

(SUCCESSOR TO HSB 277)

Passed House, Date 3-23-05 Passed Senate, Date _____
Vote: Ayes 99 Nays 1 Vote: Ayes _____ Nays _____
Approved Item Veto 6/9/05

A BILL FOR

1 An Act relating to and making appropriations to the department of
2 economic development, certain board of regents institutions,
3 the department of workforce development, and the public
4 employment relations board and related matters.

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

6
7

HOUSE FILE 809

H-1166

1 Amend the amendment, H-1162, to House File 809 as
2 follows:
3 1. Page 1, by striking lines 4 through 8 and
4 inserting the following:
5 "bb. A business creating jobs with economic
6 development assistance through moneys appropriated in
7 this subsection shall be subject to contract
8 provisions stating that new and retained jobs shall be
9 filled by individuals who are".
10 2. Page 1, line 13, by striking the words
11 "provide such" and inserting the following: "adhere
12 to such contract provisions and provide".
13 3. Page 1, line 15, by striking the words
14 "services are solely provided" and inserting the
15 following: "jobs are filled solely".

By MURPHY of Dubuque
WISE of Lee

H-1166 FILED MARCH 23, 2005
ADOPTED

HF 809

ECONOMIC DEVELOPMENT

Section 1. GOALS AND ACCOUNTABILITY.

1. The goals for the department of economic development shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

2. To achieve the goals in subsection 1, the department of economic development shall do all of the following:

- a. Concentrate its efforts on programs and activities that result in commercially viable products and services.
- b. Adopt practices and services consistent with free market, private sector philosophies.
- c. Ensure economic growth and development throughout the state.

Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION DIVISION

a. General administration

For salaries, support, maintenance, miscellaneous purposes, programs, for the transfer to the Iowa state commission grant program, and for not more than the following full-time equivalent positions:

.....	\$	1,956,332
.....	FTEs	28.75

b. The department shall work with businesses and communities to continually improve the economic development climate along with the economic well-being and quality of life for Iowans. The administration division shall coordinate with other state agencies ensuring that all state departments are attentive to the needs of an entrepreneurial culture.

2. BUSINESS DEVELOPMENT DIVISION

1 a. Business development operations

2 For business development operations and programs,
3 international trade, export assistance, workforce recruitment,
4 the partner state program, for transfer to the strategic
5 investment fund, for transfer to the value-added agricultural
6 products and processes financial assistance fund, salaries,
7 support, maintenance, miscellaneous purposes, and for not more
8 than the following full-time equivalent positions:

9 \$ 6,084,500
10 FTEs 57.00

11 b. The department shall establish a strong and aggressive
12 marketing image to showcase Iowa's workforce, existing
13 industry, and potential. A priority shall be placed on
14 recruiting new businesses, business expansion, and retaining
15 existing Iowa businesses. Emphasis shall also be placed on
16 entrepreneurial development through helping to secure capital
17 for entrepreneurs, and developing networks and a business
18 climate conducive to entrepreneurs and small business.

19 c. From the moneys appropriated in this subsection, the
20 department may provide financial assistance in the form of a
21 grant to a community economic development entity for
22 conducting a local workforce recruitment effort designed to
23 recruit former citizens of the state and former students at
24 colleges and universities in the state to meet the needs of
25 local employers.

26 d. From the moneys appropriated under this subsection, the
27 department may provide financial assistance to early-stage
28 industry companies being established by women entrepreneurs.

29 e. From the moneys appropriated under this subsection, the
30 department may provide financial assistance in the form of
31 grants, loans, or forgivable loans for advanced research and
32 commercialization projects involving value-added agriculture,
33 advanced technology, or biotechnology.

34 f. Notwithstanding section 8.33, moneys appropriated in
35 this subsection that remain unencumbered or unobligated at the

1 close of the fiscal year shall not revert but shall remain
2 available for expenditure for the purposes designated until
3 the close of the succeeding fiscal year.

4 3. COMMUNITY DEVELOPMENT DIVISION

5 a. Community development programs

6 For salaries, support, maintenance, miscellaneous purposes,
7 community economic development programs, tourism operations,
8 community assistance, the film office, the mainstreet and
9 rural mainstreet programs, the school-to-career program, the
10 community development block grant, and housing and shelter-
11 related programs and for not more than the following full-time
12 equivalent positions:

13	\$	5,533,511
14	FTEs	61.75

15 b. The department shall encourage development of
16 communities and quality of life to foster economic growth.
17 The department shall prepare communities for future growth and
18 development through development, expansion, and modernization
19 of infrastructure.

20 c. The department shall develop public-private
21 partnerships with Iowa businesses in the tourism industry,
22 Iowa tour groups, Iowa tourism organizations, and political
23 subdivisions in this state to assist in the development of
24 advertising efforts. The department shall, to the fullest
25 extent possible, develop cooperative efforts for advertising
26 with contributions from other sources.

27 d. Notwithstanding section 8.33, moneys appropriated in
28 this subsection that remain unencumbered or unobligated at the
29 close of the fiscal year shall not revert to any fund but
30 shall remain available for expenditure for the designated
31 purposes during the succeeding fiscal year.

32 4. For allocating moneys for the world food prize:		
33	\$	285,000

34 Sec. 3. VISION IOWA PROGRAM -- FTE AUTHORIZATION. For
35 purposes of administrative duties associated with the vision

1 Iowa program, the department of economic development is
2 authorized an additional 2.25 full-time equivalent positions
3 above those otherwise authorized in this Act.

4 Sec. 4. RURAL COMMUNITY 2000 PROGRAM. There is
5 appropriated from loan repayments on loans under the former
6 rural community 2000 program, sections 15.281 through 15.288,
7 Code 2001, to the department of economic development for the
8 fiscal year beginning July 1, 2005, and ending June 30, 2006,
9 the following amounts, or so much thereof as is necessary, to
10 be used for the purposes designated:

11 1. For providing financial assistance to Iowa's councils
12 of governments that provide technical and planning assistance
13 to local governments:

14 \$ 150,000

15 2. For the rural development program for the purposes of
16 the program including the rural enterprise fund and
17 collaborative skills development training:

18 \$ 120,000

19 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. There is
20 appropriated from moneys collected by the division of
21 insurance in excess of the anticipated gross revenues under
22 section 505.7, subsection 3, to the department of economic
23 development for the fiscal year beginning July 1, 2005, and
24 ending June 30, 2006, the following amount, or so much thereof
25 as is necessary, for insurance economic development and
26 international insurance economic development:

27 \$ 100,000

28 Sec. 6. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding
29 section 15E.120, subsection 5, there is appropriated from the
30 Iowa community development loan fund all the moneys available
31 during the fiscal year beginning July 1, 2005, and ending June
32 30, 2006, to the department of economic development for the
33 community development program to be used by the department for
34 the purposes of the program.

35 Sec. 7. WORKFORCE DEVELOPMENT FUND. There is appropriated

1 from the workforce development fund account created in section
2 15.342A, to the workforce development fund created in section
3 15.343, for the fiscal year beginning July 1, 2005, and ending
4 June 30, 2006, the following amount, for the purposes of the
5 workforce development fund, and for not more than the
6 following full-time equivalent positions:

7 \$ 4,000,000
8 FTEs 4.00

9 Sec. 8. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds
10 appropriated or transferred to or receipts credited to the
11 workforce development fund created in section 15.343, up to
12 \$400,000 for the fiscal year beginning July 1, 2005, and
13 ending June 30, 2006, may be used for the administration of
14 workforce development activities including salaries, support,
15 maintenance, and miscellaneous purposes and for not more than
16 4.00 full-time equivalent positions.

17 Sec. 9. JOB TRAINING FUND. Notwithstanding section
18 15.251, all remaining moneys in the job training fund on July
19 1, 2005, and any moneys appropriated or credited to the fund
20 during the fiscal year beginning July 1, 2005, shall be
21 transferred to the workforce development fund established
22 pursuant to section 15.343.

23 Sec. 10. IOWA STATE UNIVERSITY.

24 1. There is appropriated from the general fund of the
25 state to the Iowa state university of science and technology
26 for the fiscal year beginning July 1, 2005, and ending June
27 30, 2006, the following amount, or so much thereof as is
28 necessary, to be used for small business development centers,
29 the science and technology research park, the institute for
30 physical research, and for not more than the following full-
31 time equivalent positions:

32 \$ 2,363,557
33 FTEs 56.63

34 2. Of the moneys appropriated in subsection 1, Iowa state
35 university shall allocate at least \$550,000 for purposes of

1 funding small business development centers. Iowa state
2 university may allocate moneys appropriated in subsection 1 to
3 the various small business development centers in any manner
4 necessary to achieve the purposes of this subsection.

5 3. Iowa state university of science and technology shall
6 do all of the following:

7 a. Direct expenditures for research toward projects that
8 will provide economic stimulus for Iowa.

9 b. Provide emphasis to providing services to Iowa-based
10 companies.

11 4. It is the intent of the general assembly that the
12 industrial incentive program focus on Iowa industrial sectors
13 and seek contributions and in-kind donations from businesses,
14 industrial foundations, and trade associations and that moneys
15 for the institute for physical research and technology
16 industrial incentive program shall only be allocated for
17 projects which are matched by private sector moneys for
18 directed contract research or for nondirected research. The
19 match required of small businesses as defined in section
20 15.102, subsection 4, for directed contract research or for
21 nondirected research shall be \$1 for each \$3 of state funds.
22 The match required for other businesses for directed contract
23 research or for nondirected research shall be \$1 for each \$1
24 of state funds. The match required of industrial foundations
25 or trade associations shall be \$1 for each \$1 of state funds.

26 Iowa state university of science and technology shall
27 report annually to the joint appropriations subcommittee on
28 economic development and the legislative services agency the
29 total amount of private contributions, the proportion of
30 contributions from small businesses and other businesses, and
31 the proportion for directed contract research and nondirected
32 research of benefit to Iowa businesses and industrial sectors.

33 Notwithstanding section 8.33, moneys appropriated in this
34 section that remain unencumbered or unobligated at the close
35 of the fiscal year shall not revert but shall remain available

1 for expenditure for the purposes designated until the close of
2 the succeeding fiscal year.

3 Sec. 11. UNIVERSITY OF IOWA.

4 1. There is appropriated from the general fund of the
5 state to the state university of Iowa for the fiscal year
6 beginning July 1, 2005, and ending June 30, 2006, the
7 following amount, or so much thereof as is necessary, to be
8 used for the university of Iowa research park and for the
9 advanced drug development program at the Oakdale research
10 park, including salaries, support, maintenance, equipment,
11 miscellaneous purposes, and for not more than the following
12 full-time equivalent positions:

13	\$	247,005
14	FTEs	6.00

15 2. The university of Iowa shall do all of the following:

16 a. Direct expenditures for research toward projects that
17 will provide economic stimulus for Iowa.

18 b. Provide emphasis to providing services to Iowa-based
19 companies.

20 3. Notwithstanding section 8.33, moneys appropriated in
21 this section that remain unencumbered or unobligated at the
22 close of the fiscal year shall not revert but shall remain
23 available for expenditure for the purposes designated until
24 the close of the succeeding fiscal year.

25 Sec. 12. UNIVERSITY OF NORTHERN IOWA.

26 1. There is appropriated from the general fund of the
27 state to the university of northern Iowa for the fiscal year
28 beginning July 1, 2005, and ending June 30, 2006, the
29 following amount, or so much thereof as is necessary, to be
30 used for the metal casting institute, and for the institute of
31 decision making, including salaries, support, maintenance,
32 miscellaneous purposes, and for not more than the following
33 full-time equivalent positions:

34	\$	361,291
35	FTEs	4.75

1 2. The university of northern Iowa shall do all of the
2 following:

3 a. Direct expenditures for research toward projects that
4 will provide economic stimulus for Iowa.

5 b. Provide emphasis to providing services to Iowa-based
6 companies.

7 3. Notwithstanding section 8.33, moneys appropriated in
8 this section that remain unencumbered or unobligated at the
9 close of the fiscal year shall not revert but shall remain
10 available for expenditure for the purposes designated until
11 the close of the succeeding fiscal year.

12 Sec. 13. BOARD OF REGENTS REPORT. The state board of
13 regents shall submit a report on the progress of regents
14 institutions in meeting the strategic plan for technology
15 transfer and economic development to the secretary of the
16 senate, the chief clerk of the house of representatives, and
17 the legislative services agency by January 15, 2006.

18 Sec. 14. DEPARTMENT OF WORKFORCE DEVELOPMENT.

19 1. There is appropriated from the general fund of the
20 state to the department of workforce development for the
21 fiscal year beginning July 1, 2005, and ending June 30, 2006,
22 the following amount, or so much thereof as is necessary, for
23 the division of labor services, the division of workers'
24 compensation, the workforce development state and regional
25 boards, the new employment opportunity fund, immigration
26 services centers, for transfer to the boiler safety fund, for
27 transfer to the elevator safety fund, salaries, support,
28 maintenance, miscellaneous purposes, and for not more than the
29 following full-time equivalent positions:

30	\$	5,151,919
31	FTEs	86.45

32 2. From the contractor registration fees, the division of
33 labor services shall reimburse the department of inspections
34 and appeals for all costs associated with hearings under
35 chapter 91C, relating to contractor registration.

1 3. The division of workers' compensation shall continue
2 charging a \$65 filing fee for workers' compensation cases.
3 The filing fee shall be paid by the petitioner of a claim.
4 However, the fee can be taxed as a cost and paid by the losing
5 party, except in cases where it would impose an undue hardship
6 or be unjust under the circumstances. The moneys generated by
7 the filing fee allowed under this subsection are appropriated
8 to the department of workforce development to be used for
9 purposes of administering the division of workers'
10 compensation.

11 4. The department of workforce development shall maintain
12 pilot immigration service centers that offer one-stop services
13 to deal with the multiple issues related to immigration and
14 employment. The pilot centers shall be designed to support
15 workers, businesses, and communities with information,
16 referrals, job placement assistance, translation, language
17 training, resettlement, as well as technical and legal
18 assistance on such issues as forms and documentation. Through
19 the coordination of local, state, and federal service
20 providers, and through the development of partnerships with
21 public, private, and nonprofit entities with established
22 records of international service, these pilot centers shall
23 seek to provide a seamless service delivery system for new
24 Iowans.

25 5. Notwithstanding section 8.33, moneys appropriated in
26 this section that remain unencumbered or unobligated at the
27 close of the fiscal year shall not revert but shall remain
28 available for expenditure for the purposes designated until
29 the close of the succeeding fiscal year.

30 Sec. 15. EMPLOYMENT SECURITY CONTINGENCY FUND. There is
31 appropriated from the special employment security contingency
32 fund to the department of workforce development for the fiscal
33 year beginning July 1, 2005, and ending June 30, 2006, the
34 following amounts, or so much thereof as is necessary, for the
35 purposes designated:

1 DIVISION OF WORKERS' COMPENSATION

2 For salaries, support, maintenance, and miscellaneous
3 purposes:

4 \$ 471,000

5 Any remaining additional penalty and interest revenue may
6 be allocated and used to accomplish the mission of the
7 department.

8 Sec. 16. PUBLIC EMPLOYMENT RELATIONS BOARD. There is
9 appropriated from the general fund of the state to the public
10 employment relations board for the fiscal year beginning July
11 1, 2005, and ending June 30, 2006, the following amount, or so
12 much thereof as is necessary, for the purposes designated:

13 For salaries, support, maintenance, miscellaneous purposes,
14 and for not more than the following full-time equivalent
15 positions:

16 \$ 923,850

17 FTEs 10.00

18 Sec. 17. NEW SECTION. 96.51 FIELD OFFICE OPERATING FUND.

19 A field office operating fund is created in the state
20 treasury under the control of the department of workforce
21 development. The fund is separate and distinct from the
22 unemployment compensation fund. All moneys properly credited
23 to and deposited in the fund are annually appropriated to the
24 department of workforce development to be used for personnel
25 and nonpersonnel costs of operating field offices.

26 Sec. 18. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES
27 FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable
28 fuels and coproducts may apply to the department of economic
29 development for moneys in the value-added agricultural
30 products and processes financial assistance fund for deposit
31 in the renewable fuels and coproducts fund created in section
32 159A.7.

33 Sec. 19. IOWA FINANCE AUTHORITY AUDIT. The auditor of
34 state is requested to review the audit of the Iowa finance
35 authority performed by the auditor hired by the authority.

1 board for the 2005-2006 fiscal year.

2 The bill provides that the goals for the department of
3 economic development shall be to expand and stimulate the
4 state economy, increase the wealth of Iowans, and increase the
5 population of the state.

6 The bill appropriates from loan repayments on loans under
7 the former rural community 2000 program to the department of
8 economic development moneys for providing financial assistance
9 to Iowa's councils of governments that provide technical and
10 planning assistance to local governments and for the rural
11 development program for the purposes of the program including
12 the rural enterprise fund and collaborative skills development
13 training.

14 The bill appropriates moneys collected by the division of
15 insurance in excess of the anticipated gross revenues to the
16 department of economic development for purposes of insurance
17 economic development and international insurance economic
18 development.

19 The bill appropriates moneys from the Iowa community
20 development loan fund to the department of economic
21 development for purposes of the community development program.

22 The bill appropriates moneys from the workforce development
23 fund account to the workforce development fund.

24 The bill provides that moneys appropriated or transferred
25 to or receipts credited to the workforce development fund may
26 be used for administration of workforce development
27 activities.

28 The bill provides that all moneys remaining in the job
29 training fund on July 1, 2005, and any moneys appropriated or
30 credited to the fund during the fiscal year beginning July 1,
31 2005, shall be transferred to the workforce development fund.

32 The bill requires the state board of regents to submit a
33 report on the progress of regents institutions in meeting the
34 strategic plan for technology transfer and economic
35 development.

1 The bill appropriates moneys from the special employment
2 security contingency fund to the department of workforce
3 development for the division of workers' compensation and
4 immigration services centers.

5 The bill creates a field office operating fund in the state
6 treasury under the control of the department of workforce
7 development as a fund separate and distinct from the
8 unemployment compensation fund. The bill provides that all
9 moneys properly credited to and deposited in the fund are
10 annually appropriated to the department of workforce
11 development to be used for personnel and nonpersonnel costs of
12 operating field offices.

13 The bill allows the office of renewable fuels and
14 coproducts to apply to the department of economic development
15 for moneys in the value-added agricultural products and
16 processes financial assistance fund for deposit in the
17 renewable fuels and coproducts fund.

18 The bill provides that, for the fiscal year beginning July
19 1, 2005, any entity that was specifically identified in 2001
20 Iowa Acts, chapter 188, to receive funding from the department
21 of economic development, excluding any entity identified to
22 receive a direct appropriation beginning July 1, 2005, may
23 apply to the department for assistance through the appropriate
24 program.

25 The bill provides that, in providing moneys from the
26 shelter assistance fund to homeless shelter programs, the
27 department of economic development shall explore the potential
28 of allocating moneys to programs based in part on their
29 ability to move their clients toward self-sufficiency.

30 The bill appropriates moneys from moneys credited to the
31 state by the secretary of the treasury of the United States
32 pursuant to the Social Security Act to the department of
33 workforce development for the administration of the
34 unemployment compensation program only.

35

HOUSE FILE 809

H-1150

1 Amend House File 809 as follows:
2 1. Page 3, line 13, by striking the figure
3 "5,533,511" and inserting the following: "5,718,511".
4 2. Page 3, by inserting after line 26 the
5 following:
6 "____. Of the moneys appropriated in this
7 subsection, the department shall allocate \$185,000 to
8 the main street program for purposes of providing
9 grants to communities participating in the main street
10 program. A grant shall not exceed \$5,000 and the
11 department shall adopt rules for the administration of
12 the grants allowed under this lettered paragraph."

By FALLON of Polk D. OLSON of Boone
BELL of Jasper R. OLSON of Polk
BERRY of Black Hawk PETERSEN of Polk
BUKTA of Clinton PETTENGILL of Benton
COHOON of Des Moines QUIRK of Chickasaw
DAVITT of Warren REASONER of Union
FORD of Polk REICHERT of Muscatine
FREVERT of Palo Alto SCHUELLER of Jackson
HEDDENS of Story SHOMSHOR of Pottawattamie
HUNTER of Polk SHOULTZ of Black Hawk
HUSER of Polk SMITH of Marshall
JACOBY of Johnson SWAIM of Davis
JOCHUM of Dubuque D. TAYLOR of Linn
KRESSIG of Black Hawk T. TAYLOR of Linn
KUHN of Floyd THOMAS of Clayton
LENSING of Johnson WENDT of Woodbury
LYKAM of Scott WESSEL-KROESCHELL of Story
MASCHER of Johnson WHITAKER of Van Buren
MERTZ of Kossuth WHITEAD of Woodbury
MILLER of Webster WINCKLER of Scott
MURPHY of Dubuque WISE of Lee
OLDSON of Polk ZIRKELBACH of Jones

H-1150 FILED MARCH 22, 2005

HOUSE FILE 809

H-1155

1 Amend House File 809 as follows:
2 1. Page 5, line 32, by striking the figure
3 "2,363,557" and inserting the following: "2,453,557".
4 2. Page 5, line 35, by striking the figure
5 "550,000" and inserting the following: "640,000".
By HOGG of Linn

H-1155 FILED MARCH 22, 2005

HOUSE FILE 809

H-1158

1 Amend House File 809 as follows:

2 1. Page 2, line 10, by striking the figure
3 "57.00" and inserting the following: "57.50".

4 2. Page 10, by inserting after line 17 the
5 following:

6 "Sec. ____ . JUNIOR ENTREPRENEUR TRAINING ASSISTANCE
7 PROGRAM. There is appropriated from the general fund
8 of the state to the department of economic development
9 for the fiscal year beginning July 1, 2005, and ending
10 June 30, 2006, two hundred thousand forty dollars for
11 purposes of providing matching grants under the junior
12 entrepreneur training assistance program. Of the
13 moneys appropriated pursuant to this section, the
14 department shall provide at least twenty matching
15 grants of not more than ten thousand dollars per
16 grant. The department may use any remaining moneys
17 for administrative purposes.

18 Sec. ____ . Section 15.313, subsection 2, Code 2005,
19 is amended by adding the following new paragraph:

20 NEW PARAGRAPH. h. To provide matching grants
21 under the junior entrepreneur training assistance
22 program as provided in section 15E.323.

23 Sec. ____ . NEW SECTION. 15E.321 SHORT TITLE.

24 This division shall be known and may be cited as
25 the "Junior Entrepreneur Training Act".

26 Sec. ____ . NEW SECTION. 15E.322 JUNIOR
27 ENTREPRENEUR TRAINING ASSISTANCE PROGRAM.

28 1. The department of economic development shall
29 establish a junior entrepreneur training assistance
30 program to encourage and assist private businesses and
31 organizations to establish junior entrepreneur
32 training programs that would operate in conjunction or
33 cooperation with a local school district.

34 2. a. A junior entrepreneur training program
35 established by a private business or organization
36 shall be designed to do all of the following:

37 (1) Encourage interest in starting or operating a
38 business.

39 (2) Educate participants regarding the potential
40 advantages and rewards of self-employment.

41 (3) Engage business professionals and successful
42 entrepreneurs in introducing participants to the
43 basics of business ownership and management.

44 (4) Assist past participants in the program who
45 start or purchase a business in developing mentoring
46 relationships with successful local businesspersons.

47 b. The department shall give funding and
48 assistance priority to a junior entrepreneur training
49 program that concentrates its efforts on attracting
50 participants who lack significant exposure to

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1 entrepreneurship role models including, but not
2 limited to, persons from economically disadvantaged
3 backgrounds or populations traditionally
4 underrepresented in the local business community.

5 Sec. ____ . NEW SECTION. 15E.323 FUNDING.

6 The department may provide a matching grant to a
7 private business or organization that establishes a
8 junior entrepreneur training program. A matching
9 grant shall provide one dollar for every two dollars
10 in private matching moneys.

11 Sec. ____ . NEW SECTION. 15E.324 RULES.

12 The department shall adopt rules pursuant to
13 chapter 17A necessary for the administration of this
14 division."

15 3. By renumbering as necessary.

By FORD of Polk

HOUSE FILE 809

H-1161

1 Amend House File 809 as follows:

2 1. Page 2, line 9, by striking the figure
3 "6,084,500" and inserting the following: "6,784,500".

4 2. Page 3, by inserting after line 3 the
5 following:

6 "g. Of the moneys appropriated in this subsection,
7 the department shall allocate \$600,000 for purposes of
8 financial assistance under section 15E.351 to eight
9 business accelerators. In awarding financial
10 assistance under section 15E.351 from moneys allocated
11 under this paragraph, the department shall not award
12 financial assistance to a business accelerator in
13 existence on the effective date of this Act.

14 h. Of the moneys appropriated in this subsection,
15 the department shall allocate \$100,000 for purposes of
16 financial assistance under section 15E.351 to four
17 business accelerators. In awarding financial
18 assistance under section 15E.351 from moneys allocated
19 under this paragraph, the department shall award the
20 financial assistance to business accelerators in
21 existence on the effective date of this Act."

22 3. Page 10, by inserting after line 17 the
23 following:

24 "Sec. ____ . NEW SECTION. 15E.351 BUSINESS
25 ACCELERATORS.

26 1. The department shall establish and administer a
27 business accelerator program to provide financial
28 assistance for the establishment and operation of a
29 business accelerator for technology-based, value-added
30 agricultural, information solutions, or advanced
31 manufacturing start-up businesses or for a satellite
32 of an existing business accelerator. The program
33 shall be designed to foster the accelerated growth of
34 new and existing businesses through the provision of
35 technical assistance.

36 2. In determining whether a business accelerator
37 qualifies for financial assistance, the department
38 must find that a business accelerator meets all of the
39 following criteria:

40 a. The business accelerator must be a not-for-
41 profit organization affiliated with an area chamber of
42 commerce, a community or county organization, or
43 economic development region.

44 b. The geographic area served by a business
45 accelerator must include more than one county.

46 c. The business accelerator must possess the
47 ability to provide service to a specific type of
48 business as well as to meet the broad-based needs of
49 other types of start-up entrepreneurs.

50 d. The business accelerator must possess the

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1 ability to market business accelerator services in the
2 region and the state.

3 e. The business accelerator must possess the
4 ability to communicate with and cooperate with other
5 business accelerators and similar service providers in
6 the state.

7 f. The business accelerator must possess the
8 ability to engage various funding sources for start-up
9 entrepreneurs.

10 g. The business accelerator must possess the
11 ability to communicate with and cooperate with various
12 entities for purposes of locating suitable facilities
13 for clients of the business accelerator.

14 h. The business accelerator must possess the
15 willingness to accept referrals from the department of
16 economic development.

17 3. In determining whether a business accelerator
18 qualifies for financial assistance, the department may
19 consider any of the following:

20 a. The business experience of the business
21 accelerator's professional staff.

22 b. The business plan review capacity of the
23 business accelerator's professional staff.

24 c. The business accelerator's professional staff
25 with demonstrated disciplines in all aspects of
26 business experience.

27 d. The business accelerator's professional staff
28 with access to external service providers including
29 legal, accounting, marketing, and financial services.

30 4. In order to receive financial assistance under
31 this section, the financial assistance recipient must
32 demonstrate the ability to provide matching moneys on
33 a basis of a two dollar contribution of recipient
34 moneys for every one dollar received in financial
35 assistance."

36 4. By renumbering as necessary.

By KUHN of Floyd

HOUSE FILE 809

H-1162

- 1 Amend House File 809 as follows:
2 1. Page 2, by inserting after line 18 the
3 following:
4 "bb. In addition to the other requirements for a
5 disbursement of public moneys for grants, loans, tax
6 incentives, or other financial assistance for economic
7 development, preference shall be given to businesses
8 that will have work that will be solely provided by
9 citizens of the United States who reside within the
10 United States, or any person authorized to work in the
11 United States pursuant to federal law, including legal
12 resident aliens in the United States. Any vendor who
13 receives such public moneys shall provide such
14 periodic assurances as the state shall require, that
15 the services are solely provided by citizens of the
16 United States who reside within the United States, or
17 any person authorized to work in the United States
18 pursuant to federal law, including legal resident
19 aliens in the United States."
20 2. By renumbering as necessary.

By MURPHY of Dubuque

H-1162 FILED MARCH 22, 2005

HOUSE FILE 809

H-1163

- 1 Amend the amendment, H-1158, to House File 809 as
2 follows:
3 1. Page 1, line 10, by striking the words
4 "thousand forty" and inserting the following: "forty
5 thousand".

By FORD of Polk

H-1163 FILED MARCH 23, 2005
OUT OF ORDER

HOUSE FILE 809
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 277)

(As Amended and Passed by the House March 23, 2005)

Re-Passed House, Date 4-28-05 Passed Senate, Date 4-14-05
Vote: Ayes 84 Nays 16 Vote: Ayes 49 Nays 1
Approved _____ *Re-passed 5-3-05*
31-18

A BILL FOR

1 An Act relating to and making appropriations to the department of
2 economic development, certain board of regents institutions,
3 the department of workforce development, and the public
4 employment relations board and related matters.

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

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House Amendments _____

1 ECONOMIC DEVELOPMENT

2 Section 1. GOALS AND ACCOUNTABILITY.

3 1. The goals for the department of economic development
4 shall be to expand and stimulate the state economy, increase
5 the wealth of Iowans, and increase the population of the
6 state.

7 2. To achieve the goals in subsection 1, the department of
8 economic development shall do all of the following:

9 a. Concentrate its efforts on programs and activities that
10 result in commercially viable products and services.

11 b. Adopt practices and services consistent with free
12 market, private sector philosophies.

13 c. Ensure economic growth and development throughout the
14 state.

15 Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is
16 appropriated from the general fund of the state to the
17 department of economic development for the fiscal year
18 beginning July 1, 2005, and ending June 30, 2006, the
19 following amounts, or so much thereof as is necessary, to be
20 used for the purposes designated:

21 1. ADMINISTRATION DIVISION

22 a. General administration

23 For salaries, support, maintenance, miscellaneous purposes,
24 programs, for the transfer to the Iowa state commission grant
25 program, and for not more than the following full-time
26 equivalent positions:

27	\$	1,956,332
28	FTEs	28.75

29 b. The department shall work with businesses and
30 communities to continually improve the economic development
31 climate along with the economic well-being and quality of life
32 for Iowans. The administration division shall coordinate with
33 other state agencies ensuring that all state departments are
34 attentive to the needs of an entrepreneurial culture.

35 2. BUSINESS DEVELOPMENT DIVISION

1 a. Business development operations

2 For business development operations and programs,
3 international trade, export assistance, workforce recruitment,
4 the partner state program, for transfer to the strategic
5 investment fund, for transfer to the value-added agricultural
6 products and processes financial assistance fund, salaries,
7 support, maintenance, miscellaneous purposes, and for not more
8 than the following full-time equivalent positions:

9	\$	6,084,500
10	FTEs	57.00

11 b. The department shall establish a strong and aggressive
12 marketing image to showcase Iowa's workforce, existing
13 industry, and potential. A priority shall be placed on
14 recruiting new businesses, business expansion, and retaining
15 existing Iowa businesses. Emphasis shall also be placed on
16 entrepreneurial development through helping to secure capital
17 for entrepreneurs, and developing networks and a business
18 climate conducive to entrepreneurs and small business.

19 c. A business creating jobs with economic development
20 assistance through moneys appropriated in this subsection
21 shall be subject to contract provisions stating that new and
22 retained jobs shall be filled by individuals who are citizens
23 of the United States who reside within the United States, or
24 any person authorized to work in the United States pursuant to
25 federal law, including legal resident aliens in the United
26 States. Any vendor who receives such public moneys shall
27 adhere to such contract provisions and provide periodic
28 assurances as the state shall require, that the jobs are
29 filled solely by citizens of the United States who reside
30 within the United States, or any person authorized to work in
31 the United States pursuant to federal law, including legal
32 resident aliens in the United States.

33 d. From the moneys appropriated in this subsection, the
34 department may provide financial assistance in the form of a
35 grant to a community economic development entity for

1 conducting a local workforce recruitment effort designed to
2 recruit former citizens of the state and former students at
3 colleges and universities in the state to meet the needs of
4 local employers.

5 e. From the moneys appropriated under this subsection, the
6 department may provide financial assistance to early-stage
7 industry companies being established by women entrepreneurs.

8 f. From the moneys appropriated under this subsection, the
9 department may provide financial assistance in the form of
10 grants, loans, or forgivable loans for advanced research and
11 commercialization projects involving value-added agriculture,
12 advanced technology, or biotechnology.

13 g. Notwithstanding section 8.33, moneys appropriated in
14 this subsection that remain unencumbered or unobligated at the
15 close of the fiscal year shall not revert but shall remain
16 available for expenditure for the purposes designated until
17 the close of the succeeding fiscal year.

18 3. COMMUNITY DEVELOPMENT DIVISION

19 a. Community development programs

20 For salaries, support, maintenance, miscellaneous purposes,
21 community economic development programs, tourism operations,
22 community assistance, the film office, the mainstreet and
23 rural mainstreet programs, the school-to-career program, the
24 community development block grant, and housing and shelter-
25 related programs and for not more than the following full-time
26 equivalent positions:

27	\$	5,533,511
28	FTEs	61.75

29 b. The department shall encourage development of
30 communities and quality of life to foster economic growth.
31 The department shall prepare communities for future growth and
32 development through development, expansion, and modernization
33 of infrastructure.

34 c. The department shall develop public-private
35 partnerships with Iowa businesses in the tourism industry,

1 Iowa tour groups, Iowa tourism organizations, and political
2 subdivisions in this state to assist in the development of
3 advertising efforts. The department shall, to the fullest
4 extent possible, develop cooperative efforts for advertising
5 with contributions from other sources.

6 d. Notwithstanding section 8.33, moneys appropriated in
7 this subsection that remain unencumbered or unobligated at the
8 close of the fiscal year shall not revert to any fund but
9 shall remain available for expenditure for the designated
10 purposes during the succeeding fiscal year.

11 4. For allocating moneys for the world food prize:
12 \$ 285,000

13 Sec. 3. VISION IOWA PROGRAM -- FTE AUTHORIZATION. For
14 purposes of administrative duties associated with the vision
15 Iowa program, the department of economic development is
16 authorized an additional 2.25 full-time equivalent positions
17 above those otherwise authorized in this Act.

18 Sec. 4. RURAL COMMUNITY 2000 PROGRAM. There is
19 appropriated from loan repayments on loans under the former
20 rural community 2000 program, sections 15.281 through 15.288,
21 Code 2001, to the department of economic development for the
22 fiscal year beginning July 1, 2005, and ending June 30, 2006,
23 the following amounts, or so much thereof as is necessary, to
24 be used for the purposes designated:

25 1. For providing financial assistance to Iowa's councils
26 of governments that provide technical and planning assistance
27 to local governments:
28 \$ 150,000

29 2. For the rural development program for the purposes of
30 the program including the rural enterprise fund and
31 collaborative skills development training:
32 \$ 120,000

33 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. There is
34 appropriated from moneys collected by the division of
35 insurance in excess of the anticipated gross revenues under

1 section 505.7, subsection 3, to the department of economic
2 development for the fiscal year beginning July 1, 2005, and
3 ending June 30, 2006, the following amount, or so much thereof
4 as is necessary, for insurance economic development and
5 international insurance economic development:

6 \$ 100,000

7 Sec. 6. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding
8 section 15E.120, subsection 5, there is appropriated from the
9 Iowa community development loan fund all the moneys available
10 during the fiscal year beginning July 1, 2005, and ending June
11 30, 2006, to the department of economic development for the
12 community development program to be used by the department for
13 the purposes of the program.

14 Sec. 7. WORKFORCE DEVELOPMENT FUND. There is appropriated
15 from the workforce development fund account created in section
16 15.342A, to the workforce development fund created in section
17 15.343, for the fiscal year beginning July 1, 2005, and ending
18 June 30, 2006, the following amount, for the purposes of the
19 workforce development fund, and for not more than the
20 following full-time equivalent positions:

21 \$ 4,000,000

22 FTEs 4.00

23 Sec. 8. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds
24 appropriated or transferred to or receipts credited to the
25 workforce development fund created in section 15.343, up to
26 \$400,000 for the fiscal year beginning July 1, 2005, and
27 ending June 30, 2006, may be used for the administration of
28 workforce development activities including salaries, support,
29 maintenance, and miscellaneous purposes and for not more than
30 4.00 full-time equivalent positions.

31 Sec. 9. JOB TRAINING FUND. Notwithstanding section
32 15.251, all remaining moneys in the job training fund on July
33 1, 2005, and any moneys appropriated or credited to the fund
34 during the fiscal year beginning July 1, 2005, shall be
35 transferred to the workforce development fund established

1 pursuant to section 15.343.

2 Sec. 10. IOWA STATE UNIVERSITY.

3 1. There is appropriated from the general fund of the
4 state to the Iowa state university of science and technology
5 for the fiscal year beginning July 1, 2005, and ending June
6 30, 2006, the following amount, or so much thereof as is
7 necessary, to be used for small business development centers,
8 the science and technology research park, the institute for
9 physical research, and for not more than the following full-
10 time equivalent positions:

11	\$	2,363,557
12	FTEs	56.63

13 2. Of the moneys appropriated in subsection 1, Iowa state
14 university shall allocate at least \$550,000 for purposes of
15 funding small business development centers. Iowa state
16 university may allocate moneys appropriated in subsection 1 to
17 the various small business development centers in any manner
18 necessary to achieve the purposes of this subsection.

19 3. Iowa state university of science and technology shall
20 do all of the following:

- 21 a. Direct expenditures for research toward projects that
22 will provide economic stimulus for Iowa.
- 23 b. Provide emphasis to providing services to Iowa-based
24 companies.

25 4. It is the intent of the general assembly that the
26 industrial incentive program focus on Iowa industrial sectors
27 and seek contributions and in-kind donations from businesses,
28 industrial foundations, and trade associations and that moneys
29 for the institute for physical research and technology
30 industrial incentive program shall only be allocated for
31 projects which are matched by private sector moneys for
32 directed contract research or for nondirected research. The
33 match required of small businesses as defined in section
34 15.102, subsection 4, for directed contract research or for
35 nondirected research shall be \$1 for each \$3 of state funds.

1 The match required for other businesses for directed contract
2 research or for nondirected research shall be \$1 for each \$1
3 of state funds. The match required of industrial foundations
4 or trade associations shall be \$1 for each \$1 of state funds.

5 Iowa state university of science and technology shall
6 report annually to the joint appropriations subcommittee on
7 economic development and the legislative services agency the
8 total amount of private contributions, the proportion of
9 contributions from small businesses and other businesses, and
10 the proportion for directed contract research and nondirected
11 research of benefit to Iowa businesses and industrial sectors.

12 Notwithstanding section 8.33, moneys appropriated in this
13 section that remain unencumbered or unobligated at the close
14 of the fiscal year shall not revert but shall remain available
15 for expenditure for the purposes designated until the close of
16 the succeeding fiscal year.

17 Sec. 11. UNIVERSITY OF IOWA.

18 1. There is appropriated from the general fund of the
19 state to the state university of Iowa for the fiscal year
20 beginning July 1, 2005, and ending June 30, 2006, the
21 following amount, or so much thereof as is necessary, to be
22 used for the university of Iowa research park and for the
23 advanced drug development program at the Oakdale research
24 park, including salaries, support, maintenance, equipment,
25 miscellaneous purposes, and for not more than the following
26 full-time equivalent positions:

27	\$	247,005
28	FTEs	6.00

29 2. The university of Iowa shall do all of the following:

30 a. Direct expenditures for research toward projects that
31 will provide economic stimulus for Iowa.

32 b. Provide emphasis to providing services to Iowa-based
33 companies.

34 3. Notwithstanding section 8.33, moneys appropriated in
35 this section that remain unencumbered or unobligated at the

1 close of the fiscal year shall not revert but shall remain
2 available for expenditure for the purposes designated until
3 the close of the succeeding fiscal year.

4 Sec. 12. UNIVERSITY OF NORTHERN IOWA.

5 1. There is appropriated from the general fund of the
6 state to the university of northern Iowa for the fiscal year
7 beginning July 1, 2005, and ending June 30, 2006, the
8 following amount, or so much thereof as is necessary, to be
9 used for the metal casting institute, and for the institute of
10 decision making, including salaries, support, maintenance,
11 miscellaneous purposes, and for not more than the following
12 full-time equivalent positions:

13	\$	361,291
14	FTEs	4.75

15 2. The university of northern Iowa shall do all of the
16 following:

- 17 a. Direct expenditures for research toward projects that
- 18 will provide economic stimulus for Iowa.
- 19 b. Provide emphasis to providing services to Iowa-based
- 20 companies.

21 3. Notwithstanding section 8.33, moneys appropriated in
22 this section that remain unencumbered or unobligated at the
23 close of the fiscal year shall not revert but shall remain
24 available for expenditure for the purposes designated until
25 the close of the succeeding fiscal year.

26 Sec. 13. BOARD OF REGENTS REPORT. The state board of
27 regents shall submit a report on the progress of regents
28 institutions in meeting the strategic plan for technology
29 transfer and economic development to the secretary of the
30 senate, the chief clerk of the house of representatives, and
31 the legislative services agency by January 15, 2006.

32 Sec. 14. DEPARTMENT OF WORKFORCE DEVELOPMENT.

33 1. There is appropriated from the general fund of the
34 state to the department of workforce development for the
35 fiscal year beginning July 1, 2005, and ending June 30, 2006,

1 the following amount, or so much thereof as is necessary, for
2 the division of labor services, the division of workers'
3 compensation, the workforce development state and regional
4 boards, the new employment opportunity fund, immigration
5 services centers, for transfer to the boiler safety fund, for
6 transfer to the elevator safety fund, salaries, support,
7 maintenance, miscellaneous purposes, and for not more than the
8 following full-time equivalent positions:

9	\$	5,151,919
10	FTEs	86.45

11 2. From the contractor registration fees, the division of
12 labor services shall reimburse the department of inspections
13 and appeals for all costs associated with hearings under
14 chapter 91C, relating to contractor registration.

15 3. The division of workers' compensation shall continue
16 charging a \$65 filing fee for workers' compensation cases.
17 The filing fee shall be paid by the petitioner of a claim.
18 However, the fee can be taxed as a cost and paid by the losing
19 party, except in cases where it would impose an undue hardship
20 or be unjust under the circumstances. The moneys generated by
21 the filing fee allowed under this subsection are appropriated
22 to the department of workforce development to be used for
23 purposes of administering the division of workers'
24 compensation.

25 4. The department of workforce development shall maintain
26 pilot immigration service centers that offer one-stop services
27 to deal with the multiple issues related to immigration and
28 employment. The pilot centers shall be designed to support
29 workers, businesses, and communities with information,
30 referrals, job placement assistance, translation, language
31 training, resettlement, as well as technical and legal
32 assistance on such issues as forms and documentation. Through
33 the coordination of local, state, and federal service
34 providers, and through the development of partnerships with
35 public, private, and nonprofit entities with established

1 records of international service, these pilot centers shall
2 seek to provide a seamless service delivery system for new
3 Iowans.

4 5. Notwithstanding section 8.33, moneys appropriated in
5 this section that remain unencumbered or unobligated at the
6 close of the fiscal year shall not revert but shall remain
7 available for expenditure for the purposes designated until
8 the close of the succeeding fiscal year.

9 Sec. 15. EMPLOYMENT SECURITY CONTINGENCY FUND. There is
10 appropriated from the special employment security contingency
11 fund to the department of workforce development for the fiscal
12 year beginning July 1, 2005, and ending June 30, 2006, the
13 following amounts, or so much thereof as is necessary, for the
14 purposes designated:

15 DIVISION OF WORKERS' COMPENSATION

16 For salaries, support, maintenance, and miscellaneous
17 purposes:

18 \$ 471,000

19 Any remaining additional penalty and interest revenue may
20 be allocated and used to accomplish the mission of the
21 department.

22 Sec. 16. PUBLIC EMPLOYMENT RELATIONS BOARD. There is
23 appropriated from the general fund of the state to the public
24 employment relations board for the fiscal year beginning July
25 1, 2005, and ending June 30, 2006, the following amount, or so
26 much thereof as is necessary, for the purposes designated:

27 For salaries, support, maintenance, miscellaneous purposes,
28 and for not more than the following full-time equivalent
29 positions:

30 \$ 923,850

31 FTEs 10.00

32 Sec. 17. NEW SECTION. 96.51 FIELD OFFICE OPERATING FUND.

33 A field office operating fund is created in the state
34 treasury under the control of the department of workforce
35 development. The fund is separate and distinct from the

1 unemployment compensation fund. All moneys properly credited
2 to and deposited in the fund are annually appropriated to the
3 department of workforce development to be used for personnel
4 and nonpersonnel costs of operating field offices.

5 Sec. 18. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES
6 FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable
7 fuels and coproducts may apply to the department of economic
8 development for moneys in the value-added agricultural
9 products and processes financial assistance fund for deposit
10 in the renewable fuels and coproducts fund created in section
11 159A.7.

12 Sec. 19. IOWA FINANCE AUTHORITY AUDIT. The auditor of
13 state is requested to review the audit of the Iowa finance
14 authority performed by the auditor hired by the authority.
15 The auditor of state is also requested to conduct a
16 performance audit of the authority to determine the
17 effectiveness of the authority and the programs of the
18 authority.

19 Sec. 20. APPLICATION FOR DEPARTMENT OF ECONOMIC
20 DEVELOPMENT MONEYS. For the fiscal year beginning July 1,
21 2005, any entity that was specifically identified in 2001 Iowa
22 Acts, chapter 188, to receive funding from the department of
23 economic development, excluding any entity identified to
24 receive a direct appropriation beginning July 1, 2005, may
25 apply to the department for assistance through the appropriate
26 program. The department shall provide application criteria
27 necessary to implement this section.

28 Sec. 21. SHELTER ASSISTANCE FUND. In providing moneys
29 from the shelter assistance fund to homeless shelter programs
30 in the fiscal year beginning July 1, 2005, and ending June 30,
31 2006, the department of economic development shall explore the
32 potential of allocating moneys to homeless shelter programs
33 based in part on their ability to move their clients toward
34 self-sufficiency.

35 Sec. 22. UNEMPLOYMENT COMPENSATION PROGRAM.

1 Notwithstanding section 96.9, subsection 4, paragraph "a",
2 moneys credited to the state by the secretary of the treasury
3 of the United States pursuant to section 903 of the Social
4 Security Act shall be appropriated to the department of
5 workforce development and shall be used by the department for
6 the administration of the unemployment compensation program
7 only. This appropriation shall not apply to any fiscal year
8 beginning after December 31, 2005.

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HOUSE FILE 809

S-3093

1 Amend House File 809, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 11, by inserting after line 4 the
4 following:

5 "Sec. 500. 2004 Iowa Acts, chapter 1175, section
6 50, is amended by adding the following new subsection:

7 NEW SUBSECTION. 5. For sole source grant costs
8 associated with the hosting of the national special
9 olympics in Iowa by a special olympics nonprofit
10 entity, in addition to the amount appropriated for
11 this purpose in 2004 Iowa Acts, chapter 1175, section
12 288, subsection 6, paragraph "b":

13 \$ 500,000

14 Notwithstanding section 8.33, moneys appropriated
15 in this subsection that remain unencumbered or
16 unobligated at the close of the fiscal year shall not
17 revert but shall remain available for expenditure for
18 the purpose designated until the close of the fiscal
19 year that begins July 1, 2006."

20 2. Page 12, by inserting after line 8 the
21 following:

22 "Sec. ____ . EFFECTIVE DATE. Section 500 of this
23 Act amending 2004 Iowa Acts, chapter 1175, section 50,
24 being deemed of immediate importance, takes effect
25 upon enactment."

26 3. Title page, line 4, by striking the words "and
27 related matters" and inserting the following: ",
28 related matters, and providing an effective date".

29 4. By renumbering as necessary.

COMMITTEE ON APPROPRIATIONS
JEFF ANGELO, CO-CHAIRPERSON
ROBERT E. DVORSKY, CO-CHAIRPERSON

S-3093 FILED APRIL 6, 2005

HOUSE FILE 809

S-3123

1 Amend House File 809, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 4, by inserting after line 10 the
4 following:

5 "e. The department shall not charge a nonprofit,
6 public entity a fee for placement of informational
7 materials in a welcome center."

By BOB BRUNKHORST
PAT WARD
PAUL MCKINLEY

S-3123 FILED APRIL 14, 2005

ADOPTED

**HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 809**

S-3210

1 Amend the Senate amendment, H-1544, to House File
2 809, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, by inserting after line 7 the
5 following:

6 "____. Page 10, by inserting after line 31 the
7 following:

8 "Sec. ____ . ENDOW IOWA GRANTS APPROPRIATIONS.

9 1. There is appropriated from the general fund of
10 the state to the department of economic development
11 for the fiscal period beginning July 1, 2005, and
12 ending June 30, 2008, the following amounts, or so
13 much thereof as is necessary, to be used for the
14 purpose designated:

15 For endow Iowa grants to lead philanthropic
16 entities pursuant to section 15E.304:

17 FY 2005-2006.....	\$	50,000
18 FY 2006-2007.....	\$	50,000
19 FY 2007-2008.....	\$	50,000

20 2. Notwithstanding section 8.33, moneys that
21 remain unexpended at the end of the fiscal year shall
22 not revert to any fund but shall remain available for
23 expenditure for the designated purposes during the
24 succeeding fiscal year.

25 Sec. ____ . NEW SECTION. 15G.110 APPROPRIATION.

26 For the fiscal period beginning July 1, 2005, and
27 ending June 30, 2015, there is appropriated to the
28 department of economic development each fiscal year
29 fifty million dollars from the general fund of the
30 state for deposit in the grow Iowa values fund.

31 Sec. ____ . NEW SECTION. 15G.111 APPROPRIATIONS.

32 1. a. For the fiscal period beginning July 1,
33 2005, and ending June 30, 2015, there is appropriated
34 each fiscal year from the grow Iowa values fund
35 created in section 15G.108, if enacted, to the
36 department of economic development thirty-five million
37 dollars for programs administered by the department of
38 economic development.

39 b. Each year that moneys are appropriated under
40 this subsection, the department shall allocate a
41 percentage of the moneys for each of the following
42 types of activities:

- 43 (1) Business start-ups.
- 44 (2) Business expansion.
- 45 (3) Business modernization.
- 46 (4) Business attraction.
- 47 (5) Business retention.
- 48 (6) Marketing.
- 49 (7) Research and development.

50 c. The department shall require an applicant for

S-3210

1 moneys appropriated under this subsection to include
2 in the application a statement regarding the intended
3 return on investment. A recipient of moneys
4 appropriated under this subsection shall annually
5 submit a statement to the department regarding the
6 progress achieved on the intended return on investment
7 stated in the application. The department, in
8 cooperation with the department of revenue, shall
9 develop a method of identifying and tracking each new
10 job created and the leveraging of moneys through
11 financial assistance from moneys appropriated under
12 this subsection. The department of economic
13 development shall identify research and development
14 activities funded through financial assistance from
15 not more than ten percent of the moneys appropriated
16 under this subsection, and, instead of determining
17 return on investment and job creation for the
18 identified funding, determine the potential impact on
19 the state's economy.

20 d. The department may use moneys appropriated
21 under this subsection to procure technical assistance
22 from either the public or private sector, for
23 information technology purposes, for a statewide labor
24 shed study, and for rail, air, or river port
25 transportation-related purposes. The use of moneys
26 appropriated for rail, air, or river port
27 transportation-related purposes must be directly
28 related to an economic development project and the
29 moneys must be used to leverage other financial
30 assistance moneys.

31 e. Of the moneys appropriated under this
32 subsection, the department may use up to one and one-
33 half percent for administrative purposes.

34 f. The Iowa economic development board shall
35 approve or deny applications for financial assistance
36 provided with moneys appropriated under this
37 subsection. In providing such financial assistance,
38 the board shall, whenever possible, coordinate the
39 assistance with other programs administered by the
40 department of economic development, including the
41 community economic betterment program established in
42 section 15.317 and the value-added agricultural
43 products and processes financial assistance program
44 established in section 15E.111.

45 g. It is the policy of this state to expand and
46 stimulate the state economy by advancing, promoting,
47 and expanding biotechnology industries in this state.
48 To implement this policy, the Iowa economic
49 development board shall consider providing assistance
50 to projects that increase value-added income to

1 individuals or organizations involved in agricultural
2 business or biotechnology projects. Such a project
3 need not create jobs specific to the project site;
4 however, such a project must foster the knowledge and
5 creativity necessary to promote the state's
6 agricultural economy and to increase employment in
7 urban and rural areas as a result.

8 2. For the fiscal period beginning July 1, 2005,
9 and ending June 30, 2015, there is appropriated each
10 fiscal year from the grow Iowa values fund created in
11 section 15G.108, if enacted, to the department of
12 economic development five million dollars for
13 financial assistance to institutions of higher
14 learning under the control of the state board of
15 regents for capacity building infrastructure in areas
16 related to technology commercialization, for marketing
17 and business development efforts in areas related to
18 technology commercialization, entrepreneurship, and
19 business growth, and for infrastructure projects and
20 programs needed to assist in the implementation of
21 activities under chapter 262B, if so amended. In
22 allocating moneys to institutions under the control of
23 the state board of regents, the board shall require
24 the institutions to provide a one-to-one match of
25 additional moneys for the activities funded with
26 moneys appropriated under this subsection. The state
27 board of regents shall annually prepare a report for
28 submission to the governor, the general assembly, and
29 the legislative services agency regarding the
30 activities, projects, and programs funded with moneys
31 appropriated under this subsection.

32 The state board of regents may allocate any moneys
33 appropriated under this subsection and received from
34 the department for financial assistance to a single
35 biosciences development organization determined by the
36 department to possess expertise in promoting the area
37 of bioscience entrepreneurship. The organization must
38 be composed of representatives of both the public and
39 the private sector and shall be composed of subunits
40 or subcommittees in the areas of existing identified
41 biosciences platforms, education and workforce
42 development, commercialization, communication, policy
43 and governance, and finance. Such financial
44 assistance shall be used for purposes of activities
45 related to biosciences and bioeconomy development
46 under chapter 262B, if so amended, and to accredited
47 private universities in this state.

48 3. For the fiscal period beginning July 1, 2005,
49 and ending June 30, 2015, there is appropriated each
50 fiscal year from the grow Iowa values fund created in

1 section 15G.108, if enacted, to the department of
2 economic development one million dollars for purposes
3 of providing financial assistance for projects in
4 targeted state parks, state banner parks, and
5 destination parks. The department of natural
6 resources shall submit a plan to the department of
7 economic development for the expenditure of moneys
8 appropriated under this subsection. The plan shall
9 focus on improving state parks, state banner parks,
10 and destination parks for economic development
11 purposes. Based on the report submitted, the
12 department of economic development shall provide
13 financial assistance to the department of natural
14 resources for support of state parks, state banner
15 parks, and destination parks. For purposes of this
16 subsection, "state banner park" means a park with
17 multiple uses and which focuses on the economic
18 development benefits of a community or area of the
19 state.

20 4. For the fiscal period beginning July 1, 2005,
21 and ending June 30, 2015, there is appropriated each
22 fiscal year from the grow Iowa values fund created in
23 section 15G.108, if enacted, to the office of the
24 treasurer of state one million dollars for deposit in
25 the Iowa cultural trust fund created in section
26 303A.4.

27 5. For the fiscal period beginning July 1, 2005,
28 and ending June 30, 2015, there is appropriated each
29 fiscal year from the grow Iowa values fund created in
30 section 15G.108, if enacted, to the department of
31 economic development seven million dollars for deposit
32 into the workforce training and economic development
33 funds of the community colleges created pursuant to
34 section 260C.18A.

35 6. a. For the fiscal period beginning July 1,
36 2005, and ending June 30, 2015, there is appropriated
37 each fiscal year from the grow Iowa values fund
38 created in section 15G.108, if enacted, to the
39 department of economic development one million dollars
40 for providing economic development region financial
41 assistance under section 15E.232, subsections 3, 4, 5,
42 and 6, if enacted, and under section 15E.233, if
43 enacted.

44 b. Of the moneys appropriated in this subsection,
45 the department shall transfer three hundred fifty
46 thousand dollars each fiscal year for the fiscal
47 period beginning July 1, 2005, and ending June 30,
48 2015, to Iowa state university of science and
49 technology, for purposes of providing financial
50 assistance to establish small business development

1 centers in areas of the state previously served by a
2 small business development center and to maintain
3 existing small business development centers.
4 Financial assistance for a small business development
5 center shall not be awarded unless the city or county
6 where the center is located or scheduled to be located
7 demonstrates the ability to obtain local matching
8 moneys on a dollar-for-dollar basis. An award of
9 financial assistance to a small business development
10 center under this paragraph shall not exceed twenty
11 thousand dollars.

12 c. Of the moneys appropriated under this
13 subsection, the department may use up to fifty
14 thousand dollars each fiscal year during the fiscal
15 period beginning July 1, 2005, and ending June 30,
16 2015, for purposes of providing training, materials,
17 and assistance to Iowa business resource centers.

18 7. Notwithstanding section 8.33, moneys that
19 remain unexpended at the end of a fiscal year shall
20 not revert to any fund but shall remain available for
21 expenditure for the designated purposes during the
22 succeeding fiscal year."

23 2. Page 1, by inserting after line 30 the
24 following:

25 "____. Title page, line 2, by inserting after the
26 word "development," the following: "the office of the
27 treasurer of state, "."

28 3. By renumbering as necessary.

RECEIVED FROM THE HOUSE

SENATE AMENDMENT TO
HOUSE FILE 809

H-1544

1 Amend House File 809, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 4, by inserting after line 10 the
4 following:

5 "e. The department shall not charge a nonprofit,
6 public entity a fee for placement of informational
7 materials in a welcome center."

8 2. Page 11, by inserting after line 4 the
9 following:

10 "Sec. 500. 2004 Iowa Acts, chapter 1175, section
11 50, is amended by adding the following new subsection:

12 NEW SUBSECTION. 5. For sole source grant costs
13 associated with the hosting of the national special
14 olympics in Iowa by a special olympics nonprofit
15 entity, in addition to the amount appropriated for
16 this purpose in 2004 Iowa Acts, chapter 1175, section
17 288, subsection 6, paragraph "b":

18 \$ 500,000

19 Notwithstanding section 8.33, moneys appropriated
20 in this subsection that remain unencumbered or
21 unobligated at the close of the fiscal year shall not
22 revert but shall remain available for expenditure for
23 the purpose designated until the close of the fiscal
24 year that begins July 1, 2006."

25 3. Page 12, by inserting after line 8 the
26 following:

27 "Sec. ____ . EFFECTIVE DATE. Section 500 of this
28 Act amending 2004 Iowa Acts, chapter 1175, section 50,
29 being deemed of immediate importance, takes effect
30 upon enactment."

31 4. Title page, line 4, by striking the words "and
32 related matters" and inserting the following: ",
33 related matters, and providing an effective date".

34 5. By renumbering, relettering, or redesignating
35 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-1544 FILED APRIL 27, 2005

HOUSE FILE 809

H-1550

1 Amend the amendment, H-1544, to House File 809, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, by inserting after line 7 the
5 following:

6 "____. Page 10, by inserting after line 31 the
7 following:

8 "Sec. ____ . ENDOW IOWA GRANTS APPROPRIATIONS.

9 1. There is appropriated from the general fund of
10 the state to the department of economic development
11 for the fiscal period beginning July 1, 2005, and
12 ending June 30, 2008, the following amounts, or so
13 much thereof as is necessary, to be used for the
14 purpose designated:

15 For endow Iowa grants to lead philanthropic
16 entities pursuant to section 15E.304:

17 FY 2005-2006.....	\$	50,000
18 FY 2006-2007.....	\$	50,000
19 FY 2007-2008.....	\$	50,000

20 2. Notwithstanding section 8.33, moneys that
21 remain unexpended at the end of the fiscal year shall
22 not revert to any fund but shall remain available for
23 expenditure for the designated purposes during the
24 succeeding fiscal year.

25 Sec. ____ . NEW SECTION. 15G.110 APPROPRIATION.

26 For the fiscal period beginning July 1, 2005, and
27 ending June 30, 2015, there is appropriated to the
28 department of economic development each fiscal year
29 fifty million dollars from the general fund of the
30 state for deposit in the grow Iowa values fund.

31 Sec. ____ . NEW SECTION. 15G.111 APPROPRIATIONS.

32 1. a. For the fiscal period beginning July 1,
33 2005, and ending June 30, 2015, there is appropriated
34 each fiscal year from the grow Iowa values fund
35 created in section 15G.108, if enacted, to the
36 department of economic development thirty-five million
37 dollars for programs administered by the department of
38 economic development.

39 b. Each year that moneys are appropriated under
40 this subsection, the department shall allocate a
41 percentage of the moneys for each of the following
42 types of activities:

- 43 (1) Business start-ups.
- 44 (2) Business expansion.
- 45 (3) Business modernization.
- 46 (4) Business attraction.
- 47 (5) Business retention.
- 48 (6) Marketing.
- 49 (7) Research and development.

50 c. The department shall require an applicant for

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1 moneys appropriated under this subsection to include
2 in the application a statement regarding the intended
3 return on investment. A recipient of moneys
4 appropriated under this subsection shall annually
5 submit a statement to the department regarding the
6 progress achieved on the intended return on investment
7 stated in the application. The department, in
8 cooperation with the department of revenue, shall
9 develop a method of identifying and tracking each new
10 job created and the leveraging of moneys through
11 financial assistance from moneys appropriated under
12 this subsection. The department of economic
13 development shall identify research and development
14 activities funded through financial assistance from
15 not more than ten percent of the moneys appropriated
16 under this subsection, and, instead of determining
17 return on investment and job creation for the
18 identified funding, determine the potential impact on
19 the state's economy.

20 d. The department may use moneys appropriated
21 under this subsection to procure technical assistance
22 from either the public or private sector, for
23 information technology purposes, for a statewide labor
24 shed study, and for rail, air, or river port
25 transportation-related purposes. The use of moneys
26 appropriated for rail, air, or river port
27 transportation-related purposes must be directly
28 related to an economic development project and the
29 moneys must be used to leverage other financial
30 assistance moneys.

31 e. Of the moneys appropriated under this
32 subsection, the department may use up to one and one-
33 half percent for administrative purposes.

34 f. The Iowa economic development board shall
35 approve or deny applications for financial assistance
36 provided with moneys appropriated under this
37 subsection. In providing such financial assistance,
38 the board shall, whenever possible, coordinate the
39 assistance with other programs administered by the
40 department of economic development, including the
41 community economic betterment program established in
42 section 15.317 and the value-added agricultural
43 products and processes financial assistance program
44 established in section 15E.111.

45 g. It is the policy of this state to expand and
46 stimulate the state economy by advancing, promoting,
47 and expanding biotechnology industries in this state.
48 To implement this policy, the Iowa economic
49 development board shall consider providing assistance
50 to projects that increase value-added income to

1 individuals or organizations involved in agricultural
2 business or biotechnology projects. Such a project
3 need not create jobs specific to the project site;
4 however, such a project must foster the knowledge and
5 creativity necessary to promote the state's
6 agricultural economy and to increase employment in
7 urban and rural areas as a result.

8 2. For the fiscal period beginning July 1, 2005,
9 and ending June 30, 2015, there is appropriated each
10 fiscal year from the grow Iowa values fund created in
11 section 15G.108, if enacted, to the department of
12 economic development five million dollars for the
13 following:

14 a. For financial assistance to institutions of
15 higher learning under the control of the state board
16 of regents and to accredited private universities in
17 this state for infrastructure projects and programs
18 needed to assist in the implementation of activities
19 under chapter 262B.

20 b. For financial assistance to a single
21 biosciences development organization determined by the
22 department to possess expertise in promoting the area
23 of bioscience entrepreneurship. The organization must
24 be composed of representatives of both the public and
25 the private sector and shall be composed of subunits
26 or subcommittees in the areas of existing identified
27 biosciences platforms, education and workforce
28 development, commercialization, communication, policy
29 and governance, and finance. Such financial
30 assistance shall be used for purposes of activities
31 related to biosciences and bioeconomy development
32 under chapter 262B, if so amended.

33 3. For the fiscal period beginning July 1, 2005,
34 and ending June 30, 2015, there is appropriated each
35 fiscal year from the grow Iowa values fund created in
36 section 15G.108, if enacted, to the general fund of
37 the state four million dollars for payment of tax
38 credits approved pursuant to section 404A.4, if so
39 amended, for projects located in certified cultural
40 and entertainment districts.

41 4. For the fiscal period beginning July 1, 2005,
42 and ending June 30, 2015, there is appropriated each
43 fiscal year from the grow Iowa values fund created in
44 section 15G.108, if enacted, to the department of
45 economic development one million dollars for purposes
46 of providing financial assistance for projects in
47 targeted state parks, state banner parks, and
48 destination parks. The department of natural
49 resources shall submit a plan to the department of
50 economic development for the expenditure of moneys

1 appropriated under this subsection. The plan shall
2 focus on improving state parks, state banner parks,
3 and destination parks for economic development
4 purposes. Based on the report submitted, the
5 department of economic development shall provide
6 financial assistance to the department of natural
7 resources for support of state parks, state banner
8 parks, and destination parks. For purposes of this
9 subsection, "state banner park" means a park with
10 multiple uses and which focuses on the economic
11 development benefits of a community or area of the
12 state.

13 5. For the fiscal period beginning July 1, 2005,
14 and ending June 30, 2015, there is appropriated each
15 fiscal year from the grow Iowa values fund created in
16 section 15G.108, if enacted, to the office of the
17 treasurer of state one million dollars for deposit in
18 the Iowa cultural trust fund created in section
19 303A.4.

20 6. For the fiscal period beginning July 1, 2005,
21 and ending June 30, 2015, there is appropriated each
22 fiscal year from the grow Iowa values fund created in
23 section 15G.108, if enacted, to the department of
24 economic development seven million dollars for deposit
25 into the workforce training and economic development
26 funds of the community colleges created pursuant to
27 section 260C.18A.

28 7. For the fiscal period beginning July 1, 2005,
29 and ending June 30, 2015, there is appropriated each
30 fiscal year from the grow Iowa values fund created in
31 section 15G.108, if enacted, to the general fund of
32 the state four hundred thousand dollars for payment of
33 endow Iowa tax credits approved pursuant to section
34 15E.305, if so amended, and for new small business
35 development center assistance as provided in this
36 subsection.

37 8. a. For the fiscal period beginning July 1,
38 2005, and ending June 30, 2015, there is appropriated
39 each fiscal year from the grow Iowa values fund
40 created in section 15G.108, if enacted, to the
41 department of economic development one million dollars
42 for providing economic development region financial
43 assistance under section 15E.232, subsections 3, 4, 5,
44 and 6, if enacted, and under section 15E.233, if
45 enacted.

46 b. Of the moneys appropriated in this subsection,
47 the department shall transfer three hundred fifty
48 thousand dollars each fiscal year for the fiscal
49 period beginning July 1, 2005, and ending June 30,
50 2015, to Iowa state university of science and

1 technology, for purposes of providing financial
2 assistance to establish small business development
3 centers in areas of the state previously served by a
4 small business development center and to maintain
5 existing small business development centers.
6 Financial assistance for a small business development
7 center shall not be awarded unless the city of county
8 where the center is located or scheduled to be located
9 demonstrates the ability to obtain local matching
10 moneys on a dollar-for-dollar basis. An award of
11 financial assistance to a small business development
12 center under this paragraph shall not exceed twenty
13 thousand dollars.

14 c. Of the moneys appropriated under this
15 subsection, the department may use up to fifty
16 thousand dollars each fiscal year during the fiscal
17 period beginning July 1, 2005, and ending June 30,
18 2015, for purposes of providing training, materials,
19 and assistance to Iowa business resource centers.

20 9. For the fiscal period beginning July 1, 2005,
21 and ending June 30, 2015, there is appropriated each
22 fiscal year from the grow Iowa values fund created in
23 section 15G.108, if enacted, to the general fund of
24 the state two million dollars for payment of economic
25 development region revolving fund contribution tax
26 credits approved pursuant to section 15E.232, if
27 enacted.

28 10. Notwithstanding section 8.33, moneys that
29 remain unexpended at the end of a fiscal year shall
30 not revert to any fund but shall remain available for
31 expenditure for the designated purposes during the
32 succeeding fiscal year.""

33 2. By renumbering as necessary.

By HOFFMAN of Crawford

HOUSE FILE 809

H-1551

1 Amend the Senate amendment, H-1544, to House File
2 809, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, by inserting after line 7 the
5 following:

6 "____. Page 10, by inserting after line 31 the
7 following:

8 "Sec. ____ DEPARTMENT OF CULTURAL AFFAIRS. There
9 is appropriated from the general fund of the state to
10 the department of cultural affairs for the fiscal year
11 beginning July 1, 2005, and ending June 30, 2006, two
12 hundred fifty thousand dollars for planning and
13 programming for the community cultural grant program
14 established under section 303.3. The moneys
15 appropriated under this section shall be in addition
16 to any other moneys appropriated to the department for
17 the same purposes.""

18 2. Page 1, by inserting after line 30 the
19 following:

20 "____. Title page, line 2, by inserting after the
21 word "development," the following: "the department of
22 cultural affairs,.""

23 3. By renumbering as necessary.

By MILLER of Webster

H-1551 FILED APRIL 27, 2005

H-1552

1 Amend the amendment, H-1550, to the Senate
2 amendment, H-1544, to House File 809, as amended,
3 passed, and reprinted by the House, as follows:

4 1. By striking page 1, line 8, through page 5,
5 line 32, and inserting the following:

6 ""Section 1. NEW SECTION. 15E.315 REGULATORY
7 EFFICIENCY COMMISSION.

8 1. A regulatory efficiency commission is
9 established for purposes of identifying unneeded,
10 outdated, or ineffective regulations, fines, and fees
11 that hinder business development or efficient
12 governmental operation relative to business
13 development activities. The commission shall also
14 develop methods for streamlining business access to
15 regulatory information. The commission shall maintain
16 an ongoing process for inviting, receiving, and
17 considering suggestions from the public, business
18 owners, employees, and others for regulatory changes.
19 Commission staffing shall be provided by the
20 department.

21 2. The commission shall consist of ten voting
22 members appointed by the governor and four ex officio
23 members. Members appointed by the governor are
24 subject to confirmation by the senate and shall serve
25 three-year staggered terms as designated by the
26 governor beginning and ending as provided in section
27 69.19. A vacancy in membership shall be filled in the
28 same manner as the original appointment. The members
29 shall serve without compensation, but shall be
30 reimbursed for actual and necessary expenses incurred
31 in the performance of official duties as a member.
32 The members of the commission shall select a
33 chairperson and any other officers deemed by the
34 commission to be necessary from their membership. The
35 commission shall meet at least quarterly but may meet
36 as often as necessary. Meetings shall be set by a
37 majority of the commission or upon the call of the
38 chairperson. A majority of the commission members
39 shall constitute a quorum.

40 a. The ten voting members shall consist of the
41 following:

42 (1) Two members shall be economic development
43 representatives from two different chambers of
44 commerce. One shall be from a metropolitan area with
45 more than fifty thousand people and one shall be from
46 a metropolitan area with fifty thousand people or
47 less.

48 (2) Two members representing agricultural
49 interests, at least one of whom is involved in
50 marketing farm products directly to consumers or

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1 businesses.

2 (3) One member representing the Iowa association
3 of business and industry.

4 (4) One member representing commercial-based
5 businesses.

6 (5) One member representing manufacturing-based
7 businesses.

8 (6) One member representing an environmental
9 organization.

10 (7) One member representing labor interests.

11 (8) One member representing consumer advocacy
12 organizations.

13 b. The four ex officio members shall be members of
14 the general assembly. Two members shall be from the
15 senate and two members shall be from the house of
16 representatives, with not more than one member from
17 each chamber being from the same political party. The
18 two senators shall be designated by the president of
19 the senate after consultation with the majority and
20 minority leaders of the senate. The two
21 representatives shall be designated by the speaker of
22 the house of representatives after consultation with
23 the majority and minority leaders of the house of
24 representatives. Legislative members shall serve in
25 an ex officio, nonvoting capacity.

26 3. The commission shall submit a written report
27 annually by December 15 to the governor and the
28 general assembly. The report shall include the
29 findings and legislative recommendations of the
30 commission. The report shall be distributed by the
31 secretary of the senate and the chief clerk of the
32 house of representatives to the chairpersons and
33 members of the administrative rules review committee
34 and to the standing committees in the senate and the
35 house of representatives that deal with economic
36 development and economic growth.

37 Sec. 2. NEW SECTION. 15E.316 REGULATORY
38 OMBUDSMAN OFFICE.

39 The department shall establish a regulatory
40 ombudsman office for purposes of assisting businesses
41 with regulatory issues. The office shall assist
42 businesses with state program and regulatory
43 applications, direct businesses to proper entities for
44 specialized assistance, and provide businesses with
45 general information regarding programs and regulatory
46 issues.

47 Sec. 3. Section 260C.18A, subsection 2, paragraph
48 b, Code 2005, is amended to read as follows:

49 b. Projects in which an agreement between a
50 community college and a business meet all the

1 requirements of the Iowa jobs training Act under
2 chapter 260F. However, projects funded by moneys
3 provided by a local workforce training and economic
4 development fund of a community college are not
5 subject to the maximum advance or award limitations
6 contained in section 260F.6, subsection 2, or the
7 allocation limitations contained in section 260F.8,
8 subsection 1.

9 Sec. 4. Section 260C.18A, subsection 2, Code 2005,
10 is amended by adding the following new paragraph:

11 NEW PARAGRAPH. f. Training and retraining
12 programs for targeted industries as authorized in
13 section 15.343, subsection 2, paragraph "a".

14 Sec. 5. Section 260C.18A, subsection 5, Code 2005,
15 is amended by striking the subsection.

16 Sec. 6. NEW SECTION. 303.3B CULTURAL AND
17 ENTERTAINMENT DISTRICTS.

18 1. The department of cultural affairs shall
19 establish and administer a cultural and entertainment
20 district certification program. The program shall
21 encourage the growth of communities through the
22 development of areas within a city for public and
23 private uses related to cultural and entertainment
24 purposes.

25 2. A city may create and designate a cultural and
26 entertainment district subject to certification by the
27 department of cultural affairs, in consultation with
28 the department of economic development. A cultural
29 and entertainment district is encouraged to
30 incorporate historic buildings within the district and
31 must incorporate the planning principles listed in
32 section 15F.203, subsection 3, paragraph "g". A
33 cultural and entertainment district certification
34 shall remain in effect for ten years following the
35 date of certification. Two or more cities may apply
36 jointly for certification of a district that extends
37 across a common boundary. Through the adoption of
38 administrative rules, the department of cultural
39 affairs shall develop a certification application for
40 use in the certification process.

41 3. The department of cultural affairs shall
42 encourage development projects and activities located
43 in certified cultural and entertainment districts
44 through incentives under cultural grant programs
45 pursuant to section 303.3, chapter 303A, and any other
46 grant programs.

47 4. A city may form a cultural and entertainment
48 district administrative committee for purposes of
49 administering and fostering activities in the
50 district. At least half of the committee membership

1 must include members who are younger than thirty-five
2 years of age at the time of appointment to the
3 committee.

4 5. The department shall establish and administer a
5 cultural and entertainment district events program for
6 purposes of providing financial assistance for
7 cultural and entertainment events located in cultural
8 and entertainment districts certified pursuant to this
9 section. Financial assistance under the program shall
10 take the form of grants.

11 Sec. 7. Section 404A.4, subsection 4, Code 2005,
12 is amended to read as follows:

13 4. The For the fiscal year beginning July 1, 2005,
14 the total amount of tax credits that may be approved
15 for the fiscal year under this chapter shall not
16 exceed twenty million dollars. For the fiscal year
17 beginning July 1, 2006, and every fiscal year
18 thereafter, the total amount of tax credits that may
19 be approved for a fiscal year under this chapter shall
20 not exceed two million four hundred thousand dollars.
21 For the fiscal years year beginning July 1, 2005, and
22 July 1, 2006, an additional five hundred thousand
23 dollars of tax credits may be approved each fiscal
24 year for purposes of projects located in cultural and
25 entertainment districts certified pursuant to section
26 303.3B. Any of the additional tax credits allocated
27 for projects located in certified cultural and
28 entertainment districts that are not approved during a
29 fiscal year may be carried over to the succeeding
30 fiscal year. The department of cultural affairs shall
31 establish by rule the procedures for the application,
32 review, selection, and awarding of certifications of
33 completion. The departments of economic development,
34 cultural affairs, and revenue shall each adopt rules
35 to jointly administer this subsection and shall
36 provide by rule for the method to be used to determine
37 for which fiscal year the tax credits are available.

38 Sec. 8. APPROPRIATIONS.

39 1. MAIN STREET PROGRAM.

40 a. For the fiscal year beginning July 1, 2005, and
41 ending June 30, 2006, there is appropriated from the
42 general fund of the state to the department of
43 cultural affairs one million dollars for purposes of
44 the main street program.

45 b. The department of economic development shall
46 transfer the administrative duties of the main street
47 program to the department of cultural affairs. The
48 department of cultural affairs shall adopt rules
49 pursuant to chapter 17A for purposes of administering
50 the program. The department of cultural affairs shall

1 make the program available to cities of any size in
2 the state. Any approved project or activity
3 originally approved by the department of economic
4 development under the main street program remains
5 valid. The transfer of administrative duties to the
6 department of cultural affairs shall not constitute
7 grounds for rescission or modification of main street
8 program contracts entered into with the department of
9 economic development.

10 2. CULTURAL AND ENTERTAINMENT DISTRICT EVENTS
11 PROGRAM. For the fiscal year beginning July 1, 2005,
12 and ending June 30, 2006, there is appropriated from
13 the general fund of the state to the department of
14 economic development one million dollars for purposes
15 of administering section 15E.321.

16 3. WORKFORCE TRAINING. For the fiscal year
17 beginning July 1, 2005, and ending June 30, 2006,
18 there is appropriated from the general fund of the
19 state to the department of economic development
20 fourteen million dollars for deposit into the
21 workforce training and economic development funds of
22 the community colleges created pursuant to section
23 260C.18A.

24 4. LOAN AND CREDIT GUARANTEE.

25 a. For the fiscal year beginning July 1, 2005, and
26 ending June 30, 2006, there is appropriated from the
27 general fund of the state to the department of
28 economic development ten million dollars for deposit
29 into the loan and credit guarantee fund created
30 pursuant to section 15E.227.

31 b. The moneys appropriated under this subsection
32 shall be used by the department under the loan and
33 credit guarantee program for purposes of loan or
34 credit guarantees to small businesses in
35 geographically diverse parts of the state. Within two
36 years of receiving a loan or credit guarantee under
37 the program, a small business must provide and pay at
38 least eighty percent of the cost of a standard medical
39 and dental insurance plan for full-time employees. A
40 small business receiving a loan or credit guarantee
41 under the program shall agree to pay a median wage for
42 new full-time jobs of at least thirteen dollars and
43 thirty-five cents per hour indexed to 2004 dollars
44 based on the gross national product implicit price
45 deflator published by the bureau of economic analysis
46 of the United States department of commerce or one
47 hundred thirty percent of the average wage in the
48 county in which the small business is located,
49 whichever is higher. For purposes of this paragraph,
50 "small business" means a business with less than fifty

1 employees.

2 5. SMALL BUSINESS DEVELOPMENT CENTERS.

3 a. For the fiscal year beginning July 1, 2005, and
4 ending June 30, 2006, there is appropriated from the
5 general fund of the state to Iowa state university of
6 science and technology two million dollars for the
7 purposes provided in paragraph "b".

8 b. The moneys appropriated in this subsection
9 shall be allocated by Iowa state university to small
10 business development centers to develop and administer
11 programs to assist small businesses to plan for the
12 transfer of ownership of the business, including the
13 transfer of all or a part of the ownership of a
14 business to an employee stock ownership plan.

15 6. REGULATORY OMBUDSMAN OFFICE. For the fiscal
16 year beginning July 1, 2005, and ending June 30, 2006,
17 there is appropriated from the general fund of the
18 state to the department of economic development two
19 hundred fifty thousand dollars for purposes of
20 administering section 15E.316. The department may
21 create three full-time equivalent positions for
22 purposes of administering section 15E.316.""

23 2. By renumbering as necessary.

By FALLON of Polk

HOUSE FILE 809

H-1554

1 Amend the Senate amendment, H-1544, to House File
2 809, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, by inserting after line 7 the
5 following:

6 "____. Page 10, by inserting after line 31 the
7 following:

8 "Sec. ____ . ENDOW IOWA GRANTS APPROPRIATIONS.

9 1. There is appropriated from the general fund of
10 the state to the department of economic development
11 for the fiscal period beginning July 1, 2005, and
12 ending June 30, 2008, the following amounts, or so
13 much thereof as is necessary, to be used for the
14 purpose designated:

15 For endow Iowa grants to lead philanthropic	
16 entities pursuant to section 15E.304:	
17 FY 2005-2006.....	\$ 50,000
18 FY 2006-2007.....	\$ 50,000
19 FY 2007-2008.....	\$ 50,000

20 2. Notwithstanding section 8.33, moneys that
21 remain unexpended at the end of the fiscal year shall
22 not revert to any fund but shall remain available for
23 expenditure for the designated purposes during the
24 succeeding fiscal year.

25 Sec. ____ . NEW SECTION. 15G.110 APPROPRIATION.

26 For the fiscal period beginning July 1, 2005, and
27 ending June 30, 2015, there is appropriated to the
28 department of economic development each fiscal year
29 fifty million dollars from the general fund of the
30 state for deposit in the grow Iowa values fund.

31 Sec. ____ . NEW SECTION. 15G.111 APPROPRIATIONS.

32 1. a. For the fiscal period beginning July 1,
33 2005, and ending June 30, 2015, there is appropriated
34 each fiscal year from the grow Iowa values fund
35 created in section 15G.108, if enacted, to the
36 department of economic development thirty-five million
37 dollars for programs administered by the department of
38 economic development.

39 b. Each year that moneys are appropriated under
40 this subsection, the department shall allocate a
41 percentage of the moneys for each of the following
42 types of activities:

- 43 (1) Business start-ups.
- 44 (2) Business expansion.
- 45 (3) Business modernization.
- 46 (4) Business attraction.
- 47 (5) Business retention.
- 48 (6) Marketing.
- 49 (7) Research and development.

50 c. The department shall require an applicant for

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1 moneys appropriated under this subsection to include
2 in the application a statement regarding the intended
3 return on investment. A recipient of moneys
4 appropriated under this subsection shall annually
5 submit a statement to the department regarding the
6 progress achieved on the intended return on investment
7 stated in the application. The department, in
8 cooperation with the department of revenue, shall
9 develop a method of identifying and tracking each new
10 job created and the leveraging of moneys through
11 financial assistance from moneys appropriated under
12 this subsection. The department of economic
13 development shall identify research and development
14 activities funded through financial assistance from
15 not more than ten percent of the moneys appropriated
16 under this subsection, and, instead of determining
17 return on investment and job creation for the
18 identified funding, determine the potential impact on
19 the state's economy.

20 d. The department may use moneys appropriated
21 under this subsection to procure technical assistance
22 from either the public or private sector, for
23 information technology purposes, for a statewide labor
24 shed study, and for rail, air, or river port
25 transportation-related purposes. The use of moneys
26 appropriated for rail, air, or river port
27 transportation-related purposes must be directly
28 related to an economic development project and the
29 moneys must be used to leverage other financial
30 assistance moneys.

31 e. Of the moneys appropriated under this
32 subsection, the department may use up to one and one-
33 half percent for administrative purposes.

34 f. The Iowa economic development board shall
35 approve or deny applications for financial assistance
36 provided with moneys appropriated under this
37 subsection. In providing such financial assistance,
38 the board shall, whenever possible, coordinate the
39 assistance with other programs administered by the
40 department of economic development, including the
41 community economic betterment program established in
42 section 15.317 and the value-added agricultural
43 products and processes financial assistance program
44 established in section 15E.111.

45 g. It is the policy of this state to expand and
46 stimulate the state economy by advancing, promoting,
47 and expanding biotechnology industries in this state.
48 To implement this policy, the Iowa economic
49 development board shall consider providing assistance
50 to projects that increase value-added income to

1 individuals or organizations involved in agricultural
2 business or biotechnology projects. Such a project
3 need not create jobs specific to the project site;
4 however, such a project must foster the knowledge and
5 creativity necessary to promote the state's
6 agricultural economy and to increase employment in
7 urban and rural areas as a result.

8 2. For the fiscal period beginning July 1, 2005,
9 and ending June 30, 2015, there is appropriated each
10 fiscal year from the grow Iowa values fund created in
11 section 15G.108, if enacted, to the department of
12 economic development five million dollars for
13 financial assistance to institutions of higher
14 learning under the control of the state board of
15 regents and to accredited private universities in this
16 state for capacity building infrastructure in areas
17 related to technology commercialization, for marketing
18 and business development efforts in areas related to
19 technology commercialization, entrepreneurship, and
20 business growth, and for infrastructure projects and
21 programs needed to assist in the implementation of
22 activities under chapter 262B, if so amended. In
23 allocating moneys to institutions under the control of
24 the state board of regents, the board shall require
25 the institutions to provide a one-to-one match of
26 additional moneys for the activities funded with
27 moneys appropriated under this subsection. The state
28 board of regents shall annually prepare a report for
29 submission to the governor, the general assembly, and
30 the legislative services agency regarding the
31 activities, projects, and programs funded with moneys
32 appropriated under this subsection.

33 The state board of regents may allocate any moneys
34 appropriated under this subsection and received from
35 the department for financial assistance to a single
36 biosciences development organization determined by the
37 department to possess expertise in promoting the area
38 of bioscience entrepreneurship. The organization must
39 be composed of representatives of both the public and
40 the private sector and shall be composed of subunits
41 or subcommittees in the areas of existing identified
42 biosciences platforms, education and workforce
43 development, commercialization, communication, policy
44 and governance, and finance. Such financial
45 assistance shall be used for purposes of activities
46 related to biosciences and bioeconomy development
47 under chapter 262B, if so amended.

48 3. For the fiscal period beginning July 1, 2005,
49 and ending June 30, 2015, there is appropriated each
50 fiscal year from the grow Iowa values fund created in

1 section 15G.108, if enacted, to the department of
2 economic development one million dollars for purposes
3 of providing financial assistance for projects in
4 targeted state parks, state banner parks, and
5 destination parks. The department of natural
6 resources shall submit a plan to the department of
7 economic development for the expenditure of moneys
8 appropriated under this subsection. The plan shall
9 focus on improving state parks, state banner parks,
10 and destination parks for economic development
11 purposes. Based on the report submitted, the
12 department of economic development shall provide
13 financial assistance to the department of natural
14 resources for support of state parks, state banner
15 parks, and destination parks. For purposes of this
16 subsection, "state banner park" means a park with
17 multiple uses and which focuses on the economic
18 development benefits of a community or area of the
19 state.

20 4. For the fiscal period beginning July 1, 2005,
21 and ending June 30, 2015, there is appropriated each
22 fiscal year from the grow Iowa values fund created in
23 section 15G.108, if enacted, to the office of the
24 treasurer of state one million dollars for deposit in
25 the Iowa cultural trust fund created in section
26 303A.4.

27 5. For the fiscal period beginning July 1, 2005,
28 and ending June 30, 2015, there is appropriated each
29 fiscal year from the grow Iowa values fund created in
30 section 15G.108, if enacted, to the department of
31 economic development seven million dollars for deposit
32 into the workforce training and economic development
33 funds of the community colleges created pursuant to
34 section 260C.18A.

35 6. a. For the fiscal period beginning July 1,
36 2005, and ending June 30, 2015, there is appropriated
37 each fiscal year from the grow Iowa values fund
38 created in section 15G.108, if enacted, to the
39 department of economic development one million dollars
40 for providing economic development region financial
41 assistance under section 15E.232, subsections 3, 4, 5,
42 and 6, if enacted, and under section 15E.233, if
43 enacted.

44 b. Of the moneys appropriated in this subsection,
45 the department shall transfer three hundred fifty
46 thousand dollars each fiscal year for the fiscal
47 period beginning July 1, 2005, and ending June 30,
48 2015, to Iowa state university of science and
49 technology, for purposes of providing financial
50 assistance to establish small business development

1 centers in areas of the state previously served by a
 2 small business development center and to maintain
 3 existing small business development centers.
 4 Financial assistance for a small business development
 5 center shall not be awarded unless the city of county
 6 where the center is located or scheduled to be located
 7 demonstrates the ability to obtain local matching
 8 moneys on a dollar-for-dollar basis. An award of
 9 financial assistance to a small business development
 10 center under this paragraph shall not exceed twenty
 11 thousand dollars.

12 c. Of the moneys appropriated under this
 13 subsection, the department may use up to fifty
 14 thousand dollars each fiscal year during the fiscal
 15 period beginning July 1, 2005, and ending June 30,
 16 2015, for purposes of providing training, materials,
 17 and assistance to Iowa business resource centers.

18 7. Notwithstanding section 8.33, moneys that
 19 remain unexpended at the end of a fiscal year shall
 20 not revert to any fund but shall remain available for
 21 expenditure for the designated purposes during the
 22 succeeding fiscal year."

23 2. Page 1, by inserting after line 30 the
 24 following:

25 " _____. Title page, line 2, by inserting after the
 26 word "development," the following: "the office of the
 27 treasurer of state, "."

28 3. By renumbering as necessary.

By HOFFMAN of Crawford

H-1554 FILED APRIL 27, 2005

HOUSE FILE 809

H-1556

1 Amend the amendment, H-1554, to the Senate
 2 amendment, H-1544, to House File 809, as amended,
 3 passed, and reprinted by the House, as follows:

4 1. Page 1, by inserting after line 24 the
 5 following:

6 "Sec. _____. DEPARTMENT OF CULTURAL AFFAIRS. There
 7 is appropriated from the general fund of the state to
 8 the department of cultural affairs for the fiscal year
 9 beginning July 1, 2005, and ending June 30, 2006, two
 10 hundred fifty thousand dollars for planning and
 11 programming for the community cultural grant program
 12 established under section 303.3. The moneys
 13 appropriated under this section shall be in addition
 14 to any other moneys appropriated to the department for
 15 the same purposes."

16 2. Page 5, line 27, by inserting after the word
 17 "state," the following: "the department of cultural
 18 affairs, "."

19 3. By renumbering as necessary.

By MILLER of Webster

H-1556 FILED APRIL 27, 2005

H-1562

1 Amend the amendment, H-1554, to the Senate
2 amendment, H-1544, to House File 809, as amended,
3 passed, and reprinted by the House, as follows:

4 1. By striking page 1, line 8, through page 5,
5 line 22, and inserting the following:

6 ""Section 1. NEW SECTION. 15E.315 REGULATORY
7 EFFICIENCY COMMISSION.

8 1. A regulatory efficiency commission is
9 established for purposes of identifying unneeded,
10 outdated, or ineffective regulations, fines, and fees
11 that hinder business development or efficient
12 governmental operation relative to business
13 development activities. The commission shall also
14 develop methods for streamlining business access to
15 regulatory information. The commission shall maintain
16 an ongoing process for inviting, receiving, and
17 considering suggestions from the public, business
18 owners, employees, and others for regulatory changes.
19 Commission staffing shall be provided by the
20 department.

21 2. The commission shall consist of ten voting
22 members appointed by the governor and four ex officio
23 members. Members appointed by the governor are
24 subject to confirmation by the senate and shall serve
25 three-year staggered terms as designated by the
26 governor beginning and ending as provided in section
27 69.19. A vacancy in membership shall be filled in the
28 same manner as the original appointment. The members
29 shall serve without compensation, but shall be
30 reimbursed for actual and necessary expenses incurred
31 in the performance of official duties as a member.
32 The members of the commission shall select a
33 chairperson and any other officers deemed by the
34 commission to be necessary from their membership. The
35 commission shall meet at least quarterly but may meet
36 as often as necessary. Meetings shall be set by a
37 majority of the commission or upon the call of the
38 chairperson. A majority of the commission members
39 shall constitute a quorum.

40 a. The ten voting members shall consist of the
41 following:

42 (1) Two members shall be economic development
43 representatives from two different chambers of
44 commerce. One shall be from a metropolitan area with
45 more than fifty thousand people and one shall be from
46 a metropolitan area with fifty thousand people or
47 less.

48 (2) Two members representing agricultural
49 interests, at least one of whom is involved in
50 marketing farm products directly to consumers or

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1 businesses.

2 (3) One member representing the Iowa association
3 of business and industry.

4 (4) One member representing commercial-based
5 businesses.

6 (5) One member representing manufacturing-based
7 businesses.

8 (6) One member representing an environmental
9 organization.

10 (7) One member representing labor interests.

11 (8) One member representing consumer advocacy
12 organizations.

13 b. The four ex officio members shall be members of
14 the general assembly. Two members shall be from the
15 senate and two members shall be from the house of
16 representatives, with not more than one member from
17 each chamber being from the same political party. The
18 two senators shall be designated by the president of
19 the senate after consultation with the majority and
20 minority leaders of the senate. The two
21 representatives shall be designated by the speaker of
22 the house of representatives after consultation with
23 the majority and minority leaders of the house of
24 representatives. Legislative members shall serve in
25 an ex officio, nonvoting capacity.

26 3. The commission shall submit a written report
27 annually by December 15 to the governor and the
28 general assembly. The report shall include the
29 findings and legislative recommendations of the
30 commission. The report shall be distributed by the
31 secretary of the senate and the chief clerk of the
32 house of representatives to the chairpersons and
33 members of the administrative rules review committee
34 and to the standing committees in the senate and the
35 house of representatives that deal with economic
36 development and economic growth.

37 Sec. 2. NEW SECTION. 15E.316 REGULATORY
38 OMBUDSMAN OFFICE.

39 The department shall establish a regulatory
40 ombudsman office for purposes of assisting businesses
41 with regulatory issues. The office shall assist
42 businesses with state program and regulatory
43 applications, direct businesses to proper entities for
44 specialized assistance, and provide businesses with
45 general information regarding programs and regulatory
46 issues.

47 Sec. 3. Section 260C.18A, subsection 2, paragraph
48 b, Code 2005, is amended to read as follows:

49 b. Projects in which an agreement between a
50 community college and a business meet all the

1 requirements of the Iowa jobs training Act under
2 chapter 260F. However, projects funded by moneys
3 provided by a local workforce training and economic
4 development fund of a community college are not
5 subject to the maximum advance or award limitations
6 contained in section 260F.6, subsection 2, or the
7 allocation limitations contained in section 260F.8,
8 subsection 1.

9 Sec. 4. Section 260C.18A, subsection 2, Code 2005,
10 is amended by adding the following new paragraph:

11 NEW PARAGRAPH. f. Training and retraining
12 programs for targeted industries as authorized in
13 section 15.343, subsection 2, paragraph "a".

14 Sec. 5. Section 260C.18A, subsection 5, Code 2005,
15 is amended by striking the subsection.

16 Sec. 6. NEW SECTION. 303.3B CULTURAL AND
17 ENTERTAINMENT DISTRICTS.

18 1. The department of cultural affairs shall
19 establish and administer a cultural and entertainment
20 district certification program. The program shall
21 encourage the growth of communities through the
22 development of areas within a city for public and
23 private uses related to cultural and entertainment
24 purposes.

25 2. A city may create and designate a cultural and
26 entertainment district subject to certification by the
27 department of cultural affairs, in consultation with
28 the department of economic development. A cultural
29 and entertainment district is encouraged to
30 incorporate historic buildings within the district and
31 must incorporate the planning principles listed in
32 section 15F.203, subsection 3, paragraph "g". A
33 cultural and entertainment district certification
34 shall remain in effect for ten years following the
35 date of certification. Two or more cities may apply
36 jointly for certification of a district that extends
37 across a common boundary. Through the adoption of
38 administrative rules, the department of cultural
39 affairs shall develop a certification application for
40 use in the certification process.

41 3. The department of cultural affairs shall
42 encourage development projects and activities located
43 in certified cultural and entertainment districts
44 through incentives under cultural grant programs
45 pursuant to section 303.3, chapter 303A, and any other
46 grant programs.

47 4. A city may form a cultural and entertainment
48 district administrative committee for purposes of
49 administering and fostering activities in the
50 district. At least half of the committee membership

1 must include members who are younger than thirty-five
2 years of age at the time of appointment to the
3 committee.

4 5. The department shall establish and administer a
5 cultural and entertainment district events program for
6 purposes of providing financial assistance for
7 cultural and entertainment events located in cultural
8 and entertainment districts certified pursuant to this
9 section. Financial assistance under the program shall
10 take the form of grants.

11 Sec. 7. Section 404A.4, subsection 4, Code 2005,
12 is amended to read as follows:

13 4. The For the fiscal year beginning July 1, 2005,
14 the total amount of tax credits that may be approved
15 for the fiscal year under this chapter shall not
16 exceed twenty million dollars. For the fiscal year
17 beginning July 1, 2006, and every fiscal year
18 thereafter, the total amount of tax credits that may
19 be approved for a fiscal year under this chapter shall
20 not exceed two million four hundred thousand dollars.
21 For the fiscal years year beginning July 1, 2005, and
22 July 1, 2006, an additional five hundred thousand
23 dollars of tax credits may be approved each fiscal
24 year for purposes of projects located in cultural and
25 entertainment districts certified pursuant to section
26 303.3B. Any of the additional tax credits allocated
27 for projects located in certified cultural and
28 entertainment districts that are not approved during a
29 fiscal year may be carried over to the succeeding
30 fiscal year. The department of cultural affairs shall
31 establish by rule the procedures for the application,
32 review, selection, and awarding of certifications of
33 completion. The departments of economic development,
34 cultural affairs, and revenue shall each adopt rules
35 to jointly administer this subsection and shall
36 provide by rule for the method to be used to determine
37 for which fiscal year the tax credits are available.

38 Sec. 8. APPROPRIATIONS.

39 1. MAIN STREET PROGRAM.

40 a. For the fiscal year beginning July 1, 2005, and
41 ending June 30, 2006, there is appropriated from the
42 general fund of the state to the department of
43 cultural affairs one million dollars for purposes of
44 the main street program.

45 b. The department of economic development shall
46 transfer the administrative duties of the main street
47 program to the department of cultural affairs. The
48 department of cultural affairs shall adopt rules
49 pursuant to chapter 17A for purposes of administering
50 the program. The department of cultural affairs shall

1 make the program available to cities of any size in
2 the state. Any approved project or activity
3 originally approved by the department of economic
4 development under the main street program remains
5 valid. The transfer of administrative duties to the
6 department of cultural affairs shall not constitute
7 grounds for rescission or modification of main street
8 program contracts entered into with the department of
9 economic development.

10 2. CULTURAL AND ENTERTAINMENT DISTRICT EVENTS
11 PROGRAM. For the fiscal year beginning July 1, 2005,
12 and ending June 30, 2006, there is appropriated from
13 the general fund of the state to the department of
14 economic development one million dollars for purposes
15 of administering section 15E.321.

16 3. WORKFORCE TRAINING. For the fiscal year
17 beginning July 1, 2005, and ending June 30, 2006,
18 there is appropriated from the general fund of the
19 state to the department of economic development
20 fourteen million dollars for deposit into the
21 workforce training and economic development funds of
22 the community colleges created pursuant to section
23 260C.18A.

24 4. LOAN AND CREDIT GUARANTEE.

25 a. For the fiscal year beginning July 1, 2005, and
26 ending June 30, 2006, there is appropriated from the
27 general fund of the state to the department of
28 economic development ten million dollars for deposit
29 into the loan and credit guarantee fund created
30 pursuant to section 15E.227.

31 b. The moneys appropriated under this subsection
32 shall be used by the department under the loan and
33 credit guarantee program for purposes of loan or
34 credit guarantees to small businesses in
35 geographically diverse parts of the state. Within two
36 years of receiving a loan or credit guarantee under
37 the program, a small business must provide and pay at
38 least eighty percent of the cost of a standard medical
39 and dental insurance plan for full-time employees. A
40 small business receiving a loan or credit guarantee
41 under the program shall agree to pay a median wage for
42 new full-time jobs of at least thirteen dollars and
43 thirty-five cents per hour indexed to 2004 dollars
44 based on the gross national product implicit price
45 deflator published by the bureau of economic analysis
46 of the United States department of commerce or one
47 hundred thirty percent of the average wage in the
48 county in which the small business is located,
49 whichever is higher. For purposes of this paragraph,
50 "small business" means a business with less than fifty

1 employees.

2 5. SMALL BUSINESS DEVELOPMENT CENTERS.

3 a. For the fiscal year beginning July 1, 2005, and
4 ending June 30, 2006, there is appropriated from the
5 general fund of the state to Iowa state university of
6 science and technology two million dollars for the
7 purposes provided in paragraph "b".

8 b. The moneys appropriated in this subsection
9 shall be allocated by Iowa state university to small
10 business development centers to develop and administer
11 programs to assist small businesses to plan for the
12 transfer of ownership of the business, including the
13 transfer of all or a part of the ownership of a
14 business to an employee stock ownership plan.

15 6. REGULATORY OMBUDSMAN OFFICE. For the fiscal
16 year beginning July 1, 2005, and ending June 30, 2006,
17 there is appropriated from the general fund of the
18 state to the department of economic development two
19 hundred fifty thousand dollars for purposes of
20 administering section 15E.316. The department may
21 create three full-time equivalent positions for
22 purposes of administering section 15E.316.""

23 2. By renumbering as necessary.

By FALLON of Polk

H-1562 FILED APRIL 27, 2005

HOUSE FILE 809

H-1564

1 Amend the amendment, H-1554, to the Senate
2 amendment, H-1544, to House File 809, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 3, lines 15 and 16, by striking the words
5 "and to accredited private universities in this
6 state".

7 2. Page 3, line 47, by inserting after the word
8 "amended" the following: ", and to accredited private
9 universities in this state".

By JENKINS of Black Hawk

H-1564 FILED APRIL 27, 2005

H-1565

1 Amend the Senate amendment, H-1544, to House File
2 809, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, by inserting after line 7 the
5 following:

6 "____. Page 10, by inserting after line 31 the
7 following:

8 "Sec. ____ . ENDOW IOWA GRANTS APPROPRIATIONS.

9 1. There is appropriated from the general fund of
10 the state to the department of economic development
11 for the fiscal period beginning July 1, 2005, and
12 ending June 30, 2008, the following amounts, or so
13 much thereof as is necessary, to be used for the
14 purpose designated:

15 For endow Iowa grants to lead philanthropic
16 entities pursuant to section 15E.304:

17 FY 2005-2006.....	\$	50,000
18 FY 2006-2007.....	\$	50,000
19 FY 2007-2008.....	\$	50,000

20 2. Notwithstanding section 8.33, moneys that
21 remain unexpended at the end of the fiscal year shall
22 not revert to any fund but shall remain available for
23 expenditure for the designated purposes during the
24 succeeding fiscal year.

25 Sec. ____ . NEW SECTION. 15G.110 APPROPRIATION.

26 For the fiscal year beginning July 1, 2005, and
27 ending June 30, 2006, there is appropriated to the
28 department of economic development fifty million
29 dollars from the general fund of the state for deposit
30 in the grow Iowa values fund.

31 Sec. ____ . NEW SECTION. 15G.111 APPROPRIATIONS.

32 1. a. For the fiscal year beginning July 1, 2005,
33 and ending June 30, 2006, there is appropriated from
34 the grow Iowa values fund created in section 15G.108,
35 if enacted, to the department of economic development
36 thirty-five million dollars for programs administered
37 by the department of economic development.

38 b. Of the moneys are appropriated under this
39 subsection, the department shall allocate a percentage
40 of the moneys for each of the following types of
41 activities:

- 42 (1) Business start-ups.
- 43 (2) Business expansion.
- 44 (3) Business modernization.
- 45 (4) Business attraction.
- 46 (5) Business retention.
- 47 (6) Marketing.
- 48 (7) Research and development.

49 c. The department shall require an applicant for
50 moneys appropriated under this subsection to include

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1 in the application a statement regarding the intended
2 return on investment. A recipient of moneys
3 appropriated under this subsection shall annually
4 submit a statement to the department regarding the
5 progress achieved on the intended return on investment
6 stated in the application. The department, in
7 cooperation with the department of revenue, shall
8 develop a method of identifying and tracking each new
9 job created and the leveraging of moneys through
10 financial assistance from moneys appropriated under
11 this subsection. The department of economic
12 development shall identify research and development
13 activities funded through financial assistance from
14 not more than ten percent of the moneys appropriated
15 under this subsection, and, instead of determining
16 return on investment and job creation for the
17 identified funding, determine the potential impact on
18 the state's economy.

19 d. The department may use moneys appropriated
20 under this subsection to procure technical assistance
21 from either the public or private sector, for
22 information technology purposes, for a statewide labor
23 shed study, and for rail, air, or river port
24 transportation-related purposes. The use of moneys
25 appropriated for rail, air, or river port
26 transportation-related purposes must be directly
27 related to an economic development project and the
28 moneys must be used to leverage other financial
29 assistance moneys.

30 e. Of the moneys appropriated under this
31 subsection, the department may use up to one and one-
32 half percent for administrative purposes.

33 f. The Iowa economic development board shall
34 approve or deny applications for financial assistance
35 provided with moneys appropriated under this
36 subsection. In providing such financial assistance,
37 the board shall, whenever possible, coordinate the
38 assistance with other programs administered by the
39 department of economic development, including the
40 community economic betterment program established in
41 section 15.317 and the value-added agricultural
42 products and processes financial assistance program
43 established in section 15E.111.

44 g. It is the policy of this state to expand and
45 stimulate the state economy by advancing, promoting,
46 and expanding biotechnology industries in this state.
47 To implement this policy, the Iowa economic
48 development board shall consider providing assistance
49 to projects that increase value-added income to
50 individuals or organizations involved in agricultural

1 business or biotechnology projects. Such a project
2 need not create jobs specific to the project site;
3 however, such a project must foster the knowledge and
4 creativity necessary to promote the state's
5 agricultural economy and to increase employment in
6 urban and rural areas as a result.

7 2. For the fiscal year beginning July 1, 2005, and
8 ending June 30, 2006, there is appropriated from the
9 grow Iowa values fund created in section 15G.108, if
10 enacted, to the department of economic development
11 five million dollars for financial assistance to
12 institutions of higher learning under the control of
13 the state board of regents for capacity building
14 infrastructure in areas related to technology
15 commercialization, for marketing and business
16 development efforts in areas related to technology
17 commercialization, entrepreneurship, and business
18 growth, and for infrastructure projects and programs
19 needed to assist in the implementation of activities
20 under chapter 262B, if so amended. In allocating
21 moneys to institutions under the control of the state
22 board of regents, the board shall require the
23 institutions to provide a one-to-one match of
24 additional moneys for the activities funded with
25 moneys appropriated under this subsection. The state
26 board of regents shall prepare a report for submission
27 to the governor, the general assembly, and the
28 legislative services agency regarding the activities,
29 projects, and programs funded with moneys appropriated
30 under this subsection.

31 The state board of regents may allocate any moneys
32 appropriated under this subsection and received from
33 the department for financial assistance to a single
34 biosciences development organization determined by the
35 department to possess expertise in promoting the area
36 of bioscience entrepreneurship. The organization must
37 be composed of representatives of both the public and
38 the private sector and shall be composed of subunits
39 or subcommittees in the areas of existing identified
40 biosciences platforms, education and workforce
41 development, commercialization, communication, policy
42 and governance, and finance. Such financial
43 assistance shall be used for purposes of activities
44 related to biosciences and bioeconomy development
45 under chapter 262B, if so amended, and to accredited
46 private universities in this state.

47 3. For the fiscal year beginning July 1, 2005, and
48 ending June 30, 2006, there is appropriated from the
49 grow Iowa values fund created in section 15G.108, if
50 enacted, to the department of economic development one

1 million dollars for purposes of providing financial
2 assistance for projects in targeted state parks, state
3 banner parks, and destination parks. The department
4 of natural resources shall submit a plan to the
5 department of economic development for the expenditure
6 of moneys appropriated under this subsection. The
7 plan shall focus on improving state parks, state
8 banner parks, and destination parks for economic
9 development purposes. Based on the report submitted,
10 the department of economic development shall provide
11 financial assistance to the department of natural
12 resources for support of state parks, state banner
13 parks, and destination parks. For purposes of this
14 subsection, "state banner park" means a park with
15 multiple uses and which focuses on the economic
16 development benefits of a community or area of the
17 state.

18 4. For the fiscal year beginning July 1, 2005, and
19 ending June 30, 2006, there is appropriated from the
20 grow Iowa values fund created in section 15G.108, if
21 enacted, to the office of the treasurer of state one
22 million dollars for deposit in the Iowa cultural trust
23 fund created in section 303A.4.

24 5. For the fiscal year beginning July 1, 2005, and
25 ending June 30, 2006, there is appropriated from the
26 grow Iowa values fund created in section 15G.108, if
27 enacted, to the department of economic development
28 seven million dollars for deposit into the workforce
29 training and economic development funds of the
30 community colleges created pursuant to section
31 260C.18A.

32 6. a. For the fiscal year beginning July 1, 2005,
33 and ending June 30, 2006, there is appropriated from
34 the grow Iowa values fund created in section 15G.108,
35 if enacted, to the department of economic development
36 one million dollars for providing economic development
37 region financial assistance under section 15E.232,
38 subsections 3, 4, 5, and 6, if enacted, and under
39 section 15E.233, if enacted.

40 b. Of the moneys appropriated in this subsection,
41 the department shall transfer three hundred fifty
42 thousand dollars to Iowa state university of science
43 and technology, for purposes of providing financial
44 assistance to establish small business development
45 centers in areas of the state previously served by a
46 small business development center and to maintain
47 existing small business development centers.
48 Financial assistance for a small business development
49 center shall not be awarded unless the city of county
50 where the center is located or scheduled to be located

1 demonstrates the ability to obtain local matching
2 moneys on a dollar-for-dollar basis. An award of
3 financial assistance to a small business development
4 center under this paragraph shall not exceed twenty
5 thousand dollars.

6 c. Of the moneys appropriated under this
7 subsection, the department may use up to fifty
8 thousand dollars for purposes of providing training,
9 materials, and assistance to Iowa business resource
10 centers.

11 7. Notwithstanding section 8.33, moneys that
12 remain unexpended at the end of the fiscal year shall
13 not revert to any fund but shall remain available for
14 expenditure for the designated purposes during the
15 succeeding fiscal year."

16 2. Page 1, by inserting after line 30 the
17 following:

18 "_____. Title page, line 2, by inserting after the
19 word "development," the following: "the office of the
20 treasurer of state,"."

21 3. By renumbering as necessary.

By HOFFMAN of Crawford

H-1565 FILED APRIL 27, 2005

HOUSE FILE 809

H-1568

1 Amend the amendment, H-1565, to the Senate
2 amendment, H-1544, to House File 809, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 1, by inserting after line 24 the
5 following:

6 "Sec. _____. DEPARTMENT OF CULTURAL AFFAIRS. There
7 is appropriated from the general fund of the state to
8 the department of cultural affairs for the fiscal year
9 beginning July 1, 2005, and ending June 30, 2006, two
10 hundred fifty thousand dollars for planning and
11 programming for the community cultural grant program
12 established under section 303.3. The moneys
13 appropriated under this section shall be in addition
14 to any other moneys appropriated to the department for
15 the same purposes."

16 2. Page 5, line 20, by inserting after the word
17 "state," the following: "the department of cultural
18 affairs,".

19 3. By renumbering as necessary.

By MILLER of Webster

H-1568 FILED APRIL 27, 2005

H-1570

1 Amend the amendment, H-1565, to the Senate
2 amendment, H-1544, to House File 809, as amended,
3 passed, and reprinted by the House, as follows:

4 1. By striking page 1, line 8, through page 5,
5 line 15, and inserting the following:

6 ""Section 1. NEW SECTION. 15E.315 REGULATORY
7 EFFICIENCY COMMISSION.

8 1. A regulatory efficiency commission is
9 established for purposes of identifying unneeded,
10 outdated, or ineffective regulations, fines, and fees
11 that hinder business development or efficient
12 governmental operation relative to business
13 development activities. The commission shall also
14 develop methods for streamlining business access to
15 regulatory information. The commission shall maintain
16 an ongoing process for inviting, receiving, and
17 considering suggestions from the public, business
18 owners, employees, and others for regulatory changes.
19 Commission staffing shall be provided by the
20 department.

21 2. The commission shall consist of ten voting
22 members appointed by the governor and four ex officio
23 members. Members appointed by the governor are
24 subject to confirmation by the senate and shall serve
25 three-year staggered terms as designated by the
26 governor beginning and ending as provided in section
27 69.19. A vacancy in membership shall be filled in the
28 same manner as the original appointment. The members
29 shall serve without compensation, but shall be
30 reimbursed for actual and necessary expenses incurred
31 in the performance of official duties as a member.
32 The members of the commission shall select a
33 chairperson and any other officers deemed by the
34 commission to be necessary from their membership. The
35 commission shall meet at least quarterly but may meet
36 as often as necessary. Meetings shall be set by a
37 majority of the commission or upon the call of the
38 chairperson. A majority of the commission members
39 shall constitute a quorum.

40 a. The ten voting members shall consist of the
41 following:

42 (1) Two members shall be economic development
43 representatives from two different chambers of
44 commerce. One shall be from a metropolitan area with
45 more than fifty thousand people and one shall be from
46 a metropolitan area with fifty thousand people or
47 less.

48 (2) Two members representing agricultural
49 interests, at least one of whom is involved in
50 marketing farm products directly to consumers or

H-1570

1 businesses.

2 (3) One member representing the Iowa association
3 of business and industry.

4 (4) One member representing commercial-based
5 businesses.

6 (5) One member representing manufacturing-based
7 businesses.

8 (6) One member representing an environmental
9 organization.

10 (7) One member representing labor interests.

11 (8) One member representing consumer advocacy
12 organizations.

13 b. The four ex officio members shall be members of
14 the general assembly. Two members shall be from the
15 senate and two members shall be from the house of
16 representatives, with not more than one member from
17 each chamber being from the same political party. The
18 two senators shall be designated by the president of
19 the senate after consultation with the majority and
20 minority leaders of the senate. The two
21 representatives shall be designated by the speaker of
22 the house of representatives after consultation with
23 the majority and minority leaders of the house of
24 representatives. Legislative members shall serve in
25 an ex officio, nonvoting capacity.

26 3. The commission shall submit a written report
27 annually by December 15 to the governor and the
28 general assembly. The report shall include the
29 findings and legislative recommendations of the
30 commission. The report shall be distributed by the
31 secretary of the senate and the chief clerk of the
32 house of representatives to the chairpersons and
33 members of the administrative rules review committee
34 and to the standing committees in the senate and the
35 house of representatives that deal with economic
36 development and economic growth.

37 Sec. 2. NEW SECTION. 15E.316 REGULATORY
38 OMBUDSMAN OFFICE.

39 The department shall establish a regulatory
40 ombudsman office for purposes of assisting businesses
41 with regulatory issues. The office shall assist
42 businesses with state program and regulatory
43 applications, direct businesses to proper entities for
44 specialized assistance, and provide businesses with
45 general information regarding programs and regulatory
46 issues.

47 Sec. 3. Section 260C.18A, subsection 2, paragraph
48 b, Code 2005, is amended to read as follows:

49 b. Projects in which an agreement between a
50 community college and a business meet all the

1 requirements of the Iowa jobs training Act under
2 chapter 260F. However, projects funded by moneys
3 provided by a local workforce training and economic
4 development fund of a community college are not
5 subject to the maximum advance or award limitations
6 contained in section 260F.6, subsection 2, or the
7 allocation limitations contained in section 260F.8,
8 subsection 1.

9 Sec. 4. Section 260C.18A, subsection 2, Code 2005,
10 is amended by adding the following new paragraph:

11 NEW PARAGRAPH. f. Training and retraining
12 programs for targeted industries as authorized in
13 section 15.343, subsection 2, paragraph "a".

14 Sec. 5. Section 260C.18A, subsection 5, Code 2005,
15 is amended by striking the subsection.

16 Sec. 6. NEW SECTION. 303.3B CULTURAL AND
17 ENTERTAINMENT DISTRICTS.

18 1. The department of cultural affairs shall
19 establish and administer a cultural and entertainment
20 district certification program. The program shall
21 encourage the growth of communities through the
22 development of areas within a city for public and
23 private uses related to cultural and entertainment
24 purposes.

25 2. A city may create and designate a cultural and
26 entertainment district subject to certification by the
27 department of cultural affairs, in consultation with
28 the department of economic development. A cultural
29 and entertainment district is encouraged to
30 incorporate historic buildings within the district and
31 must incorporate the planning principles listed in
32 section 15F.203, subsection 3, paragraph "g". A
33 cultural and entertainment district certification
34 shall remain in effect for ten years following the
35 date of certification. Two or more cities may apply
36 jointly for certification of a district that extends
37 across a common boundary. Through the adoption of
38 administrative rules, the department of cultural
39 affairs shall develop a certification application for
40 use in the certification process.

41 3. The department of cultural affairs shall
42 encourage development projects and activities located
43 in certified cultural and entertainment districts
44 through incentives under cultural grant programs
45 pursuant to section 303.3, chapter 303A, and any other
46 grant programs.

47 4. A city may form a cultural and entertainment
48 district administrative committee for purposes of
49 administering and fostering activities in the
50 district. At least half of the committee membership

1 must include members who are younger than thirty-five
2 years of age at the time of appointment to the
3 committee.

4 5. The department shall establish and administer a
5 cultural and entertainment district events program for
6 purposes of providing financial assistance for
7 cultural and entertainment events located in cultural
8 and entertainment districts certified pursuant to this
9 section. Financial assistance under the program shall
10 take the form of grants.

11 Sec. 7. Section 404A.4, subsection 4, Code 2005,
12 is amended to read as follows:

13 4. The For the fiscal year beginning July 1, 2005,
14 the total amount of tax credits that may be approved
15 for the fiscal year under this chapter shall not
16 exceed twenty million dollars. For the fiscal year
17 beginning July 1, 2006, and every fiscal year
18 thereafter, the total amount of tax credits that may
19 be approved for a fiscal year under this chapter shall
20 not exceed two million four hundred thousand dollars.
21 For the fiscal years year beginning July 1, 2005, and
22 July 1, 2006, an additional five hundred thousand
23 dollars of tax credits may be approved each fiscal
24 year for purposes of projects located in cultural and
25 entertainment districts certified pursuant to section
26 303.3B. Any of the additional tax credits allocated
27 for projects located in certified cultural and
28 entertainment districts that are not approved during a
29 fiscal year may be carried over to the succeeding
30 fiscal year. The department of cultural affairs shall
31 establish by rule the procedures for the application,
32 review, selection, and awarding of certifications of
33 completion. The departments of economic development,
34 cultural affairs, and revenue shall each adopt rules
35 to jointly administer this subsection and shall
36 provide by rule for the method to be used to determine
37 for which fiscal year the tax credits are available.

38 Sec. 8. APPROPRIATIONS.

39 1. MAIN STREET PROGRAM.

40 a. For the fiscal year beginning July 1, 2005, and
41 ending June 30, 2006, there is appropriated from the
42 general fund of the state to the department of
43 cultural affairs one million dollars for purposes of
44 the main street program.

45 b. The department of economic development shall
46 transfer the administrative duties of the main street
47 program to the department of cultural affairs. The
48 department of cultural affairs shall adopt rules
49 pursuant to chapter 17A for purposes of administering
50 the program. The department of cultural affairs shall

1 make the program available to cities of any size in
2 the state. Any approved project or activity
3 originally approved by the department of economic
4 development under the main street program remains
5 valid. The transfer of administrative duties to the
6 department of cultural affairs shall not constitute
7 grounds for rescission or modification of main street
8 program contracts entered into with the department of
9 economic development.

10 2. CULTURAL AND ENTERTAINMENT DISTRICT EVENTS
11 PROGRAM. For the fiscal year beginning July 1, 2005,
12 and ending June 30, 2006, there is appropriated from
13 the general fund of the state to the department of
14 economic development one million dollars for purposes
15 of administering section 15E.321.

16 3. WORKFORCE TRAINING. For the fiscal year
17 beginning July 1, 2005, and ending June 30, 2006,
18 there is appropriated from the general fund of the
19 state to the department of economic development
20 fourteen million dollars for deposit into the
21 workforce training and economic development funds of
22 the community colleges created pursuant to section
23 260C.18A.

24 4. LOAN AND CREDIT GUARANTEE.

25 a. For the fiscal year beginning July 1, 2005, and
26 ending June 30, 2006, there is appropriated from the
27 general fund of the state to the department of
28 economic development ten million dollars for deposit
29 into the loan and credit guarantee fund created
30 pursuant to section 15E.227.

31 b. The moneys appropriated under this subsection
32 shall be used by the department under the loan and
33 credit guarantee program for purposes of loan or
34 credit guarantees to small businesses in
35 geographically diverse parts of the state. Within two
36 years of receiving a loan or credit guarantee under
37 the program, a small business must provide and pay at
38 least eighty percent of the cost of a standard medical
39 and dental insurance plan for full-time employees. A
40 small business receiving a loan or credit guarantee
41 under the program shall agree to pay a median wage for
42 new full-time jobs of at least thirteen dollars and
43 thirty-five cents per hour indexed to 2004 dollars
44 based on the gross national product implicit price
45 deflator published by the bureau of economic analysis
46 of the United States department of commerce or one
47 hundred thirty percent of the average wage in the
48 county in which the small business is located,
49 whichever is higher. For purposes of this paragraph,
50 "small business" means a business with less than fifty

1 employees.

2 5. SMALL BUSINESS DEVELOPMENT CENTERS.

3 a. For the fiscal year beginning July 1, 2005, and
4 ending June 30, 2006, there is appropriated from the
5 general fund of the state to Iowa state university of
6 science and technology two million dollars for the
7 purposes provided in paragraph "b".

8 b. The moneys appropriated in this subsection
9 shall be allocated by Iowa state university to small
10 business development centers to develop and administer
11 programs to assist small businesses to plan for the
12 transfer of ownership of the business, including the
13 transfer of all or a part of the ownership of a
14 business to an employee stock ownership plan.

15 6. REGULATORY OMBUDSMAN OFFICE. For the fiscal
16 year beginning July 1, 2005, and ending June 30, 2006,
17 there is appropriated from the general fund of the
18 state to the department of economic development two
19 hundred fifty thousand dollars for purposes of
20 administering section 15E.316. The department may
21 create three full-time equivalent positions for
22 purposes of administering section 15E.316."""

23 2. By renumbering as necessary.

By FALLON of Polk

H-1570 FILED APRIL 27, 2005

HOUSE FILE 809

H-1572

1 Amend the amendment, H-1565, to the Senate
2 amendment, H-1544, to House File 809, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 2, line 24, by inserting after the word
5 "purposes." the following: "The expansion or
6 retention of commercial air carrier service at an Iowa
7 airport shall be considered an economic development
8 project."

By JOCHUM of Dubuque

H-1572 FILED APRIL 27, 2005

HOUSE FILE 809

H-1574

1 Amend the amendment, H-1565, to the Senate
2 amendment, H-1544, to House File 809, as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 1, lines 26 and 27, by striking the words
5 and figures "fiscal year beginning July 1, 2005, and
6 ending June 30, 2006," and inserting the following:
7 "fiscal period beginning July 1, 2005, and ending June
8 30, 2015,".

9 2. Page 1, line 27, by inserting after the word
10 "appropriated" the following: "each fiscal year".

11 3. Page 1, lines 32 and 33, by striking the words
12 and figures "fiscal year beginning July 1, 2005, and
13 ending June 30, 2006," and inserting the following:
14 "fiscal period beginning July 1, 2005, and ending June
15 30, 2015,".

16 4. Page 1, line 33, by inserting after the word
17 "appropriated" the following: "each fiscal year".

18 5. Page 3, lines 7 and 8, by striking the words
19 and figures "fiscal year beginning July 1, 2005, and
20 ending June 30, 2006," and inserting the following:
21 "fiscal period beginning July 1, 2005, and ending June
22 30, 2015,".

23 6. Page 3, line 8, by inserting after the word
24 "appropriated" the following: "each fiscal year".

25 7. Page 3, lines 47 and 48, by striking the words
26 and figures "fiscal year beginning July 1, 2005, and
27 ending June 30, 2006," and inserting the following:
28 "fiscal period beginning July 1, 2005, and ending June
29 30, 2015,".

30 8. Page 3, line 48, by inserting after the word
31 "appropriated" the following: "each fiscal year".

32 9. Page 4, lines 18 and 19, by striking the words
33 and figures "fiscal year beginning July 1, 2005, and
34 ending June 30, 2006," and inserting the following:
35 "fiscal period beginning July 1, 2005, and ending June
36 30, 2015,".

37 10. Page 4, line 19, by inserting after the word
38 "appropriated" the following: "each fiscal year".

39 11. Page 4, lines 24 and 25, by striking the
40 words and figures "fiscal year beginning July 1, 2005,
41 and ending June 30, 2006," and inserting the
42 following: "fiscal period beginning July 1, 2005, and
43 ending June 30, 2015,".

44 12. Page 4, line 25, by inserting after the word
45 "appropriated" the following: "each fiscal year".

46 13. Page 4, lines 32 and 33, by striking the
47 words and figures "fiscal year beginning July 1, 2005,
48 and ending June 30, 2006," and inserting the
49 following: "fiscal period beginning July 1, 2005, and
50 ending June 30, 2015,".

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Page 2

- 1 14. Page 4, line 33, by inserting after the word
- 2 "appropriated" the following: "each fiscal year".
- 3 15. Page 4, line 41, by inserting after the word
- 4 "transfer" the following: "annually".
- 5 16. Page 5, line 7, by inserting after the word
- 6 "use" the following: "annually".
- 7 17. Page 5, line 12, by striking the words "the
- 8 fiscal" and inserting the following: "a fiscal".

By THOMAS of Clayton

SCHUELLER of Jackson

HOGG of Linn

MILLER of Webster

WISE of Lee

REICHERT of Muscatine

DANDEKAR of Linn

ZIRKELBACH of Jones

D. OLSON of Boone

H-1574 FILED APRIL 27, 2005

LUKAN-CH
WATTS
DANDEKAR

Subcommittee
SF **809**

HSB 277
APPROPRIATIONS

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON ECONOMIC
DEVELOPMENT)

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

A BILL FOR

1 An Act relating to and making appropriations to the department of
2 economic development, certain board of regents institutions,
3 the department of workforce development, and the public
4 employment relations board and related matters.

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

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1 ECONOMIC DEVELOPMENT

2 Section 1. GOALS AND ACCOUNTABILITY.

3 1. The goals for the department of economic development
4 shall be to expand and stimulate the state economy, increase
5 the wealth of Iowans, and increase the population of the
6 state.

7 2. To achieve the goals in subsection 1, the department of
8 economic development shall do all of the following:

9 a. Concentrate its efforts on programs and activities that
10 result in commercially viable products and services.

11 b. Adopt practices and services consistent with free
12 market, private sector philosophies.

13 c. Ensure economic growth and development throughout the
14 state.

15 Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is
16 appropriated from the general fund of the state to the
17 department of economic development for the fiscal year
18 beginning July 1, 2005, and ending June 30, 2006, the
19 following amounts, or so much thereof as is necessary, to be
20 used for the purposes designated:

21 1. ADMINISTRATION DIVISION

22 a. General administration

23 For salaries, support, maintenance, miscellaneous purposes,
24 programs, for the transfer to the Iowa state commission grant
25 program, and for not more than the following full-time
26 equivalent positions:

27 \$ 1,956,332

28 FTEs 28.75

29 b. The department shall work with businesses and
30 communities to continually improve the economic development
31 climate along with the economic well-being and quality of life
32 for Iowans. The administration division shall coordinate with
33 other state agencies ensuring that all state departments are
34 attentive to the needs of an entrepreneurial culture.

35 2. BUSINESS DEVELOPMENT DIVISION

1 a. Business development operations

2 For business development operations and programs,
3 international trade, export assistance, workforce recruitment,
4 the partner state program, for transfer to the strategic
5 investment fund, for transfer to the value-added agricultural
6 products and processes financial assistance fund, salaries,
7 support, maintenance, miscellaneous purposes, and for not more
8 than the following full-time equivalent positions:

9	\$	6,084,500
10	FTEs	57.00

11 b. The department shall establish a strong and aggressive
12 marketing image to showcase Iowa's workforce, existing
13 industry, and potential. A priority shall be placed on
14 recruiting new businesses, business expansion, and retaining
15 existing Iowa businesses. Emphasis shall also be placed on
16 entrepreneurial development through helping to secure capital
17 for entrepreneurs, and developing networks and a business
18 climate conducive to entrepreneurs and small business.

19 c. From the moneys appropriated in this subsection, the
20 department may provide financial assistance in the form of a
21 grant to a community economic development entity for
22 conducting a local workforce recruitment effort designed to
23 recruit former citizens of the state and former students at
24 colleges and universities in the state to meet the needs of
25 local employers.

26 d. From the moneys appropriated under this subsection, the
27 department may provide financial assistance to early-stage
28 industry companies being established by women entrepreneurs.

29 e. From the moneys appropriated under this subsection, the
30 department may provide financial assistance in the form of
31 grants, loans, or forgivable loans for advanced research and
32 commercialization projects involving value-added agriculture,
33 advanced technology, or biotechnology.

34 f. Notwithstanding section 8.33, moneys appropriated in
35 this subsection that remain unencumbered or unobligated at the

1 close of the fiscal year shall not revert but shall remain
2 available for expenditure for the purposes designated until
3 the close of the succeeding fiscal year.

4 3. COMMUNITY DEVELOPMENT DIVISION

5 a. Community development programs

6 For salaries, support, maintenance, miscellaneous purposes,
7 community economic development programs, tourism operations,
8 community assistance, the film office, the mainstreet and
9 rural mainstreet programs, the school-to-career program, the
10 community development block grant, and housing and shelter-
11 related programs and for not more than the following full-time
12 equivalent positions:

13	\$	5,533,511
14	FTEs	61.75

15 b. The department shall encourage development of
16 communities and quality of life to foster economic growth.
17 The department shall prepare communities for future growth and
18 development through development, expansion, and modernization
19 of infrastructure.

20 c. The department shall develop public-private
21 partnerships with Iowa businesses in the tourism industry,
22 Iowa tour groups, Iowa tourism organizations, and political
23 subdivisions in this state to assist in the development of
24 advertising efforts. The department shall, to the fullest
25 extent possible, develop cooperative efforts for advertising
26 with contributions from other sources.

27 d. Notwithstanding section 8.33, moneys appropriated in
28 this subsection that remain unencumbered or unobligated at the
29 close of the fiscal year shall not revert to any fund but
30 shall remain available for expenditure for the designated
31 purposes during the succeeding fiscal year.

32 4. For allocating moneys for the world food prize:

33	\$	285,000
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34 Sec. 3. VISION IOWA PROGRAM -- FTE AUTHORIZATION. For
35 purposes of administrative duties associated with the vision

1 Iowa program, the department of economic development is
2 authorized an additional 2.25 full-time equivalent positions
3 above those otherwise authorized in this Act.

4 Sec. 4. RURAL COMMUNITY 2000 PROGRAM. There is
5 appropriated from loan repayments on loans under the former
6 rural community 2000 program, sections 15.281 through 15.288,
7 Code 2001, to the department of economic development for the
8 fiscal year beginning July 1, 2005, and ending June 30, 2006,
9 the following amounts, or so much thereof as is necessary, to
10 be used for the purposes designated:

11 1. For providing financial assistance to Iowa's councils
12 of governments that provide technical and planning assistance
13 to local governments:

14 \$ 150,000

15 2. For the rural development program for the purposes of
16 the program including the rural enterprise fund and
17 collaborative skills development training:

18 \$ 120,000

19 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. There is
20 appropriated from moneys collected by the division of
21 insurance in excess of the anticipated gross revenues under
22 section 505.7, subsection 3, to the department of economic
23 development for the fiscal year beginning July 1, 2005, and
24 ending June 30, 2006, the following amount, or so much thereof
25 as is necessary, for insurance economic development and
26 international insurance economic development:

27 \$ 100,000

28 Sec. 6. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding
29 section 15E.120, subsection 5, there is appropriated from the
30 Iowa community development loan fund all the moneys available
31 during the fiscal year beginning July 1, 2005, and ending June
32 30, 2006, to the department of economic development for the
33 community development program to be used by the department for
34 the purposes of the program.

35 Sec. 7. WORKFORCE DEVELOPMENT FUND. There is appropriated

1 from the workforce development fund account created in section
2 15.342A, to the workforce development fund created in section
3 15.343, for the fiscal year beginning July 1, 2005, and ending
4 June 30, 2006, the following amount, for the purposes of the
5 workforce development fund, and for not more than the
6 following full-time equivalent positions:

7 \$ 4,000,000
8 FTEs 4.00

9 Sec. 8. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds
10 appropriated or transferred to or receipts credited to the
11 workforce development fund created in section 15.343, up to
12 \$400,000 for the fiscal year beginning July 1, 2005, and
13 ending June 30, 2006, may be used for the administration of
14 workforce development activities including salaries, support,
15 maintenance, and miscellaneous purposes and for not more than
16 4.00 full-time equivalent positions.

17 Sec. 9. JOB TRAINING FUND. Notwithstanding section
18 15.251, all remaining moneys in the job training fund on July
19 1, 2005, and any moneys appropriated or credited to the fund
20 during the fiscal year beginning July 1, 2005, shall be
21 transferred to the workforce development fund established
22 pursuant to section 15.343.

23 Sec. 10. IOWA STATE UNIVERSITY.

24 1. There is appropriated from the general fund of the
25 state to the Iowa state university of science and technology
26 for the fiscal year beginning July 1, 2005, and ending June
27 30, 2006, the following amount, or so much thereof as is
28 necessary, to be used for small business development centers,
29 the science and technology research park, the institute for
30 physical research, and for not more than the following full-
31 time equivalent positions:

32 \$ 2,363,557
33 FTEs 56.63

34 2. Of the moneys appropriated in subsection 1, Iowa state
35 university shall allocate at least \$550,000 for purposes of

1 funding small business development centers. Iowa state
2 university may allocate moneys appropriated in subsection 1 to
3 the various small business development centers in any manner
4 necessary to achieve the purposes of this subsection.

5 3. Iowa state university of science and technology shall
6 do all of the following:

7 a. Direct expenditures for research toward projects that
8 will provide economic stimulus for Iowa.

9 b. Provide emphasis to providing services to Iowa-based
10 companies.

11 4. It is the intent of the general assembly that the
12 industrial incentive program focus on Iowa industrial sectors
13 and seek contributions and in-kind donations from businesses,
14 industrial foundations, and trade associations and that moneys
15 for the institute for physical research and technology
16 industrial incentive program shall only be allocated for
17 projects which are matched by private sector moneys for
18 directed contract research or for nondirected research. The
19 match required of small businesses as defined in section
20 15.102, subsection 4, for directed contract research or for
21 nondirected research shall be \$1 for each \$3 of state funds.
22 The match required for other businesses for directed contract
23 research or for nondirected research shall be \$1 for each \$1
24 of state funds. The match required of industrial foundations
25 or trade associations shall be \$1 for each \$1 of state funds.

26 Iowa state university of science and technology shall
27 report annually to the joint appropriations subcommittee on
28 economic development and the legislative services agency the
29 total amount of private contributions, the proportion of
30 contributions from small businesses and other businesses, and
31 the proportion for directed contract research and nondirected
32 research of benefit to Iowa businesses and industrial sectors.

33 Notwithstanding section 8.33, moneys appropriated in this
34 section that remain unencumbered or unobligated at the close
35 of the fiscal year shall not revert but shall remain available

1 for expenditure for the purposes designated until the close of
2 the succeeding fiscal year.

3 Sec. 11. UNIVERSITY OF IOWA.

4 1. There is appropriated from the general fund of the
5 state to the state university of Iowa for the fiscal year
6 beginning July 1, 2005, and ending June 30, 2006, the
7 following amount, or so much thereof as is necessary, to be
8 used for the university of Iowa research park and for the
9 advanced drug development program at the Oakdale research
10 park, including salaries, support, maintenance, equipment,
11 miscellaneous purposes, and for not more than the following
12 full-time equivalent positions:

13	\$	247,005
14	FTEs	6.00

15 2. The university of Iowa shall do all of the following:

16 a. Direct expenditures for research toward projects that
17 will provide economic stimulus for Iowa.

18 b. Provide emphasis to providing services to Iowa-based
19 companies.

20 3. The board of regents shall submit a report on the
21 progress of regents institutions in meeting the strategic plan
22 for technology transfer and economic development to the
23 secretary of the senate, the chief clerk of the house of
24 representatives, and the legislative services agency by
25 January 15, 2006.

26 4. Notwithstanding section 8.33, moneys appropriated in
27 this section that remain unencumbered or unobligated at the
28 close of the fiscal year shall not revert but shall remain
29 available for expenditure for the purposes designated until
30 the close of the succeeding fiscal year.

31 Sec. 12. UNIVERSITY OF NORTHERN IOWA.

32 1. There is appropriated from the general fund of the
33 state to the university of northern Iowa for the fiscal year
34 beginning July 1, 2005, and ending June 30, 2006, the
35 following amount, or so much thereof as is necessary, to be

1 used for the metal casting institute, and for the institute of
2 decision making, including salaries, support, maintenance,
3 miscellaneous purposes, and for not more than the following
4 full-time equivalent positions:

5 \$ 361,291
6 FTEs 4.75

7 2. The university of northern Iowa shall do all of the
8 following:

9 a. Direct expenditures for research toward projects that
10 will provide economic stimulus for Iowa.

11 b. Provide emphasis to providing services to Iowa-based
12 companies.

13 3. Notwithstanding section 8.33, moneys appropriated in
14 this section that remain unencumbered or unobligated at the
15 close of the fiscal year shall not revert but shall remain
16 available for expenditure for the purposes designated until
17 the close of the succeeding fiscal year.

18 Sec. 13. DEPARTMENT OF WORKFORCE DEVELOPMENT.

19 1. There is appropriated from the general fund of the
20 state to the department of workforce development for the
21 fiscal year beginning July 1, 2005, and ending June 30, 2006,
22 the following amount, or so much thereof as is necessary, for
23 the division of labor services, the division of workers'
24 compensation, the workforce development state and regional
25 boards, the new employment opportunity fund, immigration
26 services centers, for transfer to the boiler safety fund, for
27 transfer to the elevator safety fund, salaries, support,
28 maintenance, miscellaneous purposes, and for not more than the
29 following full-time equivalent positions:

30 \$ 5,151,919
31 FTEs 86.45

32 2. From the contractor registration fees, the division of
33 labor services shall reimburse the department of inspections
34 and appeals for all costs associated with hearings under
35 chapter 91C, relating to contractor registration.

1 3. The division of workers' compensation shall continue
2 charging a \$65 filing fee for workers' compensation cases.
3 The filing fee shall be paid by the petitioner of a claim.
4 However, the fee can be taxed as a cost and paid by the losing
5 party, except in cases where it would impose an undue hardship
6 or be unjust under the circumstances. The moneys generated by
7 the filing fee allowed under this subsection are appropriated
8 to the department of workforce development to be used for
9 purposes of administering the division of workers'
10 compensation.

11 4. The department of workforce development shall maintain
12 pilot immigration service centers that offer one-stop services
13 to deal with the multiple issues related to immigration and
14 employment. The pilot centers shall be designed to support
15 workers, businesses, and communities with information,
16 referrals, job placement assistance, translation, language
17 training, resettlement, as well as technical and legal
18 assistance on such issues as forms and documentation. Through
19 the coordination of local, state, and federal service
20 providers, and through the development of partnerships with
21 public, private, and nonprofit entities with established
22 records of international service, these pilot centers shall
23 seek to provide a seamless service delivery system for new
24 Iowans.

25 5. Notwithstanding section 8.33, moneys appropriated in
26 this section that remain unencumbered or unobligated at the
27 close of the fiscal year shall not revert but shall remain
28 available for expenditure for the purposes designated until
29 the close of the succeeding fiscal year.

30 Sec. 14. EMPLOYMENT SECURITY CONTINGENCY FUND. There is
31 appropriated from the special employment security contingency
32 fund to the department of workforce development for the fiscal
33 year beginning July 1, 2005, and ending June 30, 2006, the
34 following amounts, or so much thereof as is necessary, for the
35 purposes designated:

1 DIVISION OF WORKERS' COMPENSATION

2 For salaries, support, maintenance, and miscellaneous
3 purposes:

4 \$ 471,000

5 Any remaining additional penalty and interest revenue may
6 be allocated and used to accomplish the mission of the
7 department.

8 Sec. 15. PUBLIC EMPLOYMENT RELATIONS BOARD. There is
9 appropriated from the general fund of the state to the public
10 employment relations board for the fiscal year beginning July
11 1, 2005, and ending June 30, 2006, the following amount, or so
12 much thereof as is necessary, for the purposes designated:

13 For salaries, support, maintenance, miscellaneous purposes,
14 and for not more than the following full-time equivalent
15 positions:

16 \$ 923,850

17 FTEs 10.00

18 Sec. 16. NEW SECTION. 96.51 FIELD OFFICE OPERATING FUND.

19 A field office operating fund is created in the state
20 treasury under the control of the department of workforce
21 development. The fund is separate and distinct from the
22 unemployment compensation fund. All moneys properly credited
23 to and deposited in the fund are annually appropriated to the
24 department of workforce development to be used for personnel
25 and nonpersonnel costs of operating field offices.

26 Sec. 17. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES
27 FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable
28 fuels and coproducts may apply to the department of economic
29 development for moneys in the value-added agricultural
30 products and processes financial assistance fund for deposit
31 in the renewable fuels and coproducts fund created in section
32 159A.7.

33 Sec. 18. IOWA FINANCE AUTHORITY AUDIT. The auditor of
34 state is requested to review the audit of the Iowa finance
35 authority performed by the auditor hired by the authority.

1 The auditor of state is also requested to conduct a
2 performance audit of the authority to determine the
3 effectiveness of the authority and the programs of the
4 authority.

5 Sec. 19. APPLICATION FOR DEPARTMENT OF ECONOMIC
6 DEVELOPMENT MONEYS. For the fiscal year beginning July 1,
7 2005, any entity that was specifically identified in 2001 Iowa
8 Acts, chapter 188, to receive funding from the department of
9 economic development, excluding any entity identified to
10 receive a direct appropriation beginning July 1, 2005, may
11 apply to the department for assistance through the appropriate
12 program. The department shall provide application criteria
13 necessary to implement this section.

14 Sec. 20. SHELTER ASSISTANCE FUND. In providing moneys
15 from the shelter assistance fund to homeless shelter programs
16 in the fiscal year beginning July 1, 2005, and ending June 30,
17 2006, the department of economic development shall explore the
18 potential of allocating moneys to homeless shelter programs
19 based in part on their ability to move their clients toward
20 self-sufficiency.

21 Sec. 21. UNEMPLOYMENT COMPENSATION PROGRAM.
22 Notwithstanding section 96.9, subsection 4, paragraph "a",
23 moneys credited to the state by the secretary of the treasury
24 of the United States pursuant to section 903 of the Social
25 Security Act shall be appropriated to the department of
26 workforce development and shall be used by the department for
27 the administration of the unemployment compensation program
28 only. This appropriation shall not apply to any fiscal year
29 beginning after December 31, 2005.

30

EXPLANATION

31 This bill makes appropriations and transfers from the
32 general fund of the state to the department of economic
33 development, the university of Iowa, the university of
34 northern Iowa, Iowa state university, the department of
35 workforce development, and the public employment relations

1 board for the 2005-2006 fiscal year.

2 The bill provides that the goals for the department of
3 economic development shall be to expand and stimulate the
4 state economy, increase the wealth of Iowans, and increase the
5 population of the state.

6 The bill appropriates from loan repayments on loans under
7 the former rural community 2000 program to the department of
8 economic development moneys for providing financial assistance
9 to Iowa's councils of governments that provide technical and
10 planning assistance to local governments and for the rural
11 development program for the purposes of the program including
12 the rural enterprise fund and collaborative skills development
13 training.

14 The bill appropriates moneys collected by the division of
15 insurance in excess of the anticipated gross revenues to the
16 department of economic development for purposes of insurance
17 economic development and international insurance economic
18 development.

19 The bill appropriates moneys from the Iowa community
20 development loan fund to the department of economic
21 development for purposes of the community development program.

22 The bill appropriates moneys from the workforce development
23 fund account to the workforce development fund.

24 The bill provides that moneys appropriated or transferred
25 to or receipts credited to the workforce development fund may
26 be used for administration of workforce development
27 activities.

28 The bill provides that all moneys remaining in the job
29 training fund on July 1, 2005, and any moneys appropriated or
30 credited to the fund during the fiscal year beginning July 1,
31 2005, shall be transferred to the workforce development fund.

32 The bill appropriates moneys from the special employment
33 security contingency fund to the department of workforce
34 development for the division of workers' compensation and
35 immigration services centers.

1 The bill creates a field office operating fund in the state
2 treasury under the control of the department of workforce
3 development as a fund separate and distinct from the
4 unemployment compensation fund. The bill provides that all
5 moneys properly credited to and deposited in the fund are
6 annually appropriated to the department of workforce
7 development to be used for personnel and nonpersonnel costs of
8 operating field offices.

9 The bill allows the office of renewable fuels and
10 coproducts to apply to the department of economic development
11 for moneys in the value-added agricultural products and
12 processes financial assistance fund for deposit in the
13 renewable fuels and coproducts fund.

14 The bill provides that, for the fiscal year beginning July
15 1, 2005, any entity that was specifically identified in 2001
16 Iowa Acts, chapter 188, to receive funding from the department
17 of economic development, excluding any entity identified to
18 receive a direct appropriation beginning July 1, 2005, may
19 apply to the department for assistance through the appropriate
20 program.

21 The bill provides that, in providing moneys from the
22 shelter assistance fund to homeless shelter programs, the
23 department of economic development shall explore the potential
24 of allocating moneys to programs based in part on their
25 ability to move their clients toward self-sufficiency.

26 The bill appropriates moneys from moneys credited to the
27 state by the secretary of the treasury of the United States
28 pursuant to the Social Security Act to the department of
29 workforce development for the administration of the
30 unemployment compensation program only.

31
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35

June 9, 2005

The Honorable Chester Culver
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit **House File 809**, an Act relating to and making appropriations to the department of economic development, the office of the treasurer of state, certain board of regents institutions, the department of workforce development, and the public employee relations board, related matters, and providing an effective date.

House File 809 is approved on this date with the following exception, I am unable to approve the item designated as Section 2, Subsection 3e in its entirety. It is critically important that the state's interstate welcome centers remain open seven days a week and allowed to serve the nearly 250,000 travelers that visit those centers annually. Currently, over 50 percent of the brochure enrollment revenue comes from non-profit organizations. Without that, the centers would be closed several days a week.

For the above reasons, I respectfully disapprove this item in accordance with Article 3 Section 16 of the Constitution of the State of Iowa. All other items in **House File 809** are hereby approved as of this date.

Sincerely,

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House

HOUSE FILE 809

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT, THE OFFICE OF THE TREASURER OF STATE, CERTAIN BOARD OF REGENTS INSTITUTIONS, THE DEPARTMENT OF WORKFORCE DEVELOPMENT, AND THE PUBLIC EMPLOYMENT RELATIONS BOARD, RELATED MATTERS, AND PROVIDING AN EFFECTIVE DATE.

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

ECONOMIC DEVELOPMENT

Section 1. GOALS AND ACCOUNTABILITY.

1. The goals for the department of economic development shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

2. To achieve the goals in subsection 1, the department of economic development shall do all of the following:

- a. Concentrate its efforts on programs and activities that result in commercially viable products and services.
b. Adopt practices and services consistent with free market, private sector philosophies.
c. Ensure economic growth and development throughout the state.

Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION DIVISION

a. General administration

For salaries, support, maintenance, miscellaneous purposes, programs, for the transfer to the Iowa state commission grant program, and for not more than the following full-time equivalent positions:

Table with 2 columns: Amount and FTEs. Row 1: \$ 1,956,332. Row 2: FTEs 28.75

b. The department shall work with businesses and communities to continually improve the economic development climate along with the economic well-being and quality of life for Iowans. The administration division shall coordinate with other state agencies ensuring that all state departments are attentive to the needs of an entrepreneurial culture.

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For business development operations and programs, international trade, export assistance, workforce recruitment, the partner state program, for transfer to the strategic investment fund, for transfer to the value-added agricultural products and processes financial assistance fund, salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

Table with 2 columns: Amount and FTEs. Row 1: \$ 6,084,500. Row 2: FTEs 57.00

b. The department shall establish a strong and aggressive marketing image to showcase Iowa's workforce, existing industry, and potential. A priority shall be placed on recruiting new businesses, business expansion, and retaining existing Iowa businesses. Emphasis shall also be placed on entrepreneurial development through helping to secure capital for entrepreneurs, and developing networks and a business climate conducive to entrepreneurs and small business.

c. A business creating jobs with economic development assistance through moneys appropriated in this subsection shall be subject to contract provisions stating that new and retained jobs shall be filled by individuals who are citizens

of the United States who reside within the United States, or any person authorized to work in the United States pursuant to federal law, including legal resident aliens in the United States. Any vendor who receives such public moneys shall adhere to such contract provisions and provide periodic assurances as the state shall require, that the jobs are filled solely by citizens of the United States who reside within the United States, or any person authorized to work in the United States pursuant to federal law, including legal resident aliens in the United States.

d. From the moneys appropriated in this subsection, the department may provide financial assistance in the form of a grant to a community economic development entity for conducting a local workforce recruitment effort designed to recruit former citizens of the state and former students at colleges and universities in the state to meet the needs of local employers.

e. From the moneys appropriated under this subsection, the department may provide financial assistance to early-stage industry companies being established by women entrepreneurs.

f. From the moneys appropriated under this subsection, the department may provide financial assistance in the form of grants, loans, or forgivable loans for advanced research and commercialization projects involving value-added agriculture, advanced technology, or biotechnology.

g. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

3. COMMUNITY DEVELOPMENT DIVISION

a. Community development programs

For salaries, support, maintenance, miscellaneous purposes, community economic development programs, tourism operations, community assistance, the film office, the mainstreet and rural mainstreet programs, the school-to-career program, the

community development block grant, and housing and shelter-related programs and for not more than the following full-time equivalent positions:

..... \$ 5,533,511
..... FTEs 61.75

b. The department shall encourage development of communities and quality of life to foster economic growth. The department shall prepare communities for future growth and development through development, expansion, and modernization of infrastructure.

c. The department shall develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts. The department shall, to the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

d. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

e. The department shall not charge a nonprofit, public entity a fee for placement of informational materials in a welcome center.

4. For allocating moneys for the world food prize:

..... \$ 285,000

Sec. 3. VISION IOWA PROGRAM -- FTE AUTHORIZATION. For purposes of administrative duties associated with the vision Iowa program, the department of economic development is authorized an additional 2.25 full-time equivalent positions above those otherwise authorized in this Act.

Sec. 4. RURAL COMMUNITY 2000 PROGRAM. There is appropriated from loan repayments on loans under the former rural community 2000 program, sections 15.281 through 15.288, Code 2001, to the department of economic development for the

fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For providing financial assistance to Iowa's councils of governments that provide technical and planning assistance to local governments:

..... \$ 150,000

2. For the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:

..... \$ 120,000

Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department of economic development for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

..... \$ 100,000

Sec. 6. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding section 15E.120, subsection 5, there is appropriated from the Iowa community development loan fund all the moneys available during the fiscal year beginning July 1, 2005, and ending June 30, 2006, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 7. WORKFORCE DEVELOPMENT FUND. There is appropriated from the workforce development fund account created in section 15.342A, to the workforce development fund created in section 15.343, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, for the purposes of the workforce development fund, and for not more than the following full-time equivalent positions:

..... \$ 4,000,000
..... FTEs 4.00

Sec. 8. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds appropriated or transferred to or receipts credited to the workforce development fund created in section 15.343, up to \$400,000 for the fiscal year beginning July 1, 2005, and ending June 30, 2006, may be used for the administration of workforce development activities including salaries, support, maintenance, and miscellaneous purposes and for not more than 4.00 full-time equivalent positions.

Sec. 9. JOB TRAINING FUND. Notwithstanding section 15.251, all remaining moneys in the job training fund on July 1, 2005, and any moneys appropriated or credited to the fund during the fiscal year beginning July 1, 2005, shall be transferred to the workforce development fund established pursuant to section 15.343.

Sec. 10. IOWA STATE UNIVERSITY.

1. There is appropriated from the general fund of the state to the Iowa state university of science and technology for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for small business development centers, the science and technology research park, the institute for physical research, and for not more than the following full-time equivalent positions:

..... \$ 2,363,557
..... FTEs 56.63

2. Of the moneys appropriated in subsection 1, Iowa state university shall allocate at least \$550,000 for purposes of funding small business development centers. Iowa state university may allocate moneys appropriated in subsection 1 to the various small business development centers in any manner necessary to achieve the purposes of this subsection.

3. Iowa state university of science and technology shall do all of the following:

a. Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

b. Provide emphasis to providing services to Iowa-based companies.

4. It is the intent of the general assembly that the industrial incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations and that moneys for the institute for physical research and technology industrial incentive program shall only be allocated for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102, subsection 4, for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and the legislative services agency the total amount of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 11. UNIVERSITY OF IOWA.

1. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the university of Iowa research park and for the advanced drug development program at the Oakdale research

park, including salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 247,005
..... FTEs 6.00

2. The university of Iowa shall do all of the following:

a. Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

b. Provide emphasis to providing services to Iowa-based companies.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 12. UNIVERSITY OF NORTHERN IOWA.

1. There is appropriated from the general fund of the state to the university of northern Iowa for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the metal casting institute, and for the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 361,291
..... FTEs 4.75

2. The university of northern Iowa shall do all of the following:

a. Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

b. Provide emphasis to providing services to Iowa-based companies.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 13. BOARD OF REGENTS REPORT. The state board of regents shall submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development to the secretary of the senate, the chief clerk of the house of representatives, and the legislative services agency by January 15, 2006.

Sec. 14. DEPARTMENT OF WORKFORCE DEVELOPMENT.

1. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, for the division of labor services, the division of workers' compensation, the workforce development state and regional boards, the new employment opportunity fund, immigration services centers, for transfer to the boiler safety fund, for transfer to the elevator safety fund, salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 5,151,919
..... FTEs 86.45

2. From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

3. The division of workers' compensation shall continue charging a \$65 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances. The moneys generated by the filing fee allowed under this subsection are appropriated to the department of workforce development to be used for purposes of administering the division of workers' compensation.

4. The department of workforce development shall maintain pilot immigration service centers that offer one-stop services

to deal with the multiple issues related to immigration and employment. The pilot centers shall be designed to support workers, businesses, and communities with information, referrals, job placement assistance, translation, language training, resettlement, as well as technical and legal assistance on such issues as forms and documentation. Through the coordination of local, state, and federal service providers, and through the development of partnerships with public, private, and nonprofit entities with established records of international service, these pilot centers shall seek to provide a seamless service delivery system for new Iowans.

5. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 15. EMPLOYMENT SECURITY CONTINGENCY FUND. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, for the purposes designated:

DIVISION OF WORKERS' COMPENSATION

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 471,000

Any remaining additional penalty and interest revenue may be allocated and used to accomplish the mission of the department.

Sec. 16. PUBLIC EMPLOYMENT RELATIONS BOARD. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	923,850
.....	FTEs	10.00

Sec. 17. ENDOW IOWA GRANTS APPROPRIATIONS.

1. There is appropriated from the general fund of the state to the department of economic development for the fiscal period beginning July 1, 2005, and ending June 30, 2008, the following amounts, or so much thereof as is necessary, to be used for the purpose designated:

For endow Iowa grants to lead philanthropic entities pursuant to section 15E.304:

FY 2005-2006.....	\$	50,000
FY 2006-2007.....	\$	50,000
FY 2007-2008.....	\$	50,000

2. Notwithstanding section 8.33, moneys that remain unexpended at the end of the fiscal year shall not revert to any fund but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

Sec. 18. NEW SECTION. 15G.110 APPROPRIATION.

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

Sec. 19. NEW SECTION. 15G.111 APPROPRIATIONS.

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

b. Each year that moneys are appropriated under this subsection, the department shall allocate a percentage of the moneys for each of the following types of activities:

- (1) Business start-ups.
- (2) Business expansion.
- (3) Business modernization.
- (4) Business attraction.
- (5) Business retention.
- (6) Marketing.
- (7) Research and development.

c. The department shall require an applicant for moneys appropriated under this subsection to include in the application a statement regarding the intended return on investment. A recipient of moneys appropriated under this subsection shall annually submit a statement to the department regarding the progress achieved on the intended return on investment stated in the application. The department, in cooperation with the department of revenue, shall develop a method of identifying and tracking each new job created and the leveraging of moneys through financial assistance from moneys appropriated under this subsection. The department of economic development shall identify research and development activities funded through financial assistance from not more than ten percent of the moneys appropriated under this subsection, and, instead of determining return on investment and job creation for the identified funding, determine the potential impact on the state's economy.

d. The department may use moneys appropriated under this subsection to procure technical assistance from either the public or private sector, for information technology purposes, for a statewide labor shed study, and for rail, air, or river port transportation-related purposes. The use of moneys appropriated for rail, air, or river port transportation-related purposes must be directly related to an economic development project and the moneys must be used to leverage other financial assistance moneys.

e. Of the moneys appropriated under this subsection, the department may use up to one and one-half percent for administrative purposes.

f. The Iowa economic development board shall approve or deny applications for financial assistance provided with moneys appropriated under this subsection. In providing such financial assistance, the board shall, whenever possible, coordinate the assistance with other programs administered by the department of economic development, including the community economic betterment program established in section 15.317 and the value-added agricultural products and processes financial assistance program established in section 15E.111.

g. It is the policy of this state to expand and stimulate the state economy by advancing, promoting, and expanding biotechnology industries in this state. To implement this policy, the Iowa economic development board shall consider providing assistance to projects that increase value-added income to individuals or organizations involved in agricultural business or biotechnology projects. Such a project need not create jobs specific to the project site; however, such a project must foster the knowledge and creativity necessary to promote the state's agricultural economy and to increase employment in urban and rural areas as a result.

2. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108, if enacted, to the department of economic development five million dollars for financial assistance to institutions of higher learning under the control of the state board of regents for capacity building infrastructure in areas related to technology commercialization, for marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and for infrastructure projects and programs needed to assist in the implementation of activities under chapter 262B, if so amended. In allocating moneys to institutions under the control of the state board of regents, the board shall require the institutions to provide a one-to-one match of additional

moneys for the activities funded with moneys appropriated under this subsection. The state board of regents shall annually prepare a report for submission to the governor, the general assembly, and the legislative services agency regarding the activities, projects, and programs funded with moneys appropriated under this subsection.

The state board of regents may allocate any moneys appropriated under this subsection and received from the department for financial assistance to a single biosciences development organization determined by the department to possess expertise in promoting the area of bioscience entrepreneurship. The organization must be composed of representatives of both the public and the private sector and shall be composed of subunits or subcommittees in the areas of existing identified biosciences platforms, education and workforce development, commercialization, communication, policy and governance, and finance. Such financial assistance shall be used for purposes of activities related to biosciences and bioeconomy development under chapter 262B, if so amended, and to accredited private universities in this state.

3. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108, if enacted, to the department of economic development one million dollars for purposes of providing financial assistance for projects in targeted state parks, state banner parks, and destination parks. The department of natural resources shall submit a plan to the department of economic development for the expenditure of moneys appropriated under this subsection. The plan shall focus on improving state parks, state banner parks, and destination parks for economic development purposes. Based on the report submitted, the department of economic development shall provide financial assistance to the department of natural resources for support of state parks, state banner parks, and destination parks. For purposes of

this subsection, "state banner park" means a park with multiple uses and which focuses on the economic development benefits of a community or area of the state.

4. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108, if enacted, to the office of the treasurer of state one million dollars for deposit in the Iowa cultural trust fund created in section 303A.4.

5. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108, if enacted, to the department of economic development seven million dollars for deposit into the workforce training and economic development funds of the community colleges created pursuant to section 260C.18A.

6. a. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108, if enacted, to the department of economic development one million dollars for providing economic development region financial assistance under section 15E.232, subsections 3, 4, 5, and 6, if enacted, and under section 15E.233, if enacted.

b. Of the moneys appropriated in this subsection, the department shall transfer three hundred fifty thousand dollars each fiscal year for the fiscal period beginning July 1, 2005, and ending June 30, 2015, to Iowa state university of science and technology, for purposes of providing financial assistance to establish small business development centers in areas of the state previously served by a small business development center and to maintain existing small business development centers. Financial assistance for a small business development center shall not be awarded unless the city or county where the center is located or scheduled to be located demonstrates the ability to obtain local matching moneys on a dollar-for-dollar basis. An award of financial assistance to

a small business development center under this paragraph shall not exceed twenty thousand dollars.

c. Of the moneys appropriated under this subsection, the department may use up to fifty thousand dollars each fiscal year during the fiscal period beginning July 1, 2005, and ending June 30, 2015, for purposes of providing training, materials, and assistance to Iowa business resource centers.

7. Notwithstanding section 8.33, moneys that remain unexpended at the end of a fiscal year shall not revert to any fund but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

Sec. 20. NEW SECTION. 96.51 FIELD OFFICE OPERATING FUND.

A field office operating fund is created in the state treasury under the control of the department of workforce development. The fund is separate and distinct from the unemployment compensation fund. All moneys properly credited to and deposited in the fund are annually appropriated to the department of workforce development to be used for personnel and nonpersonnel costs of operating field offices.

Sec. 21. 2004 Iowa Acts, chapter 1175, section 50, is amended by adding the following new subsection:

NEW SUBSECTION. 5. For sole source grant costs associated with the hosting of the national special olympics in Iowa by a special olympics nonprofit entity, in addition to the amount appropriated for this purpose in 2004 Iowa Acts, chapter 1175, section 288, subsection 6, paragraph "b":

..... \$ 500,000

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purpose designated until the close of the fiscal year that begins July 1, 2006.

Sec. 22. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable fuels and coproducts may apply to the department of economic development for moneys in the value-added agricultural

products and processes financial assistance fund for deposit in the renewable fuels and coproducts fund created in section 159A.7.

Sec. 23. IOWA FINANCE AUTHORITY AUDIT. The auditor of state is requested to review the audit of the Iowa finance authority performed by the auditor hired by the authority. The auditor of state is also requested to conduct a performance audit of the authority to determine the effectiveness of the authority and the programs of the authority.

Sec. 24. APPLICATION FOR DEPARTMENT OF ECONOMIC DEVELOPMENT MONEYS. For the fiscal year beginning July 1, 2005, any entity that was specifically identified in 2001 Iowa Acts, chapter 188, to receive funding from the department of economic development, excluding any entity identified to receive a direct appropriation beginning July 1, 2005, may apply to the department for assistance through the appropriate program. The department shall provide application criteria necessary to implement this section.

Sec. 25. SHELTER ASSISTANCE FUND. In providing moneys from the shelter assistance fund to homeless shelter programs in the fiscal year beginning July 1, 2005, and ending June 30, 2006, the department of economic development shall explore the potential of allocating moneys to homeless shelter programs based in part on their ability to move their clients toward self-sufficiency.

Sec. 26. UNEMPLOYMENT COMPENSATION PROGRAM. Notwithstanding section 96.9, subsection 4, paragraph "a", moneys credited to the state by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act shall be appropriated to the department of workforce development and shall be used by the department for the administration of the unemployment compensation program only. This appropriation shall not apply to any fiscal year beginning after December 31, 2005.

Sec. 27. EFFECTIVE DATE. Section 21 of this Act amending 2004 Iowa Acts, chapter 1175, section 50, being deemed of immediate importance, takes effect upon enactment.

CHRISTOPHER C. RANTS
Speaker of the House

JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 809, Eighty-first General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Item 16 to
Approved 6/9, 2005

THOMAS J. VILSACK
Governor