

MAR 3 2005
ECONOMIC GROWTH

HOUSE FILE 561
BY STRUYK and DANDEKAR

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to requirements for economic development
2 financial assistance used for construction purposes.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 561

1 Section 1. Section 15A.1, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6. In addition to the other requirements
4 of this section, a disbursement of public moneys for grants,
5 loans, tax incentives, or other financial assistance for
6 economic development which are to be used for construction
7 purposes shall be reduced by ten percent unless at least sixty
8 percent of the construction work is completed by Iowa-based
9 businesses. In determining whether a business is an Iowa-
10 based business, the state agency disbursing the public moneys
11 shall consider any substantial contacts the business has with
12 the state including, but not limited to, whether the business
13 is incorporated in the state, whether the business is
14 authorized to do business in the state, whether the business
15 pays taxes to the state, whether the business is headquartered
16 in the state, and what percentage of the workforce of the
17 business is located in the state. A state agency disbursing
18 public moneys that are subject to the provisions of this
19 subsection may require periodic reports from the recipient to
20 ensure compliance with this subsection. If noncompliance with
21 the provisions of this subsection occurs, the state agency may
22 require the recipient to repay all or a portion of the
23 financial assistance received.

24 EXPLANATION

25 This bill relates to requirements for economic development
26 financial assistance used for construction purposes.

27 The bill provides that a disbursement of public moneys for
28 grants, loans, tax incentives, or other financial assistance
29 for economic development which are to be used for construction
30 purposes shall be reduced by 10 percent unless at least 60
31 percent of the construction work is completed by Iowa-based
32 businesses. In determining whether a business is an Iowa-
33 based business, the bill provides that the state agency
34 disbursing the public moneys shall consider any substantial
35 contacts the business has with the state. The bill provides

1 that a state agency disbursing such public moneys may require
2 periodic reports from the recipient to ensure compliance with
3 the provisions of the bill and, if noncompliance occurs, the
4 state agency may require the recipient to repay all or a
5 portion of the financial assistance received.

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