

located, a change in a child's parents' marital status, a guardianship proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, or a similar set of circumstances consistent with the definition of good cause; a change in the status of a child's resident district, such as removal of accreditation by the state board, surrender of accreditation, or permanent closure of a nonpublic school, the failure of negotiations for a whole-grade sharing, reorganization, dissolution agreement or the rejection of a current whole-grade sharing agreement, or reorganization plan, or a similar set of circumstances consistent with the definition of good cause. If the good cause relates to a change in status of a child's school district of residence, however, action by a parent or guardian must be taken to file the notification within forty-five days of the last board action or within thirty days of the certification of the election, whichever is applicable to the circumstances.

Sec. 3. Section 282.18, subsection 12, Code 1995, is amended by striking the subsection.

Sec. 4. INSTRUCTIONAL SUPPORT FOR REORGANIZED SCHOOL DISTRICTS. Notwithstanding section 257.18, subsection 3, and section 257.27, a school district participating in an instructional support program on or after July 1, 1995, which reorganizes effective July 1, 1996, may continue to participate in the instructional support program for the budget year beginning July 1, 1996. The percent of income surtax imposed for the budget year beginning July 1, 1996, by the board of directors of the school district that reorganizes effective July 1, 1996, shall not exceed seventeen percent.

Approved April 23, 1996

CHAPTER 1158

POSTSECONDARY SCHOOLS AND LOAN PROGRAMS

S.F. 2157

AN ACT relating to postsecondary educational programs, the duties of the college student aid commission in administering the Iowa guaranteed loan program, creating a chiropractic loan revolving fund, providing for matters related to the chiropractic graduate student forgivable loan program, modifying the registration requirements for postsecondary schools, and increasing registration fees.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 261.37, subsections 3 and 6, Code 1995, are amended to read as follows:

3. Collect an insurance premium of not more than ~~one percent per annum of the principal amount of any loan guaranteed, beginning with the date of disbursement and ending one year after the date on which the borrower expects to complete the course of study for which the loan was made~~ the amount authorized by the federal Higher Education Act of 1965. ~~Such~~ The premium shall be collected by the lender upon the disbursement of the loan and shall be remitted promptly to the commission.

6. To reimburse eligible lenders for ~~one hundred percent of the principal and accrued interest~~ the amount authorized by the federal Higher Education Act of 1965 on defaulted loans guaranteed by the commission upon receipt of written notice of ~~such~~ the default accompanied by evidence that the lender has exercised the required degree of diligence in efforts to collect the loan.

Sec. 2. Section 261.71, subsection 1, paragraph d, Code Supplement 1995, is amended to read as follows:

d. The student has ~~made application for, using the procedures specified in section 261.16, and received a loan from moneys through appropriated to the college student aid commission from the funds allocated for loans under this section program.~~

Sec. 3. Section 261.71, subsection 2, Code Supplement 1995, is amended to read as follows:

2. Of the moneys loaned to an eligible student, for each year of up to and including four years of practice in Iowa, ~~the an amount of equal to twenty-five percent of the original principal and the proportionate share of accrued interest, or one thousand one hundred dollars, whichever is greater, shall be forgiven.~~ If a student fails to complete a year of practice in the state, as practice is defined by the college student aid commission, the loan amount for that year shall not be forgiven. Forgivable loans made to eligible students shall not become due, for repayment purposes, until one year after the student has ~~completed the student's residency graduated.~~ A loan that has not been forgiven may be sold to a bank, savings and loan association, credit union, or nonprofit agency eligible to participate in the guaranteed student loan program under the federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq., by the commission when the loan becomes due for repayment.

Sec. 4. **NEW SECTION.** 261.72 CHIROPRACTIC LOAN REVOLVING FUND.

A chiropractic loan revolving fund is created in the state treasury as a separate fund under the control of the commission. The commission shall deposit payments made by chiropractic loan recipients and the proceeds from the sale of chiropractic loans, less costs of collection of delinquent chiropractic loans, into the chiropractic loan revolving fund. Moneys credited to the fund shall be used to supplement moneys appropriated for the chiropractic forgivable loan program, for loan forgiveness to eligible chiropractic physicians and to pay for loan or interest repayment defaults by eligible chiropractic physicians. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

Sec. 5. Section 261B.2, subsection 1, Code 1995, is amended to read as follows:

1. "Degree" means a postsecondary credential conferring on the recipient the title or symbol which signifies or purports to signify completion of the requirements of an academic, educational, or professional program of study beyond the secondary school level of associate, bachelor, master, or doctor, or an equivalent title, signifying educational attainment based on any one or a combination of study or the equivalent experience or achievement testing. A postsecondary degree under this chapter shall not include an honorary degree or other unearned degree.

Sec. 6. Section 261B.2, Code 1995, is amended by adding the following new subsection: **NEW SUBSECTION.** 1A. "Presence" means maintaining an address within Iowa.

Sec. 7. Section 261B.3, Code 1995, is amended to read as follows:

261B.3 REGISTRATION.

1. A school that maintains or conducts one or more courses of instruction, including courses of instruction by correspondence, offered in this state or which has a presence in this state and offers courses in other states or foreign countries shall register annually with the secretary. Registration shall be made on application forms approved and supplied by the secretary and at the time and in the manner prescribed by the secretary. Upon receipt of a complete and accurate registration application, the secretary shall issue a ~~certificate of registration~~ an acknowledgment of document filed and send it to the school.

2. The secretary may request additional information as necessary to enable the secretary to determine the accuracy and completeness of the information contained in the registration application. If the secretary believes that false, misleading, or incomplete

information has been submitted in connection with an application for registration, the secretary may deny registration. The secretary shall conduct a hearing on the denial if a hearing is requested by a school. The secretary may withhold ~~a certificate of registration~~ an acknowledgment of document filed pending the outcome of the hearing. Upon a finding after the hearing that information contained in the registration application is false, misleading, or incomplete, the secretary shall deny ~~a certificate of registration~~ an acknowledgment of document filed to the school. ~~The secretary shall make the final decision on each registration. The~~ However, the decision of the secretary is subject to judicial review in accordance with section 17A.19.

3. The secretary shall utilize the advisory committee created in section 261B.10 in reviewing new and continuing registrations.

4. The secretary shall adopt rules under chapter 17A for the implementation of this chapter.

Sec. 8. NEW SECTION. 261B.3A REQUIREMENT.

A school offering courses or programs of study leading to a degree in the state of Iowa shall be accredited by an agency or organization approved or recognized by the United States department of education or a successor agency and be approved for operation by the appropriate state agencies in all other states in which it operates or maintains a presence. A school is exempt from this section if the programs offered by the school are limited to nondegree specialty vocational training programs.

Sec. 9. Section 261B.4, subsections 2 and 11, Code 1995, are amended to read as follows:

2. The principal location of the school in this state, in other states, and in foreign countries, and the location of the place or places in this state, in other states, and in foreign countries where instruction is likely to be given.

11. The names or titles and a description of the courses and degrees to be offered ~~in this state~~.

Sec. 10. Section 261B.4, Code 1995, is amended by adding the following new subsection: NEW SUBSECTION. 13. The academic and instructional methodologies and delivery systems to be used by the school and the extent to which the school anticipates each methodology and delivery system will be used, including but not limited to, classroom instruction, correspondence, electronic telecommunications, independent study, and portfolio experience evaluation.

Sec. 11. Section 261B.8, Code 1995, is amended to read as follows:

261B.8 REGISTRATION FEES.

The secretary shall collect an initial registration fee of fifty one thousand dollars and an annual renewal of registration fee of ~~twenty-five~~ five hundred dollars from each registered school.

Sec. 12. Section 261B.10, Code 1995, is amended to read as follows:

261B.10 ADVISORY COMMITTEE.

The state advisory committee for postsecondary school registration is created. The committee shall consist of the secretary of state and seven members appointed by the coordinating council for post-high school education. Members shall serve for staggered four-year terms and shall include representatives from public and private two-year and four-year colleges, universities, and specialized and vocational schools.

The committee shall meet at least annually to advise the secretary and other agencies in matters relating to the administration of this chapter and to serve as a resource and advisory board to the secretary as needed. The secretary shall serve as chairperson of the advisory committee and may call meetings and set the agenda as needed.

Sec. 13. Section 261B.11, Code 1995, is amended by adding the following new subsections:

NEW SUBSECTION. 9. Postsecondary educational institutions licensed by the state of Iowa to conduct business in the state.

NEW SUBSECTION. 10. Accredited higher education institutions that meet the criteria established under section 261.92, subsection 1.

Approved April 24, 1996

CHAPTER 1159

REGULATION OF INDUSTRIAL LOAN COMPANIES

H.F. 2453

AN ACT relating to the regulation of industrial loan companies by establishing certain requirements applicable to a change of control, providing for the appointment of the superintendent or the federal deposit insurance corporation as receiver, and requiring an industrial loan company to obtain federal deposit insurance for certain debt instruments, and making a penalty applicable.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 536A.12, Code 1995, is amended to read as follows:

536A.12 CONTINUING LICENSE – ANNUAL FEE – CHANGE OF LOCATION – CHANGE OF CONTROL.

1. Each such license remains in full force and effect until surrendered, revoked, or suspended, or until there is a change of control on or after January 1, 1996. A licensee shall, on or before the second day of January, shall pay to the superintendent the sum of fifty dollars as an annual license fee for the succeeding calendar year. When a licensee changes its place of business from one location to another in the same city, it shall at once give written notice to the superintendent who shall attach to the license in writing the superintendent's record of the change and the date of the change, which is authority for the operation of the business under that license at the new place of business.

2. A person who proposes to purchase or otherwise acquire, directly or indirectly, any of the outstanding shares of an industrial loan company which would result in a change of control of the industrial loan company, shall first apply in writing to the superintendent for a certificate of approval for the proposed change of control. The superintendent shall grant the certificate if the superintendent is satisfied that the person who proposes to obtain control of the industrial loan company is qualified by character, experience, and financial responsibility to control and operate the industrial loan company in a sound and legal manner, and that the interests of the thrift certificate holders, creditors, and shareholders of the industrial loan company, and of the public generally, shall not be jeopardized by the proposed change of control. If a board member of the industrial loan company has reason to believe any of the requirements of this subsection have not been complied with, the board member shall promptly report in writing such facts to the superintendent. If there is any doubt as to whether a change in the ownership of the outstanding shares is sufficient to result in control of the industrial loan company, or to effect a change in the control of the industrial loan company, such doubt shall be resolved in favor of reporting the facts to the superintendent.

3. a. For purposes of this section, "control" means control as defined in section 524.103. However, a change of control does not occur when a majority shareholder of an industrial