

MAR 1 1 2005

Place On Calendar

HOUSE FILE 720

BY COMMITTEE ON ECONOMIC GROWTH

(SUCCESSOR TO HF 122)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act creating a women entrepreneurs and young professionals in
2 business program.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 720

1 Section 1. Section 15.313, subsection 2, Code 2005, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. h. To provide technical and financial
4 assistance to participants in the women entrepreneurs and
5 young professionals in business program under section 15.393.

6 Sec. 2. NEW SECTION. 15.391 SHORT TITLE.

7 This part shall be known and may be cited as the "Women
8 Entrepreneurs and Young Professionals in Business Program".

9 Sec. 3. NEW SECTION. 15.392 DEFINITIONS.

10 As used in this part, unless the context otherwise
11 requires:

12 1. "Early-stage industry company" means a company with
13 three years or less of experience in a particular industry.

14 2. "Program" means the women entrepreneurs and young
15 professionals in business program established in section
16 15.393.

17 Sec. 4. NEW SECTION. 15.393 WOMEN ENTREPRENEURS AND
18 YOUNG PROFESSIONALS IN BUSINESS PROGRAM.

19 1. The department shall establish and administer a program
20 to provide financial and technical assistance to early-stage
21 industry companies being established by young professionals
22 and women entrepreneurs. The program shall encourage the
23 development of entrepreneurial venture planning and managerial
24 skills in such young professionals and women entrepreneurs in
25 conjunction with the delivery of a financial assistance
26 program for business start-ups and expansions.

27 2. An eligible woman entrepreneur applicant under the
28 program is an individual who is participating in or has
29 successfully completed a recognized entrepreneurial venture
30 development curriculum, or a business whose principal
31 participants have successfully completed a recognized
32 entrepreneurial venture development curriculum as determined
33 by the department. The department of inspections and appeals,
34 in cooperation with the department of economic development,
35 shall certify that the business is fifty-one percent or more

1 owned, operated, and actively managed by one or more women.

2 3. An eligible young professional applicant under the
3 program is a person under the age of forty. Financial
4 assistance to an applicant under this subsection shall be used
5 for capital investment expenditures associated with a business
6 start-up.

7 4. Each application for financial or technical assistance
8 submitted to the department must include a business plan, a
9 marketing plan, a budget, and a statement of purpose stating
10 how any financial assistance received will be used.

11 5. Unless otherwise authorized by the director, the
12 department shall not provide more than five thousand dollars
13 of technical assistance per project and shall not provide more
14 than a total of twenty thousand dollars in financial
15 assistance per project.

16 6. In addition to moneys appropriated for the program, the
17 department may allocate moneys from the Iowa strategic
18 investment fund under section 15.313 for the administration
19 and operation of the program.

20 7. The department shall adopt administrative rules
21 pursuant to chapter 17A to administer the program.

22 EXPLANATION

23 This bill creates a women entrepreneurs and young
24 professionals in business program.

25 The bill provides that the department of economic
26 development shall establish and administer a program to
27 provide financial and technical assistance to early-stage
28 industry companies being established by young professionals
29 and women entrepreneurs.

30 The bill provides that an eligible woman entrepreneur
31 applicant under the program is an individual who is
32 participating in or has successfully completed a recognized
33 entrepreneurial venture development curriculum, or a business
34 whose principal participants have successfully completed a
35 recognized entrepreneurial venture development curriculum as

1 determined by the department of economic development. The
2 bill provides that the department of inspections and appeals,
3 in cooperation with the department of economic development,
4 shall certify that the business is 51 percent or more owned,
5 operated, and actively managed by one or more women.

6 The bill provides that each application for financial or
7 technical assistance submitted to the department of economic
8 development must include a business plan, a marketing plan, a
9 budget, and a statement of purpose stating how any financial
10 assistance received will be used.

11 The bill provides that an eligible young professional
12 applicant under the program is a person under the age of 40.
13 The bill provides that financial assistance for young
14 professionals shall be used for capital investment
15 expenditures associated with a business start-up.

16 The bill provides that, unless otherwise authorized by the
17 director, the department of economic development shall not
18 provide more than \$5,000 of technical assistance per project
19 and shall not provide more than a total of \$20,000 in
20 financial assistance per project. The bill provides that, in
21 addition to moneys appropriated for the program, the
22 department may allocate moneys from the Iowa strategic
23 investment fund for the administration and operation of the
24 program.

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Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 720 - WEB Program (LSB 1969 HV)

Analyst: Russell Trimble (Phone: (515) 281-4613) (russ.trimble@legis.state.ia.us)

Fiscal Note Version - New

Description

House File 720 creates the Women Entrepreneurs and Young Professionals in Business Program in the Department of Economic Development, specifies eligibility requirements of the Program, and allows the Department to award up to \$25,000 in financial and technical assistance for each project.

Assumptions

1. The newly created Women Entrepreneurs and Young Professionals in Business Program is similar to two current programs administered by the Department of Economic Development: Targeted Small Business Program and Entrepreneurial Venture Assistance Program.
2. The two current programs together average approximately 47 projects per year. The Women Entrepreneurs and Young Professionals in Business Program could result in a similar number of projects per year. The number of projects that will actually result is unknown. The award each project would receive is unknown. If 47 projects received the maximum award of \$25,000, an appropriation of \$1.2 million per year would be required.
3. The Department of Economic Development would incur administrative costs in implementing the Program of approximately \$140,000 for 2.0 FTE positions including support costs.

Fiscal Impact

House File 720 would result in a General Fund cost of approximately \$140,000 and 2.0 FTE positions annually starting in FY 2006.

The fiscal impact does not include the cost to fund projects under the Program. The Bill does not specify the number of projects that could receive funding, and the number of projects that might result is unknown. The award that each project would receive would be up to the discretion of the Department and would be based on available funding and the number of projects seeking funding. A maximum of \$25,000 per project could be awarded. If the Program resulted in 47 projects annually and each project received the maximum award, an appropriation of \$1.2 million would be required to fund the projects.

Sources

Department of Economic Development
Legislative Services Agency

March 16, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
