission or modification of a contract under the program entered into with the authority.

Approved March 5, 2008