

# ECONOMIC GROWTH

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2009

## **UNEMPLOYMENT MODERNIZATION**

Senate File 197 provides an extra 26 weeks in unemployment benefits for Workforce Development approved job training. An alternate base period, qualifying more people for unemployment, is created. Puts into law, regulations allowing unemployed former part-time workers to be eligible for unemployment and not have to seek full-time work. This allows Iowa to be eligible for \$71 million in Federal Reed Act funding to assist in unemployment issues. Also, an employer's unemployment charges are waived when a temporary worker is replaced by a returning military employee. (SF 197, Signed by the Governor, Various Effective dates)

## **HISTORIC PRESERVATION TAX CREDITS**

Senate File 481 expands the historic preservation tax credit program that assists developers in remodeling historic buildings from \$20 million to \$50 million. The program has been used as an economic development tool to revitalize downtowns, while preserving historic buildings. The breakdown of the tax credits would be as follows:

- 10% or \$5 million would be allocated for projects less than \$500,000
- 30% or \$15 million would be allocated for projects in Cultural and Entertainment Districts and Great Places
- 20% or \$10 million would be allocated for disaster recovery
- 20% or \$10 million would be allocated for projects that would create 500 jobs or more
- 20% or \$10 million would be statewide

The bill also requires projects that have unused tax credits to use those tax credits by 2011. (SF 481, Signed by Governor, Effective July 1, 2009)

## **FILM INCENTIVES PROGRAM**

Senate File 480 changes the film program with the goal of drawing larger film projects. Based on the amount of qualified expenditures, a producer, director, and cast members could receive a tax credit at various levels if the person is an Iowa resident or an Iowa based business. The Department of Economic Development may charge a fee for the administration, job training and marketing of the program. Also, a vendor tax exclusion is allowed to be taken over four years for the sale of supplies or services to a film project. (SF 480, Signed by Governor, Effective July 1, 2009)

## **GROW IOWA VALUES FUND STANDARDIZATION**

Senate File 344 standardizes the business assistance programs under the Grow Iowa Values Fund. The process is simpler for applicants. It restructures the tax credits under the High Quality Jobs Creation Program, conforms the Enterprise Zone program to requirements of other programs, and allows a start-up wage requirement for the first three years of a project. Wage data would be obtained yearly instead of quarterly. The Grow Iowa Values Fund would be able to respond with businesses assistance in future disasters. (SF 344, Signed by Governor, Effective July 1, 2009 )

**INNOVATION AND  
COMMERCIALIZATION  
DEVELOPMENT FUND**

Senate File 142 establishes the Innovation and Commercialization Development Fund with \$3 million from the Grow Iowa Values Fund. The Commercialization Development Fund provides support to Iowans interested in launching a small business. SF 142 will also allow the Department of Economic Development to direct more dollars towards internships and make sure community colleges have the tools they need to train students in targeted industries. Under the bill, Jumpstart funds and Targeted Small Business funds will carry forward to the next fiscal year. (SF 142, Signed by the Governor, Various Effective Dates)

**CREATION OF YOUTH  
CORPS AND GREEN CORPS**

Under Senate File 482, a youth corps and a green corps is established. The youth corps would provide soft skill development for Iowa's young people, and allow them to work in communities on community service projects and STEM (Science, Technology, Engineering, and Mathematics) related education. The green corps, for high school and college aged young adults, would work with energy efficiency programs, historic preservation and neighborhood development in a manual labor setting. SF 482 provides an income tax exclusion for AmeriCorps members' educational allowance. (SF 482, Signed by Governor, Various Effective Dates)

**INCENTIVES FOR DATA  
CENTERS**

Senate File 478 provides property and sales tax exemptions for certain machinery and equipment for data centers that locate in Iowa. The bill provides a graduated scale of incentives based on the relative size of the investment a business makes in the state. Currently, there are 11 projects interested in Iowa. Those projects could bring a \$1 billion investment to Iowa and create over 300 jobs. The Department of Economic Development knows of no other state that offers such incentives for data centers. Rural Iowa cities that have invested in fiber optic networks, combined with these incentives, could be inviting to these international companies. (SF 478, Signed by Governor, Effective July 1, 2009)

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**OTHER BILLS OF INTEREST**

- HF 281 Administration of the Clean Water and Drinking Water State Revolving Fund by Iowa Finance Authority (IFA) and the Department of Natural Resources. (Signed by Governor, Effective July 1, 2009)
- SF 82 Ex-officio workforce development board members would include members from vocational rehabilitation, and the departments of Education and Economic Development. (Signed by Governor, effective July 1, 2009)
- SF 114 Historic Preservation Grant Program allowed to have up to \$200,000 total dollars awarded in grants to one county, but a single grant would still be capped at \$100,000. (Signed by Governor, effective July 1, 2009)
- SF 207 IFA board member's personal liability, changes to the Council on Homelessness and the State Housing Trust Fund. (Signed by Governor, Effective July 1, 2009)
- SF 304 Changes to the Targeted Jobs Withholding Tax Credit Program (Signed by Governor, Effective July 1, 2009)
- SF 403 Sale of beer at Iowa wineries (Signed by Governor, Effective July 1, 2009)