

3. In awarding moneys appropriated to the department pursuant to section 15G.111, subsection 1, paragraph "a", from the grow Iowa values fund for programs administered by the department, the department shall give special consideration to projects that include significant physical infrastructure components designed to increase property tax revenues to local governments.

Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 18, 2008

CHAPTER 1103

PRENEED SALE OF CEMETERY AND FUNERAL MERCHANDISE AND FUNERAL SERVICES

S.F. 2349

AN ACT relating to the preneed sale of cemetery and funeral merchandise and funeral services.

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

Section 1. Section 523A.102, subsection 27, Code Supplement 2007, is amended to read as follows:

27. "Seller" or "preneed seller" means a person doing business within this state, including a person doing business within this state who sells insurance, who advertises, sells, promotes, or offers to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof when performance or delivery may be more than one hundred twenty days following the initial payment on the account whether the transaction is completed or offered in person, through the mail, over the telephone, by the internet, or through any other means of commerce. "Seller" or "preneed seller" includes any person performing any term of a purchase agreement executed within this state, and any person identified under a burial account as the provider of cemetery merchandise, funeral merchandise, funeral services, or a combination thereof. "Seller" or "preneed seller" does not include a person who has an ownership interest in a seller or preneed seller but who is not actively engaged in advertising, selling, promoting, or offering to furnish such cemetery merchandise, funeral merchandise, funeral services, or a combination thereof.

Sec. 2. Section 523A.203, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. A financial institution acting as a trustee of trust funds under this chapter shall notify each purchaser within sixty days from the date of deposit confirming that a deposit has been made establishing a trust fund for the purchaser's payments made under the purchase agreement.

Sec. 3. Section 523A.203, subsection 6, Code Supplement 2007, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. Use any funds required to be held in trust pursuant to section 523A.201 to purchase an insurance policy or annuity.

Sec. 4. Section 523A.405, subsection 8, Code Supplement 2007, is amended to read as follows:

8. The amount of the surety bond shall equal eighty percent of the payments received pursuant to purchase agreements, or the applicable portion thereof, for cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, and the amount needed to adjust the amount of the surety bond for inflation as set by the commissioner based on the consumer price index. The seller shall review the amount of the surety bond no less than annually and shall increase the bond as necessary to reflect additional payments. The amount needed to adjust for inflation shall be added annually to the surety bond during the first quarter of the establishment's seller's fiscal year.

Sec. 5. Section 523A.501, subsection 3, paragraph a, Code Supplement 2007, is amended to read as follows:

a. The commissioner shall request and obtain, notwithstanding section 692.2, subsection 5, criminal history data for any director of, or person with a financial interest in, a preneed seller who is an applicant for an initial license issued pursuant to this section, any an applicant for reinstatement of a license issued pursuant to this section, or any a licensee who is being monitored as a result of a commission order or agreement resolving an administrative disciplinary action, for the purpose of evaluating the applicant's or licensee's eligibility for licensure or suitability for continued practice as a preneed seller, as required by the commissioner by rules adopted pursuant to chapter 17A. The commissioner shall adopt rules pursuant to chapter 17A to implement this section may limit this requirement to those persons who have the ability to control or direct control of trust funds under this chapter. The commissioner shall inform the an applicant or licensee of to whom the criminal history requirement applies and obtain a signed waiver from the applicant or licensee prior to submitting a criminal history data request.

Sec. 6. Section 523A.501, subsection 4, Code Supplement 2007, is amended to read as follows:

4. The commissioner shall request and obtain a financial history for any director of, or person with a financial interest in, a preneed seller who is an applicant for an initial license issued pursuant to this section, any an applicant for reinstatement of a license issued pursuant to this section, or any a licensee who is being monitored as a result of a commission order or agreement resolving an administrative disciplinary action, for the purpose of evaluating the applicant's or licensee's eligibility for licensure or suitability for continued practice as a preneed seller, as required by the commissioner by rules adopted pursuant to chapter 17A. The commissioner may limit this requirement to those persons who have the ability to control or direct control of trust funds under this chapter. "Financial history" means the record of a person's current loans, the date of a person's loans, the amount of the loans, the person's payment record on the loans, current liens against the person's property, and the person's most recent financial statement setting forth the assets, liabilities, and the net worth of the person.

Sec. 7. Section 523A.502, subsection 6, Code Supplement 2007, is amended to read as follows:

6. A sales agent licensed pursuant to this section shall satisfactorily fulfill continuing education requirements for the license as prescribed by the commissioner by rule. However, this continuing education requirement is not applicable to a sales agent who is also a licensed insurance producer under chapter 522B or a licensed funeral director under chapter 156.

Sec. 8. Section 523A.601, subsection 6, paragraph a, Code Supplement 2007, is amended to read as follows:

a. A purchase agreement that is funded by a trust shall include a conspicuous statement in language substantially similar to the following language:

"For your prearranged funeral agreement, we will deposit not less than eighty percent of your payments in trust at (name of financial institution), (street address), (city), (state) (zip

code) within fifteen days following receipt of the funds. For your protection, you ~~have the right to contact~~ will be notified within sixty days from the date of deposit from the financial institution ~~directly, if acting as a trustee of trust funds under this chapter,~~ to confirm that the deposit of these funds occurred has been made establishing a trust fund as required by law. If you ~~unable to confirm the deposit of these funds in trust~~ do not receive this notification, you may contact the Iowa insurance division for assistance by calling the insurance division at (telephone number) or by mail at (street address), (city), Iowa (zip code), or you may contact the financial institution by calling the financial institution at (telephone number) or by mail at the address indicated above.¹

Sec. 9. NEW SECTION. 523A.810A ELECTRONIC FILING.

The commissioner shall, by rule, develop a system and procedures and a format for electronic filing of documents required to be filed with the commissioner under this chapter.

Sec. 10. Section 523A.811, subsection 1, paragraph c, Code Supplement 2007, is amended to read as follows:

c. The amount of funds currently held in trust for cemetery merchandise, funeral merchandise, and funeral services is less than ~~eighty percent of all payments made under the purchase agreements referred to in~~ the amount required in section 523A.201, subsection 2 or 3, as applicable.

Approved April 18, 2008

CHAPTER 1104

STATE PURCHASE OF BIOBASED PRODUCTS

S.F. 2361

AN ACT providing for the procurement of designated biobased products by state government.

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

Section 1. Section 8A.311, subsection 14, Code Supplement 2007, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. The procurement of designated biobased products in accordance with the requirements of section 8A.317.

Sec. 2. NEW SECTION. 8A.317 STATE PURCHASES — DESIGNATED BIOBASED PRODUCTS.

1. As used in this section, unless the context otherwise requires:

a. “Biobased material” means the same as defined in section 469.31.

b. “Designated biobased product” means a biobased product as defined in section 469.31, and includes a product determined by the United States department of agriculture to be a commercial or industrial product, other than food or feed, that is composed, in whole or in significant part, of biological products, including renewable domestic agricultural materials including plant, animal, and marine materials, or forestry materials as provided in 7 U.S.C. § 8102.

2. The department shall do all of the following:

a. Develop procedures and specifications for the purchase of designated biobased products. The department may develop specifications after consulting guidelines or regulations promulgated by the United States department of agriculture pursuant to section 7 U.S.C. § 8102.

¹ See chapter 1191, §140 herein