

IOWA ECONOMIC DEVELOPMENT AUTHORITY

REGULATORY PLAN

FISCAL YEAR 2012

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Agency Rules Administrator:

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This Regulatory Plan implements the requirements of Executive Order #9, issued by Gov. Vilsack on September 14, 1999. The purpose of this plan is to describe the Authority's expected regulatory actions for the fiscal year beginning July 1, 2011 and ending June 30, 2012 ("FY 2012").

The Authority is responsible for the promulgation of rules in the following two titles of the Iowa Administrative Code:

261 – Iowa Economic Development Board

263 – City Development Board

When promulgating rules, the Authority adheres to the Regulatory Principles outlined in Executive Order #9 unless and until that order is rescinded.

Contents

This Regulatory Plan contains the following information:

1. A statement of the Authority's current regulatory objectives and priorities.
2. A description of each contemplated regulatory action.
3. A statement of the legal basis for each action.
4. A statement of need for such action.
5. The proposed schedule of action.
6. The name and contact information for a person at the Department who is knowledgeable about the proposed action and can provide additional information to the public.
7. The identification and basis of possible additional rules promulgation that may occur during FY 2012.

Current Regulatory Objectives and Priorities

For FY 2012, the Authority will focus its rulemaking efforts on implementing legislation enacted during the 2011 Legislative Session and on updating existing program rules as necessary.

Contemplated Regulatory Actions

SMART PLANNING AND ANNEXATIONS

Rule: 263 IAC 7; 263 IAC 8

Description: Rescind smart planning rules adopted by the board in ARC 9546B.

Legal Basis: 2011 Iowa Acts, Senate File 514

Statement of Need: In May, 2011, the City Development Board filed rules regarding smart planning principles that would have gone into effect in July, 2011. The Administrative Rules Review committee placed a hold on those rules. The Board now seeks to rescind the rules in order to prevent their ever taking effect.

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BROWNFIELD/GRAYFIELD TAX CREDIT PROGRAM

Rule: 261 IAC 65

Description: Modify provisions relating to the application process for the Brownfield Redevelopment Program.

Legal Basis: 2011 Iowa Acts, Senate File 514

Statement of Need: The General Assembly amended the statutory provisions establishing the Brownfield Redevelopment Program. The statutory changes affect the definition of a qualifying investment under the program and necessitate changes to the application process.

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QUALIFYING BUSINESS AND COMMUNITY-BASED SEED CAPITAL FUND INVESTMENT TAX CREDITS

Rule: New chapter in 261 IAC
123 IAC 2

Description: Currently, the Capital Investment Board's rules implement the qualifying business and community-based seed capital fund investment tax credit programs. As the Economic Development Authority assumes the administration of these programs, a new chapter needs to be added to the Authority's rules.

Legal Basis: 2011 Iowa Acts, Senate File 517

Statement of Need: The General Assembly directed the Authority to assume administrative responsibility for the tax credits for investments in qualifying businesses and community-based seed capital funds. The General Assembly also made minor modifications to the eligibility requirements for the program.

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INNOVATION FUND INVESTMENT TAX CREDITS

Rule: New chapter in 261 IAC

Description: Create a new chapter for the administration of tax credits for investments in innovation funds.

Legal Basis: 2011 Iowa Acts, Senate File 517

Statement of Need: The General Assembly created a new tax credit for investments in innovation funds and provided for the administration of the program by the Economic Development Authority, in cooperation with the Department of Revenue.

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AGGREGATE TAX CREDIT LIMIT FOR CERTAIN ECONOMIC DEVELOPMENT PROGRAMS

Rule: 261 IAC 76

Description: Modify the list of programs subject to the Authority's annual tax credit limitation and the amounts that may be allocated to such programs.

Legal Basis: 2011 Iowa Acts, Senate File 517; 2011 Iowa Acts, House File 590, section 7; Iowa Code section 15.119

Statement of Need: In 2011, the General Assembly placed additional programs under the Authority's aggregate tax credit limitation and placed restrictions on the amounts that may be allocated to certain programs.

Contact: Timothy Whipple, 515-725-3124, Tim.Whipple@iowa.gov

TARGETED JOBS WITHHOLDING TAX CREDITS

Rule: 261 IAC 71

Description: Modify the definitions section of 261 IAC 71 to include definitions for created and retained jobs.

Legal Basis: 2011 Iowa Acts, House File 590, section 7; 2011 Iowa Acts, Senate File 533; sections 126-129; Iowa Code section 403.19A

Statement of Need: In 2011, the General Assembly allowed withholding tax credit to be authorized for retained jobs as well as created jobs.

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ENDOW IOWA TAX CREDITS

Rule: 261 IAC 47

Description: Modify the Endow Iowa tax credit program rules to reflect a new statutory limitation on the amount of credits that may be approved.

Legal Basis: 2011 Iowa Acts, SF 302; Iowa Code section 15E.305

Statement of Need: In 2011, the General Assembly increased the statutory limitation on the amount of tax credits that may be approved under the program.

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GENERATION IOWA COMMISSION

Rule: 261 IAC 400

Description: Terminate the rules for the Generation Iowa Commission.

Legal Basis: 2011 Iowa Acts, HF 45, section 11

Statement of Need: In 2011, the General Assembly eliminated the statutory provisions authorizing the creation of the Generation Iowa Commission.

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GROW IOWA VALUES FUND RULES

Rule: 261 IAC 74; 261 IAC 165

Description: Amend allocation rules to reflect the FY 2012 appropriation and change the fund and program names.

Legal Basis: 2011 Iowa Acts, HF 590; 2011 Iowa Acts, SF 648

Statement of Need: In 2011, the General Assembly made appropriations for the Grow Iowa Values fund in lieu of the statutory amounts, and changed the program's name.

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RENEWABLE FUELS INFRASTRUCTURE PROGRAM

Rule: 261 IAC 311-314

Description: Transfer administration of the renewable fuels infrastructure program to the Iowa Department of Agriculture and Land Stewardship.

Legal Basis: 2011 Iowa Acts, SF 531

Statement of Need: In 2011, the General Assembly transferred the administrative responsibility for the renewable fuels infrastructure program from the Authority to IDALS.

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ECONOMIC DEVELOPMENT AUTHORITY

Rule: Multiple existing chapters TDB
New chapters, TBD

Description: Update existing Department of Economic Development rules to reflect the creation of the Economic Development Authority.

Legal Basis: 2011 Iowa Acts, HF 590

Statement of Need: In 2011, the General Assembly reorganized the executive branch agencies responsible for the administration of economic development programs. The legislation provides for the continuing effect of existing rules under the new authority, but the scope of the necessary amendments is broad and will be promulgated as the Authority finds practicable.

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REGIONAL SPORTS AUTHORITY DISTRICTS

Rule: 261 IAC 38

Description: Create new program rules to provide for distribution of funds under the regional sports authority districts program.

Legal Basis: 2011 Iowa Acts, HF 648, section 1; 2011 Iowa Acts, HF 590, section 7.

Statement of Need: In 2007, the regional sports authority district program was created in Code section 15E.321. In 2011, the General Assembly appropriated \$500,000 for purposes of distributing grants to such districts. New program rules are required for the distribution of moneys.

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CDBG ALLOCATIONS

Rule: 261 IAC 23

Description: Amend the allocations under the community development block grants program.

Legal Basis: 2011 Iowa Acts, SF 508, 2011 Iowa Acts, HF 590, section 7.

Statement of Need: In 2011, the General Assembly enacted legislation regarding community development block grants from the federal government which the Economic Development Authority has responsibility of administering. The legislation requires new rules for dispersing the funds.

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