

FEB 27 2006  
ECONOMIC GROWTH

HOUSE FILE 2552  
BY DANDEKAR, STRUYK, and  
HUSER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act creating a rejuvenate achievable zones for economic  
2 development program and making appropriations.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2552

1 Section 1. NEW SECTION. 15E.361 REJUVENATE ACHIEVABLE  
2 ZONES FOR ECONOMIC DEVELOPMENT PROGRAM.

3 1. The department shall establish and administer a  
4 rejuvenate achievable zones for economic development program  
5 for purposes of providing financial assistance to businesses  
6 in distressed areas of the state.

7 2. To be eligible to apply for financial assistance under  
8 the program, a business must be located in a city with a  
9 population of fewer than twenty-four thousand, as shown by the  
10 2000 certified federal census, and must meet all of the  
11 following criteria:

12 a. At least two of the following conditions must be met:

13 (1) The business is located in a county which has a  
14 poverty rate that ranks among the twenty-five counties with  
15 the highest poverty rates in the state based on data from the  
16 previous calendar year.

17 (2) The business is located in a county with a per capita  
18 income that is eighty percent or less of the national average  
19 based on data from the previous calendar year.

20 (3) The business is located in a facility which previously  
21 was the location of a business which meets one of the  
22 following criteria:

23 (a) The previous business employed at least five hundred  
24 full-time employees and closed within five years of the  
25 application for assistance.

26 (b) The previous business employed more than two percent  
27 of the workforce in the county and closed within two years of  
28 the application for assistance.

29 (4) The business is located in a county which has an  
30 unemployment rate that ranks among the twenty-five counties  
31 with the highest unemployment rates in the state based on data  
32 from the previous calendar year.

33 b. At least one-half of the jobs created by the business  
34 must have a total compensation package of wages and benefits  
35 that equal at least one hundred thirty percent of the average

1 county wage.

2 3. The department may provide financial assistance in the  
3 form of grants to eligible businesses. The grants may be used  
4 for eligible costs including but not limited to employee  
5 training, workplace childcare, employee transportation  
6 assistance, property tax assistance, and utility cost  
7 assistance. The department shall use at least five million  
8 dollars per fiscal year from moneys appropriated to the  
9 department pursuant to section 15G.111, subsection 1, for  
10 purposes of the program.

11 Sec. 2. Section 15G.110, Code Supplement 2005, is amended  
12 to read as follows:

13 15G.110 APPROPRIATION.

14 For the fiscal period beginning July 1, ~~2005~~ 2006, and  
15 ending June 30, 2015, there is appropriated to the department  
16 of economic development each fiscal year ~~fifty~~ fifty-five  
17 million dollars from the general fund of the state for deposit  
18 in the grow Iowa values fund.

19 Sec. 3. Section 15G.111, subsection 1, paragraph a, Code  
20 Supplement 2005, is amended to read as follows:

21 a. For the fiscal period beginning July 1, ~~2005~~ 2006, and  
22 ending June 30, 2015, there is appropriated each fiscal year  
23 from the grow Iowa values fund created in section 15G.108, to  
24 the department of economic development ~~thirty-five~~ forty  
25 million dollars for programs administered by the department of  
26 economic development.

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#### EXPLANATION

28 This bill creates a rejuvenate achievable zones for  
29 economic development program and makes appropriations.

30 The bill requires the department of economic development to  
31 establish and administer a rejuvenate achievable zones for  
32 economic development program for purposes of providing  
33 financial assistance to businesses in distressed areas of the  
34 state. The bill provides that to be an eligible business, a  
35 business must be located in a city with a population of fewer

1 than 24,000, must meet certain distress criteria, and at least  
2 one-half of the jobs created by the business must have a total  
3 compensation package of wages and benefits equal to at least  
4 130 percent of the average county wage.

5 The bill provides that the department may provide financial  
6 assistance in the form of grants to eligible businesses and  
7 that the grants may be used for eligible costs. The bill  
8 provides that the department shall use at least \$5 million per  
9 fiscal year from moneys appropriated to the department from  
10 the grow Iowa values fund for purposes of the program.

11 The bill amends the appropriations related to the grow Iowa  
12 values fund. For the fiscal period beginning July 1, 2006,  
13 and ending June 30, 2015, the bill appropriates each fiscal  
14 year \$55 million from the general fund of the state for  
15 deposit in the grow Iowa values fund. Currently, for the same  
16 fiscal period, \$50 million is appropriated each fiscal year.  
17 For the fiscal period beginning July 1, 2006, and ending June  
18 30, 2015, the bill appropriates each fiscal year from the grow  
19 Iowa values fund to the department of economic development \$40  
20 million for programs administered by the department of  
21 economic development. Currently, for the same fiscal period,  
22 \$35 million is appropriated each fiscal year.

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