

JAN 25 2006
ECONOMIC GROWTH

HOUSE FILE 2123
BY PAULSEN

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

A BILL FOR

1 An Act relating to tool and die recovery enterprise zones.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

HF 2123

1 Section 1. Section 15E.192, subsection 3, paragraph b,
2 Code Supplement 2005, is amended to read as follows:

3 b. A county or city may apply to the department for an
4 area to be certified as an enterprise zone at any time prior
5 to March 1, 2006. However, the total amount of land
6 designated as enterprise zones under subsections 1 and 2, and
7 any other enterprise zones certified by the department,
8 excluding those approved pursuant to section 15E.194,
9 ~~subsection-4~~ subsections 4 and 5, shall not exceed in the
10 aggregate one percent of the total county area.

11 Sec. 2. Section 15E.194, Code 2005, is amended by adding
12 the following new subsection:

13 NEW SUBSECTION. 5. a. A city of any size or any county
14 may designate a tool and die recovery enterprise zone at any
15 time prior to July 1, 2010, consisting of property owned or
16 leased by an eligible tool and die business where a tool and
17 die facility is located. In lieu of the requirements in
18 section 15E.193, an eligible business located in a tool and
19 die recovery enterprise zone shall meet the requirements of
20 this subsection in order to receive incentives and assistance
21 under section 15E.196.

22 b. An eligible tool and die business under this subsection
23 must meet all of the following criteria:

24 (1) The business uses the property primarily for tool and
25 die business operations and is classified under the North
26 American industrial classification system with a code of
27 333511, 333512, 333513, 333514, or 333515.

28 (2) The business has entered into a qualified
29 collaboration agreement, as approved by the department
30 pursuant to paragraph "c", with other business entities that
31 have a North American industrial classification system code of
32 333511, 333512, 333513, 333514, or 333515.

33 (3) The business has less than fifty full-time employees.

34 (4) The business leases or owns property located in a
35 designated enterprise zone where the tool and die operations

1 are conducted.

2 c. In order for a qualified collaboration agreement to be
3 approved by the department, the agreement must demonstrate
4 synergistic opportunities between the parties to the agreement
5 in at least all of the following areas:

6 (1) Sales and marketing efforts.

7 (2) Development of standardized processes.

8 (3) Development of tooling standards.

9 (4) Standardized project management methods.

10 (5) Improved ability for specialized or small niche shops
11 to develop expertise and compete successfully on larger
12 programs.

13 d. The area meeting the requirements for tool and die
14 recovery enterprise zone eligibility under this subsection
15 shall not be included for the purposes of determining the area
16 limitation pursuant to section 15E.192, subsection 3.

17 Sec. 3. Section 15E.195, subsection 6, Code 2005, is
18 amended to read as follows:

19 6. A business that is approved to receive incentives or
20 assistance shall, for the length of its designation as an
21 enterprise zone business, certify annually to the county or
22 city, as applicable, and the department of economic
23 development its compliance with the requirements of section
24 15E.193, 15E.194, subsection 5, or 15E.193B.

25 EXPLANATION

26 This bill relates to tool and die recovery enterprise
27 zones.

28 The bill allows a city of any size or any county to
29 designate a tool and die recovery enterprise zone at any time
30 prior to July 1, 2010, consisting of property owned or leased
31 by an eligible tool and die business where a tool and die
32 facility is located. In order for an eligible business
33 located in a tool and die recovery enterprise zone to receive
34 incentives and assistance under the enterprise zone program,
35 the business must meet certain classifications under the North

1 American industrial classification system, have entered into a
2 qualified collaboration agreement as approved by the
3 department of economic development, have less than 50 full-
4 time employees, and lease or own the property located in a
5 designated enterprise zone where the tool and die operations
6 are conducted.

7 The bill provides that a qualified collaboration agreement
8 must demonstrate synergistic opportunities between the parties
9 to the agreement in certain areas.

10 The bill provides that an area meeting the requirements for
11 tool and die recovery enterprise zone eligibility under the
12 bill shall not be included for the purposes of determining the
13 area limitations under the enterprise zone program.

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35