

CHAPTER 13
TARGETED SMALL BUSINESS ASSISTANCE
H.F. 324

AN ACT relating to the termination of the targeted small business financial assistance program and transferring funds for assistance to targeted small businesses.

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

Section 1. Section 8.6, subsection 12, Code 2013, is amended to read as follows:

12. *Targeted small businesses.* To assist the director of the economic development authority as requested in the establishment and implementation of the Iowa targeted small business procurement Act ~~and the targeted small business loan guarantee program.~~

Sec. 2. Section 15.107B, subsection 2, paragraph c, Code 2013, is amended by striking the paragraph.

Sec. 3. Section 15.108, subsection 7, paragraph c, unnumbered paragraph 1, Code 2013, is amended to read as follows:

Aid for 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 financial assistance program established in section 15.247.~~

Sec. 4. Section 15.108, subsection 7, paragraph c, subparagraph (1), subparagraph division (c), Code 2013, is amended by striking the subparagraph division.

Sec. 5. Section 15.108, subsection 7, paragraph c, subparagraphs (3) and (5), Code 2013, are amended by striking the subparagraphs.

Sec. 6. Section 15.240, subsection 2, paragraph f, Code 2013, is amended by striking the paragraph.

Sec. 7. Section 15.313, subsection 2, paragraph c, Code 2013, is amended by striking the paragraph.

Sec. 8. Section 73.20, Code 2013, is amended to read as follows:

73.20 Determination of ability to perform.

Before announcing a contract award pursuant to the targeted small business procurement goal program, the purchasing authority shall evaluate whether the targeted small business scheduled to receive the award is able to perform the contract. This determination shall include consideration of production and financial capacity and technical competence. If the purchasing authority determines that the targeted small business may be unable to perform, the director of the economic development authority shall be notified ~~and shall assist the targeted small business pursuant to section 15.108, subsection 7, paragraph "c", subparagraph (3).~~

Sec. 9. REPEAL. Section 15.247, Code 2013, is repealed.

Sec. 10. TRANSITION UPON REPEAL.

1. Upon repeal of the targeted small business financial assistance program established in section 15.247, the authority shall transfer all unencumbered and unobligated moneys accruing to the authority pursuant to existing agreements to a fund established by the authority in the state treasury under the control of the authority pursuant to section 15.106A, subsection 1, paragraph "o", to be used for the purposes of providing assistance to targeted small businesses pursuant to subsection 3 of this section of this Act.

2. Loan payments or repayments and recaptures of principal, interest, or other moneys accruing to the authority on or after June 30, 2013, pursuant to an agreement under section 15.247, shall be transferred to a fund established by the authority in the state treasury under

the control of the authority pursuant to section 15.106A, subsection 1, paragraph “o”, to be used for the purposes of providing assistance to targeted small businesses pursuant to subsection 3 of this section of this Act.

3. a. From the moneys transferred pursuant to subsections 1 and 2, the authority shall procure the services of a qualified microloan service provider to provide financial and technical assistance to targeted small businesses in Iowa.

b. The authority shall enter into an agreement with a microloan service provider for the provision of services to targeted small businesses. The agreement shall provide for an initial performance period of three years. In engaging the services of a qualified microloan service provider, the authority shall require the service provider to offer financial and technical assistance to targeted small businesses at a discounted rate. The authority shall ensure that the moneys transferred for purposes of this subsection are used to subsidize the provision of financial and technical assistance by the microloan service provider to targeted small businesses in order for the microloan service provider to offer its services at a discounted rate.

c. The authority shall, upon completion of the initial performance period and the other applicable terms of the agreement with the microloan service provider, submit a report to the general assembly and the governor’s office describing the results achieved by the service provider and shall make recommendations as to whether the state should continue to provide funds for future fiscal years for the purpose of providing financial and technical assistance to targeted small businesses through the services of a microloan service provider.

d. For purposes of this subsection, “targeted small business” means the same as defined in section 15.102.

Approved March 28, 2013