

F I N A L R E P O R T  
ECONOMIC DEVELOPMENT STUDY COMMITTEE

February, 1986

The Economic Development Study Committee was established by the Legislative Council on July 10, 1984. The Study Committee consisted of six Senators, six Representatives, and seven nonlegislative individuals. The members of the Study Committee are as follows:

Senator Emil Husak, Co-chairperson  
Representative Tom Swartz, Co-chairperson  
Senator Charles Bruner  
Senator Richard Drake  
Senator Don Gettings  
Senator Art Gratias  
Senator John Nystrom  
Representative Joyce Lonergan  
Representative Ed Parker  
Representative John McIntee  
Representative Janet Metcalf  
Representative Darrell Hanson  
David Neil  
Jim Wengert  
Brice Ashman  
John Scott  
Suzie Darland  
Gary Owens  
Dr. Neil Harl

Representative Janet Metcalf replaced Representative William Harbor when he resigned from the Study Committee. Senator Gettings replaced Senator Bill Hutchins when he resigned to become Majority Leader and Senator Husak was made Co-chairperson replacing Senator Hutchins.

The Study Committee was directed to do an economic development study by looking at the economic development programs and activities of this state, determining areas in which development is needed, identifying additional programs or activities needed to enhance economic development for the state, and considering a plan for economic development for the state. The Study Committee was authorized to spend up to \$150,000 to hire a consultant to aid the Study Committee in making its economic development study.

The first meeting of the Study Committee was held on September 12, 1984. The Study Committee organized at this meeting, heard comments from its membership on their views and concerns relating

to the scope and purpose of the Study Committee's assignments, and heard presentations from individuals from state agencies, labor, local community organizations, business groups, and educational institutions.

The three remaining meetings held in 1984: October 4, December 11, and December 27, were devoted to selecting and hiring a consultant for the Study Committee. A "Request for Proposal" was sent out to known consultants and those who responded to ads placed in the Wall Street Journal. The respondents were narrowed down to five who were interviewed by the full Study Committee. The contract was finally awarded to Garfield Schwartz Associates, Inc. of which Ms. Gail Garfield Schwartz was President.

The next meetings of the Study Committee were not held until the 1985 interim. This allowed time for the consultant to do most of the basic research. At the first two meetings held during the interim, June 18, 1985 and July 18, 1985, the consultant provided the Study Committee with final reports on certain aspects of the Iowa economy and answered questions. Copies of these final reports are available from the Legislative Service Bureau and include the following:

Cost and Quality of Production Factors: Labor  
Regional/Local Delivery System  
Cost and Quality of Production Factors: Infrastructure  
Cost and Production Factors: Energy  
Cost and Quality of Production Factors: Capital

At the August 21, 1985 meeting, the consultant presented the final report entitled "Rebuilding Iowa's Economy: Comprehensive State Economic Development Plan". A copy of this is also available at the Legislative Service Bureau. This final report contained numerous recommendations for the state of Iowa to better its economic outlook and development.

During the final two meeting days of the Study Committee, attention was given to making its final recommendations. The Study Committee spend considerable time on drafting a reorganization proposal on the economic development programs, activities and agencies of the state. This proposal was ultimately recommended by the Study Committee to the General Assembly and contained, in addition to the reorganization of existing programs and activities, new programs and activities recommended by the consultant. A copy of this recommended proposal is attached to this final report. The title of the recommended bill draft of the Economic Development Study Committee is as follows:

An Act relating to the reorganization of the state's economic development programs, activities, and agencies and providing for effective dates.

The Economic Development Study Committee also recommended the following:

1. That the General Assembly give consideration to the redesignation of the service delivery areas of the state's job training partnership program in connection with any reorganization of the state's economic development programs, activities, and agencies.

2. That the General Assembly give consideration to establishment within the department created as a result of the reorganization of the state's economic development programs, activities, and agencies, of a division of job training and entrepreneurship assistance to centrally coordinate and oversee the activities of the state's job training program and its industrial new jobs training Act and to provide assistance to enable low-income people to start or expand self-employment opportunities or home-based businesses.

3. That the General Assembly arrange for data to be developed on how the provisions in the law work that require inventors whose research is funded in whole or in part by the state to assign to the state a proportionate part of their rights.

SENATE/HOUSE FILE \_\_\_\_\_

BY (PROPOSED ECONOMIC DEVELOPMENT STUDY COMMITTEE BILL)

RECOMMENDED

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the reorganization of the state's economic  
2 development programs, activities, and agencies and providing  
3 for effective dates.

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

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

1 Section 1. NEW SECTION. 15.1 DEFINITIONS.

2 When used in this chapter, unless the context otherwise  
3 requires:

4 1. "Board" means the Iowa economic development board.

5 2. "Department" means the Iowa department of economic  
6 development.

7 3. "Director" means the director of the department or the  
8 director's designee.

9 Sec. 2. NEW SECTION. 15.2 ECONOMIC DEVELOPMENT BOARD.

10 There is created the Iowa economic development board which  
11 shall consist of seven voting members appointed by the  
12 governor and four ex officio nonvoting legislative members.  
13 The legislative members are two state senators, one appointed  
14 by the majority and one appointed by the minority leaders of  
15 the state senate from their respective parties, and two state  
16 representatives, one appointed by the speaker and one  
17 appointed by the minority leader of the state house of  
18 representatives from their respective parties. Not more than  
19 four of the voting members shall be from the same political  
20 party. The governor shall appoint the voting members of the  
21 board for a term of four years beginning and ending as  
22 provided by section 69.19, subject to confirmation by the  
23 senate.

24 Any vacancy on the board shall be filled in the same manner  
25 as regular appointments are made for the unexpired portion of  
26 the regular term. In the event the governor fails to make an  
27 appointment to fill a vacancy of a voting member or fails to  
28 submit the appointment to the senate for confirmation as  
29 required by section 2.32, the senate may make the appointment  
30 prior to adjournment of the general assembly.

31 The board shall meet in May of each year for the purpose of  
32 electing one of its voting members as chairperson. The board  
33 shall meet at the call of the chairperson or when any four  
34 members of the board file a written request with the  
35 chairperson for a meeting. Written notice of the time and

1 place of each meeting shall be given to each member of the  
2 board. A majority of the voting members shall constitute a  
3 quorum.

4 Each voting member of the board shall receive a salary as  
5 fixed by the general assembly. Members of the board, the  
6 director, and other employees of the department shall be  
7 allowed their actual and necessary expenses incurred in the  
8 performance of their duties. All expenses and salaries shall  
9 be paid from appropriations for those purposes and the  
10 department shall be subject to the budget requirements of  
11 chapter 8.

12 If a member of the board has an interest, either direct or  
13 indirect, in a contract to which the department is or is to be  
14 a party, the interest shall be disclosed to the board in  
15 writing and shall be set forth in the minutes of a meeting of  
16 the board. The member having the interest shall not  
17 participate in action by the board with respect to the  
18 contract. This paragraph does not limit the right of a member  
19 of the board to acquire an interest in bonds, or limit the  
20 right of a member to have an interest in a bank or other  
21 financial institution in which the funds of the department are  
22 deposited or which is acting as trustee or paying agent under  
23 a trust indenture to which the department is a party.

24 Sec. 3. NEW SECTION. 15.3 DUTIES OF THE BOARD.

25 It shall be the duty of the board to:

26 1. Develop and coordinate a comprehensive economic  
27 development policy for the state for the purposes of promoting  
28 the state as a place for business and industry to locate and  
29 expand and of developing and improving the agricultural,  
30 industrial, service, professional, and tourism sectors of the  
31 state.

32 2. Approve the budget of the department as prepared by the  
33 director.

34 3. Approve programs developed by the department to carry  
35 out the economic development policies of the board.

1 4. Approve the establishment of any new division or  
2 reorganization, consolidation or abolition of any established  
3 division prior to the same becoming effective.

4 5. Give final approval to the awarding of a grant under a  
5 program administered by the department.

6 6. Adopt all necessary rules recommended by the director  
7 or administrators of divisions hereinafter established prior  
8 to their promulgation pursuant to chapter 17A.

9 7. Make recommendations to the governor and the general  
10 assembly on matters relating to economic development.

11 Sec. 4. NEW SECTION. 15.4 DEPARTMENT OF ECONOMIC  
12 DEVELOPMENT.

13 1. There is created the Iowa department of economic  
14 development. The department shall be administered by a  
15 director who shall be appointed by the governor subject to  
16 confirmation by the senate and shall serve at the pleasure of  
17 the governor. If the office of the director becomes vacant,  
18 the vacancy shall be filled in the same manner as provided for  
19 the original appointment.

20 2. The department is responsible for carrying out the  
21 economic development policies developed by the board. In  
22 addition to the missions assigned to it by law or the board,  
23 the following are the missions of the department:

24 a. Collect and assemble, or cause to have collected and  
25 assembled, all pertinent information available regarding the  
26 industrial and agricultural and public and private recreation  
27 and tourism opportunities and possibilities of the state of  
28 Iowa, including raw materials and products that may be  
29 produced therefrom; power and water resources; transportation  
30 facilities; available markets; the availability of labor; the  
31 banking and financing facilities; the availability of  
32 industrial sites; the advantages of the state as a whole, and  
33 the particular sections of the state, as industrial locations;  
34 the development of a grain alcohol motor fuel industry and its  
35 related products; and other fields of research and study as

1 the board deems necessary. This information, as far as  
2 possible, shall consider both the encouragement of new  
3 industrial enterprises in the state and the expansion of  
4 industries now existing within the state, and allied fields to  
5 those industries.

6 b. Acquaint the people of Iowa with the industries located  
7 within the state, and the industrial, agricultural, and public  
8 and private recreation and tourism opportunities existing in  
9 the state; and to encourage closer co-operation between the  
10 various industries of the state themselves and with the people  
11 of the state.

12 c. Encourage new industrial enterprises to locate in Iowa,  
13 by legitimate educational and advertising mediums directed to  
14 point out the opportunities of the state as a commercial,  
15 industrial, and agricultural field of opportunity, and by  
16 solicitation of industrial enterprises.

17 d. Aid in the promotion and development of manufacturing  
18 in Iowa. The department may adopt, subject to the approval of  
19 the board, a label or trade-mark bearing the words "Made in  
20 Iowa" or "Product of Iowa" together with any other appropriate  
21 design or inscription and this label or trade-mark shall be  
22 registered in the office of the secretary of state.

23 (1) The department shall have the right to register or  
24 file the label or trade-mark under the laws of the United  
25 States or any foreign country which permits registration,  
26 making the registration as an association or through an  
27 individual for the use and benefit of the department.

28 (2) The department shall grant authority to use the label  
29 or trade-mark to persons or firms who make a satisfactory  
30 showing to the department that the products on which the label  
31 or trade-mark is to be used are bona fide Iowa products. The  
32 trade-mark or label use shall be registered with the  
33 department.

34 (3) A person, firm, partnership, or corporation shall not  
35 use the label or trade-mark or advertise the same, or attach

1 the same on any manufactured article or agricultural product  
2 except as provided in this subsection.

3 e. Encourage the traveling public to visit Iowa, by the  
4 disseminating of information about Iowa's public and private  
5 recreation and tourism opportunities and other facilities for  
6 leisure and business travel.

7 f. Do other acts as shall, in the judgment of the board,  
8 be necessary and proper in fostering and promoting the  
9 industrial and agricultural development and economic welfare  
10 of the state of Iowa.

11 g. Provide that any inventor whose research is funded in  
12 whole or in part by the state shall assign to the state a  
13 proportionate part of the inventor's rights to a letter patent  
14 to the state. Royalties or earnings derived from a letter  
15 patent shall be paid to the treasurer of state and credited by  
16 the treasurer to the general fund of the state.

17 h. Aid in the set-aside of procurements for small  
18 businesses owned and operated by females and economically or  
19 socially disadvantaged persons pursuant to division VII of  
20 chapter 18.

21 i. Promote a "buy-Iowa" program to encourage the  
22 substitution of domestically produced Iowa goods for out-of-  
23 state purchases by identifying and inventorying potential  
24 purchases and the firms that can supply them, contacting the  
25 suppliers to determine their interest and ability in meeting  
26 the potential demand, and making the buyers aware of the  
27 potential suppliers.

28 3. To insure the economic and orderly development of the  
29 state, the department is authorized to:

30 a. Perform state and interstate comprehensive planning and  
31 related activities.

32 b. Perform planning for metropolitan or regional areas or  
33 areas of rapid urbanization including interstate areas.

34 c. Provide planning assistance to cities, other  
35 municipalities, counties, groups of adjacent communities,

1 metropolitan and regional areas, and official governmental  
2 planning agencies.

3 d. To assist public or private universities and colleges  
4 and urban centers to:

5 (1) Organize, initiate, develop, and expand programs which  
6 will provide special training in skills needed for economic  
7 and efficient community development.

8 (2) Support state and local research that is needed in  
9 connection with community development.

10 e. Apply for, receive, contract for, and expend federal  
11 funds and grants and funds and grants from other sources.

12 Sec. 5. NEW SECTION. 15.5 DUTIES OF THE DIRECTOR.

13 The director shall:

14 1. Manage the internal operations of the department and  
15 establish guidelines and procedures to promote the orderly and  
16 efficient administration of the department.

17 2. Employ personnel as are necessary to carry out the  
18 duties and responsibilities of the department, consistent with  
19 the provisions of chapter 19A and subject to the policies of  
20 the board.

21 3. Prepare a budget for the department, subject to the  
22 approval of the board, and prepare reports required by law or  
23 required by the board.

24 4. Appoint the administrators of the various divisions of  
25 the department, subject to the approval of the board.

26 5. Review and submit to the board legislative proposals  
27 necessary to maintain current state economic development and  
28 tourism laws.

29 6. Recommend rules to the board for the implementation of  
30 this chapter.

31 Sec. 6. NEW SECTION. 15.6 REASSIGNMENT OF PERSONNEL.

32 The director may reassign personnel within the department  
33 among the various divisions of the department in order to  
34 properly coordinate the work of the divisions and perform the  
35 duties and responsibilities of the department efficiently and

1 economically.

2 However, any employee so transferred or transferred from  
3 one employment system to another either administratively or  
4 legislatively, shall not be considered to be a probationary  
5 employee simply because of this action.

6 Sec. 7. NEW SECTION. 15.7 DIVISIONS OF THE DEPARTMENT.

7 The following divisions are initially created within the  
8 department:

- 9 1. Local government division.
- 10 2. Tourism division.
- 11 3. Export division.
- 12 4. Business and industry division.
- 13 5. Finance division.

14 LOCAL GOVERNMENT DIVISION

15 Sec. 8. NEW SECTION. 15.21 DEFINITIONS.

16 For purposes of this part, unless the context otherwise  
17 requires:

- 18 1. "Local governments" means any counties, municipal  
19 corporations, or other political subdivisions of this state.
- 20 2. "Administrator" means the administrator of the  
21 division.
- 22 3. "Division" means the division of local government of  
23 the department of economic development.

24 Sec. 9. NEW SECTION. 15.22 PRIMARY RESPONSIBILITY.

25 The primary responsibility of the division is to coordinate  
26 the development of state and local government economic  
27 development related programs in order to promote efficient  
28 and economic use of federal, state, local, and private  
29 resources. To carry out this responsibility, the division  
30 shall:

- 31 1. Provide technical and financial assistance to local and  
32 regional government organizations in Iowa, analyze  
33 intergovernmental relations in Iowa, and recommend policies to  
34 state agencies, local governments, the governor, and the  
35 general assembly as these pertain to economic development.

1 2. Provide coordination of state policy planning,  
2 management of interagency programs of the state, and recommend  
3 policies to the governor and the general assembly as these  
4 pertain to economic development.

5 3. Prepare and submit economic reports appraising the  
6 economic condition, growth and development of the state.

7 4. Apply for, receive, administer, and use federal or  
8 other funds available for economic development. The  
9 administration and usage of these funds shall be done in  
10 cooperation with the division of finance.

11 5. Carry out other duties required by law or as directed  
12 by the board or director.

13 6. Provide office space and staff assistance to the city  
14 development board as provided in section 368.9.

15 7. Provide staff assistance for the Iowa rural community  
16 development committee for the purposes provided in chapter  
17 387...

18 Sec. 10. NEW SECTION. 15.23 OFFICE FOR PLANNING AND PRO-  
19 GRAMMING TO COOPERATE.

20 The office for planning and programming shall provide the  
21 division with any information it requests pertaining to its  
22 duties and shall assist the division in carrying out its  
23 duties and shall provide the division with a copy of all  
24 official grant-in-aid applications seeking funds for economic  
25 development, together with a copy of any program plan  
26 developed to meet federal requirements, prior to submission of  
27 an application to the federal government.

28 TOURISM DIVISION

29 Sec. 11. NEW SECTION. 15.51 DEFINITIONS.

30 For purposes of this part, unless the context otherwise  
31 requires:

32 1. "Division" means the division of tourism of the  
33 department of economic development.

34 2. "Iowa community cultural grants program" means the  
35 program established under sections 15.53 to 15.55.

1 3. "Administrator" means the administrator of the  
2 division.

3 Sec. 12. NEW SECTION. 15.52 PRIMARY RESPONSIBILITY.

4 The primary responsibility of the division is to promote  
5 Iowa's public and private recreation and tourism opportunities  
6 to Iowans and state visitors and aid promotional and  
7 development efforts by local governments and the private  
8 sector. To carry out this responsibility, the division shall:

9 1. Build general public consensus and support for Iowa's  
10 public and private recreation, tourism, and leisure  
11 opportunities and needs.

12 2. Recommend high quality site management and maintenance  
13 standards for all public and private recreation and tourism  
14 opportunities.

15 3. Coordinate and develop with the state department of  
16 transportation, the state conservation commission, the  
17 department of water, air and waste management, the Iowa arts  
18 council, the state historical department, and other state  
19 agencies public interpretation and education programs which  
20 encourage Iowans and state visitors to participate in  
21 recreation and leisure opportunities available in Iowa.

22 4. Coordinate with other divisions of the department to  
23 add Iowa's recreation, tourism and leisure resources to the  
24 agricultural and other images which characterize the state on  
25 a national level.

26 5. Consolidate and coordinate the many existing sources of  
27 information about local, regional, statewide and national  
28 opportunities into a comprehensive, state-of-the-art  
29 information delivery system for Iowans and out-of-state  
30 visitors.

31 6. Formulate and direct marketing and promotion programs  
32 to specific out-of-state market populations exhibiting the  
33 highest potential for consuming Iowa's public and private  
34 tourism products.

35 7. Provide ongoing long-range planning on a statewide

1 basis for improvements in Iowa's public and private tourism  
2 opportunities.

3 8. Provide the private sector and local communities with  
4 advisory services including analysis of existing resources and  
5 deficiencies, general development and financial planning,  
6 marketing guidance, hospitality training, and others.

7 9. Measure the change in public opinion of Iowans  
8 regarding the importance of recreation, tourism and leisure.

9 10. Provide annual monitoring of tourism visitation by  
10 Iowans and state visitors to Iowa attractions, public and  
11 private employment levels, and other economic indicators of  
12 the recreation and tourism industry and report predictable  
13 trends.

14 11. Identify new business investment opportunities for  
15 private enterprise in the recreation and tourism industry.

16 12. Establish and administer the Iowa community cultural  
17 grants program.

18 13. Cooperate with and seek assistance from the state arts  
19 council and the state historical board.

20 14. Perform the duties required of it under chapter 308  
21 for purposes of the Mississippi river parkway.

22 15. Carry out other duties required by law or as directed  
23 by the board or director.

24 Sec. 13. NEW SECTION. 15.53 TITLE.

25 Sections 15.53 to 15.55 shall be known and may be cited as  
26 the "Iowa community cultural grants program Act".

27 Sec. 14. NEW SECTION. 15.54 POWERS AND DUTIES.

28 1. The division shall establish a program of grants to  
29 cities and community groups for the development of community  
30 programs that would provide local jobs for Iowa residents and  
31 at the same time promote a city's historical, ethnic, and  
32 cultural heritages through the development of festivals,  
33 music, drama, or cultural programs or tourist attractions.

34 2. At least twenty-five percent of the funds appropriated  
35 shall be used for the purpose of developing community programs

1 eligible for grants under this program which were not in  
2 existence prior to the due date of grant applications each  
3 year.

4 a. A city or community group may submit applications to  
5 the division. Applications shall be reviewed by the Iowa arts  
6 council, the state historical board, and the division acting  
7 as an advisory committee to the board. The advisory committee  
8 shall submit recommendations to the board regarding possible  
9 recipients and grant amounts.

10 b. The amount of the grant shall not exceed fifty percent  
11 of the cost of the community program and the application must  
12 demonstrate that the city or community group will provide the  
13 required matching money. In lieu of providing the entire  
14 match in money, a city or community group may substitute in-  
15 kind services for up to fifty percent of the matching re-  
16 quirement.

17 Sec. 15: NEW SECTION. 15.55 REVERSION OF FUNDS.

18 Funds appropriated for this program will not revert to the  
19 general fund of the state until eighteen months following the  
20 beginning of the fiscal year for which they were appropriated.

21 EXPORT DIVISION

22 Sec. 16. NEW SECTION. 15.71 DEFINITIONS.

23 For purposes of this part, unless the context otherwise  
24 requires:

25 1. "Administrator" means the administrator of the  
26 division.

27 2. "Division" means the division of export of the  
28 department of economic development.

29 3. "Agricultural marketing program" means the duties and  
30 activities specified in sections 15:73 to 15.79.

31 4. "Agriculture marketing board" or "marketing board"  
32 means the board created pursuant to section 15.78.

33 5. "Industrial and business export trade plan" or "trade  
34 plan" means the duties and activities specified in sections  
35 15.82 and 15.83.

1     Sec. 17. NEW SECTION. 15.72 PRIMARY RESPONSIBILITY.

2     The primary responsibility of the division is to promote  
3 and aid in the marketing and sale of Iowa industrial and  
4 agricultural products and services outside of the state. To  
5 carry out this responsibility, the division shall:

6     1. Perform the duties and activities specified for the  
7 agricultural marketing program.

8     2. Perform the duties and activities specified for the  
9 industrial and business export trade plan.

10    3. Establish and carry out the purposes of the Iowa export  
11 trading company as provided in sections 28.106 to 28.108.

12    4. In coordination with the board of regents and the area  
13 community colleges, establish a conversational foreign  
14 language training program.

15    5. To the extent deemed feasible, promote and assist in  
16 the creation of one or more international currency and barter  
17 exchanges.

18    6. Seek assistance and advice from the export advisory  
19 board appointed by the governor. The governor is authorized  
20 to appoint an export advisory board.

21    7. Develop a program in which graduates of Iowa  
22 institutions of higher education or exresidents of the state  
23 who are residing in foreign countries and who are familiar  
24 with the language and customs of those countries are utilized  
25 as cultural advisors for the department and for Iowa  
26 businesses participating in trade missions and other foreign  
27 trade activities.

28    8. Prepare a report for the governor and the general  
29 assembly indicating the areas of export development in which  
30 this state could be more actively involved and how this  
31 involvement could occur. The initial report shall be  
32 available to the governor and members of the general assembly  
33 by December 1, 1986. Subsequent reports may be submitted as  
34 deemed necessary. The report shall include, but not be  
35 limited to:

1 a. Information on the financial requirements of export  
2 trade activity and the potential roles for state involvement  
3 in export trade financing.

4 b. Information on financing of export trade activity  
5 undertaken by other states and the results of this activity.

6 c. Recommendations for a long-term export trade policy for  
7 the state.

8 d. Recommendations regarding state involvement in export  
9 trade financing requirements.

10 e. Other findings and recommendations deemed relevant to  
11 the understanding of export trade development.

12 9. Carry out duties required by law or as directed by the  
13 board or director.

14 Sec. 18. NEW SECTION. 15.73 AGRICULTURAL MARKETING  
15 PROGRAM -- DIVISION'S POWERS.

16 It is the duty of the division in operating the  
17 agricultural marketing program to do or cause to be done those  
18 things designed to lead to more advantageous marketing of Iowa  
19 agricultural products. To implement this purpose, the  
20 division has the power to do, but is not limited to, the  
21 following:

22 1. Investigate the subject of marketing farm products.

23 2. Promote their sales, distribution and merchandising.

24 3. Furnish information and assistance concerning the same  
25 to the public.

26 4. Study and recommend efficient and economical methods of  
27 marketing.

28 5. Cooperate with the division of agriculture of the Iowa  
29 state university of science and technology and the  
30 agricultural commodities marketing organizations in farm  
31 marketing education and research and avoid unnecessary  
32 duplications.

33 6. Gather and diffuse useful information concerning all  
34 phases of the marketing of Iowa farm products in cooperation  
35 with other public or private agencies.

1     Sec. 19. NEW SECTION. 15.74 ADMINISTRATOR'S POWERS.

2     To effectuate the purposes of the agricultural marketing  
3 program, the administrator is empowered and directed to:

4     1. Appoint competent and experienced persons to assist the  
5 administrator in the performance of the administrator's duties  
6 and powers and to delegate to any employee of this division  
7 any of the powers and duties conferred upon the administrator.

8     2. Investigate methods and practices in connection with  
9 the processing, handling, standardizing, grading, classifying,  
10 sorting, weighing, packing, transportation, storage,  
11 inspection and merchandising of farm and food products within  
12 the state and all relevant matters.

13    3. Cooperate with the Iowa state university of science and  
14 technology extension service in disseminating information  
15 relative to matters described in subsection 2.

16    4. Ascertain sources of supply of Iowa farm and food  
17 products, and prepare and publish from time to time lists of  
18 names and addresses of producers and consignors and furnish  
19 the lists to persons applying for them.

20    5. Consult with the research foundations existing in Iowa  
21 when issues concerning technology transfer occur.

22    6. Perform the acts of inspection and grading, or both, of  
23 any farm product where requested by a person, group of  
24 persons, partnership, firm, company, corporation, cooperative,  
25 or association engaged in the production, marketing, or  
26 processing of such farm products, providing the person or  
27 persons, partnership, firm, company, corporation, cooperative,  
28 or association is willing to pay for the services under rules  
29 as the administrator, with approval of the board, may  
30 prescribe, including payment of fees as the administrator may  
31 deem reasonable, for the services rendered or performed by  
32 employees of the division. The standards, grades, or  
33 classification shall not be lower in their requirements than  
34 the minimum requirements of the official standards for  
35 corresponding standards, grades and classifications commonly

1 known as United States grades promulgated from time to time by  
2 the secretary of agriculture of the United States.

3 Sec. 20. NEW SECTION. 15.75 GRANTS AND GIFTS OF FUNDS.

4 The division may with the approval of the director accept  
5 grants and allotments of funds from the federal government and  
6 enter into cooperative agreements with the secretary of  
7 agriculture of the United States for projects to effectuate  
8 any of the purposes of the agricultural marketing program; and  
9 to accept grants, gifts or allotments of funds from any  
10 person, firm, cooperative, corporation, or association for the  
11 purpose of carrying out the agricultural marketing program for  
12 which an itemized accounting must be made by the administrator  
13 to the director at the end of each fiscal year.

14 Sec. 21. NEW SECTION. 15.76 SPECIAL FUND.

15 All fees collected as a result of the inspection and  
16 grading provisions set out in the agricultural marketing  
17 program shall be paid into the state treasury, there to be set  
18 aside in a separate fund which is appropriated for the use of  
19 the division except as indicated. Withdrawals from this  
20 separate fund shall be by warrant of the state comptroller  
21 upon requisition by the administrator approved by the  
22 director. The fund shall be continued from year to year,  
23 provided, that if there be any balance remaining at the end of  
24 the biennium which, in the opinion of the governor, state  
25 comptroller and director, is greater than necessary for the  
26 proper administration of the inspection and grading program,  
27 the treasurer of state is authorized on the recommendation and  
28 with the approval of the governor, state comptroller and  
29 director, to transfer to the general fund of the state that  
30 portion of the fund as they shall deem advisable.

31 Sec. 22. NEW SECTION. 15.77 GRADES OR CLASSIFICATIONS OF  
32 FARM PRODUCTS.

33 A certificate of the grade, or other classification, of any  
34 farm products issued under the agricultural marketing program  
35 shall be accepted in any court of this state as prima facie

1 evidence of the true grade or classification of those farm  
2 products as the same existed at the time of their  
3 classification.

4 Sec. 23. NEW SECTION. 15.78 MARKETING BOARD.

5 There is established an agriculture marketing board, to be  
6 known and designated as the agriculture marketing board.

7 The agriculture marketing board is composed of the  
8 secretary of agriculture, the director or the director's  
9 designee and the dean of agriculture at Iowa state university  
10 of science and technology each of whom shall serve as a member  
11 of the board as a nonvoting member, and a producer member from  
12 each of the following statutory associations: Iowa swine  
13 producers association, Iowa turkey federation, Iowa beef  
14 cattle producers association, Iowa state sheep association,  
15 Iowa poultry association, incorporated, Iowa state dairy  
16 association, Iowa crop improvement association, Iowa soybean  
17 association, Iowa corn growers association and state  
18 horticulture society. The names of three persons shall be  
19 certified to the director by the presidents of the Iowa swine  
20 producers association, Iowa turkey federation, Iowa beef  
21 cattle producers association, Iowa poultry association,  
22 incorporated, and state horticulture society by June 1 of each  
23 odd-numbered year. The director shall appoint by July 1 one  
24 of these three from each organization to the agriculture  
25 marketing board. The appointee shall serve for a period of  
26 two years beginning on July 1 of the year of appointment and  
27 until a successor is appointed or qualified. Three names  
28 shall be submitted and appointments made in the same manner in  
29 even-numbered years for representation from the Iowa state  
30 dairy association, Iowa soybean association, Iowa corn growers  
31 association, Iowa state sheep association, and Iowa crop  
32 improvement association. A vacancy occurring in the  
33 agriculture marketing board shall be filled within two months  
34 of the vacancy in the manner provided in this section.

35 Appointive members of the marketing board shall receive

1 forty dollars per diem, actual necessary expenses and mileage  
2 expenses incurred while engaged in the business of the  
3 marketing board.

4 Sec. 24. NEW SECTION. 15.79 DUTIES OF MARKETING BOARD.

5 The duties of the agriculture marketing board shall  
6 include, but are not limited to, the following:

7 1. To elect a chairperson, a secretary, and from time to  
8 time such other officers as it may deem advisable.

9 2. To keep accurate books, records, and accounts of all  
10 its dealings, which books, records and accounts shall be  
11 audited annually by the auditor of state.

12 Sec. 25. NEW SECTION. 15.82 INDUSTRIAL AND BUSINESS  
13 EXPORT TRADE PLAN.

14 It is the duty of the division in developing and carrying  
15 out the industrial and business export trade plan to do or  
16 cause to be done those things designed to more actively  
17 promote and enhance the development and expansion of export  
18 trade of Iowa's industrial and business products. To  
19 implement this purpose, the division shall provide to Iowa  
20 industries and businesses the following:

21 1. Information on export market activity.

22 2. Information on financing requirements of export trade,  
23 including potential sources of funding for export activity.

24 3. Information on necessary permit and licensing require-  
25 ments for export activity.

26 4. Information on federal or international programs that  
27 are available to assist in export market development.

28 5. Assistance in the development of export trade activity.

29 6. Trade related programs within at least the four major  
30 areas of education and training, marketing and promotion,  
31 financing, and sales.

32 7. Other activities deemed consistent with the purpose of  
33 this program.

34 Sec. 26. NEW SECTION. 15.83 TRADE RELATED PROGRAMS.

35 A major component of the industrial and business export

1 trade plan shall be the trade related programs described and  
2 developed as provided in this section.

3 1. Education and training programs shall include activi-  
4 ties directed at businesses engaged in exporting and at those  
5 who may some day become involved in exporting. Educating and  
6 alerting businesses to the opportunities available through  
7 exporting are the first and often most productive steps in  
8 developing trade. Building an awareness of trade  
9 opportunities shall be achieved through counseling sessions  
10 for those unfamiliar with exporting. Seminars and workshops  
11 shall help provide information on the mechanics of exporting  
12 and methods of marketing and financing products in other  
13 markets. Guidebooks shall provide additional information on  
14 export methods and requirements, forms of federal assistance,  
15 and local resources to facilitate trade. Training in the  
16 local universities and colleges shall help create the skills  
17 necessary for engaging in trade and in providing the skilled  
18 labor force necessary for emerging industries with trade  
19 potential.

20 The division has primary responsibility in the following  
21 education and training program areas and shall create programs  
22 in these areas as soon as practicable:

23 a. SEMINARS AND WORKSHOPS. The division shall provide on  
24 a regular basis seminars and workshops on various aspects of  
25 trade and conduct industry specific seminars and workshops to  
26 identify and focus resources on the potential sectors and  
27 markets that have promising growth potentials for the state.  
28 Topics covered shall include the mechanics of trade, uses of  
29 export management companies and export trade companies,  
30 sources and methods of export financing, and overseas  
31 marketing and market potential.

32 b. PUBLICATIONS. The division shall prepare several  
33 publications designed to facilitate trade including an  
34 exporting guidebook, directory of Iowa exporters, and Iowa  
35 statistical profile, and be responsible for updating and

1 refining these and similar publications. The organization  
2 shall prepare a monthly trade newsletter designed to keep Iowa  
3 businesses apprised about evolving trade developments.

4 c. TRAINING AND RECRUITING. The division shall advise the  
5 board of regents, department of public instruction, and  
6 representatives of Iowa's private colleges and universities on  
7 curriculum development, develop training programs on the  
8 mechanics of exporting, and assist in training and recruitment  
9 for Iowa businesses.

10 2. Marketing and promotion programs include market re-  
11 search into sources of supply in the domestic market, as well  
12 as an examination of market potential both domestically and  
13 abroad. Marketing assistance may also include representatives  
14 around the country and overseas, establishment of a trade lead  
15 service, trade missions, catalog shows, and trade fairs. Per-  
16 manent out-of-state representation can make contacts with in-  
17 dustrial prospects, provide buyers with contact names, provide  
18 industrial investors with information on location and the  
19 state's business climate, and generally assist in identifying  
20 sites for plants. Reverse investment and state product sales  
21 efforts may be combined. These promotion efforts may be  
22 conducted both domestically and abroad with a variety of  
23 methods including promotional films, temporary and permanent  
24 exhibition centers, luncheons, direct mailings, media  
25 advertising, and targeting of specific firms.

26 Key marketing and promotion activities shall include but  
27 not be limited to:

28 a. MARKET RESEARCH. Working with the board of regents,  
29 department of public instruction, representatives of Iowa's  
30 private colleges and universities, and the private sector to  
31 engage in market research that focuses on promising sectors  
32 and markets that have promising growth potentials for the  
33 state. Major components of this program include:

34 (1) Developing an inventory of Iowa's producers and  
35 manufacturers to identify products, types of products that are

1 exported, exports to different world markets, and Iowa's  
2 export potential.

3 (2) Examining opportunities in some emerging sectors  
4 including high technology with an agricultural and  
5 manufacturing orientation and the services sector.

6 (3) Researching new markets both domestically and abroad  
7 to identify growing markets for Iowa products and those that  
8 could be developed in Iowa to serve these markets, including  
9 an assessment of the feasibility of establishing permanent  
10 representation overseas.

11 b. OVERSEAS REPRESENTATION. Assessing the feasibility of  
12 strengthening Iowa's overseas representation and identifying  
13 the strategic markets in which overseas representation would  
14 be desirable by increasing the commitment of resources to  
15 present and other potential locations to strengthen the  
16 state's function in marketing Iowa products in the customer's  
17 marketplace and in providing onsite market research. The  
18 representatives abroad shall aggressively work to provide up-  
19 to-date information on trade leads. The division shall make a  
20 determination of whether such representation is more feasible  
21 if provided by the state or through the private sector.

22 c. TRADE MISSIONS AND PROMOTION. Continuing overseas  
23 trade missions, including not less than four trade missions a  
24 year, which emphasize advance planning and postmission  
25 followup. Working with the United States department of  
26 commerce, the division shall research potential markets and  
27 needs and then assemble the appropriate teams of business  
28 persons to represent the relevant Iowa products. Following  
29 the mission, the division should assess the impact of the  
30 mission on trade development.

31 d. OTHER MECHANISMS. Serving as a catalyst or broker to  
32 facilitate the development of exporting joint ventures between  
33 Iowa businesses. The joint ventures may range from those that  
34 are project specific, such as physical infrastructure projects  
35 in developing countries; to encouraging piggybacking of Iowa

1 small and medium-sized manufacturers with Iowa's major manu-  
2 facturers and exporters that have well established exporting  
3 networks; to the formation of export trade companies by Iowa  
4 businesses.

5 3. Trade financing programs shall combine public and pri-  
6 vate sources. In addition to preexport and postexport  
7 financing by a few of Iowa's major banks, the organization  
8 shall seek sources of funds at both the federal and state  
9 levels. The programs shall inform businesses about federal  
10 financing programs such as those offered by the small business  
11 administration, the export-import bank, and the United States  
12 department of agriculture. Financing assistance may take the  
13 form of direct loans or loan guarantees.

14 The division has a secondary role in export financing and  
15 shall support the private sector in the following areas:

16 a. Providing subsidized loans or sharing expenses for Iowa  
17 businesses participating in trade missions.

18 b. Engaging in trade development feasibility studies.

19 c. Educating Iowa businesses as to sources of financing  
20 within and without the state.

21 d. Examining the feasibility of establishing a counter-  
22 trade or barter exchange.

23 4. Sales programs shall not involve the division in direct  
24 sales but shall encourage the development of the middleman  
25 structure necessary for the small and medium-sized businesses  
26 to consummate sales and support and expand overseas sales  
27 through the division's marketing functions.

28 BUSINESS AND INDUSTRY DIVISION

29 Sec. 27. NEW SECTION. 15.101 DEFINITIONS.

30 For purposes of this part, unless the context otherwise  
31 requires:

32 1. "Administrator" means the administrator of the  
33 division.

34 2. "Division" means the division of business and industry  
35 of the department of economic development.

1      Sec. 28. NEW SECTION. 15.102 PRIMARY RESPONSIBILITY.

2      The primary responsibility of the division is to  
3 coordinate, develop, and make available technical services on  
4 the state and local levels in order to aid businesses in their  
5 start-up or expansion in the state. To carry out this  
6 responsibility, the division shall:

7      1. Coordinate the activities of the center for industrial  
8 research and service at the Iowa state university of science  
9 and technology with the small business development centers  
10 located throughout the state.

11     2. Establish and administer the regulatory information  
12 service provided for in section 28.17.

13     3. Establish and administer the small business development  
14 service under sections 28.41 through 28.46.

15     4. Establish and coordinate the activities of the primary  
16 research and marketing center and the satellite centers as  
17 provided in section 28.101.

18     5. Coordinate and perform the duties specified under the  
19 job training partnership program in chapter 7B, the Iowa  
20 industrial new jobs training Act in chapter 280B and the Iowa  
21 small business new jobs training Act in chapter 280C.

22     6. Cooperate with the department of job service to es-  
23 tablish a program to educate existing employers and new or  
24 potential employers on the rates and workings of the state  
25 unemployment compensation program and the state workers'  
26 compensation program.

27     7. Train field experts in local development and through  
28 them provide continuing support to small local organizations.

29     8. Establish within the department a federal procurement  
30 office staffed with individuals experienced in marketing to  
31 federal agencies.

32     9. If determined necessary by the board, provide training  
33 for bank loan officers to increase their level of expertise in  
34 regard to business loans.

35     10. Carry out other duties required by law or as directed

1 by the board or the director.

2 FINANCE DIVISION

3 Sec. 29. NEW SECTION. 15.121 DEFINITIONS.

4 For purposes of this part, unless the context otherwise  
5 requires:

6 1. "Administrator" means the administrator of the  
7 division.

8 2. "Iowa community development loan program" means the  
9 program established under sections 15.123 to 15.130.

10 3. "Division" means the division of finance of the  
11 department of economic development.

12 Sec. 30. NEW SECTION. 15.122 PRIMARY RESPONSIBILITY.

13 The primary responsibility of the division is to provide  
14 for financial assistance to businesses, local governments, and  
15 educational institutions through loans and grants of state and  
16 federal funds to enable them to promote and achieve economic  
17 development within the state. To carry out the re-  
18 sponsibility, the division shall:

19 1. Establish and administer the Iowa community development  
20 loan program.

21 2. Expend federal funds received as community development  
22 block grants as provided in section 8.41.

23 3. Provide staff assistance to the corporation formed un-  
24 der authority of sections 28.11 to 28.16 to receive and dis-  
25 burse funds to further the overall development and well-being  
26 of the state.

27 4. Provide financial assistance to local development  
28 corporations as provided for in sections 28.25 to 28.29.

29 5. Provide staff support and assistance to the Iowa high  
30 technology council established in sections 28.51 to 28.55.

31 6. Provide assistance to the Iowa venture capital fund  
32 established in sections 28.61 to 28.66.

33 7. Provide administration for the Iowa product development  
34 corporation created in sections 28.81 to 28.94.

35 8. Provide services contracted for by the treasurer of

1 state as executive director of the Iowa family farm  
2 development authority under chapter 175, the Iowa economic  
3 protective and investment authority under chapter 175A, the  
4 Iowa finance authority under chapter 220, the Iowa railway  
5 finance authority under chapter 307B, and the Iowa advance  
6 funding authority under chapter 442A and coordinate the  
7 financial assistance programs of the department and those of  
8 the preceding authorities.

9 9. Administer the funds appropriated from the community  
10 economic betterment account of the Iowa plan fund for economic  
11 development as provided in 1985 Iowa Acts, chapter 33, section  
12 302, subsection 2, as amended by section 112 of this Act.

13 10. Administer the funds appropriated from the education  
14 and agriculture research and development account of the Iowa  
15 plan fund for economic development as provided in 1985 Iowa  
16 Acts, chapter 33, section 302, subsection 4, paragraph "b", as  
17 amended by section 114 of this Act.

18 11. Carry out other duties required by law or as directed  
19 by the board or the director.

20 Sec. 31. NEW SECTION. 15.123 SHORT TITLE.

21 Sections 15.123 to 15.130 may be cited as the "Iowa  
22 community development loan program".

23 Sec. 32. NEW SECTION. 15.124 INTENT.

24 The purpose of the Iowa community development loan program  
25 is to assist Iowa communities in the construction and  
26 improvement of public works and facilities which support and  
27 enhance local economic development.

28 Sec. 33. NEW SECTION. 15.125 ESTABLISHMENT OF PROGRAM.

29 1. The Iowa community development loan program is  
30 established to aid communities in improving and developing  
31 adequate public works and facilities needed to support local  
32 economic development projects by providing a revolving loan  
33 fund.

34 2. The program provides loans to cities for projects which  
35 address the following objectives:

- 1 a. The construction and improvement of public works and
- 2 facilities needed for economic development.
- 3 b. The creation or retention of jobs especially in cities
- 4 or cities located in counties with an unemployment rate higher
- 5 than the statewide average.
- 6 c. The promotion of the expansion of existing business and
- 7 industry.
- 8 d. The leveraging of local resources.
- 9 e. The creation of job opportunities for women and
- 10 minorities.
- 11 3. The program shall provide that the moneys appropriated
- 12 to the revolving loan fund shall be available as follows:
- 13 a. Twenty-five percent of the moneys shall be designated
- 14 for cities with a population of less than five thousand.
- 15 b. Fifty percent of the moneys shall be designated for
- 16 cities with a population of five thousand or more.
- 17 c. Twenty-five percent of the moneys shall be designated
- 18 for any city.
- 19 d. Loans repaid which were from moneys designated for
- 20 cities as provided in paragraph "a" or "b" shall be
- 21 redesignated for those cities.
- 22 4. Job service of Iowa is required to supply information
- 23 regarding unemployment rates to any city or county requesting
- 24 it.

25 **Sec. 34. NEW SECTION. 15.126 QUALIFICATIONS FOR LOAN**

26 **PROGRAM.**

- 27 1. Any Iowa city is eligible to apply for and receive
- 28 loans through the program. However, preference shall be given
- 29 to cities or cities located in counties with unemployment
- 30 rates higher than the statewide average.
- 31 2. Loans provided through the program shall be used to pay
- 32 the cost of public works and facilities. "Public works and
- 33 facilities" means "essential corporate purpose" and "general
- 34 corporate purpose" as defined in section 384.24, subsections 3
- 35 and 4 and also means the acquisition of real property which is

1 to be developed into an industrial park. "Cost" means all the  
2 costs of the project, including the cost of acquisition,  
3 construction, reconstruction and improvement, and all the  
4 items listed in section 384.24, subsection 5.

5 3. Funds provided through the loan program shall be  
6 matched with local cash resources equal to not less than fifty  
7 percent of the amount loaned. All matching local cash  
8 resources shall be specifically committed to the  
9 accomplishment of the project for which the loan is made.

10 Sec. 35. NEW SECTION. 15.127 APPROVAL OF LOANS.

11 1. Loans provided through the program are interest free.

12 2. The maximum amount of a loan made through the program  
13 is two hundred fifty thousand dollars.

14 3. Initial loans provided through the program shall be  
15 awarded, subject to the amounts designated as provided in  
16 section 15.125, subsection 3, on a competitive basis to those  
17 community projects which meet the minimum qualifications of  
18 the program and which best meet the objectives of section  
19 15.125, subsection 2. Consideration shall be given to the  
20 payback methods proposed by each city, with preference shown  
21 to projects which offer shorter loan maturities and greater  
22 security of repayment to the state.

23 4. Prior to the receipt of the loan funds, each loan  
24 recipient shall pay to the state a loan origination fee in an  
25 amount equal to six-tenths of one percent of the loan amount.  
26 The fees shall be paid from private or local funds and shall  
27 be placed into the general fund of the state but shall only be  
28 used to defray the state's expense in operating the loan  
29 program.

30 5. Loan proceeds shall not be disbursed to a city until a  
31 loan agreement has been executed between the department and  
32 that city.

33 Sec. 36. NEW SECTION. 15.128 LOAN REPAYMENTS.

34 1. A city shall repay funds borrowed in accordance with a  
35 loan agreement to be executed prior to the disbursement of a

1 loan by the state.

2 2. In accordance with sections 15.123 to 15.130,  
3 additional loans shall be periodically awarded by the  
4 department. The additional loans shall be provided from funds  
5 not previously awarded and from repayments received from prior  
6 recipients of loans.

7 3. Loan repayments shall be returned to the program and  
8 shall not revert to the state's general fund.

9 Sec. 37. NEW SECTION. 15.129 ANNUAL REPORT.

10 The department shall submit to the governor, once each  
11 year, a report setting forth details of the operation of the  
12 program and shall make that report available to members of the  
13 general assembly upon their request.

14 Sec. 38. NEW SECTION. 15.130 LOANS NOT DEPENDENT ON  
15 BONDS.

16 Notwithstanding any law to the contrary cities shall not be  
17 required to issue bonds to secure loans received by the city  
18 through the Iowa community development loan program.

19 Sec. 39. Section 7A.3, subsection 4, Code 1985, is amended  
20 by striking the subsection.

21 Sec. 40. Section 7B.1, Code 1985, is amended to read as  
22 follows:

23 7B.1 PURPOSE.

24 There is created a job training partnership program in the  
25 state for the purpose of supplementing and implementing the  
26 legislative requirements provided under the federal Job  
27 Training Partnership Act of 1982, Pub. L. No. 97-300. The  
28 general assembly shall provide the funds necessary to obtain  
29 federal funds to provide employment and training assistance to  
30 dislocated workers and shall authorize the appropriation of  
31 state funds to provide training to the economically  
32 disadvantaged. The program shall also establish policies and  
33 restrictions for job training and related services provided to  
34 certain unemployed individuals under the federal Act. The  
35 purpose of this chapter is also to establish eligibility

1 guidelines for individuals receiving assistance under the  
2 state program and federal Act and to establish guidelines for  
3 administering the federal Act and state program through the  
4 use of service delivery areas designated by the office of the  
5 governor in accordance with the federal Act. The office of  
6 the governor and the state job training coordinating council  
7 shall consult with the division of business and industry and  
8 the legislative council or the appropriate appropriations  
9 subcommittees regarding the award to local service delivery  
10 areas of funds allocated to the state under Title III of the  
11 federal Act and funds mandated to be expended under this  
12 chapter.

13 Sec. 41. Section 7B.2, Code 1985, is amended by adding the  
14 following new subsection:

15 NEW SUBSECTION. 8. "Division of business and industry"  
16 means the division of business and industry of the Iowa  
17 department of economic development.

18 Sec. 42. Section 7B.3, unnumbered paragraph 1, Code 1985,  
19 is amended to read as follows:

20 The office of the governor in consultation with the  
21 division of business and industry and the general assembly  
22 shall establish a state program to complement, supplement, and  
23 implement the federal Act to provide training and related  
24 services for unemployed persons who are economically  
25 disadvantaged or who are dislocated workers. In administering  
26 this program the office of the governor shall do the  
27 following:

28 Sec. 43. Section 7B.3, subsections 4 and 11, Code 1985,  
29 are amended to read as follows:

30 4. Consult with the division of business and industry, the  
31 legislative council or the appropriate appropriations  
32 subcommittees, and the state job training coordinating  
33 council.

34 11. Provide the administrator of the division of business  
35 and industry, the secretary of the senate, chief clerk of the

1 house, and members of the legislative council with copies of  
2 quarterly performance reports submitted by the office of the  
3 governor in accordance with the federal Act and copies of  
4 annual financial reports submitted to the office of the  
5 governor by the local private industry councils. The office  
6 of the governor and the private industry councils shall  
7 provide copies of reports and other information upon the  
8 request of a member of the general assembly.

9 Sec. 44. Section 8.41, subsection 1, Code 1985, is amended  
10 to read as follows:

11 1. Commencing with the fiscal year beginning July 1, 1981,  
12 federal funds received in the form of block grants shall be  
13 deposited in a special fund in the state treasury and are  
14 subject to appropriation by the general assembly upon a  
15 recommendation by the governor. In determining a general fund  
16 balance, the federal funds deposited in the special fund shall  
17 not be included, but shall remain segregated in the special  
18 fund until appropriated by the general assembly. Commencing  
19 with the fiscal year beginning July 1, 1986, funds  
20 appropriated from the special fund as federal funds received  
21 as a community development block grant shall be appropriated  
22 to and expended by the division of finance of the Iowa  
23 department of economic development.

24 Sec. 45. Section 12.1, Code 1985, is amended by adding the  
25 following new unnumbered paragraphs:

26 NEW UNNUMBERED PARAGRAPH. The treasurer shall be the  
27 executive director of the Iowa family farm development  
28 authority under chapter 175, the Iowa economic protective and  
29 investment authority under chapter 175A, the Iowa finance  
30 authority under chapter 220, the Iowa railway finance  
31 authority under chapter 307B, and the Iowa advance funding  
32 authority under chapter 442A. The treasurer shall establish  
33 the main administrative office of each of those five  
34 authorities in the same place where the administrative office  
35 of the division of finance of the Iowa department of economic

1 development is located. The Iowa department of economic  
2 development is responsible for providing the space for these  
3 administrative offices. However, the expense of providing and  
4 maintaining this space shall be divided equally between the  
5 department and the treasurer's office.

6 NEW UNNUMBERED PARAGRAPH. The treasurer shall maintain at  
7 a central location a listing of all bonds or notes outstanding  
8 of every political subdivision, instrumentality, and agency of  
9 the state. All outstanding bonds or notes shall be listed  
10 regardless if they are general fund obligations, special fund  
11 obligations, or specific revenue obligations. The bonds and  
12 notes shall be listed, at least, according to year of  
13 issuance, type of obligation, and type of issuer. The  
14 treasurer shall periodically update this listing. The  
15 treasurer, within sixty days of the enactment of this  
16 provision, shall notify each political subdivision,  
17 instrumentality, and agency of the state of the requirements  
18 of this provision. The treasurer shall adopt rules and  
19 establish forms for carrying out this provision. Each  
20 political subdivision, instrumentality, and agency of the  
21 state shall provide the information required for the treasurer  
22 to perform the treasurer's duties and shall provide updated  
23 information as rules of the treasurer may require. The  
24 treasurer shall provide prior to each regular session of the  
25 general assembly copies of the latest listing to the leaders  
26 of the senate and house of representatives and each other  
27 member requesting it.

28 Sec. 46. Section 18.178, Code Supplement 1985, is amended  
29 to read as follows: commission.

30 18.178 ROLE OF DEVELOPMENT-COMMISSION DEPARTMENT OF  
31 ECONOMIC DEVELOPMENT.

32 The director of general services may assist the director of  
33 the Iowa department of economic development commission in  
34 publicizing the set-aside program, attempting to locate small  
35 businesses able to perform set-aside awards, and encouraging

1 program participation. When the director of general services  
2 determines that a female or minority business is unable to  
3 perform under a set-aside contract, the director of general  
4 services shall inform the director of the Iowa department of  
5 economic development commission who shall assist the small  
6 business in attempting to remedy the causes of the inability  
7 to perform. In assisting the small business, the director of  
8 the Iowa department of economic development commission in  
9 cooperation with the director of general services may use any  
10 management or financial assistance programs available through  
11 state or governmental agencies or private sources. Primary  
12 responsibility under this section rests with the director of  
13 the Iowa department of economic development commission.

14 Sec. 47. Section 18.180, subsection 1, unnumbered  
15 paragraph 1, Code Supplement 1985, is amended to read as  
16 follows:

17 DIRECTOR OF GENERAL SERVICES. The director of general  
18 services shall submit an annual report to the governor and the  
19 general assembly with a copy to the director of the Iowa  
20 department of economic development commission relating  
21 progress towards realizing the objectives and goals of this  
22 division during the preceding fiscal year. The report shall  
23 include the following information:

24 Sec. 48. Section 18.180, subsection 2, unnumbered  
25 paragraph 1, Code Supplement 1985, is amended to read as  
26 follows:

27 DIRECTOR OF THE IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT  
28 COMMISSION. The director of the Iowa department of economic  
29 development commission shall submit an annual report to the  
30 governor and the general assembly with a copy to the director  
31 of general services. The report shall include the following  
32 information:

33 Sec. 49. Section 19A.3, subsection 14, Code Supplement  
34 1985, is amended to read as follows:

35 14. All appointments other than boards or commissions

1 which are by law made by the governor or executive council;  
2 one stenographer or secretary for each; one principal  
3 assistant or deputy for each; and ~~all-administrative~~  
4 ~~assistants-or-deputies-employed-by~~ the director and the  
5 administrators of the divisions of the Iowa department of  
6 economic development commission.

7 Sec. 50. Section 22.7, subsection 8, Code Supplement 1985,  
8 is amended to read as follows:

9 8. Iowa department of economic development commission  
10 information on an industrial prospect with which the  
11 commission department is currently negotiating.

12 Sec. 51. Section 28.15, Code 1985, is amended to read as  
13 follows:

14 28.15 BOARD OF DIRECTORS.

15 The board of directors of the corporation formed under  
16 sections 28.11, 28.14 and 28.16 shall be the members of the  
17 Iowa economic development commission board or their successors  
18 in office.

19 Sec. 52. Section 28.17, subsections 1, 2 and 3, Code 1985,  
20 are amended to read as follows:

21 1. The ~~Iowa-development-commission~~ division of business  
22 and industry of the Iowa department of economic development  
23 shall provide a regulatory information service. The purpose  
24 of the service shall be to provide a center of information  
25 where a person interested in establishing a commercial  
26 facility or engaging in a commercial activity may be informed  
27 of any registration, license, or other approval of a state  
28 regulatory agency that is required for that facility or  
29 activity or of the existence of standards, criteria, or  
30 requirements which the laws of this state require that  
31 facility or activity to meet.

32 2. Each state agency which requires a permit, license, or  
33 other regulatory approval or maintains standards or criteria  
34 with which an activity or facility must comply shall inform  
35 the ~~Iowa-development-commission~~ division of business and

1 industry of the following:

- 2 a. The activity or facility that is subject to regulation.
- 3 b. The existence of any threshold levels which would
- 4 exempt the activity or facility from regulation.
- 5 c. The nature of the regulatory program.
- 6 d. The amount of any fees.
- 7 e. How to apply for any permits or regulatory approvals.
- 8 f. A brief statement of the purpose of requiring the
- 9 permit or regulatory approval or requiring compliance with the
- 10 standards or criteria.

11 3. Each state agency shall promptly inform the Iowa  
12 ~~development-commission~~ division of business and industry of  
13 any changes in the information provided under subsection 2 or  
14 the establishment of a new regulatory program. The  
15 information provided to or disseminated by the Iowa-commission  
16 division shall not be binding upon the regulatory program of a  
17 state agency; however, a person shall not be subject to the  
18 imposition of a penalty for failure to comply with a  
19 regulatory program if the person demonstrates that the person  
20 relied upon information provided by the commission division  
21 indicating compliance was not required and either ceases the  
22 activity upon notification by the regulatory agency or brings  
23 the activity or facility into compliance.

24 Sec. 53. Section 28.26, Code 1985, is amended to read as  
25 follows:

26 28.26 BUILDING LOAN FUND.

27 A building loan fund is established under the control of  
28 the ~~commission~~ Iowa department of economic development. The  
29 ~~commission~~ division of finance of the department may make  
30 loans from the building loan fund to local development  
31 corporations for the payment of interest on loans made to the  
32 local development corporation for the construction of a  
33 building as provided in this division and the rules of the  
34 ~~commission~~ department.

35 Sec. 54. Section 28.27, Code 1985, is amended to read as

1 follows:

2 28.27 LOANS.

3 1. The commission division of finance may make a loan to a  
4 local development corporation only for the payment of all or  
5 part of the amount of interest of a loan made to a local  
6 development corporation which is attributable to the cost of  
7 construction of a building. The cost of construction does not  
8 include the costs of land acquisition, site preparation,  
9 railroad extensions, parking, roads, utility extensions or  
10 other work which is not the construction of the building.

11 2. The commission division of finance may make the loan  
12 only for the interest due in the first, second and third years  
13 after the completion of the building as determined by the  
14 commission division of finance. The commission division of  
15 finance shall not loan more than twenty thousand dollars in a  
16 year for payment of the interest of a loan for the  
17 construction of any one building. The commission division of  
18 finance may agree to loan only those funds which are in the  
19 building loan fund or those funds which are scheduled to be  
20 paid into the fund under section 28.28 before they are to be  
21 loaned under the agreement.

22 3. To be eligible for the loans, the local development  
23 corporation must secure the agreement of the commission  
24 division of finance to make the loan for the first year after  
25 completion before commencing construction of the building.

26 4. Interest shall not be charged on the loans made by the  
27 commission division of finance.

28 5. The commission division of finance may attach  
29 conditions to the granting of the loan as it deems desirable.  
30 The attorney general shall assist the commission division of  
31 finance in drafting loan agreements and in collecting on the  
32 loan agreement.

33 Sec. 55. Section 28.28, Code 1985, is amended to read as  
34 follows:

35 28.28 REPAYMENT.

1 1. The amounts loaned to a local development corporation  
2 by the commission division of finance shall be repaid in full  
3 to the commission division of finance when any of the  
4 following occurs:

5 a. The local development corporation sells the building.

6 b. The local development corporation leases the building  
7 for a period exceeding thirty days.

8 c. The end of the sixth year after completion of the  
9 building's construction.

10 2. The local development corporation shall report to the  
11 commission division of finance the amount of all moneys  
12 received from leasing the building for periods of less than  
13 thirty days and that amount shall either be deducted from the  
14 amounts to be loaned or remitted to the commission division of  
15 finance as the commission division of finance determines.

16 3. All funds received by the commission division of  
17 finance under this section shall be credited to the building  
18 loan fund.

19 Sec. 56. Section 28.41, subsection 1, Code 1985, is  
20 amended to read as follows:

21 1. To provide that the small business division development  
22 service of the division of business and industry shall be the  
23 focal point within the Iowa department of economic development  
24 commission of activities which address the needs of small  
25 businesses in this state.

26 Sec. 57. Section 28.42, subsections 1 and 2, Code 1985,  
27 are amended to read as follows:

28 1. "Small business division service" means the small  
29 business development division service established within the  
30 division of business and industry of the Iowa department of  
31 economic development commission.

32 2. "Administrator" means the administrator of the small  
33 business division of business and industry.

34 Sec. 58. Section 28.44, subsections 3, 4 and 5, Code 1985,  
35 are amended to read as follows:

1 3. The advisory council shall meet at least quarterly each  
2 year at the seat of government in facilities provided by the  
3 commission Iowa department of economic development. In  
4 addition, the advisory council shall meet with the commission  
5 as-provided-in-section-28-437-subsection-5--The-commission  
6 division of business and industry of the department. The  
7 division of business and industry shall provide a secretary  
8 for meetings of the advisory council.

9 4. The members of the advisory council shall be paid a  
10 forty dollar per diem and shall be reimbursed for actual and  
11 necessary expenses incurred in performance of duties. All per  
12 diem and expense moneys shall be paid from funds appropriated  
13 for the use of the small business division service.

14 5. The advisory council shall advise and consult with the  
15 commission division of business and industry and the small  
16 business division service with respect to matters which are of  
17 concern to small businesses. The advisory council may submit  
18 recommendations to the commission division relating to actual,  
19 or proposed activities of the small business division service,  
20 and may submit recommendations for legislative or  
21 administrative actions.

22 Sec. 59. Section 28.45, unnumbered paragraph 1, Code 1985,  
23 is amended to read as follows:

24 The small business division service shall adopt appropriate  
25 service programs to:

26 Sec. 60. Section 28.46, Code 1985, is amended to read as  
27 follows:

28 28.46 ANNUAL REPORT.

29 The ~~small-business~~ division of business and industry shall  
30 prepare and submit to the general assembly in January of each  
31 year a report of the activities of the small business division  
32 service during the previous fiscal year. The report shall  
33 contain a statement of the expenditures of the small business  
34 division service for the previous fiscal year and the  
35 recommendations of the advisory council, if any, for future

1 action.

2 Sec. 61. Section 28.51, unnumbered paragraphs 1 and 3,  
3 Code 1985, are amended to read as follows:

4 The Iowa high technology council, hereafter referred to as  
5 the "council" is created. The council shall be  
6 administratively integrated into the division of finance of  
7 the Iowa department of economic development commission for  
8 staff support and assistance.

9 Each term shall begin and end as provided in section 69.19.  
10 No more than a simple majority of the members of the board  
11 shall belong to the same political party as provided in  
12 section 69.16. Vacancies on the council shall be filled for  
13 the unexpired terms in the same manner as original  
14 appointments. The council members shall not receive per diem  
15 but shall be reimbursed for necessary expenses incurred in the  
16 performance of duties from funds appropriated to the Iowa  
17 department of economic development commission. For the  
18 initial appointments to the council, the governor shall  
19 appoint six members whose terms shall commence upon  
20 appointment and shall expire April 30, 1985, and seven members  
21 whose terms shall commence upon appointment and shall expire  
22 April 30, 1987. Thereafter, all appointments shall be for a  
23 term of four years unless the appointment is to fill a  
24 vacancy.

25 Sec. 62. Section 28.52, subsection 8, Code 1985, is  
26 amended to read as follows:

27 8. Coordinate and stimulate promotional efforts to attract  
28 and expand high technology enterprises with the Iowa  
29 department of economic development commission.

30 Sec. 63. Section 28.65, Code 1985, is amended to read as  
31 follows:

32 28.65 ~~REPORTS TO DEVELOPMENT COMMISSION.~~

33 The Iowa venture capital fund is subject to the examination  
34 of the division of finance of the Iowa department of economic  
35 development commission and shall make reports of its condition

1 not less than annually and shall also furnish other  
2 information as may from time to time be required by the Iowa  
3 department of economic development commission.

4 Sec. 64. Section 28.83, subsections 3 and 6, Code 1985,  
5 are amended to read as follows:

6 3. The board of directors shall annually elect one member  
7 as chairperson and one member as secretary. The board may  
8 elect other officers of the corporation as necessary. Members  
9 are entitled to receive forty dollars per diem for each day  
10 spent in performance of duties and shall be reimbursed for  
11 necessary expenses incurred in the performance of duties from  
12 funds appropriated to the Iowa department of economic  
13 development commission.

14 6. The corporation shall be a part of the division of  
15 finance of the Iowa department of economic development  
16 commission for administrative purposes only.

17 Sec. 65. Section 28.101, subsection 1, unnumbered  
18 paragraph 1, and paragraph g, Code Supplement 1985, are  
19 amended to read as follows:

20 The ~~commission~~ Iowa department of economic development  
21 shall establish as soon as practicable a marketing center  
22 within the ~~commission~~ division of business and industry of the  
23 department, to be known as "The Primary Research and Marketing  
24 Center for Business and International Trade". The purpose of  
25 this center is to provide, in a central location, an inventory  
26 of the products and services of Iowa businesses. This  
27 information is to provide Iowa businesses with a source for  
28 locating and contacting potential buyers of their products and  
29 services; to aid in opening new markets for Iowa businesses;  
30 and to provide a marketing center for new businesses to  
31 utilize within the state. The ~~director-of-the-commission~~  
32 administrator of the division of business and industry is the  
33 executive director of the center and shall coordinate  
34 activities at the satellite centers. In operating and  
35 overseeing the primary research and marketing center for

1 business and international trade, the duties and  
2 responsibilities of the commission division of business and  
3 industry include the following:

4 g. Training for and coordination of a computer system to  
5 be used by this center and its satellite centers. Wherever  
6 practicable the commission division of business and industry  
7 shall work with educational institutions involved with either  
8 the primary research and marketing center for business and  
9 international trade or the satellite centers to develop  
10 methods and programs that will allow the involvement of  
11 students in the development of a computer cataloging system.

12 Sec. 66. Section 28.101, subsection 2, unnumbered  
13 paragraphs 1 and 4, Code Supplement 1985, are amended to read  
14 as follows:

15 To aid in fulfilling the purpose of the primary research  
16 and marketing center for business and international trade, the  
17 commission division of business and industry may provide  
18 grants to establish satellite centers throughout the state.  
19 To facilitate establishment of satellite centers, the state is  
20 divided up into fifteen regional economic delivery areas which  
21 have the same area boundaries as merged areas, as defined in  
22 section 280A.2, in existence on May 3, 1985. Each regional  
23 delivery area wishing to receive a grant ~~from the commission~~  
24 to establish a satellite center in its area shall create a  
25 regional coordinating council which shall develop a plan for  
26 the area to coordinate all federal, state, and local economic  
27 development services within the area. After developing this  
28 plan, the council may seek a grant for a satellite center by  
29 submitting the coordinating plan and an application for a  
30 grant to the  ~~Iowa-development-commission~~ division of business  
31 and industry. A grant shall not be awarded within the  
32 regional economic delivery area without the approval of the  
33 regional coordinating plan by the  ~~Iowa-development-commission~~  
34 division of business and industry. The  ~~Iowa-development~~  
35 commission division of business and industry may rescind its

1 approval of a regional coordinating plan upon thirty days  
2 notice, if the ~~Iowa-development-commission~~ it determines that  
3 the stated purpose of the plan is not being carried out. The  
4 ~~Iowa-development-commission~~ division of business and industry  
5 may then accept an alternative proposal for a regional  
6 coordinating plan. If a regional coordinating council is  
7 awarded a grant for a satellite center, it shall employ a  
8 center director at the satellite center. The center

9 director's duties and responsibilities include the following:

10 The regional coordinating council of each regional economic  
11 delivery area shall consist of at least six members who shall  
12 be selected from state and local government, business, and  
13 education which are representative of the region. Beginning  
14 with the fiscal year beginning July 1, 1987, only applications  
15 from political subdivisions located within regions with an  
16 approved regional coordinating plan will be accepted for  
17 moneys from the community betterment account established in  
18 the Iowa plan fund for economic development in division III of  
19 1985 Iowa Acts, chapter 33. A political subdivision shall  
20 submit a copy of the application to the regional coordinating  
21 council at the same time as the application is submitted to  
22 the ~~Iowa-development-commission~~ division of business and  
23 industry.

24 Sec. 67. Section 28.107, Code Supplement 1985, is amended  
25 to read as follows:

26 28.107 AUTHORIZED CORPORATION.

27 There may be incorporated under chapter 496A a corporation  
28 which shall be known as the Iowa export trading company. If  
29 incorporated, this corporation shall be established by the  
30 director of the Iowa ~~development-commission~~ department of  
31 economic development. The initial board of directors shall  
32 consist of the director and six additional members appointed  
33 by the director. The six members appointed by the director  
34 shall be knowledgeable in the area of farming, exporting, or  
35 marketing finance. The ~~commission~~ department of economic

1 development may expend an amount not to exceed one hundred  
2 thousand dollars necessary to establish and operate the export  
3 trading company until the completion of the public offering of  
4 stock. The funds used shall be repaid to the ~~commission~~  
5 department upon completion of its public offering of stock.  
6 Financing for the export trading company shall initially come  
7 from its public offering of stock to residents of this state.  
8 In preparation for this sale, a detailed marketing study shall  
9 be conducted which will serve as the basis for the company  
10 work plan and the company prospectus. After the sale of  
11 stock, provision shall be made for the election of a board of  
12 directors by the stockholders to replace the initial board of  
13 directors. However, the director of the Iowa development  
14 commission department of economic development shall be an ex  
15 officio member of the board representing the state of Iowa.  
16 The director of the Iowa development-commission department of  
17 economic development shall also serve as an agent for the  
18 company.

19 The articles of incorporation of the company and the  
20 prospectus on the issuance of stock in the company shall  
21 provide that only residents of the state may be owners of the  
22 stock of the company and shall provide a prohibition against  
23 the takeover of the company.

24 Sec. 68. Section 93A.4, subsection 4, Code 1985, is  
25 amended to read as follows:

26 4. The state department of agriculture, office for  
27 planning and programming, department of soil conservation,  
28 state conservation commission, department of water, air and  
29 waste management, geological survey, state agricultural  
30 extension service, and the Iowa department of economic  
31 development commission shall, upon request, provide to each  
32 county commission any pertinent land use information available  
33 to assist in the compiling of the county land use inventories.

34 Sec. 69. Section 111.79, subsection 3, Code 1985, is  
35 amended to read as follows:

1 3. Five percent of the funds credited to the public  
2 outdoor recreation and resources fund shall be expended on  
3 advertising which shall promote the use of recreational  
4 facilities and tourist attractions in the state. The  
5 commission shall enter into an agreement with the Iowa  
6 department of economic development commission for the  
7 expenditure of these funds for this purpose.

8 Sec. 70. Section 111.80, subsection 1, Code 1985, is  
9 amended to read as follows:

10 1. An advisory council for the public outdoor recreation  
11 and resources fund is created. The council shall consist of a  
12 public member appointed by the governor from each  
13 congressional district, the chairperson of the state  
14 conservation commission, the director of the state  
15 conservation commission, and a designee of the state  
16 department of economic development commission. No more than  
17 three public members shall belong to the same political party.  
18 The council shall elect a chairperson annually from among  
19 their own members, and the director of the conservation  
20 commission shall serve as council secretary. Persons already  
21 serving in an elected or appointed governmental capacity are  
22 not eligible to serve as council members.

23 Sec. 71. Section 175.3, subsection 1, Code Supplement  
24 1985, is amended to read as follows:

25 1. The Iowa family farm development authority is  
26 established, and constituted a public instrumentality and  
27 agency of the state exercising public and essential  
28 governmental functions. The authority is established to  
29 undertake programs which assist beginning farmers in  
30 purchasing agricultural land and agricultural improvements and  
31 depreciable agricultural property for the purpose of farming,  
32 and programs which provide financing to farmers for permanent  
33 soil and water conservation practices on agricultural land  
34 within the state or for the acquisition of conservation farm  
35 equipment. The powers of the authority are vested in and

1 exercised by a board of eleven members with nine members  
2 appointed by the governor subject to confirmation by the  
3 senate. ~~The treasurer-of-state-or-the-treasurer's~~  
4 administrator of the division of finance of the Iowa  
5 department of economic development or the administrator's  
6 designee and the secretary of agriculture or the secretary's  
7 designee are ex officio nonvoting members. No more than five  
8 appointed members shall belong to the same political party.  
9 As far as possible the governor shall include within the  
10 membership persons who represent financial institutions  
11 experienced in agricultural lending, the real estate sales  
12 industry, farmers, beginning farmers, average taxpayers, local  
13 government, and other persons specially interested in family  
14 farm development.

15 Sec. 72. Section 175.7, subsection 1, Code 1985, is  
16 amended by striking the subsection and inserting in lieu  
17 thereof the following:

18 1. The treasurer of state shall be the executive director  
19 of the authority.

20 Sec. 73. Section 175A.4, Code Supplement 1985, is amended  
21 to read as follows:

22 The state comptroller or the comptroller's designee, the  
23 ~~treasurer-of-state-or-the-treasurer's-designee,~~ the secretary  
24 of agriculture or the secretary's designee, the ~~director-of~~  
25 ~~the-development-commission-or-the-director's-designee,~~ the  
26 ~~executive-director-of-the-family-farm-development-authority-or~~  
27 ~~the-director's~~ administrator of the division of finance of the  
28 Iowa department of economic development or the administrator's  
29 designee, and the superintendent of banking or the  
30 superintendent's designee are constituted as an advisory panel  
31 to the authority. The panel shall provide advice and  
32 assistance to the authority in the performance of the  
33 authority's functions, but shall not vote in board decisions.

34 Sec. 74. Section 175A.5, subsection 1, Code Supplement  
35 1985, is amended by striking the subsection and inserting in

1 lieu thereof the following:

2 1. The treasurer of state shall be the executive director  
3 of the authority.

4 Sec. 75. Section 185.4, Code 1985, is amended to read as  
5 follows:

6 185.4 INITIAL BOARD.

7 For the initial board, the secretary shall notify the Iowa  
8 soybean association~~7-mentioned-in-section-159-257~~ immediately  
9 after approval of a promotional order at the referendum  
10 election and the association shall nominate two candidates for  
11 each position as director. Candidates shall be resident  
12 producers of the district from which they are nominated. The  
13 secretary shall receive the nominations, and shall call an  
14 election for members of the initial board within thirty days  
15 following passage of the promotional order.

16 Sec. 76. Section 185.10, Code 1985, is amended to read as  
17 follows:

18 185.10 EX OFFICIO MEMBERS.

19 The secretary, the dean of the college of agriculture of  
20 Iowa State University of science and technology, and the  
21 director of the Iowa department of economic development  
22 ~~commission~~, or their designees, and two representatives of  
23 first purchaser organizations shall serve on the board as  
24 nonvoting ex officio members. One each of the two first  
25 purchaser representatives shall be appointed by, and serve at  
26 the pleasure of, the Iowa Grain and Feed Association and Agri-  
27 Industries.

28 Sec. 77. Section 185C.4, Code 1985, is amended to read as  
29 follows:

30 185C.4 INITIAL BOARD.

31 For the initial board, the secretary shall notify the Iowa  
32 corn growers association~~7-mentioned-in-section-159-257~~  
33 immediately after approval of a promotional order at the  
34 referendum election and the association shall nominate two  
35 candidates for each position as director. Additional

1 candidates may be nominated by written petition of twenty-five  
2 producers. Procedures governing the time and place of filing  
3 petitions shall be established and publicized by the  
4 secretary. Candidates shall be resident producers of the  
5 district from which they are nominated. The secretary shall  
6 receive the nominations, and shall call an election for  
7 members of the initial board within thirty days following  
8 passage of the promotional order.

9 Sec. 78. Section 185C.10, Code 1985, is amended to read as  
10 follows:

11 185C.10 EX OFFICIO MEMBERS.

12 The secretary, the dean of the college of agriculture of  
13 Iowa State University of science and technology, and the  
14 director of the Iowa department of economic development  
15 commission, or their designees, and two representatives of  
16 first purchaser organizations shall serve on the board as ex  
17 officio members. One each of the two first purchaser  
18 representatives shall be appointed by, and serve at the  
19 pleasure of, the Iowa Grain and Feed Association and Agri-  
20 Industries.

21 Sec. 79. Section 196A.5, Code 1985, is amended to read as  
22 follows:

23 196A.5 COMPOSITION OF COUNCIL.

24 The Iowa egg council established under this chapter shall  
25 be composed of four egg producers, one from each district; two  
26 egg processors; and one hatchery operator who shall be  
27 appointed pursuant to this chapter. The secretary or the  
28 secretary's representative, the director of the Iowa  
29 department of economic development commission, and the  
30 chairperson of the poultry science section of the department  
31 of animal science at Iowa State University of science and  
32 technology or the chairperson's representative shall serve as  
33 ex officio nonvoting members of the council. The council  
34 shall annually elect a chairperson from its membership.

35 Sec. 80. Section 220.6, subsection 1, Code 1985, is

1 amended by striking the subsection and inserting in lieu  
2 thereof the following:

3 1. The treasurer of state shall be the executive director  
4 of the authority.

5 Sec. 81. Section 220.63, subsection 7, Code 1985, is  
6 amended to read as follows:

7 7. Cooperate with the Iowa department of economic  
8 development commission and use its facilities to assist and  
9 encourage organizations in Iowa communities in the promotion  
10 and development of small business prosperity in those  
11 communities.

12 Sec. 82. Section 280B.7, Code 1985, is amended to read as  
13 follows:

14 280B.7 ~~DEVELOPMENT-COMMISSION~~ DIVISION OF BUSINESS AND  
15 INDUSTRY.

16 The ~~Iowa-development-commission~~ division of business and  
17 industry of the Iowa department of economic development in  
18 consultation with the department of public instruction ~~and the~~  
19 ~~office-for-planning-and-programming~~ shall coordinate the new  
20 jobs training program. The ~~Iowa-development-commission~~  
21 division of business and industry shall adopt, amend, and  
22 repeal rules under chapter 17A that the area school will use  
23 in developing projects with new and expanding industrial new  
24 jobs training proposals. The ~~commission~~ division is  
25 authorized to make any rule that is adopted, amended, or  
26 repealed effective immediately upon filing with the  
27 administrative rules coordinator or at a subsequent stated  
28 date prior to indexing and publication, or at a stated date  
29 less than thirty-five days after filing, indexing, and  
30 publication. The ~~Iowa-development-commission~~ division of  
31 business and industry shall prepare an annual report for the  
32 governor and general assembly on the activities of the  
33 industrial new jobs training program.

34 Sec. 83. Section 280C.2, subsection 13, Code Supplement  
35 1985, is amended to read as follows:

1 13. "Small business" means a business engaged in  
2 interstate or intrastate commerce for the purpose of  
3 manufacturing, processing, or assembling products, conducting  
4 research and development, or providing services in interstate  
5 commerce, but excludes retail, health, or professional  
6 services and which meets the other criteria established by the  
7 Iowa department of economic development, commission division  
8 of business and industry. "Small business" does not include a  
9 business which closes or substantially reduces its operation  
10 in one area of the state of Iowa and relocates substantially  
11 the same operation in another area of the state of Iowa. This  
12 subsection does not prohibit a business from expanding its  
13 operations in another area of the state provided that existing  
14 operations of a similar nature are not closed or substantially  
15 reduced. "Small business" does not include a business whose  
16 training costs can be economically funded under chapter 280B.

17 Sec. 84. Section 280C.6, subsection 2, Code Supplement  
18 1985, is amended to read as follows:

19 2. To provide funds for the present payment of the costs  
20 of a new jobs training program by the employer, the area  
21 school may provide to the employer an advance of the moneys to  
22 be used to pay for the program costs as provided in the  
23 agreement. To receive the funds for this advance from the  
24 area school job training fund, the area school shall submit an  
25 application to the treasurer of state. The treasurer shall  
26 provide the funds to the extent available. The amount of the  
27 advance shall not exceed seventy-five thousand dollars for any  
28 project. The advance shall be repaid with interest from the  
29 sources provided in the agreement. The rate of interest to be  
30 charged for advances made in a calendar month is equal to one  
31 half of the average rate of interest on certificates issued by  
32 area schools pursuant to chapter 280B for the previous twelve  
33 months. The rate shall be computed by the Iowa-development  
34 commission division of business and industry of the Iowa  
35 department of economic development.

1     Sec. 85. Section 280C.7, Code Supplement 1985, is amended  
2 to read as follows:

3     280C.7 ~~DEVELOPMENT-COMMISSION~~ DIVISION OF BUSINESS AND  
4 INDUSTRY.

5     The ~~Iowa-development-commission~~ division of business and  
6 industry of the Iowa department of economic development in  
7 consultation with the department of public instruction, and  
8 department of job service, ~~and-the-office-for-planning-and~~  
9 programming shall coordinate the new jobs training program.  
10 The ~~Iowa-development-commission~~ division of business and  
11 industry shall adopt, amend, and repeal rules under chapter  
12 17A that the area school will use in developing projects with  
13 new and expanding small business new jobs training proposals.  
14 The ~~commission~~ division of business and industry shall  
15 establish by rule criteria for determining what constitutes a  
16 small business. The ~~commission~~ division is authorized to make  
17 any rule that is adopted, amended, or repealed effective  
18 immediately upon filing with the administrative rules  
19 coordinator or at a subsequent stated date prior to indexing  
20 and publication, or at a stated date less than thirty-five  
21 days after filing, indexing, and publication. The ~~Iowa~~  
22 ~~development-commission~~ division of business and industry shall  
23 prepare an annual report for the governor and general assembly  
24 on the activities and the future anticipated needs of this new  
25 jobs training program.

26     Sec. 86. Section 307B.6, subsections 6 and 9, Code 1985,  
27 are amended to read as follows:

28     6. Members shall elect a chairperson and vice chairperson  
29 annually, and other officers as they determine. However, the  
30 executive director of the department authority shall be the  
31 secretary of the board.

32     9. The ~~director-and~~ staff of the department shall serve as  
33 the staff of the authority. The executive director of the  
34 authority shall be the treasurer of state. The executive  
35 ~~director of-the-department~~ shall advise the board on matters

1 relating to railroad transportation and carry out all  
2 directives from the board, and may employ professional  
3 expertise when not available on the department staff.

4 Sec. 87. Section 307B.8, subsection 5, Code 1985, is  
5 amended to read as follows:

6 5. Contract for services through the department or the  
7 division of finance of the Iowa department of economic  
8 development when practicable.

9 Sec. 88. Section 307C.3, Code 1985, is amended to read as  
10 follows:

11 307C.3 DUTIES OF THE STATE DEPARTMENT OF TRANSPORTATION.

12 The state department of transportation shall, with the  
13 cooperation of the Iowa department of economic development  
14 commission, the state conservation commission, the department  
15 of water, air and waste management, and the member states'  
16 officials or agencies, take the necessary steps to achieve the  
17 purposes set forth in this chapter.

18 Sec. 89. Section 308.1, Code 1985, is amended to read as  
19 follows:

20 308.1 PLANNING COMMISSION.

21 The Mississippi parkway planning commission shall be  
22 composed of ten members appointed by the governor, five  
23 members to be appointed for two-year terms beginning July 1,  
24 1959, and five members to be appointed for four-year terms  
25 beginning July 1, 1959. In addition to the above members  
26 there shall be seven advisory ex officio members who shall be  
27 as follows: One member from the state transportation  
28 commission, one member from the state conservation commission,  
29 one member from the Iowa state soil conservation commission,  
30 one member from the state historical society of Iowa, one  
31 member from the faculty of the landscape architectural  
32 division of the Iowa State University of science and  
33 technology, one member from the ~~Iowa-development-commission~~  
34 division of tourism of the Iowa department of economic  
35 development, and one member from the department of water, air

1 and waste management. Members and ex officio members shall  
2 serve without pay, but the actual and necessary expenses of  
3 members and ex officio members may be paid if the commission  
4 so orders and if the commission has funds available for that  
5 purpose.

6 Sec. 90. Section 308.2, Code 1985, is amended to read as  
7 follows:

8 308.2 ASSENT TO FEDERAL ACT.

9 The general assembly of the state of Iowa hereby declares  
10 that the intent of this chapter is to assent to any Act of the  
11 United States Congress authorizing the development of any  
12 national parkway located wholly or partly within the state of  
13 Iowa, to the full extent that is necessary to secure any  
14 benefits under such the Act, provided that the hunting of  
15 migratory waterfowl and other game and fishing shall not be  
16 prohibited or otherwise restricted by the United States  
17 government or any of its designated agencies in control of  
18 said the project, and to authorize the appropriate state  
19 boards, commissions, departments and the governing bodies of  
20 counties, cities and villages and especially the state  
21 transportation-commissioner division of tourism to co-operate in  
22 the planning and development of all national parkways that may  
23 be proposed for development in Iowa, with any agency or  
24 department of the government of the United States in which is  
25 vested the necessary authority to construct or otherwise  
26 develop such national parkways. Whenever authority shall  
27 exist for the planning and development of any national  
28 parkway, of which any portion shall be located in the state of  
29 Iowa, it shall be the duty of the state-transportation  
30 commissioner division of tourism to make such investigations and  
31 studies in co-operation with the appropriate federal agency,  
32 and such state boards, commissions and departments as shall  
33 have an interest in such the parkway development, to the  
34 extent that shall be desirable and necessary in order to  
35 provide that the state shall secure all advantages that may

1 accrue through ~~such~~ the parkway development and that the  
2 interests of the counties, cities and villages along the route  
3 shall be served.

4 Sec. 91. Section 308.3, subsection 7, Code 1985, is  
5 amended to read as follows:

6 7. "Conservation area" means land in which the state  
7 ~~transportation-commission~~ division of tourism of the  
8 department of economic development or the state conservation  
9 commission has acquired rights other than that land necessary  
10 for a right of way.

11 Sec. 92. Section 308.4, Code Supplement 1985, is amended  
12 to read as follows:

13 308.4 ~~TRANSPORTATION-COMMISSION~~ TOURISM DIVISION DUTIES --  
14 APPROPRIATION.

15 1. The ~~state-transportation-commission~~ division of tourism  
16 shall make ~~such~~ investigations, surveys, studies and plans in  
17 connection with any proposed national parkway or parkway  
18 development as it shall deem necessary or desirable to  
19 determine if the proposed development is under the terms of  
20 the Act of the United States Congress applicable to ~~such~~ the  
21 parkway or any regulations under ~~such~~ the Act and is  
22 advantageous to the state. ~~Such~~ The parkway development may  
23 be any portion of the proposed parkway which is proposed to be  
24 constructed as a project under ~~such~~ the Act.

25 2. The ~~state-transportation-commission~~ division of  
26 tourism, with the co-operation of the state conservation  
27 commission, shall also:

28 a. Plan, designate and establish the exact routing of the  
29 great river road, utilizing the general guidelines established  
30 in Title 23, United States Code.

31 b. Acquire all rights in land necessary for reconstruction  
32 or relocation of any portions of the great river road where  
33 ~~such~~ reconstruction or relocation is imperative for the safety  
34 of the traveling public, or where the condition or location of  
35 existing segments of the highway is not in keeping with the

1 intent of the-provisions-of this chapter. Acquisitions of  
2 such rights in land shall be by gift, purchase, exchange, or  
3 by instituting and maintaining proceedings for condemnation.  
4 Gift, purchase, exchange, and condemnation shall include  
5 acquisition of a scenic easement. A scenic easement acquired  
6 under this chapter shall constitute easements both at law and  
7 in equity, and all legal and equitable remedies, including  
8 prohibitory and mandatory injunctions, shall be available to  
9 protect and enforce the state's interest in such the scenic  
10 easements. Any scenic easement acquired under this chapter  
11 shall be deemed to be appurtenant to the roadway to which it  
12 is adjacent or from which it is visible. The duties created  
13 by any scenic easement acquired under this chapter shall be  
14 binding upon and enforceable against the original owner of the  
15 land subject to the scenic easement and the original owner's  
16 heirs, successors, and assigns in perpetuity, unless the  
17 instrument creating the scenic easement expressly provides for  
18 a lesser duration. A court shall not declare any scenic  
19 easement acquired under this chapter to have been extinguished  
20 or to have become unenforceable by virtue of changed  
21 conditions or frustration of purpose.

22 c. Accept and administer state, federal and any other  
23 public or private funds made available for the acquisition of  
24 rights in land and for the planning and construction or  
25 reconstruction of any segment of the great river road and any  
26 state and federal funds for the maintenance of that part of  
27 the great river road constituting the right of way.

28 3. There is appropriated from the general fund of the  
29 state to the state-department-of-transportation division of  
30 tourism the sum of one hundred thousand dollars for each  
31 fiscal year beginning July 1, 1983, and ending June 30, 1988.  
32 The money is to be utilized for the acquisition and  
33 construction of highway-associated project components for any  
34 portion of the great river road, regardless of jurisdiction.  
35 Each annual appropriation shall first be used to reimburse the

1 great river road fund established in section 312.2, with  
2 remaining funds being available for a period of one fiscal  
3 year following the year of appropriation. The state  
4 ~~department-of-transportation~~ division of tourism, in co-  
5 operation with the state conservation commission and the  
6 Mississippi river parkway commission, shall administer this  
7 subsection and shall issue rules for administration in  
8 accordance with chapter 17A. A report shall be submitted  
9 listing the expenditures for the previous year and cumulative  
10 expenditures of all funds appropriated by this section and the  
11 report shall be incorporated in the annual report required by  
12 section 17.9.

13 Sec. 93. Section 308.5, Code Supplement 1985, is amended  
14 to read as follows:

15 308.5 JURISDICTION AND CONTROL.

16 Jurisdiction and control of the great river road is vested  
17 ~~as-provided-in-section-306-4~~ in the division of tourism.

18 Sec. 94. Section 308.6, Code 1985, is amended to read as  
19 follows:

20 308.6 TRANSFERRING JURISDICTION.

21 The ~~state-transportation-commission~~ division of tourism,  
22 with the concurrence of the state conservation commission,  
23 shall transfer jurisdiction of any adjacent conservation area  
24 to the state conservation commission upon completion of any  
25 new segment of the great river road.

26 Sec. 95. Section 308.7, Code 1985, is amended to read as  
27 follows:

28 308.7 DUTIES OF THE STATE CONSERVATION COMMISSION.

29 The state conservation commission, with the co-operation of  
30 the ~~state-transportation-commission~~ division of tourism,  
31 shall:

- 32 1. Control the conservation area acquired by the state  
33 ~~transportation-commission~~ division of tourism.
- 34 2. Protect all scenic easements.
- 35 3. Maintain, improve, and beautify according to plans made

1 under section 308.4, subsection 2, paragraph "a", all  
2 conservation areas, including the establishment of off-road-  
3 vehicle trails, equestrian trails and hiking paths.

4 4. Accept and administer state, federal and any other  
5 public or private funds made available for the maintenance,  
6 improvement and beautification of conservation areas.

7 Sec. 96. Section 308.8, Code 1985, is amended to read as  
8 follows:

9 308.8 AGREEMENTS AUTHORIZED.

10 The ~~state-transportation-commission~~ division of tourism and  
11 the state conservation commission may enter into agreements  
12 with the United States secretary of transportation, as  
13 provided under the United States Code, Title 23 relating to  
14 scenic and recreational highway system, and with any other  
15 agency and jurisdiction, and take action in the name of the  
16 state to comply with the terms of any agreement.

17 Sec. 97. Section 308.9, subsections 1 and 2, Code 1985,  
18 are amended to read as follows:

19 1. When, as a result of its investigations and studies,  
20 the ~~state-transportation-commission~~ division of tourism, in  
21 co-operation with the state conservation commission, finds  
22 that there may be a need in the future for the development and  
23 construction or reconstruction of segments of the great river  
24 road and when ~~the-state-transportation-commission~~ it  
25 determines that in order to prevent conflicting costly  
26 economic development on areas of lands to be available for the  
27 great river road when needed for such future development,  
28 there is need to establish and to inform the public of the  
29 approximate location and widths of new or improved segments of  
30 the great river road to be needed, the ~~state-transportation~~  
31 commission division of tourism may proceed to establish such  
32 the location and the approximate widths in the manner provided  
33 in this section. The ~~state-transportation-commission~~ division  
34 of tourism shall give notice and hold a public hearing on the  
35 matter in a convenient place in the area to be affected by the

1 proposed improvement of the great river road. The state  
2 ~~transportation-commissioner~~ division of tourism shall consider  
3 and evaluate the testimony presented at the public hearing and  
4 it shall make a study and prepare a map showing location of  
5 the proposed new or reconstructed segment of the great river  
6 road and the approximate widths of right of way needed. There  
7 shall be shown on such the map the existing roadway and the  
8 property lines and record owners of lands to be needed. The  
9 approval of such the map shall be recorded by reference in the  
10 ~~state-transportation-commissioner's~~ minutes, and a notice of  
11 such the action and a copy of the map showing the lands or  
12 interest in the lands needed in any county shall be filed in  
13 the office of the county recorder of such that county. Notice  
14 of the action and of the filing shall be published once in a  
15 newspaper of general circulation in such county, and within  
16 sixty days following the filing, notice of the filing shall be  
17 served in registered mail on the owners of record on the date  
18 of filing and on the functional classification board of the  
19 county. Using the same procedures for approval, notice and  
20 publications, and notice to the affected record owners, the  
21 ~~state-transportation-commissioner~~ division of tourism may, from  
22 time to time, amend the map.

23 2. After such the location is established, within the area  
24 of the great river road as shown on the map or in such  
25 proximity to it as to result in consequential damages when the  
26 rights in land for the great river road are acquired, a person  
27 shall not erect or move in any additional structure or  
28 rebuild, alter or add to any existing structure, without  
29 giving to the ~~state-transportation-commissioner~~ division of  
30 tourism by registered mail sixty days' notice of such the  
31 contemplated construction, alteration, or addition describing  
32 the same. However, this prohibition and requirement shall not  
33 apply to any normal or emergency repairs or replacements which  
34 are necessary to maintain an existing structure of a facility  
35 in approximately its previously existing functioning

1 condition. When the rights in land for a segment of the great  
2 river road are acquired, damages shall not be allowed for any  
3 construction, alterations, or additions in violation of this  
4 subsection.

5 Sec. 98. Section 358A.8, Code 1985, is amended to read as  
6 follows:

7 358A.8 COMMISSION APPOINTED.

8 In order to avail itself of the powers conferred by this  
9 chapter, the board of supervisors shall appoint a commission,  
10 a majority of whose members shall reside within the county but  
11 outside the corporate limits of any city, to be known as the  
12 county zoning commission, to recommend the boundaries of the  
13 various original districts, and appropriate regulations and  
14 restrictions to be enforced therein. ~~Such~~ This commission  
15 shall, with due diligence, prepare a preliminary report and  
16 hold public hearings thereon before submitting its final  
17 report; and the board of supervisors shall not hold its public  
18 hearings or take action until it has received the final report  
19 of ~~such~~ the commission. After the adoption of such  
20 regulations, restrictions, and boundaries of districts, the  
21 zoning commission may, from time to time, recommend to the  
22 board of supervisors amendments, supplements, changes or  
23 modifications. The zoning commission, with the approval of  
24 the board of supervisors, may contract with professional  
25 consultants, regional planning commissions, the Iowa  
26 department of economic development commission, or the federal  
27 government, for local planning assistance.

28 Sec. 99. Section 368.9, Code 1985, is amended to read as  
29 follows:

30 368.9 BOARD CREATED.

31 A city development board is created. The ~~office-for~~  
32 planning-and-programming division of local government of the  
33 Iowa department of economic development shall provide office  
34 space, staff assistance, and shall budget funds to cover  
35 expenses and compensation of the board and committees. The

1 board consists of three members appointed by the governor  
2 subject to confirmation by the senate. The appointments must  
3 be for six-year staggered terms beginning and ending as  
4 provided by section 69.19, or to fill an unexpired term in  
5 case of a vacancy. Members are eligible for reappointment,  
6 but no member shall serve more than two complete six-year  
7 terms.

8 Each member is entitled to receive from the state actual  
9 and necessary expenses and forty dollars compensation for each  
10 day spent in performance of board duties.

11 Sec. 100. Section 387.2, Code 1985, is amended to read as  
12 follows:

13 387.2 COMMITTEE ESTABLISHED.

14 The Iowa rural community development committee is  
15 established within the ~~office-for-planning-and-programming~~  
16 division of local government of the Iowa department of  
17 economic development and is composed of the following:

18 1. Seven citizens of the state appointed by the governor  
19 subject to confirmation by the senate for terms of six years  
20 beginning and ending as provided in section 69.19 one of whom  
21 shall be elected by the members every two years to serve as  
22 chairperson of the committee. One citizen from a city  
23 qualifying pursuant to section 387.3 shall be appointed from  
24 each congressional district and one citizen shall be appointed  
25 from the state at large.

26 2. ~~The director-of-the-division-of-municipal-affairs-of~~  
27 ~~the-office-for-planning-and-programming, the director-of-the~~  
28 ~~community-betterment-division-of-the-Iowa-development~~  
29 commission administrator of the division of local government,  
30 the superintendent of grants-in-aid of the Iowa state  
31 conservation commission, and the dean and director of the Iowa  
32 State University of science and technology co-operative  
33 extension service or their designees shall be nonvoting, ex  
34 officio members of the committee.

35 Not more than four members of the committee appointed pursuant

1 to subsection 1 shall be of the same political party.  
2 Vacancies shall be filled in the same manner in which the  
3 original appointments are made. The members of the committee  
4 shall be reimbursed for their actual and necessary expenses  
5 incurred in performing their duties as members of the  
6 committee which shall be paid from the funds appropriated to  
7 the committee.

8 Sec. 101. Section 427B.1, unnumbered paragraph 1, Code  
9 Supplement 1985, is amended to read as follows:

10 A city council, or a county board of supervisors as  
11 authorized by section 427B.2, may provide by ordinance for a  
12 partial exemption from property taxation of the actual value  
13 added to industrial real estate by the new construction of  
14 industrial real estate, research-service facilities,  
15 warehouses, distribution centers and the acquisition of or  
16 improvement to machinery and equipment assessed as real estate  
17 pursuant to section 427A.1, subsection 1, paragraph "e". New  
18 construction means new buildings and structures and includes  
19 new buildings and structures which are constructed as  
20 additions to existing buildings and structures. New  
21 construction does not include reconstruction of an existing  
22 building or structure which does not constitute complete  
23 replacement of an existing building or structure or refitting  
24 of an existing building or structure, unless the  
25 reconstruction of an existing building or structure is  
26 required due to economic obsolescence and the reconstruction  
27 is necessary to implement recognized industry standards for  
28 the manufacturing and processing of specific products and the  
29 reconstruction is required for the owner of the building or  
30 structure to continue to competitively manufacture or process  
31 those products which determination shall receive prior  
32 approval from the city council of the city or the board of  
33 supervisors of the county upon the recommendation of the Iowa  
34 department of economic development commission. The exemption  
35 shall also apply to new machinery and equipment assessed as

1 real estate pursuant to section 427A.1, subsection 1,  
2 paragraph "e", unless the machinery or equipment is part of  
3 the normal replacement or operating process to maintain or  
4 expand the existing operational status. "Research-service  
5 facilities" means a building or group of buildings devoted  
6 primarily to research and development activities, including,  
7 but not limited to, the design and production or manufacture  
8 of prototype products for experimental use, and corporate-  
9 research services which do not have a primary purpose of  
10 providing on-site services to the public. Warehouse means a  
11 building or structure used as a public warehouse for the  
12 storage of goods pursuant to chapter 554, article 7, except  
13 that it does not mean a building or structure used primarily  
14 to store raw agricultural products or from which goods are  
15 sold at retail. Distribution center means a building or  
16 structure used primarily for the storage of goods which are  
17 intended for subsequent shipment to retail outlets.  
18 Distribution center does not mean a building or structure used  
19 primarily to store raw agricultural products, used primarily  
20 by a manufacturer to store goods to be used in the  
21 manufacturing process, used primarily for the storage of  
22 petroleum products, or used for the retail sale of goods.

23 Sec. 102. Section 442A.5, subsection 1, Code Supplement  
24 1985, is amended to read as follows:

25 1. The powers of the authority are vested in and exercised  
26 by a board consisting of five members, including the treasurer  
27 of-state administrator of the division of finance of the Iowa  
28 department of economic development, the commissioner of public  
29 instruction, and the state comptroller, and two members  
30 appointed by the governor, subject to confirmation by the  
31 senate. The state officials may designate representatives to  
32 serve on the board for them. As far as possible, the governor  
33 shall appoint members who are knowledgeable or experienced in  
34 the school systems of this state or finance.

35 Sec. 103. Section 442A.7, Code Supplement 1985, is amended

1 to read as follows:

2     ~~The executive-director-and~~ staff of the Iowa finance  
3 authority, pursuant to chapter 220, shall also serve as  
4 ~~executive-director-and~~ staff of the advance funding authority  
5 respectively. The treasurer of state shall be the executive  
6 director. ~~The-executive-director-shall-not-directly-or~~  
7 ~~indirectly-exert-influence-to-induce-any-other-officers-or~~  
8 ~~employees-of-the-state-to-adopt-a-political-view-or-to-favor~~  
9 ~~a-political-candidate-for-office-~~

10     Sec. 104. Section 473A.8, Code 1985, is amended to read as  
11 follows:

12     473A.8 CONTRACTS FOR PLANNING.

13     A metropolitan planning commission may contract with  
14 professional consultants, the Iowa department of economic  
15 development commission or the federal government, for local  
16 planning assistance.

17     Sec. 105. Section 496B.2, subsection 6, Code 1985, is  
18 amended to read as follows:

19     6. ~~"Commission"~~ "Department" means the Iowa department of  
20 economic development commission-of-the-state-of-iowa, or any  
21 agency which succeeds to the functions of the ~~Iowa-development~~  
22 commission department.

23     Sec. 106. Section 496B.3, Code 1985, is amended to read as  
24 follows:

25     496B.3 AUTHORIZED CORPORATIONS.

26     There is hereby authorized to be incorporated under the  
27 Iowa business corporation Act, development corporations which  
28 meet and comply with the requirements of this chapter. Such  
29 These corporations shall be subject to and have the powers and  
30 privileges conferred by the ~~provisions-of~~ this chapter and  
31 those provisions of the Iowa business corporation Act which  
32 are not inconsistent with and to the extent not restricted or  
33 limited by the ~~provisions-of~~ this chapter. No A corporation  
34 shall not be deemed incorporated pursuant to and under the  
35 ~~provisions-of~~ this chapter unless the same is approved by the

1 ~~commission~~ department and unless its articles of incorporation  
2 provide that it is incorporated pursuant to this chapter. To  
3 assure a broad base from which development corporations may  
4 obtain loans from members, the ~~commission~~ department at its  
5 discretion may limit the number of development corporations  
6 organized and existing pursuant to this chapter to one or more  
7 such corporations.

8 Sec. 107. Section 496B.6, subsection 5, Code 1985, is  
9 amended to read as follows:

10 5. To co-operate with and avail itself of the facilities  
11 of the ~~commission~~ department and to co-operate with and assist  
12 and otherwise encourage organizations in the various  
13 communities of the state of Iowa in the promotion, assistance  
14 and development of business prosperity and economic welfare of  
15 such those communities or of this state or any part thereof.

16 Sec. 108. Section 496B.12, Code 1985, is amended to read  
17 as follows:

18 496B.12 ARTICLES AMENDED.

19 The articles of incorporation of any development  
20 corporation may be amended by the votes of the shareholders  
21 and the members thereof voting separately by classes. Any  
22 amendment shall require approval by the affirmative vote of  
23 two-thirds of the votes to which the shareholders shall be  
24 entitled and two-thirds of the votes to which the members  
25 shall be entitled. No amendment, however, shall be made  
26 which: (1) is inconsistent with this chapter; (2) authorizes  
27 any additional class or classes of shares of capital stock;  
28 (3) eliminates or curtails the authority of the ~~commission~~  
29 department with respect to the corporation. Without the  
30 consent of each of the members affected, no amendment shall be  
31 made which: (1) increases the obligation of a member to make  
32 loans to the corporation; (2) makes any change in the  
33 principal amount, interest rate, maturity date, or in the  
34 security or credit position of any outstanding loan of a  
35 member to the corporation; (3) affects a member's right to

1 withdraw from membership, as provided herein in this chapter,  
2 or (4) affects a member's voting rights in the corporation.  
3 Within thirty days after any meeting at which amendment of any  
4 such articles has been adopted, articles of amendment signed  
5 and sworn to by the president, secretary and majority of the  
6 directors, setting forth such the amendment and the due  
7 adoption thereof, shall be submitted to the chairperson  
8 director of the commission department who shall examine them,  
9 and if the chairperson director finds that they conform to the  
10 requirements of this chapter, shall so certify and endorse the  
11 chairperson's director's approval thereof. Thereupon, the  
12 articles of amendment shall be filed in the office of the  
13 secretary of state in the manner set forth and as provided in  
14 the Iowa business corporation Act and ~~no-such~~ this amendment  
15 shall not take effect until such this articles of amendment  
16 shall have been approved and filed as aforesaid. Within sixty  
17 days after the effective date of any legislative amendment  
18 affecting the rights and obligations of the members and  
19 shareholders or otherwise affecting the articles of  
20 incorporation, the approval of such the legislative amendments  
21 shall be voted on by the shareholders and the members of the  
22 development corporation at a meeting duly called for that  
23 purpose. If such the legislative amendment is not approved by  
24 the affirmative vote of two-thirds of the votes to which such  
25 the shareholders shall be entitled and two-thirds of the votes  
26 to which such the members shall be entitled, any such member  
27 voting against the approval of such the legislative amendment  
28 shall have the right to withdraw from membership as provided  
29 in this chapter. Within thirty days after any meeting at  
30 which a legislative amendment affecting the articles of  
31 incorporation of a development corporation has been voted on,  
32 a certificate filed and sworn to by the secretary or other  
33 recording officer of such the corporation setting forth the  
34 action taken at such the meeting with respect to such the  
35 amendment shall be submitted to the chairperson director of

1 the commission department and upon receipt of such approval  
2 shall be filed in the office of the secretary of state.

3 Sec. 109. Section 496B.16, Code 1985, is amended to read  
4 as follows:

5 496B.16 REPORTS TO DEVELOPMENT-COMMISSION DEPARTMENT.

6 Each development corporation is subject to the examination  
7 of the commission department and shall make reports of its  
8 condition not less than annually to the commission department.  
9 The commission department shall make copies of the reports  
10 available to the commissioner of insurance and the  
11 superintendent of banking. Each development corporation shall  
12 also furnish other information as the commission department  
13 may require. The development-commission department may  
14 request the superintendent of banking to examine the condition  
15 of a development corporation and to submit a report on the  
16 examination to the commission department and the commissioner  
17 of insurance.

18 Sec. 110. Section 496B.17, Code 1985, is amended to read  
19 as follows:

20 496B.17 CERTIFICATE TO DO BUSINESS.

21 Upon the approval of the commission department as required  
22 in this chapter and the issuance of a certificate as provided  
23 in the Iowa business corporation Act, a development  
24 corporation shall then be authorized to commence business and  
25 to issue stock thereof to the extent authorized in its  
26 articles of incorporation.

27 Sec. 111. Section 548.13, subsection 4, Code 1985, is  
28 amended to read as follows:

29 4. Use of the Iowa certification mark as provided in  
30 section ~~28-77~~-subsection-4 15.4, subsection 2, paragraph "d".

31 Sec. 112. 1985 Iowa Acts, chapter 33, section 302, subsec-  
32 tion 2, is amended to read as follows:

33 2. There is appropriated moneys in the community economic  
34 betterment account for each of the fiscal years beginning July  
35 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989 to the

1 Iowa department of economic development commission to be used  
 2 for the following purposes in the amounts, or so much thereof  
 3 as may be necessary, as provided in section 303 of this Act:

4 a. Principal buy-down program to reduce the principal of a  
 5 business loan.

6 b. Interest buy-down program to reduce the interest on a  
 7 business loan.

8 c. Grants and loans to aid in economic development.

9 d. Site development or infrastructure costs directly  
 10 related to a project resulting in new employment.

11 e. Road construction projects.

12 The conditions, criteria and limitations specified in  
 13 section 301, subsection 2 of this Act applies to the providing  
 14 of moneys under this subsection, except that references to  
 15 "commission" shall mean the "Iowa department of economic de-  
 16 velopment".

17 Sec. 113. 1985 Iowa Acts, chapter 33, section 302, subsec-  
 18 tion 3, paragraphs c and d, are amended to read as follows:

19 ~~c. To the office for planning and programming for the~~  
 20 ~~purposes designated in section 3017 subsection 37 paragraphs~~  
 21 ~~"d" and "e" of this Act.~~

22 d. To the Iowa department of economic development  
 23 commission for the purposes designated in section 301,  
 24 subsection 3, paragraph paragraphs "d" and "f" of this Act and  
 25 for the purpose of the community cultural grants program as  
 26 provided in sections 15.53 to 15.58.

27 Sec. 114. 1985 Iowa Acts, chapter 33, section 302, sub-  
 28 section 4, paragraph b, is amended to read as follows:

29 b. To the Iowa department of economic development  
 30 commission for the purposes and under the conditions specified  
 31 in section 301, subsection 4, paragraphs "b" and "d" of this  
 32 Act, except that references to the Iowa development commission  
 33 shall mean the Iowa department of economic development.

34 Sec. 115. 1985 Iowa Acts, chapter 33, section 303, as  
 35 amended by 1985 Iowa Acts, chapter 256, section 12, is amended

1 to read as follows:

2 SEC. 303. For each of the fiscal years beginning July 1,  
3 1986, July 1, 1987, July 1, 1988, and July 1, 1989, the Iowa  
4 department of economic development commission shall submit to  
5 the general assembly by March 1 preceding the beginning of the  
6 fiscal year planned expenditures from the allotment to be made  
7 for that fiscal year to the community economic betterment  
8 account, the jobs now account, and the education and  
9 agriculture research and development account to each of the  
10 funds, agencies, boards or commissions for the purposes  
11 specified in subsections 2, 3, and 4 of section 302 of this  
12 Act. The Iowa department of economic development commission  
13 shall include a description of planned expenditures to be made  
14 of the moneys in the surplus account.

15 Plans may provide for increased or decreased expenditures  
16 if the allotment available for those appropriations is greater  
17 than or less than the allotment specified in subsection 1 of  
18 section 302 of this Act. In order to enable the Iowa  
19 department of economic development commission to prepare its  
20 plans for future expenditures, it has authority to review  
21 applications and uses of the moneys appropriated from each  
22 allotment. However, this authorized review does not authorize  
23 the Iowa department of economic development commission to veto  
24 or deny any application or use and such review shall not cause  
25 any delay in the approval of an application or use.

26 Sec. 116. Sections 7A.51 to 7A.54 and 28.7, Code Supple-  
27 ment 1985, and sections 28.1 to 28.6, 28.8 to 28.10, 28.43,  
28 and 159.20 to 159.27, Code 1985, are repealed.

29 Sec. 117. INITIAL TERMS. Notwithstanding section 15.2,  
30 the terms of the initial members of the Iowa economic develop-  
31 ment board appointed pursuant to section 15.2 shall be as  
32 follows:

33 Two members shall serve until April 30, 1988.

34 Two members shall serve until April 30, 1989.

35 Three members shall serve until April 30, 1990.

1 Members of the board shall commence serving their terms July  
2 1, 1986.

3     Sec. 118. TRANSITION. This bill takes effect October 1,  
4 1986 except that this section and sections 1 to 7 and 117 of  
5 this Act take effect July 1, 1986. On July 1, 1986 the  
6 initial appointees to the Iowa economic development board  
7 shall commence serving their terms as provided in section 117  
8 of this Act and shall organize, promulgate rules, and shall  
9 perform all duties as provided for in section 15.3 as neces-  
10 sary to insure the commencement of the operation of the Iowa  
11 department of economic development on October 1, 1986. As  
12 soon as practicable after the effective date of this section  
13 the board shall recommend and the governor shall appoint a  
14 person to act as director of the department. The acting di-  
15 rector shall perform those duties of section 15.5 and any  
16 other duties assigned by the board, necessary to insure com-  
17 mencement of the operation of the department on October 1,  
18 1986. The Iowa development commission shall provide staffing  
19 and support for the board until October 1, 1986.

20     All rules, regulations, forms, orders, and directives  
21 promulgated by and in effect for the Iowa development com-  
22 mission on October 1, 1986 shall continue in full force and  
23 effect as rules, regulations, forms, orders and directives of  
24 the Iowa department of economic development until amended or  
25 repealed by affirmative action of the Iowa economic develop-  
26 ment board.

27     All rules, regulations, forms, orders, and directives for  
28 the Iowa community cultural grants program, the Iowa community  
29 development loan program, the jobs training partnership  
30 program, the city development board, and the Iowa rural  
31 community development committee which have been promulgated by  
32 and are in effect for the office for planning and programming  
33 or the community cultural grants commission on October 1, 1986  
34 shall continue in full force and effect as rules, regulations,  
35 forms, orders, and directives of the Iowa department of

1 economic development until amended or repealed by affirmative  
2 action of the Iowa economic development board.

3 All rules, regulations, forms, orders, and directives for  
4 the Mississippi river parkway promulgated by and in effect for  
5 the Iowa department of transportation on October 1, 1986 shall  
6 continue in full force and effect as rules, regulations,  
7 forms, orders, and directives of the Iowa department of  
8 economic development until amended or repealed by affirmative  
9 action of the Iowa economic development board.

10 All rules, regulations, forms, orders, and directives for  
11 the agricultural marketing division of the state department of  
12 agriculture promulgated by and in effect for the department of  
13 agriculture on October 1, 1986 shall continue in full force  
14 and effect as rules, regulations, forms, orders, and  
15 directives of the Iowa department of economic development  
16 until amended or repealed by affirmative action of the Iowa  
17 economic development board.

18 All applicable contracts and leasing arrangements of the  
19 Iowa development commission designated by the governor shall  
20 be transferred to the jurisdiction of the Iowa department of  
21 economic development on October 1, 1986. All equipment, sup-  
22 plies, and property in the custody of the Iowa development  
23 commission shall be transferred to the Iowa department of  
24 economic development on that date. Funds appropriated for or  
25 available to the Iowa development commission shall be  
26 transferred and be available for the use of the Iowa depart-  
27 ment of economic development on and after that date.

28 Moneys, accounts receivable and payable, and records of the  
29 agricultural marketing division of the state department of  
30 agriculture shall be transferred to the Iowa department of  
31 economic development. Moneys in the separate fund in the  
32 state treasury prescribed for in section 159.23 shall remain  
33 in that fund and be available for use of the Iowa department  
34 of economic development subject to section 15.76.

35 All employees of the Iowa development commission and the

1 agricultural marketing division of the state department of  
2 agriculture are transferred to the Iowa department of economic  
3 development. Any employee of the office for planning and pro-  
4 gramming and the state department of transportation whose duty  
5 assignments will be terminated because of this Act may be re-  
6 assigned to other duties or may be transferred to the Iowa  
7 department of economic development. The Iowa merit employment  
8 commission shall promulgate rules and regulations to carry out  
9 such reassignment or transfer and shall arbitrate and decide  
10 any written appeal made by any employee concerning any  
11 transfer, reassignment, or reclassification made necessary by  
12 this Act. An employee shall not lose benefits which may have  
13 accrued, including but not limited to salary, retirement,  
14 vacation, sick leave, or longevity, because of reassignment  
15 provided in this section.

16

#### EXPLANATION

17 The bill reorganizes the state's economic development pro-  
18 grams and activities. This reorganization involves the  
19 elimination of the Iowa development commission and the  
20 transferring of economic development related programs and  
21 activities from the office for planning and programming. The  
22 activities of these two entities are transferred to a new  
23 department of economic development. This department will be  
24 provided policy direction by an eleven member economic  
25 development board with seven voting members appointed by the  
26 governor subject to confirmation by the senate and four  
27 legislative nonvoting members. This eleven-member board will  
28 develop and coordinate a comprehensive economic development  
29 policy for the state, hire a director of the department,  
30 approve the budget and programs of the department, adopt rules  
31 for the department, and give final approval to the awarding of  
32 grants under programs administered by the department. The  
33 department will be responsible for carrying out the economic  
34 development policies developed by the board and will perform  
35 many of the economic development related activities presently

1 being done by the office for planning and programming (OPP)  
2 and the Iowa development commission (IDC). The department  
3 will initially be made up of five divisions: local government  
4 division, tourism division, export division, business and  
5 industry division, and finance division.

6 The primary responsibility of the division of local  
7 government is to coordinate the development of state and local  
8 government programs in order to promote efficient and economic  
9 use of federal, state, local, and private resources. To carry  
10 out this responsibility the division will perform economic  
11 development related activities some of which OPP does at  
12 present, such as, providing technical and financial assistance  
13 to local and regional government organizations as it relates  
14 to economic development, providing coordination of state  
15 policy planning and management of interagency programs of the  
16 state as it relates to economic development, providing office  
17 space and staff assistance to the city development board,  
18 providing staff assistance for the Iowa rural community  
19 development committee, and preparing economic reports  
20 appraising the economic condition and growth of the state.

21 The primary responsibility of the division of tourism is to  
22 promote Iowa's public and private recreation and tourism  
23 opportunities to Iowans and state visitors and aid promotional  
24 and development efforts by local governments and the private  
25 sector. This division will be responsible for administering  
26 the Iowa community cultural grants program, coordinating  
27 activities with the state arts council and the state  
28 historical board, performing duties required for purposes of  
29 the Mississippi river parkway, and other activities or  
30 programs which will be needed to enhance tourism within the  
31 state.

32 The primary responsibility of the division of export is to  
33 promote and aid in the marketing and sale of Iowa industrial  
34 and agricultural products and services outside of the state.  
35 The division will assist the present agriculture marketing

1 board, which will be transferred from the secretary of  
2 agriculture's office, in its marketing and promotion of the  
3 state's agricultural products. An industrial export marketing  
4 program will be established to aid in increasing exports of  
5 Iowa's businesses and industries. It will also establish and  
6 carry out the purposes of the Iowa export trading company  
7 which establishment was authorized by legislative enactment in  
8 1985.

9 The primary responsibility of the division of business and  
10 industry is to coordinate, develop, and make available  
11 technical services on the state and local levels in order to  
12 aid businesses in their start-up or expansion in the state.  
13 The division will be taking over a number of existing programs  
14 and activities: from the IDC, the regulatory information  
15 service program, the small business development service, the  
16 activities of the primary research and marketing center and  
17 satellite centers which are the result of legislation enacted  
18 in 1985, and the coordination of the state's new jobs training  
19 programs; and, from OPP, the coordination of the federal jobs  
20 training partnership Act with other state training programs.  
21 The division is directed to provide programs recommended by  
22 the consultant to the interim study committee on economic  
23 development, such as, training field experts in local  
24 development and through them provide continuing support to  
25 local organizations, establishing a federal procurement office  
26 staffed with individuals experienced in marketing to federal  
27 agencies, and training bank loan officers to increase their  
28 level of expertise in regard to business loans.

29 The primary responsibility of the division of finance is to  
30 provide for financial assistance to businesses, local  
31 governments, and educational institutions through loans and  
32 grants of state and federal funds to enable them to promote  
33 and achieve economic development within the state. To carry  
34 out the responsibility, the division shall:

35 1. Establish and administer the Iowa community development

- 1 loan program. (OPP)
- 2 2. Provide staff assistance to the corporation formed un-  
3 der authority of sections 28.11 to 28.16 to receive and dis-  
4 burse funds to further the overall development and well-being  
5 of the state. (IDC)
- 6 3. Provide financial assistance to local development  
7 corporations as provided for in sections 28.25 to 28.29.  
8 (IDC)
- 9 4. Provide staff support and assistance to the Iowa high  
10 technology council established in sections 28.51 to 28.55.  
11 (IDC)
- 12 5. Provide assistance to the Iowa venture capital fund  
13 established in sections 28.61 to 28.66. (IDC)
- 14 6. Provide administration for the Iowa product development  
15 corporation created in sections 28.81 to 28.94. (IDC)
- 16 7. Expend federal funds received as community development  
17 block grants.
- 18 The division of finance will also coordinate the financial  
19 assistance programs of the department and those of the state's  
20 family farm development authority, finance authority, railway  
21 finance authority, advance funding authority, and the economic  
22 protective and investment authority. The bill also makes the  
23 treasurer of state the executive director of the five  
24 preceding state authorities and requires that the main admin-  
25 istrative offices of these authorities be located in the same  
26 place as the finance division. The treasurer shall also  
27 establish at a central location an updated listing of all  
28 bonds and notes outstanding of each political subdivision and  
29 agency of the state.
- 30 The division of finance will also administer the funds that  
31 are appropriated under the lottery bill from the community  
32 economic betterment account, the jobs now account, and the  
33 education and agriculture research and development account for  
34 export and research and development purposes.
- 35 The bill also includes coordinating amendments to existing

1 provisions of the Code.

2 The bill takes effect October 1, 1986 but with some  
3 transitional provisions effective July 1, 1986.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35