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State of Iowa

71st General Assembly

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FY86

FISCAL REPORT 1985 SESSION

Including Enrolled Bills

Novak's

FY86

Legislative Fiscal Bureau

June, 1985

DENNIS C. PROUTY
DIRECTOR
515/281-5279

STATE OF IOWA

LEGISLATIVE FISCAL BUREAU

STATE CAPITOL
DES MOINES, IOWA
50319

June 15, 1985

Members of the 71st General Assembly of Iowa
and Other Interested Citizens:

The Fiscal Report of the Legislative Fiscal Bureau compiles the appropriations and ways and means actions of the 1985 session of the 71st General Assembly. Also included is a summary of Program Evaluations and research completed since our last Fiscal Report.

This report is intended to aid legislators, state officials and others as a comprehensive.reference containing General Fund receipts and appropriations, bill summaries, and copies of enacted legislation.

If you have questions, please contact a member of the Legislative Fiscal Bureau staff.

Yours truly,

Dennis C. Prouty
Director

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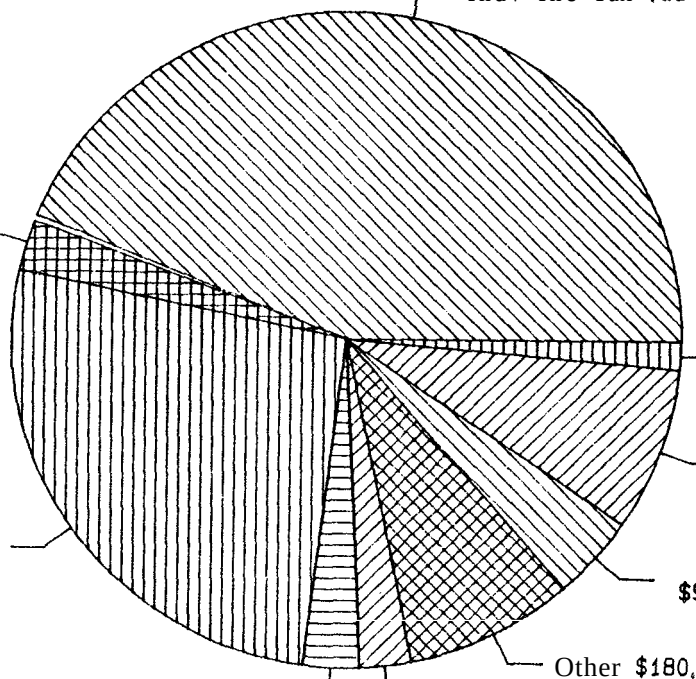
FISCAL INFORMATION

General Fund Estimated Receipts

Fiscal Year 1985

Other Receipts:

Interest	$ 21. 300. 000
County Treasurers	41. 400. 000
Fees	25. 200. 000
Misc. Receipts	65.200.000
Beer & Liquor Tax	16, 800. 000
Franchise Tax	7.000.000
Equip Lar Tax	500. 000
Military Tax Trans	3, 400. 000



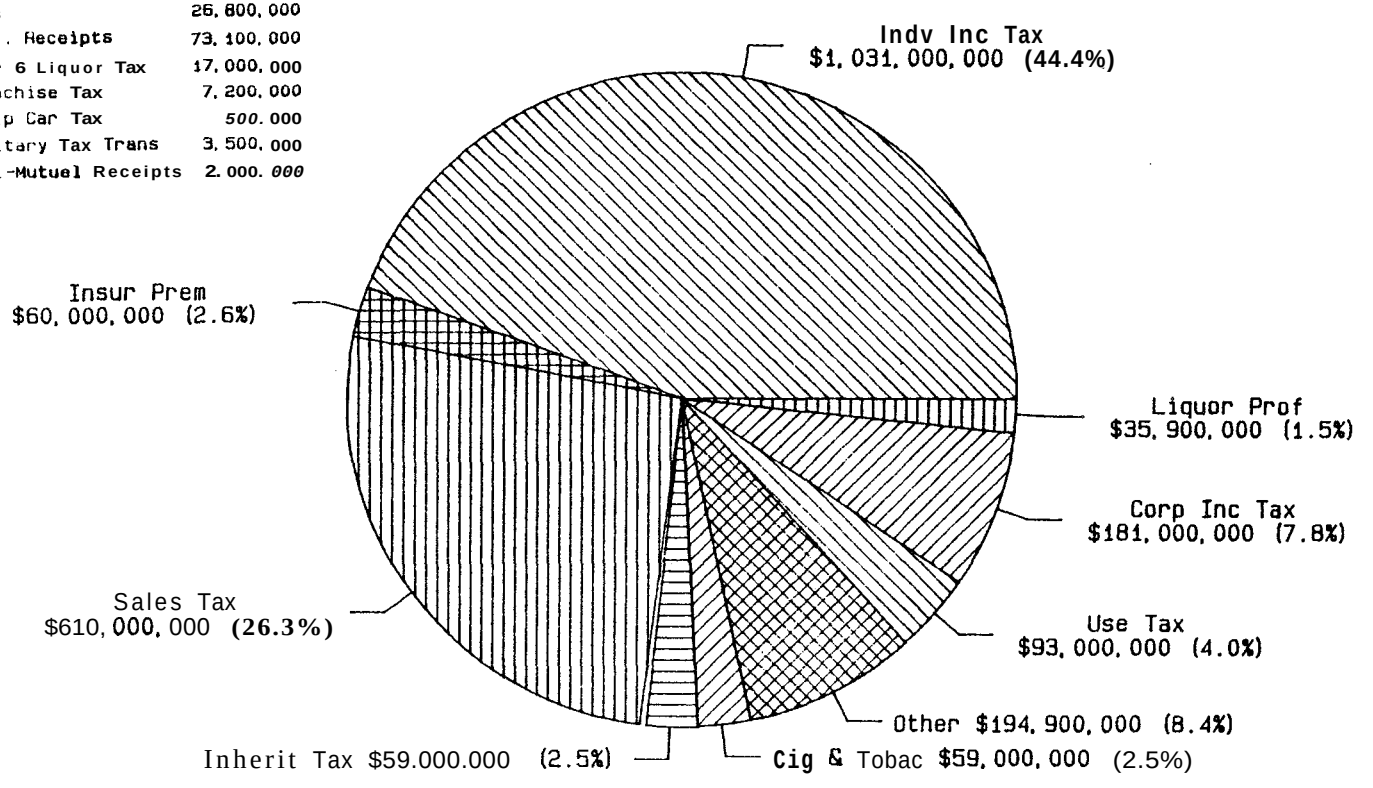
TOTAL: $2, 236, 400, 000

General Fund Estimated Receipts

Fiscal Year 1986

Other Receipts:

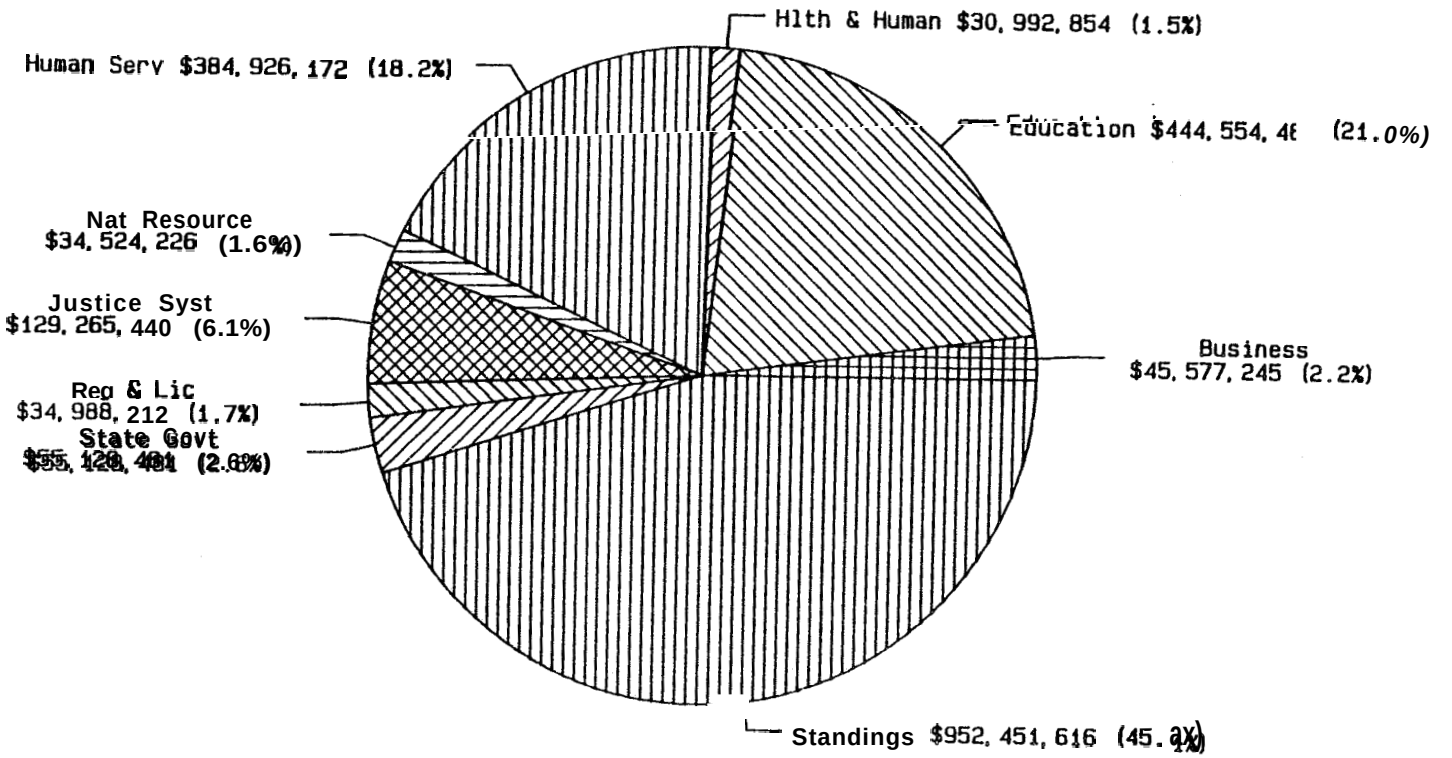
Interest	$ 20.800.000
County Treasurers	44.000. 000
Fees	26.800.000
Misc. Receipts	73.100.000
Beer 6 Liquor Tax	17.000.000
Franchise Tax	7.200.000
Equip Car Tax	500.000
Military Tax Trans	3.500.000
Pari-Mutuel Receipts	2.000.000



TOTAL: $2,323,800,000

General Fund Appropriations

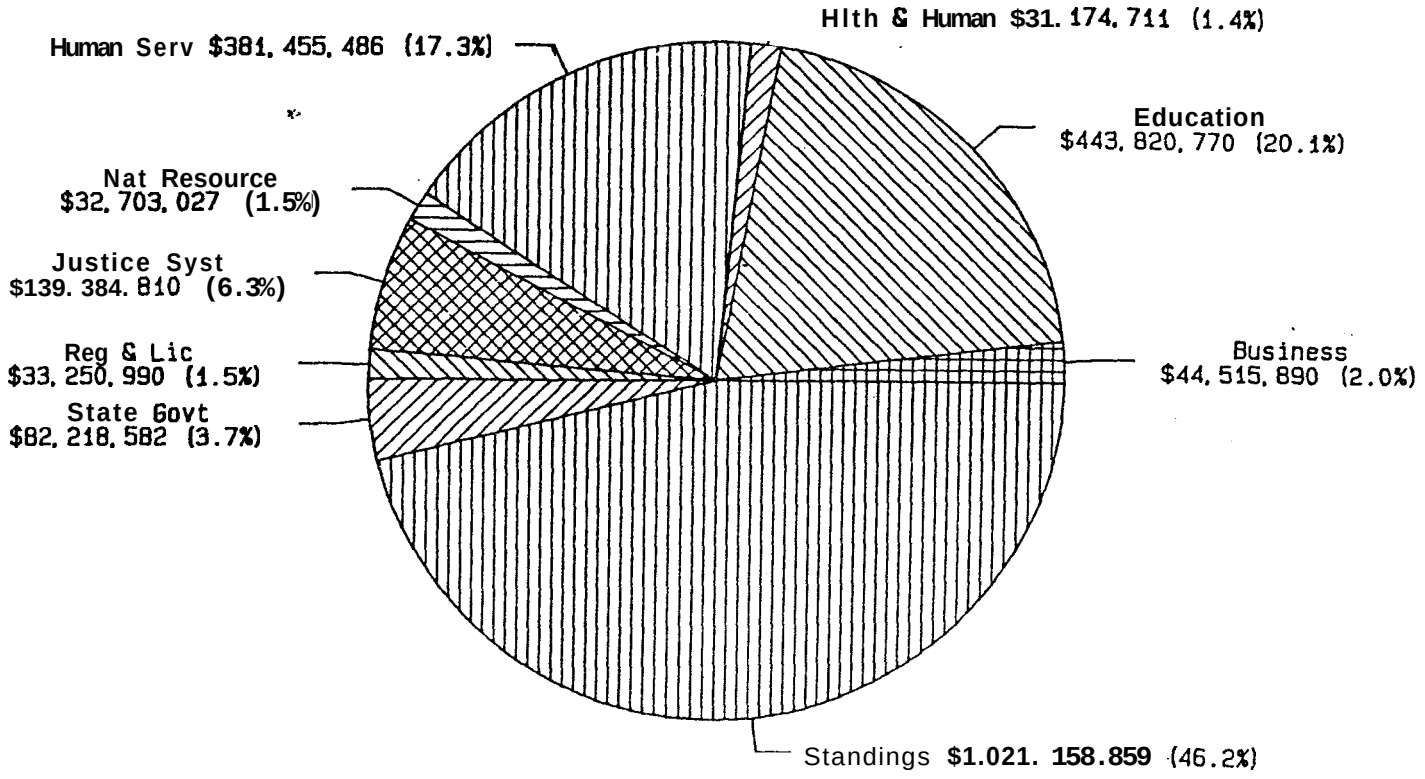
Fiscal Year 1985



TOTAL: $2, 112, 408, 711

General Fund Appropriations

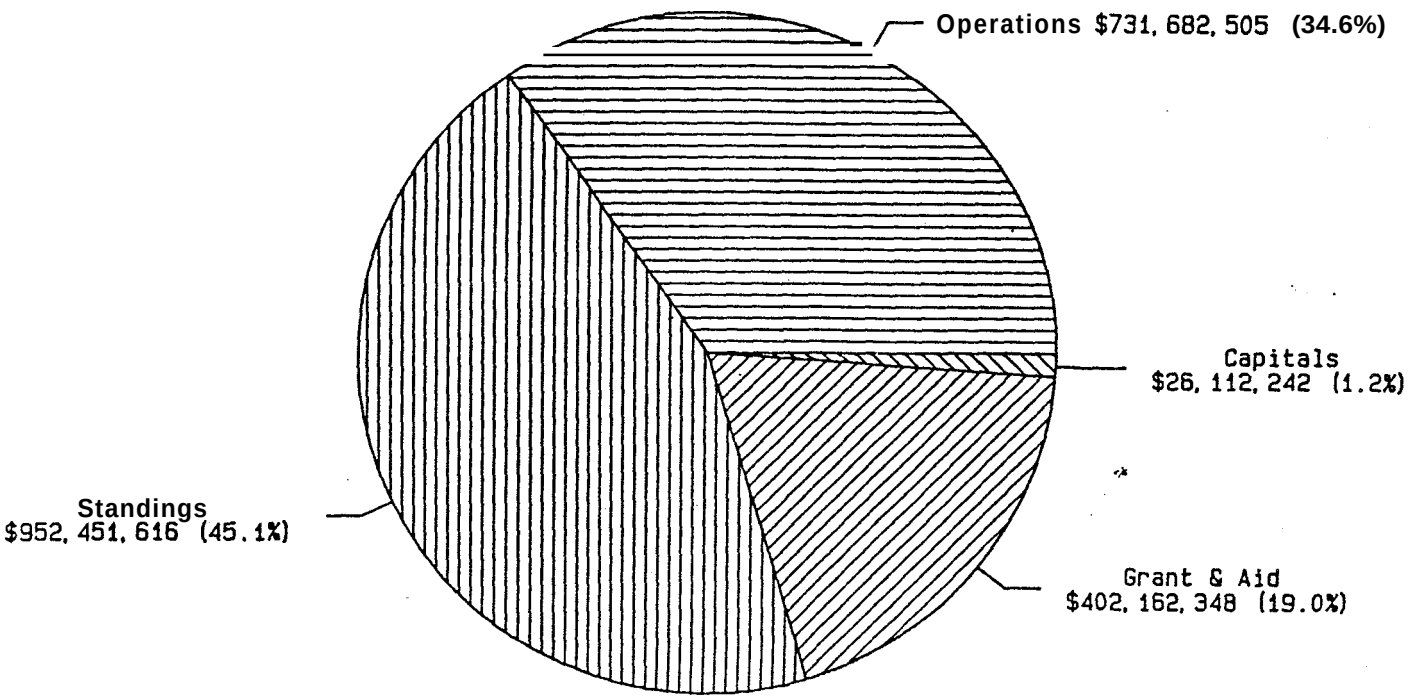
Fiscal Year 1986



TOTAL: $2, 209, 683, 125

General Fund Appropriations

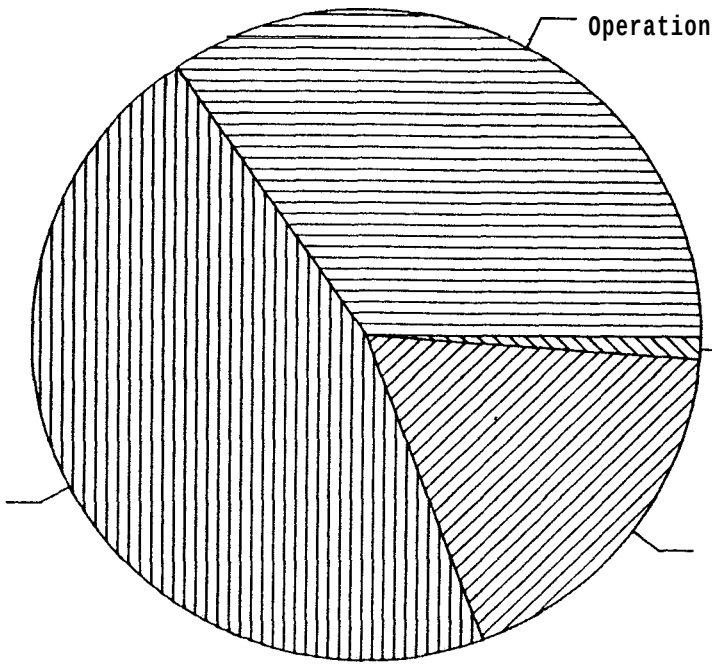
Fiscal Year 1985



TOTAL: $2, 112, 408, 711

General Fund Appropriations

Fiscal Year 1986



TOTAL: $2, 209,683, 135

General Fund Appropriations
Legislative Fiscal Bureau

	Revised FY 85	Governors FY 86	Final Action FY 86
Business Trade Trans	45,577,245	46,487,101	44.515,890
Education	444,554,465	446,504,876	443,820,770
Health & Human Right	30,992,854	31,058,665	31,174,711
Human Services	384,926,172	375,553,555	381,455,486
Justice System	129,265,440	139.073,I54	139,384,810
Natural Resources	34,524,226	33,065,449	32,703,027
Regulatory & License	34,988,212	34,657,532	33,250,990
State Government	55,128,481	81,499,677	82,218,582
Standings	952,451,616	1,022,533,462	1,021,158,859
Total Appropriations	2,112,408,711	2.210,433,471	2,209,683I25

Operations	731.682.505	773,067,676	766,206,186
Grant and Aid	402,162,348	388 733,783	395,472,811
Capitals	26.112,242	26,100,550	26,845,269
Standings	952,451,616	1,022,533,462	1,021,158,859
Total Appropriations	2,112,408,711	2,210,433,471	2,209,683,125

General Fund Appropriations
Legislative Fiscal Bureau

Business Trade Trans	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Commerce Commission				
General Admin				
Salaries,Supp,Maint	5,782,226	6,054,038	5,826,863	S F 562
Utilities Division				
Rate Reg & Review	146.737	-0-	-0-	
Total Commerce Comm	5,928,963	6,054,038	5,826,863	
Consumer Advocate				
Salaries,Supp,Maint	913,255	925,012	900.795	S.F 562
Development Cornni				
Administration				
Salaries,Supp,Maint	3,239,946	4,298,381	3,966,361	S F 562
High Tech Council	45.000	39,600	39,600	S F. 562
High Tech Grants	900,000	990,000	891,000	S.F. 562
	4,184,946	5,327,981	4,896,961	
Iowa Product				
Development Corp	200,000	297,000	297,000	S.F. 562
Total Development Comm	4 384,946	5,624.981	5,193,961	
Fair Board, Iowa St				
Bldy & Grounds Maint	39,358	39,600	19,800	S.F. 562
Premiums	9.000	8,910	8,910	S.F. 562
Agr Societies Fairs	183.800	183.800	99.000	S F. 562
Capital Improvomcnts	240,000	-0-		
Total Fair Board, Iowd St	472,158	232,310	127,710	
Industrial Coinmissr				
Salaries,Supp Maint	1,025,230	1,010,332	984,083	S.F. 562
Work Comp-Peace Off	15,000	15,000	15,000	
Total Industrial Cornmissr	1,040,230	1,025,332	999,083	
Job Service of Iowa				
FOAB and IOASI Admin	161,247	159.635	159.635	S F. 562
Teacher Retire Allow	211,800	188,694	188.694	
IPERS Prior Ser 1953	209,300	186,417	186.4 17	
Non Tedcher Ret All	12,100	9,603	9,603	
Current Retirees All	5,318,500	5,002,074	5,002,074	
Conserv Peace Olfcrs	268,900	292,842	292,842	
IPERS Prior Ser 1975	500,000	495,000	495.000	
Total Job Service of Iowa	6,681,847	6,334,265	6,334,265	

General Fund Appropriations
Legislative Fiscal Bureau

Business Trade Trans	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Planning & Programng				
Iowa Youth Services	78,759	75,748	74,250	S F 562
Administration	605,870	597,469	574,242	S F 562
Economic Analysis	166,236	163,913	148,500	S F 562
Stat Analysis Center	186,358	199,049	188,100	S F 562
Highway Safety Prgm	82,423	82,497	81,599	S F 562
Iowa Youth Corps	874,800	866,052	866,052	S F 562
Volunteer Office			19,800	S F 562
Cultural Comm Grants	300,000	297.000	297,000	S F 562
JTPA Administration	1,063,600	1,052,753	1,052,753	S F 562
Comm Dev Blk Grts	104.894	115.488	115,488	S F 562
Comm Dev Loan Fund	1,500,000	1,500,000	990,000	S F 562
Ret Senior Vol Prgm		69.032	14,850	S F 562
Total Planning & Programing	4,962,940	5,019,001	4,422,634	
Revenue, Dept of				
Salaries Supp Maint	16,364,926	16,373,086	16 165 949	S F 562
Homestead Tax Credit	94,000,000	95,000,000	Y5 000 000	
Extra Prop Tax Reim	11,500,000	10,500,000	10 500 000	
Reassessmt Exp Fund	150 000	200 000	200 000	
M I s Standings	180,000	173,250	173,250	
Total Revenue, Dept of	122,194,926	122,246.336	122,039,199	
Science, Ia Academy				
Support and Maint	60,400	59.796	59,796	S F 562
Transportation, Dept				
Salaries,Supp,Maint	5,506,500	5, 174,799	4,897,918	S F 562
RR Improvement Prog	972,000	962.280	940,500	S F 562
Public Transit Aid	1,854,600	1,854,600	1,836,054	S F 562
Great River Road	100.000	99,000	99,000	
Personal Delvry Serv	90,000	89,100	89,100	
Total Transportation, Dept	8,523,100	8,179,779	7,862,572	
Treasurer of State				
Salaries,Supp,Maint	516,817	537,231	524,992	S.F. 562
Money & Crdt Rep Fnd	2.500.000	2,500,000	2,475,000	S F 562
Investment System	100,000	0-		
Unclaimed Fees Acct	500	495	495	
Total Treasurer of State	3,117,317	3,037,726	3,000,487	
Operations	35,549,593	36,556,842	35,418,739	44,515,896
Grant and Aid	9,687,652	9.930.259	9,097,151	
Capitals	340,000	0	0	
Standings	112,702,837	112,251,475	112,251,475	
Total Business Trade Trans	158,280,082	158,738,576	156,767,365	

General Fund Appropriations
Legislative Fiscal Bureau

Education	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Arts Council				
Salaries,Supp,Maint	492,237	567.930	522.833	H.F. 747
Educ Radio and TV				
Salaries,Supp,Maint	6,314,014	6,252,580	6,134,931	H.F. 747
Total Educ Radio and TV	6,314,014	6,252,580	6,134,931	
College Aid Comm				
Salaries,Supp,Maint	434.663	443,311	439.165	H F 747
Tuition Grant Proy	1.416,900	963,270	963.270	H.F. 747
Osteopathic Sub Prog	789,264	935,550	858,461	H.F 747
Natl Guard Enlist	24,300	21,651	21,651	H.F. 747
Guaranteed Loan Pay	30,000	59,400	59.400	
Tuition Grant Stand	19,166,600	20,394,000	20,394,000	H F. 747
Scholarship Proy St	350.000	346,500	346,500	
Voc Tech Grant Stand	672,472	665,747	665.747	
Supp Grant Math + Sc	1,500,000	1,485,000	1,000,000	H F. 747
Math + Sc Loan Proy	40,000	138,600	70.000	H.F. 747
Total College Aid Comm	24,424,199	25,453,029	24.818.194	
Historical Dept				
Historical Board				
Per Diem & Exp	7.691	7,623	6,623	H.F. 747
Historical Society				
Salaries,Supp,Maint	1.388,759	1,407.455	1,395,857	H.F. 747
Capitals	43,000	991000	50.000	S.F. 575
	1,431,759	1,506,455	1,445,857	
Total Historical Dept	1,439,450	1,514,078	1,452,480	
Library Commission				
Salaries,Supp Maint	1,028,188	1,233,815	1,189,434	H F 747
Regional Library	1 373,535	1,589,535	1,534,040	H F 747
Total Library Commission	2,401,723	2,823,350	2,723,474	
Public Instruction				
General Office				
Salaries,Supp Maint	3,761,627	4,068,578	4,092,721	H.F 747
Prof Teaching Pract	60,681	60.000	57,336	H F. 747
Computer Clear House	200,000	180,000	99,000	H F 747
	4,022.308	4,308,578	4,249,057	
Merged Area Schools				
Voc Educ Sal & Supp	900,868	877,081	869,537	H F 747
General Aid	57,532,604	56,969,325	57,329,397	H.F. 747

General Fund Appropriations
Legislative Fiscal Bureau

Education	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Public Instruction				
Merged Area Schools				
Equip Replacement	500,000	0	0	
Voc Youth Ory Fund	9,720	9,623	9.623	H.F 747
Federal Match Funds	8,456,400	8,456,400	8.371,836	ti F 747
Industrial Startup	75,000	75,000	0	
Educational Improvem		150,000	148,500	H F 747
MASC Economic Dev		500,000	-0-	
	67,474,592	67,037,429	66,728,893	
Elementary & Second				
School Lunch Assist	3,207,600	3.207,600	3,175 624	ti F 747
SBHC Supple Aid	30,000	14.850	14850	H F 747
Voc Educ Sec Schools	3,760,668	3,760,668	3,723,061	H F 747
Transtional English	194,400	194,400	192456	H F 747
Child Foster Care	225,000	220,000	220.000	
Certification Fee	5,200	5.198	5,198	
School Aid	707,000,000	743,400,000	743 400 000	
AEA Juvenile Homes	625,000	700,000	700,000	
AEA District Court	300.000	350,000	350 000	
AEA Certain Children	200.000	350,000	350 000	
Standing Foreiyn Lan	2,100,000	2,100,000	500,000	H.F 747
Train Math & Science	40,000	40,000	0	
DPI Foreign Lang			150 000	H.F 747
	717,687,868	754,342,716	752,781,089	
Other Grants and Aid				
Non Public Textbooks	388,800	350,000	346,500	H.F 747
Fire Service Educ	200,000	200.000	198,000	H F 747
Non Public Transport	6,058,000	6,505,000	6,505,000	
	6,646,800	7,055,000	7,049,500	
Total Public Instruction	795,831,568	832,743,723	830,808,539	
Regents, Board of				
General Office				
Salaries,Supp,Maint	465.706	461,641	454,985	ti F 747
Fuel and Electricity	2 1,324,000		0-	
West la Contin Ed	102.060		-0-	
Quad Cities Graduate	7.582		-0-	
Capital Replacements	725.000			
Tuition Replacements	15,111,842	19,286,050	17,983,415	H F 747
	37,736,190	19,747,691	18,438,400	
State Univ of Iowa				
General University	113,316,500	122,790,342	122,478,133	H.F 747
University Hosp	25,196,868	25,658,805	25,658,805	H F 747
Psychiatric Hosp	5,500,690	5,534,254	5,534,254	ti F 747
Hygenic Lab	2,185,136	2,182,399	2.182.399	H F 747

General Fund Appropriations
Legislative Fiscal Bureau

Education	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Regents, Board of				
State Univ of Iowa				
Hosp School	3,911,421	4.029.792	4,029,792	H.F. 747
Oakdale Campus	1,809,759	2,370,153	2,370,153	H.F. 747
Excess Patient Quota	39,760		-0-	
Spec Child-Healtti		240,420	289.920	H.F. 747
Family Prictice Proy	1,426,809	1,414,050	1,414,050	H.F. 747
	153,386,943	164,220,215	163,957,506	
Iowa State Univ.				
General University	93,996,122	100.215.539	99,882,682	H.F. 747
Ag-Home Exp St.	10,953,562	11,442,560	11,442,560	H.F. 747
Coop Exten Service	10,732,686	10,871,974	10,871,974	H.F. 747
SBDC	500,000	495,000	693.000	H.F. 747
Meat Export Ceritcr	200,000		0	
Muscatine Island	50,000		0	
Research Center	117,000		0	
Food Crops Research	200,000		0	
Financial Software	200,000		0	
Livestock Disease	300,000	297,000	297,000	
	117,249,370	123,322.073	123,187,216	
Univ of Northern Ia				
General University	36 951.173	39,490,142	39,363,532	H.F. 747
Iowa Braille & Sight				
Salaries,Supp,Maint	2,429,347	2,605,658	2,605,658	H.F. 747
Clothing & Trans	2,500	1,980	1.980	
	2,431,847	2,607,638	2,607,638	
Id Sch for the Deaf				
Salaries,Supp,Maint	4,480,523	4,761,452	4,761,452	H.F. 747
Clothing & Trans	4.000	4.950	4.950	
Tuition Reimburs	5,000	2,970	2,970	
	4,489,523	4,769,372	4,769,372	
Total Regents, Board ot	352,245,046	354,157,131	352,323,664	
Operations	347,674,290	347,565,881	346,628,113	
Grant and Aid	81,000,333	79,553,945	79,159,242	
Capitals	15,879,842	19,385,050	18,033,415	
Standings	738,593,772	777,006,945	774,963,345	
Total Education	1,183,148,237	1,223.511,821	1,218,784,115	

General Fund Appropriations
Legislative Fiscal Bureau

Health & Human Right	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Aging, Commission On				
Salaries, Supp, Maint	267,520	294.522	257,516	H.F. 571
Older Iowans Legis.	13,608	13,472	13.472	H.F. 571
Area Agencies Aging	120,023	118,823	118,823	H.F. 571
Elderly Serv. Prog.	816,480	808,315	808,315	H.F. 571
Sr Citr Empl Prog	110,166	109.064	109,064	H.F. 571
Older Iowa Legal Ser			99,000	H F. 747
Total Aging, Commission On	1,327,797	1,344,196	1,406,190	
Blind, Iowa Comm tor				
Salaries Supp, Maint	1,084,170	1,098,247	1,069,729	H.F 571
Capital Improvements	2,100	0	63,000	S.F 575
Total Blind. Iowa Comm for	1,086,270	1,098,247	1,132,729	
Civil Rights Comm				
Salaries, Supp, Maint	766,708	785,123	776,260	H.F 571
Salaries, Supp SSPC	45,506	45,051	45,051	H F 571
Total civil Rights Comm	812.214	830,174	821.31 1	
Employment Handicap				
Salaries, Supp Maint	131.719	130,402	126.770	H F 571
Health, Dept of				
Administration Div				
Salaries, Supp, Maint	1,004,330	969.254	931,098	H.F 571
Standings	7.845	7,767	7.767	
	1,012,175	977,021	938,865	
Hlth Facilities Div				
Salaries, Supp, Maint	664,747	776.153	721.606	H F 571
Hedlth Planning Div				
Salaries, Supp, Maint	264.1 10	261.469	253,391	H F 571
Disease Prevent Div				
Salaries, Supp, Maint	1,102,976	1,214,170	1,185,613	H F 571
Professional Lic				
Salaries, Supp, Maint	570,074	656,695	598,067	H.F. 571
Personal & Fam tilth				
Salaries, Supp, Maint	1,448,847	1,263,094	1,298,317	H.F 571
Additnal Sal Sup Ma			371,250	H.F 771
Sex Abuse Invest	57,794	57,795	57,217	H F 571
SIDS Autopsy	15,000	14.850	14.850	H F 571
	1.521.641	1,335,739	1.741,634	
Community Hlth Div				
Salaries, Supp, Maint	1,831,589	1,852,143	1,823,478	ti F 571

General Fund Appropriations
Legislative Fiscal Bureau

Health & Human Right	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Health, Dept of				
Community Hlth Div				
Well Elderly Clinics	216,367	214,203	214,203	H F 571
Homemaker Home Hlth	7,389,200	7,315,308	7,315,308	H F 571
Public Hlth Nursing	2,227,520	2,185,397	2,185,397	H F 571
	11,664,676	11,567,051	11,538,386	
Total Health, Dept of	16,800,399	16,788,298	16,577,562	
Public Instruction				
Vocational Rehab				
Salaries, Supp, Maint	2,736,74 I	2,709,374	2,723,317	H F 571
Status ot Women				
Salaries, Supp, Maint	95.076	99,839	97,698	H F 571
Substance Abuse				
Salaries, Supp, Maint	473,263	418,634	385,IZY	H F 571
Program Grants	7,348,958	7,483,368	7,348,958	H F 571
Total Substance Abuse	7,822,221	7,902,002	7,734,087	
Veterans Affairs				
Salaries, Supp, Maint	119,712	114,803	113,717	H F 571
Chemical Exposure Rt	41,334	34.247	34.247	H F 571
War Orphans Educ	27,216	14,850	14,850	H F 571
Total Veterans Affairs	188,262	163,900	162,814	
Operations	12,662.030	12,736,692	12,825,726	
Grant and Aid	18,328,724	18,321,973	18,285,985	
Capitals	2.100	0	63,000	
Standings	7,845	7,767	7,767	
Total Health & Human Right	31,000,699	31,066,432	31,182,478	

General Fund Appropriations
Legislative Fiscal Bureau

Human Services	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Comm on Children. Yo				
Salaries,Supp,Maint	65,755	81,701	97,022	H.F. 771
Foster Care Review B				
Salaries,Supp,Maint	70,000	140,812	134.704	H.F. 771
Human Services, Dept				
Field Operations				
Salaries,Supp,Maint	21,131,660	22,281,675	22,275,000	H F. 771
Protective Seiv Staf			99,000	H.F. 771
Volunteers	72,000	71,280	71,280	H.F. 771
	21,203,660	22,352,955	22,445,280	
General Admin				
Salaries,Supp,Maint	7,542,656	7.867.469	7,781.400	H.F. 771
Standings	83,400	88.011	88.011	
	7,626,056	7,955,480	7,869,411	
Juvenile Institution				
Salaries,Supp,Maint	7,549,448	7,979,388	7,999,200	H.F. 771
Income Maint Service				
Child Support Recov	880,980	895,920	990.000	H.F. 771
Aid to Depend Child	64,600,000	61.141,905	63,211,500	H.F. 771
Aid to Indians	37,000	36,630	36.630	H.F. 771
Medical Assistance	134,350,000	120,658,230	119,394,000	H.F. 771
Contractual Services	2,200,000	1,958,913	1.950.300	H.F. 771
Medically Needy SSI			3,000,000	H F. 570
State Supplement	8,450,000	9,781,398	9,751,500	H.F. 771
Foster Care	21,930,000	24,572,988	24,997,500	H.F. 771
Community Based Sr	1,650,000	2,345,805	2.460.150	H.F. 771
Homebased Services	5.180,000	5,101.371	5,296,500	H.F. 771
Block Grant Supple	2,940,000	2,910,600	3,306,600	H.F. 771
County Based Reimb	1,550,000	2,415,600	2,376,000	H.F. 771
Domestic Abuse Grant			39,000	H.F. 771
Child Abuse Prev Gra			148,500	H.F. 771
	243,767,980	231.819,360	237,018,180	
MH / MR / DD				
Mental Health Inst	31,945,679	32,908,171	32,769,000	H.F. 771
Bill of Rights			109,000	S.F. 473
Mental Health Fund	3 360.000	3,326,400	3,465,000	H.F. 771
	35,305,679	36,234,571	36,343,000	
Mental Retardation				
Mental Retarded Sch	49636,515	49,645,626	49,500,000	H.F. 771
Marshalltown Vet Hom				
Salaries,Supp,Maint	18,569,029	19,431,673	19,136,700	H.F. 771
Capitals				
Capital Improvements	937,000			

General Fund Appropriations
Legislative Fiscal Bureau

Human Services	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Human Services, Dept				
Capitals				
Hospital School Caps	278,450			
71st GA 1st DHS Caps	0	0	1,000,000	S F 575
	1,215,450	0	1,000,000	
Total Human Services, Dept	384,873,817	375,419,053	381,311,771	
Operations	137,391,722	141,232,435	140,891,026	
Grant and Aid	246.319,000	234,321,120	239,564,460	
Capitals	1,215,450	0	1,000,000	
Standings	83,400	88,011	88.011	
Total Human Services	385,009,572	375.641,566	381,543,497	

General Fund Appropriations
Legislative Fiscal Bureau

Justice System	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Justice, Dept of				
Attorney Geneial	3,019,975	3,126,562	3,122,046	S.F. 552
Prosecuting Att	91,021	90.074	88,319	S.F. 552
Dispute Resolution	75,000	0	49,500	S.F. 552
Pros. Intern Prog	52,500	52,491	51,480	S.F. 552
Total Justice, Dept of	3,238,496	3,269,127	3.31 1,345	
Corrections, Dept				
General Adniin.				
Central Office	1,795,501	1,794,608	1,768,514	S.F. 552
State Cases Standing	120,000	118,800	118,800	
	1,915,501	1.913,408	1,887,314	
Corrections Service				
Classification Sys	173,457	0	-0-	
Training Center	308,692	0	321,750	S.F 552
Federal Prisoners	398,520	372,854	371,250	S.F 552
Legal Services	25.000	24,750	34.650	S.F 552
County Confinement	47.500	72,500	71,280	S.F. 552
	953,169	470,104	798,930	
Community Based Cori				
Parole Services	1,238,903	1,267,528	-0-	
Work Release Houses	1,457,922	1,457,922	-0-	
Programs & Services	14,127,400	14,294,024	17,216,100	S.F. 552
	16,824,225	17,019,474	17,216,100	
Correctional Instit				
Men's Penitentiary	16,655,944	16.634.816	16,513,916	S.F. 552
Men's Reformatory	11 324,536	11,722,834	11,171,611	S.F. 552
Oakdale IMCC	7,083,229	7,395,692	7,300,142	S.F. 552
Riverview Release	1,968,003	2,008,581	9,955,970	S.F. 552
Mt. Pleasant MSIJ	7,237,273	8,758,578	8,385,537	S.F. 552
Rockwell City NCCF	1,986,647	2,056,260	2,044,697	S.F. 552
Clarinda CTU	2,928,920	2,992.473	2,961.471	S.F. 552
Women's Correct Inst	2,439,076	2,542,354	2,520,441	S F 552
	51,623,628	54.1 11.588	52,853,785	
Capitals				
Capital Improvements	255,000	0	500,000	S.F. 575
Total Corrections, Dept	71,571,523	73,514,574	73,256,129	
Crim Juv Juslice Pln				
Juvenile Justice	56,078	56,018	54.687	S.F. 552
Criminal Justice	202.328	231,642	228.855	S.F. 552
Jailer Training	34,000	33,660	30,461	S.F. 552
Juvenile Victim Rest	121,500	120,285	1'19,790	S.F. 552
Total Crim Juv Justice Pln	413.906	441,605	433,793	

General Fund Appropriations
Legislative Fiscal Bureau

Justice System	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Judicial Departments				
Courts				
Court Operations	12,411,995	12,411,995	31,500,000	S F 552
District Court Admin	1,559,895	1.661.390	-0-	
Court Reorganization	8,411,495	15,552,040	-0-	
	22,383,385	29,625,425	31,500,000	
Administration				
Salaries,Supp,Maint	796 186	796 186	0-	
	796.186	796.186	0	
Boards & Commissions				
Salaries,Supp,Maint	56,124	56 124	0	
	56,124	56,124	0	
Total Judicial Departments	23,235,695	30,477,735	31.500.000	
Law Enforcement Acad				
Salaries,Supp,Maint	819,786	818,320	761,128	S F 552
State Medcl Examiner				
Salaries,Supp,Maint	0	29,700	29,700	S F 552
Parole, Board of				
Salaries,Supp,Maint	430,386	467,785	457,186	S F. 552
Public Safety, Dept				
Administration				
Salaries,Supp,Maint	4,905,027	4,657,136	4,591,334	S F 552
Victim Compensation	201,010	43,037	42.570	S F 552
DPS Capital	70,000	0		
	5,176,037	4,700,173	4,633,904	
Criminal Invest				
Salaries,Supp,Maint	4,965,105	5,091,591	4,963,780	S F 552
Undercover Funds	200.000	198.000	198.000	S F 552
Pari-mutuel Agents	175,000	230,024	229,680	S.F 552
	5,340,105	5.519.615	5.381.460	
Inspection & Security				
Fire Marshal	1,085,976	1,130 240	1,079 505	S F 552
Capitol Security	740,230	756,700	719,670	S F 552
	1,826,206	1,886.940	1,799,175	
Highway Patrol				
Salaries,Supp,Maint	17,278,439	18,009,464	17,883,360	S.F 552
Crime Prevention Pgm	54,861	56,9 Iti	56,430	S.F 552
	17,333,300	18,066,380	17,939,790	
Total Public Safety, Dept	29,675,648	30,173,108	29,754,329	
Operations	114,532,540	124,475,444	121 361.049	
Grant and Aid	14,407,900	14,597,710	17,523,761	
Capitals	325.000	0	500,000	
Standings	120,000	118,800	118,800	
Total Justice System	129,385,440	139,191,954	139,503,610	

General Fund Appropriations
Legislative Fiscal Bureau

Natural Resources	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Agriculture, Dept of				
Administrative Div				
Salaries,Supp,Maint	1,404,944	1,488,733	1,445,475	H.F. 476
Multiflora Rose Erad	50,000	49,500	74,250	H.F. 476
Ag Diversification	36,600	0	-0-	
	1,491,544	1,538,233	1,519,725	
Regulatory Division				
Salaries,Supp,Maint	3,567,073	3,387,529	3,285,669	H.F. 476
Laboratory Division				
Salaries,Supp,Maint	651,736	652,225	626,595	H.F. 476
Total Agriculture, Dept of	5,710,353	5,577,987	5,431,989	
Conservation Comni				
Lands and Waters	5,020,927	5,045,614	4,643,080	H.F. 476
Administration Div	1,572,628	1,541,381	1,517,337	H.F. 476
Advisory Bd-Prserves	53.234	52.702	50,969	H.F. 476
Open Space Tax Repl	42.000	42.000	40,748	H.F. 476
Green Thumb Program	145,742	144,285	144.285	H.F. 476
Swan Lake Restoration	95,000	0		
Capital Reapprop	581,500	0		
Drainage Assessment			43.554	S.F. 575
General Maint Capitals			300,000	S.F. 575
Total Conservation Comm	7.511.031	6,825,982	6,739,973	
Energy Policy Council				
Salaries,Supp,Maint	374.129	372.854	369.765	H.F. 476
Inst Conserv Prog	108,949	97.073	97.073	H.F. 476
St Bldgs Energy Mgmt	500,000	445,500	445.500	H.F. 476
Total Energy Policy Council	983,078	915,427	912,338	
Geological Survey				
Salaries,Supp,Maint	1,258,627	1,230,921	1,205,486	H.F. 476
Reimbursement to Fed	262,833	260,205	255,000	H.F. 476
Total Geological Survey	1,521,460	1,491,126	1.460.486	
Hoover Birth Found				
Aid to Inst.	1,500	1,337	1,337	H.F. 476
Mississippi River Pk				
Support. Maint,Misc	14.580	16,236	15,545	H.F. 476
Soil Conservation				
Salaries,Supp,Maint	3,879,966	3,893,693	3,816,007	H.F. 476

General Fund Appropriations
Legislative Fiscal Bureau

Natural Resources	Revised FY 85	Governors FY 86	Final Action FY 86	bill Number
Soil Conservation				
St-Fed Watershed P&D	24.300	24,057	23,576	H F 476
Soil Survey	335,340	331,987	325,347	H.F 476
Cost Share	8,644,000	8,662,500	8,888,736	H F 476
Cost Share Revolving	750,000	247,500	99,000	H F 476
Total Soil Conservation	13,633,606	13,159,737	13,152,666	
Water Air Waste Man				
Salaries,Supp,Maint	2,892,324	2,655,772	2,626,448	H F 476
River Basin Coord	71.294	40,695	240,696	H F 476
AIDEX Superfund	50,000	247,500		
Sewage Const Grant	2,000,000	2,000,000	1,940,400	H F 476
Total Water Air Waste Man	5,013,618	4,943,967	4,855,043	
Water Resources Inst				
Grant and Aid	135.000	133,650	133,650	H F 376
Operations	21,089,370	20.720.702	19,979,652	
Grant and Aid	12.258.356	11,899,247	11,934,321	
Capitals	1,176,500	445,500	789.054	
Standings	0	0	0	
Total Natural Resources	34,524,226	33,065,449	32,703,027	

General Fund Appropriations
Legislative Fiscal Bureau

Regulatory & License	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Accountancy, Board				
Salaries,Supp,Maint	274,222	257.445	249,183	S.F. 269
Architectural Exam				
Salaries,Supp,Maint	47.697	45,270	38,610	S.F. 269
Auditor of State				
Salaries,Supp,Maint	1,952,832	2,020,873	1,969,149	S.F. 269
Banking Department				
Salaries,Supp,Maint	3.452,487	3,804,459	3,687,750	S F 269
Beer & Liquor Contrl				
Salaries,Supp,Maint	19.877,921	19,362,985	18,383,000	S F. 269
Beer Barr Tax Rebate	20,000	19,800		S.F 583
Total Beer & Liquor Contrl	19.897.921	19,382,785	18,383,000	
Campaign Finc Discl				
Salaries,Supp,Maint	132,834	135.664	135,664	S F 269
Dental Exam, Board				
Salaries,Supp,Maint	111,730	120,044	106,180	S.F 269
Credit Union Dept				
Salaries,Supp,Maint	554.140	563,425	542.322	S.F 269
Engineering Exam. Bd				
Salaries,Supp,Maint	141,919	144,852	122,760	S.F 269
Insurance, Dept of				
Salaries,Supp,Maint	2,807,141	2.966.465	2,868,030	S F 269
Labor, Bureau of				
Salaries,Supp,Maint	1,643,305	1,566,598	1,582,422	S F 269
Landscape Arch Exam				
Salaries,Supp,Maint	10.923	11,571	9,900	S.F 269
Medical Exam, Board				
Salaries,Supp,Maint	639,082	642,977	617,381	S F 269
Nurse Exam. Board				
Salaries,Supp,Maint	540,250	564,192	547,589	S.F 269
OCC Sfty & Hlth Rev				
OSHA Review Comm	51,117	49,010	49010	S.F 269
Pharmacy Exam. Board				
Salaries,Supp,Maint	367,143	369.335	351,814	S.F 269

General Fund Appropriations
Legislative Fiscal Bureau

Regulatory & License	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Publ Employ Relation				
Salaries,Supp,Maint	566.567	567,600	558,360	S.F 269
Racing Commission				
Salaries,Supp,Maint	303,065		-0-	
Real Estate Comm				
Salaries,Supp,Maint	323,590	332.461	309.323	S.F 269
Secretary of State				
Salaries,Supp,Maint	1,127,747	1,132,303	1,122,543	S F 269
Official Register	62,500	0	-0	
Servmans Ballot Comm	2,500	2.722	2.722	
Constitutional Amend	900	0	0	
Total Secretary of State	1,193,647	1.135.025	1,125,265	
Operations	34,988,212	34,657,532	33,250,990	
Grant and Aid	0	0	0	
Capitals	0	0	0	
Standings	23,400	22.522	2722	
Total Regulatory & License	35.011,612	34,680,054	33253712	

General Fund Appropriations
Legislative Fiscal Bureau

State Government	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Admin Rules Coord				
Salaries,Supp,Maint	64,034	68,513	62,597	S.F. 434
Appeal Board				
Standings	2,200,000	3,168,000	3,168,000	
Capitol Planning Coin				
Salaries, Supp.Maint	3.062	2,970	2,728	S.F. 434
Comptroller, Office				
General Office				
Salaries,Supp.Maint	1,468,887	1,781,875	1,680,046	S F 434
Salary Adjustment	1,287,262	12,500,000	14,406,800	H F 780
Comp Worth	5,050,000	18,810,000	18,810,000	S.F. 434
Municipal Assist-	14,650,000	14,650,000	14,503,500	S.F. 434
County Assistance	5,350,000	5,350,000	5,296,500	S F 434
Spec Child-Health	52,000	0	-0-	
Olympic Participat	4,800	0		
St Unemploy Coinp	495,000	519.750	519.750	
St Emp Work Coinp	2,247,000	2,603,700	2,603,700	
Agr Land Tax Credit	43,500,000	43,500,000	43,500,000	
Pers Prop Tax Repl	23.100,000	48,100,000	48,100,000	
Prop Tax Repl Livstk	a 000,000	8,000,000	8,000,000	
Peace Off Retire	3,230,000	3,450,000	3,450,000	
Mach & Computer Tax	7 000,000	13,000,000	13,000,000	
	115,434,949	172,265,325	173,870,296	
Data Processing				
Salaries,Supp,Maint	6,022,164	7,434,577	6,712,427	S.F. 434
Total Comptroller, Office	121,457,113	179,699,902	180,582,723	
Council of St Govt				
Support of Council	44,600	46.134	46.600	S.F. 434
Executive Council				
Salaries Supp,Maint	28,985	42,895	42.465	S.F. 434
Performance ot Duty	900,000	495,000	495,000	
Misc Standings	50,000	49.500	49,500	
Public Improvement	20,000	19,800	19,800	
Habeas Corpus Fees	30,000	29,700	29.700	
Total Executive Council	1,028,985	636,895	636,465	
General Services				
General Admin				
Utilities	2,140,000	2,039,170	1,935,072	S.F. 434
Salaries Supp,Maint	4,736,951	5,113,721	4,918,003	S.F. 434
Rental Facility	968,082	993,171	988,204	S.F 434

General Fund Appropriations
Legislative Fiscal Bureau

State Government	Revised FY a5	Governors FY 86	Final Action FY 86	Bill Number
General Services				
General Admin				
Risk Management	2,035,350	1,000,000	1,000,000	S F 434
Gen Serv Capitals				
New Historical Bldg	4,750,000	5,250,000	5,250,000	H F 2347
Lucas Bldy Renov			200,000	S.F. 575
	14,630,383	14,614,062	14,499,079	
Total General Services	14,630,383	14,614,062	14,499,079	
Governor				
Salaries,Supp,Maint	690.618	702.769	702,769	S.F. 434
Terrace Hill	61,439	62,705	60,824	S F 434
Governor's Expenses	5,832	5,774	5,832	S.F 434
Governor's Ad Hoc Cm	24.300	17,820	17,820	S F 434
residential... Elector	400	0		
Interstate Extradit	5.000	4,950	4,950	
Total Governor	787,589	794.018	792.195	
Governor. Lieutenant				
Salaries,Supp,Maint	116,829	116.959	114,503	S.F 434
Indian Settlement				
Support of Officer	3,500	3,500	3,500	
Legislative Branch				
Legislature				
Legal Fees			16,000	HCH 43
WTC Adv Comm	75,000			S F 586
Natl Conf Slate Ley	48,085	51,002	51.002	S F 434
Session Expenses	3,897,727	3,825,600	3,825,600	
Interim Expenses	328,000	396,000	396,000	
Staff Compensation	2,797,000	2,922,200	2,922,200	
Renov & Otfice Expns	109,500	115,000	115.000	
Legislative Publictn	9.200	9,200	9.200	
Admin Rules Rev Comm	45,000	45,000	45,000	
	7,309,512	7,364,002	7,380,002	
Legislative Agencies				
Citizens' Aide	247.631	242,268	244 715	S F 409
Code Editor	1,031,793	849,334	849,334	
Computer Service Bur			700.000	S F 409
Fiscal Bureau	563,3311	563,338	576224	S.F 409
Service Bureau	1,080,673	1,096,402	1,069,866	S F 409
	2,923,435	2,751,342	3,440,139	
Total Legislative Branch	10,232,947	10.115,344	10,820,141	

General Fund Appropriations
Legislative fiscal Bureau

State Government	Revised FY 85	Governors FY 86	Final Action FY 86	Bill Number
Merit Employment				
Salaries,Supp,Maint	1,508,227	1,559,128	1,558,408	S.F. 434
Total Merit Employment	1,508,227	1,559,128	1,558,408	
Pioneer Lawmakers				
Support, Maint, Misc	729	0	0	
Public Defense. Dept				
Military Division				
Salaries,Supp,Maint	3.070.980	3.207.705	3.161.160	S f 434
Capital Improvements	388,000	0	0	
Standings	30,000	29,700	29,700	
	3,488,980	3,237,405	3,190,860	
Disaster Services				
Salaries,Supp,Maint	123,152	121.920	119,469	S.F. 434
Fed Funds Match Fld	191,586	170,414	178.414	S.F 434
	314,738	300,334	297.883	
Total Public Defense, Dept	3,803,718	3,537,739	3,488,743	
Terrace Hill Auth				
Salaries,Supp,Maint	156,629	164,062	159,350	S.F 434
Uniform State Laws				
Support of Conf	10,498	10,393	10.289	S.F 434
Operations	27,794,748	55,122,148	55,850,891	
Grant and Aid	20.160.383	20.107,529	19,907,891	
Capitals	7,173,350	6,270.000	6,459,800	
Standings	100,920,362	133,037,942	133,726,739	
Total State Government	156,048,843	214,537,619	215,945,321	

APPROPRIATIONS SUMMARY

All appropriations made in FY 1986 shall not be exceeded in FY 1987 unless revenue growth. as estimated by the Legislative Fiscal Bureau on December 31, 1985, exceeds 4 5%

All appropriations made for FY 1986 have been reduced by 1% except for the following

Beer and Liquor Control Department
Civil Rights Commission
Code Editor
Citizens Aide Office of
Computer Support Bureau
Council of State Governments
Governor, Office of the
Judicial Department
Labor Bureau of
Legislative Fiscal Bureau
Legislative Service Bureau
National Conference ot State Legislatures
Public Defense, Department of
Department of Disaster Services
Match for Federal Funds for Flooding
Public Instruction, Department of
Vocational Rehabilitation Division
Substance Abuse, Department Of

The following summaries reflect the 1% reduction

ACCOUNTANCY, BOARD OF
S.F 269
Sec 1 3 Appropriates $249,183 tor salaries. support, maintenance and other operational purposes The appropriation includes a part time clerk typist (25 FTE) for data entry ol registrants test scores

ADMINISTRATIVE HULLS COORDINATOR
S.F 434
Sec 1 1 Appropriates $62,597 for salaries, support, and maintenance

AGING, COMMISSION ON THE
State Administration
H.F. 571
Sec. 1.1a Appropriates $257,516 and authorizes 29.5 FTE's for salaries, support, maintenance and miscellaneous purposes

Area Agencies on Aging
Sec. 1.1b Appropriates $118,823 for grants to area agencies to support their operations in delivering services and operating programs for the elderly.

Senior Citizen Employment Program
Sec 1.1c Appropriates $109,064 to fund older worker specialists to assist elderly Iowans who are seeking employment.

Older Iowan Legislature
Sec 11d Appropriates $13,472 to provide the funding for the annual three-day Older Iowans Legislature.

Elderly Services Programs
Sec 1 1 e Appropriates $808,315 to fund programs which reduce the need and incidence of institutionalization of elderly Iowans by encouraging community involvement

Elderly Legal Services
H.F. 747
Sec. 11. Appropriates $100.000 to the Commission for legal services to the elderly.

AGRICULTURE, DEPARTMENT OF
Administrative Division
H.F. 476
Sec 1.1 Appropriates $1,445,475 for salaries, support, maintenance and other operational purposes. Intent language specifies that the Department shall continue the Agricultural Diversification Program.

Transfers funds from the Fertilizer Fund, the Dairy Trade Practice Fund. and the Commercial Feed Fund to the Administrative Division. The Department shall set annual subscription fees for its publications and the tees collected shall be deposited in the general fund of the state.

Regulatory Division
Sec 1.2 Appropriates $3,285,669 for salaries. support, maintenance and other operational purposes of the Regulatory Division The Department is required to inspect food service establishments only once a year. notwithstanding the provisions of section 170A.3.

Laboratory Division
Sec. 1.3 Appropriates $626,595 for salaries, support, maintenance and other operational purposes of the Laboratory Division.

Transfers funds from the Commercial Feed Fund, the Pesticide Fund. and the Fertilizer Fund to the Laboratory Division

Multifloral Rose Eradication Cost Reimbursement
Sec. 2. Appropriates $74,250 to be used for the partial reimbursenrent of agricultural landowners or tenants for the cost of herbicide for controlling multiflora rose.

ARCHITECTURAL EXAMINERS, BOARD OF
S.F 269
Sec 1 1 Appropriates $38,610 for salary. support, maintenance and other operational purposes to maintain the current level of operation

ARTS COUNCIL IOWA
HF 747
Sec 11 Appropriates $522,833 for salaries, support, maintenance, and miscellaneous purposes including funds to match federal grants It is the intent of the General Assembly that the Arts Council expend funds to support community arts council development

AUDITOR OF STATE
SF 269
Sec 21 Appropriates $1,969,149 for salaries, support and miscellaneous purposes to maintain the current level of operation. The appropriation also provides funding ($60,400) for two additional auditor positions to audit the Job Training Partnership Act.

BANKING, DEPARTMENT OF
SF 269
Sec 22 Appropriates $3,687,750 for salaries, support and miscellaneous purposes, including five new bank examiner positions ($139,876) and $40,000 for the purchase of word processing equipment

Allows the Department to expend additional funds, if expenditures for banking institution examinations exceeds the amount budgeted and the Comptroller's Office authorizes such additional expenditures. The additional cost shall be charged to the institution being examined and the funds shall be deposited in the Department's appropriations account for examining banking institutions

BEER AND LIQUOR CONTROL DEPARTMENT
SF 269
Sec 23 Appropriates $18,074,000 for salaries. support and miscellaneous purposes The Department is required to use $193,000 for the establishment of agency stores and mint stores [Note HF 777 provides additional funding to the Beer and Liquor Control Department of $309,000.]

Requires any amount of the $193,000 for agency stores and mint stores that remain unobligated on June 30, 1986 to revert to the general fund of the state

BLIND, IOWA COMMISSION FOR THE
HF 571
Sec. 1.2 Appropriates $1,069,729 and authorizes 105.03 FTE's for salary. support, maintenance and miscellaneous purposes.

Capital Projects
SF 575
Sec 1.6 Appropriates $63,000 for beginning the installation of a fire sprinkler system

CAMPAIGN FINANCE DISCLOSURE COMMISSION
SF 269
Sec 24 Appropriates $135,664 for salaries, support and miscellaneous purposes to maintain the current level of operation

CAPITOL PLANNING COMMISSION
SF 434
Sec 12 Appropriates $2,728 for per diem and travel expenses of Commission members

CHILDREN. YOUTH AND FAMILY. COMMISSION ON
Operations
HF 771
Sec. 18 Appropriates $97,022 for salary and support of 4.0 FTE's

CITIZENS' AIDE, OFFICE OF
SF 409
Sec 10. Provides that the salaries, support, maintenance and miscellaneous purposes of the Office shall be funded from a standing, unlimited appropriation. [Note: The appropriation made in H.F. 571, Section 13 is void]

CIVIL RIGHTS COMMISSION
HF 571
Sec. 1.4 Appropriates $776,260 and authorizes 25 FTE's for salary. support, maintenance and miscellaneous purposes of the Commission.

COLLEGE AID COMMISSION
General Office
HF. 747
Sec 2.1 Appropriates $439,165 for salaries support, maintenance. and miscellaneous purposes.

Tuition Grant Program
Sec. 2.2 Appropriates $963,270 to the Tuition Grant Program. This appropriation is in addition to the committee's recommendation of a $20,600,000 standing appropriation. The maximum grant award is increased from 32,250 to $2,350 for FY 1986. [Note: Also referred to in Sections 16-17.]

Osteopathic Subvention Proyram
Sec. 3. Appropriates $858,461 to the College of Osteopathic Medicine and Surgery to provide for Iowa students to make up at least 30% of the enrollment. Submittal of financial audits. to the Legislative Fiscal Bureau is required.

National Guard Educational Benefits
Sec 4. Appropriates $21,651 to provide tuition assistance to eligible members of the Guard who are enrolled in an Iowa post-secondary institution.

Guaranteed Student Loan Payment

Sec 5 Appropriates $14,850 for tlie payment of Iowa Guaranteed Loans ot teachers in math or science [Note: Also referred to in Sections 18-19]

ITEM VETO

Tuition Grant Program

Sec. 16-17 These sections increase the standing appropriation for the Tuition Grant Proyrani froin $19,166,600 to $20,600,000 foi FY 1986 and raises the maximum award amount from *$2.250* to $2,350 Ior FY 1986. In addition to the standing appropriation the bill appropriates $973.000 for the Tuition Grant Program. [Note: Also referred to in Section 2.2.]

Guaranteed Student Loan Payment

Sec 18-19 Deletes the standing limited appropriation of $30,000 arid limits the program to those who received yrants for FY 1985 [Note Also referred to in Section 5.1

ITEM VETO

Science and Math Loan Program

Sec 20 23 These sections change the Science and Math Loan Program from only teachers who could qualify to any individual, with a baccalaureate or higher deyree, wanting to obtain teaching certificates in math or science The standing appropriation is decreased from $140,000 to $70.000

Supplemental Grant Program

Sec 24-25 These sections change the qualifications foi the Supplemental Grant Program from seven units upper level math and science to eight units and increases the maximum award amount to $600 Iroin $500 Section 30 makes these two changes effective for FY 1987 The standing limited is changed from $1.5 million to $1 million, starting in FY 1986

COMMERCE COMMISSION

Administration

S.F. 562

Sec. 1.1 Appropriates $5,826,863 for salaries, support, maintenance, and other operational purposes.

COMPTROLLER, OFFICE OF THE STATE

Annual Salaries Appointed Nonelected in Executive Branch

S.F. 578

Sec 1. States that the annual salaries set by the Governor for appointed nonelected persons in the Executive Branch of State Government for FY 1986 and FY 1987 shall be the same as the annual salaries as of January 1, 1985.

Salary Adjustment to Various State Departments and Agencies

Sec 2 States that funds appropriated to the Salary Adjustment Fund to various state departments and agencies shall *be used to* fund the tollowiny annual pay adjustments, expense reimbursement and benefits riot in conflict with the Code of Iowa

a. The collective bargaining agreements negotiated pursuant to chapter 20 for employees in the blue collar, public safety. security. technical, professional fiscal and staff, University of Northern Iowa faculty, clerical and social services bargaining units.

b. Those employees referred to in sections 3 and 4 of this Act who are not covered by a collective bargaining agreement.

Salary Adjustment to Merit System and Executive Council Exempt Pay Plans

Sec. 3.1 Stales that the Merit System Pay Plan and the Executive Council Exempt Pay Plan shall be increased Ior employees not covered in a collective bargaining agreement in FY 1986 by 1% and in FY 1987 by 4%. In addition to these increases, employees may receive merit increases or the equivalent of a merit increase.

Salary Adjustment for Employees Exempted from Chapter 19A

Sec 3.2 States that employees who are exempt from Chapter 19A and who are included in the State Comptroller's payroll system. the DOT's payroll system. and the board office employees of the Board of Regents shall be increased by the same percent as in Subsection 1.

Exemptions to Section 3

Sec 3.3 States that Section 3 does not apply to the General Assembly, board members, commission meinbers, positions set by tlie General Assembly or Governor. employees under Chapter 19A.3(6), and positions under the Board of Regents with the exception of office employees ot the Board.

Salary Adjustnient for Professional and Managerial Employes

See. 3.4 States that each appointing authority shall determine the percentage increase for each professional and managerial employee's salary. However, the average percentaye increase for all professional and managerial employees shall not exceed the average increase provided in Section 3.1.

Policy for Jmplementation

See 3.5 States that the policies for implementation of Section 3 shall be approved by the Governor with the exception of the board office employees of the Board of Regents, employees of the General Assembly, or employees of the Judicial Department.

~~Board of~~ Regents Funding

See 4 Allocates salary adjustments for the Board of Regents tor employees not covered by a collective bargaining agreement.

Salary Adjustment for Faculty Members arid Professional/Scientific Staff

Sec. 4.1 States that the average base salary increase for FY 1986 shall be 2% arid for FY 1987 shall be 5.5% for faculty members and professional and scientific staff members.

Salary Adjustment for Merit System Employees Of the Board or Regents

Sec. 4 2 States that eniployees under the Board of Regent's merit system, not included in a collective bargaining agreement and with the exception of the board office employees, shall receive a 1% salary adjustment increase in FY 1986 and a 4% increase in FY 1987. In addition to these increases, employees may receive merit increases or the equivalent of a merit increase.

Salary Adjustment Fund Time Periods

Sec 5 Deals with the time periods for appropriating salary adjustments for the DOT and the agencies paid through the comptroller's centralized payroll system.

FY 1986 Time Periods

Sec 5.1 States that for FY 1986, salary adjustments shall begin with the biweekly pay date of July 5, 1985, and end with the biweekly pay date of June 21, 1986.

FY 1987 Time Periods

Sec 5 2 States that for FY 1987, salary adjustments shall begin with the biweekly pay date of July 4, 1986, and end with the biweekly pay date of June 19, 1987.

Comparable Worth Adjustments

Sec. 6 Freezes the implementation of comparable worth adjustments above pay grade 32 with the exceptions of Nursing Service Director, Director of Nursing and the Director of Public Health Nursing.

Amending of Section 217.23(2), Code of Iowa

Sec. 7. Increases the reimbursement rate for replacement or repair of personal items of DHS employees destroyed or damaged by clients from $75 to $150 for each item.

Salary Adjustment

H F. 780

Sec. 1.1 Appropriates $12,091,500 for FY 1986 and $48,004,900 for FY 1987 for adjustments in compensation and benefits of public officials and employees.

Sec. 1.2 Appropriates $212,900 for FY 1986 and $807,300 for FY 1987 from the Road Use Tax Fund to the Department of Transportation for adjustments in compensation and benefits of public officials and employees

Sec 1 3 Transfers $619,000 for FY 1986 and $1,103,700 for FY 1987 from the Road Use Tax Fund to the general fund. These funds shall be appropriated to the Department of Public Safety for the Division of Highway Patrol tor adjustments in compensation and benefits.

Sec 1.4 Appropriates $1,320,900 for FY 1986 and $5,666,800 for FY 1987 from the Primary Road Fund to the Department of Transportation for adjustments in compensation and benefits.

Sec 2 I Appropriates $2,199,400 for FY 1986 and $3,196,400 for FY 1987 from the general fund to the Department of Public Instruction for allocation to Merged Area Schools for adjustments in compensation arid benefits.

Provides that $2,000,000 of the funds appropriated in this subsection shall be used for pay adjusttnents for full-time non-administrative certificated employees in addition to any agreement negotiated under Chapter 20 (collective bargaining) or other salary adjustments or agreements. Provides that the allocation shall be distributed In the same proportion as each school's full-time non-administrative certificated employees are to the total number of full-time non-administrative certificated employees at all Merged Area Schools.

Directs the Board of Public Instruction to formulate an auditable student counting system that uniformly reports and accounts for student credit hours in all Meryud Area Schools.

Sec 2 2 Appropriates $50,000 for FY 1986 and 9300,200 for FY 1987 from the general fund to the judicial district department of correctional services for the state's share of the authorized salary increases for the local program eniployees

Sec 23 Appropriates $5,800 for FY 1986 and $34,500 for FY 1987 from the general fund to the seven Regional Libraries for the state's share of the authorized salary increases.

Sec 2.4 Appropriates $26.500 for FY 1986 and $158.700 for FY 1987 from the yeneral fund to the substance abuse treatment facilities receiving substance abuse program grants for the state's share of the authorized salary increases.

Sec 2 5 Appropriates $7.700 for FY 1986 and $46,400 tor FY 1987 from the general fund to the local boards of health receiving health care grants for the state's share of the authorized salary increases.

Sec 2.6 Appropriates $25900 for FY 1986 and $155,200 tor FY 1987 from the general fund to the local homemaker/ chore service program for the state's share of the duthorired salary increases

Sec 3 Provides that funds appropriated from the general fund in this Act relate only to salaries supported from general fund appropriation of the slate.

Sec 3 Provides a supplemental authoriration for departmental revolving, trust, or special funds, except for the Primary Road Fund or the Road Use Tax Fund, to fund salary adjustments provided in S.F. 578.

Sec 5 Applies the 1% reduction to the Comparable Worth appropriation ot $19,000,000 made in S.F. 434 (net appropriation ot $18,810,000).

Sec 6 Authorizes the agencies affected by this Act and by S.F. 578 to spend federal funds which are received and may be expended for purposes of SF 570.

General Office
S.F 434
Sec. 1.3a Appropriates $1,680,046 for salaries. support. iriaintenance, and other operational purposes including the transter of 100 FTE from the Data Processing Division to the General Office and the transfer of funding for an econometric forecasting model

It is the intent of the General Assembly that the individual budgets of state agencies have been reduced $2,500,000 tor travel, $2,000,000 for equipment purchases, and $1,000,000 tor motor vehicle depreciation from the Governor's recommended budget.

The State Comptroller may authorize reallocations within an appropriation for vehicle depreciation as necessary for an agency to carry out its assigned functions.

Data Processing Division
Sec. 1.3b Appropriates $6,712,427 for salaries, support, maintenance, and other operational purposes.

County Government Assistance Fund
Sec. 7. Appropriates $5,296,500 to the County Government Assistance Fund as established in section 334A.1, Code of Iowa, for assistance to counties. Provides that $10,000 of these funds shall be credited to the County Finance Committee.

Municipal Assistance Fund
Sec. 8. Appropriates $14,503,500 to the Municipal Assistance Fund to be used for state assistance to municipalities, with distribution in accordance with Section 405.1, Code of Iowa. Provides that $10.000 shall be credited to the City Finance Committee.

Comparable Worth Salary Adjustment
Sec. 9. Appropriates $18,810,000 to the Salary Adjustment Fund established in Section 8.43, Code of Iowa, to be distributed to the various departments to supplement other funds appropriated by the General Assembly to provide salary adjustments resulting from the implementation of the Comparable Worth Policy (1984 Acts of Iowa, Chapter 1314). Section 5 of H.F. 780 reduces the original appropriation mdde in S.F. 434 ($19,000,000) by 1%.

COMPUTER SUPPORT BUREAU
S.F. 409
Sec. 10. Provides that the Computer Support Bureau established in S.F. 409, Section 5 shall be funded from a standing unlimited appropriation The Bureau shall provide services and support lor the computer systems used by the legislative staff. the Legislative Service Bureau, the Public Information Office. the Code Editor's Office. the Office of the Citizens' Aide and the Legislative Fiscal Bureau.

CONSERVATION COMMISSION
Division of Lands and Waters
H.F. 476
Sec. 3.1 Appropriates $6,160,417 lo fund operation of the Lands arid Waters Division Not more than $1,525,763 of this appropriation shall be transferred to the Administration Division.

Division of Fish and Game
Sec 3 2 Transfers $13,211,122 from the Fish and Game Protection Fund to the Fish and Game Division for salaries. support, maintenance. equipment, and other operational purposes Of this amount. not more than $2,065,415 may be transtsrred to the Administration Division.

Transters funds from the Snowmobile Trust Fund and from boat registration fees to the Division of Fish and Game.

Stipulates that funds remaining in the Fish and Game Protection Fund which are not specifically appropriated by this Act may be used for capital projects and contingencies during FY 1986.

State Advisory Board for Preserves

Sec. 3.3 Appropriates $50,969 for salaries. support, maintenance, and other operational purposes of the State Advisory Board lor Preserves.

Grean Thumb Piogram

Sec 34 Appropriates **$144,285** tor the employment of persons under the Green Thumb Program

Marine Fuel Tux Fund

Sec 4 Appropriates from the Marine Fuel Tax Fund **9364,730** for the Conservation Fund and **$100,000 for** the Fish and Game Protection Fund for recreational boating programs.

Administration Fund

Sec 5 Provides guidelines for the transfer of funds. the deposit ot various receipt.,, and the development of lake conservation priorities

Open Spaces School Iax Replacement

Sec ti Appropriates $40 **748** for the reimbursement of school districts lor prupurty tax payments on open spaces land owned by the state

Capitals

S.F 575

Sec 14 Appropriates $300.000 tor general maintenance capitals

Drainage Assessment

Sac. 2 Appropriates $43,554, or so much as is necessary, to pay the drainage assessment and interest for drainage improvements at Lake Cornelia An amount equal to the amount expended pursuant to this section shall be subtracted from lottery funds appropriated to the Conservation Commission **under** H.F. **225** and deposited in the general fund

Sec 3 Amends Section 455.50, Code of Iowa, to prohibit, in **the** case of levee or drainage district improvements, **the** assessment of **benefits** to property below **the** ordinary high water mark in a sovereign state owned lake, marsh, or stream under the jurisdiction of the Conservation Commission.

Provides that drainage assessments against lands under the jurisdiction of *the* Conservation Commission may be paid by the Executive Council from **the** general fund.

CONSUMER ADVOCATE

Administration

S F 562

Sec 1.2 Appropriates $900,795 for salaries, support, maintenance, and other operational purposes.

CORRECTIONS, DEPARTMENT OF

Central Office

S.F. 552

Sec. 2.1 Appropriates **$1,768,514** for salaries, support. maintenance, and miscellaneous purposes.

Institutions

See. 1.1 Appropriates **$52,853.785** for the operations of the eight adult correctional institutions. The cap on the prison population is maintained at 2,645 inmates; the length of time before an overcrowding emergency is declared is extended to sixty days. Language is inserted providing that inmates will not be included in the count for purposes of **the** cap for up to ten days after being paroled while a parole plan is being developed. The cap on the Men's Reformatory is continued at 850.

Of the amount appropriated in this Section, **$103,105** is to be used to hire five additional staff at the Men's Penitentiary to be used towards compliance with the Watson v. Ray federal court order.

The Department of Corrections is required to notify **each** of the members of the justice system appropriations subcommittee **if** the allocations Io the various institutions are changed **The** allocations are as follows.

Men's Penitentiary	$1 **6.513,916**
Men's Reformatory	$11,171,611
Medical and Classification Facility	**$ 7,300,142**
Rivcrview Release Center	$ 1,955,970
Mount Pleasant Correctional Facility	**$ 8,385,537**
North Central Correctional Facility	$ 2,044,697
Correctional Treatment Facility	$ **2,961.471**
Correctional Institution for Women	$ 2,520,441

Legal Assistance Program

See. **2.2** Appropriates **$34.650** for a Legal Assistance Program to provide civil legal assistance to inmates in the correctional system in matters of child custody. bankruptcy, and dissolution of marriage.

The Departnrent of Corrections is directed to determine whether an inmate applying for civil legal assistance is indigent. The Department **may** establish rules pertaining to a schedule of. charges to be paid by inmates who are not indigent and maximum rates ot reasonable compensation for attorneys providing the various cateyories of civil legal assistance.

County Confinement

Sec. **2.3** Appropriates $71.280 to the Department of Correcrtons to reimburse counties for the temporary confinement of work release and parole violators.

Corrections Training Center

Sec. 2.4 Appropriates $321,750 for the operation of the Correctional Training Center.

Federal Prison Reimbursement

Sec. 2 5 Appropriates $371,250 to pay the federal yovernment for Iowa prisoners beiny held in federal prisons. The Department of Corrections is directed to use funds provided to contract tor the services of a muslim iman.

Community Based Corrections

Sec. 3.1 Appropriates $17,216,100 for grants to district departments ot correctional services to operate pre-institutional community based corrections programs. post-institutional halfway houses, and parole supervision.

The Department ot Corrections is directed to report to the General Assembly no later than January 15, 1986, relating to the Department's progress toward establishing a compensation range tor the staff of the district departments, pursuant to Section 905.4(2), Code ot Iowa.

Inmate Classification

Sec 4 Requires that the department by July 1, 1985 provide the General Assembly with evidence from independent

ITEM VETO experts of the validity and effectiveness of the inmate classification system and shall suggest changes in the system to make it more effective. If the Department fails to comply with this requirement. the State Comptroller is directed to reduce the Department's Central Office appropriation by 1%.

Capital Improvements

S.F 575

Sec 1.3 Appropriates $500,000 for capital improvements at the various correctional institutions Funds are inrended tor work on the utility distribution tunnel at the penitentiary, emergency electrical and plumbing facilities at the correctional institution for women. and removal of asbestos at various institutions.

COUNCIL OF STATE GOVERNMENTS

S.F 434

Sec 1 4 Appropriates $46,600 lor Iowa's organizational membership assessment.

CREDIT UNION DEPARTMENT

S.F. 269

Sec 2.5 Appropriates $542,322 for salaries, support and miscellaneous purposes to maintain the current level of operation.

CRIMINAL AND JUVENILE JUSTICE PLANNING AGENCY

Criminal Justice Planning

S.F. 552

Sec. 5.1a Appropriates $228,855 to the Agency for criminal justice planning.

Juvenile Justice Planning

See 5 1 b Appropriates $54.687 to the Ayency for juvenile justice planning.

Juvenile Victim Restitution

Sec 5.1c Appropriates $119,790 to the Ayency for restitution to victims of juvenile crime.

Jailer Training and Technical Assistance

Sec 5 1 d Appropriates $30.461 to the Agency for training of technical assistance to county jailers.

DENTAL EXAMINERS. BOARD OF

S.F. 269

Sec. 1.9 Appropriates $106.180 for salaries, support and miscellaneous purposes, including $1,000 for investiyative duties relating to fraud or misconduct ot dental hyyienists licensed in Iowa.

Requires the boards of Architectural Exarniners. Enyineering Examiners and Landscape Architectural Examiners to study the feasibility of combining the administrative aspects of the three boards under one administrative structure and merging of the three individual boards into one board representing all three professional licensing bodies. A report is required by January 15. 1986. Authorizes the boards of Architectural Examiners, Landscape Architectural Examiners, Engineering Examiners, Medical Examiners. Nurse Examiners, Pharmacy Examiners and Dental Examiners to expend additional funds, if those additional expenditures are directly the cause ot actual examination expenses exceeding funds budgeted tor examinations. The State Comptroller is required to approve the additional expenditures.

DEVELOPMENT COMMISSION. IOWA

Administration

S.F. 562

Sec 3.1 Appropriates $3,867,361 for salaries, support, maintenance. and miscellaneous purposes.

Sec. 3.2 Appropriates $99,000 to the advertisiny and marketing budget

High Technology Council

Sec 3 3a Appropriates $39,600 for support. maintenance, and miscellaneous purposes

Sec 3 3b Appropriates $891,000 for resedrch grants

Sec 3 4 Intent language stipulates the Development Commission shall allocate no more thdn $35,000 to the seven regional tourism districts, with each district not lo receive more than $7,000

Product Development Corporation Fund

Sec. 3.5 Appropriates $297,000 to be deposited in the Product Development Corporation Fund !or the purposes provided in Section 28.89, Code of Iowa.

Sac 16 Amends Section 28.89, Code of Iowa, stipulating that money in the Iowa Product Development Corporation Fund, except moneys held by a trustee or a depository pursuant to a bond resolution or indenture relating to the issuance of bonds or notes pursuant to Sections 2890 or 28 91, shall be paid out on the order of the person authorized by the corporation

Sec 17 Amends Section 28 YO. Code of Iowa, by eliminating the 10 year maturity limit on notes issued by the Iowa Product Development Corporation.

Sec 18 Amends Section 28.91(1).Code of Iowa, by increasing the limit on outstanding bonds and notes issued by the Iowa Product Development Corporation from $1,000,000 to $10,000,000.

EMPLOYMENT OF THE HANDICAPPED. COMMITTEE ON THE

H F 571

Sec 1 6 Appropriates $126,770 and authorizes 4 FTE's lor salaries, support, maintenance and miscellaneous purposes

ENERGY POLICY COUNCIL.

General Operations

H.F. 476

Sec 7 1 Appropriates $369,765 tor salaries, support. maintenance, and other operational purposes.

Institutional Conservation Program Administration

Sec. 72 Appropriates $97,073 !or administration of the Institutional Conservation Program.

State Buildings Energy Management

Sec. 7.3 Appropriates $445,500 for salaries, support, maintenance, and other operational purposes.

Provides that the Energy Policy Council submit a report to the General Assembly on the expenditures made, and energy savings realized, under the Institutional Conservation Program and the State Buildings Energy Management Program

ENGINEERING EXAMINERS, BOARD OF

S.F 269

Sec. 1.4 Appropriates $122,760 for salaries. support, maintenance and other operational purposes including $6.000 lor professional services to handle 100% of complaints through hearings and peer review.

EXECUTIVE COUNCIL

S.F. 434

Sec. 1.5 Appropriates $42.465 !or salaries. support. maintenance, and miscellaneous purposes.

FAIR BOARD, STATE

Maintenance

S.F.562

Sec. 4.1 Appropriates $19,800 for maintenance of state fair buildings and grounds.

Premiums .

Sec. 4.2 Appropriates $8,910 !or premiums

State Aid

Sec. 4.3 Appropriates $99,000 for stale aid to local tairs.

Sec. 4.4 Intent language stipulates that moneys appropriated to local fairs shall be used exclusively !or cash premiums and that each local fair shall not receive more than $1,000.

FOSTER CARE REVIEW BOARD

Operations

H.F. 771

Sec. 17. Appropriates $134,704 for salary and support of 4.0 FTE's.

GENERAL SERVICES. DEPARTMENT OF

Capital Projects

H.F. 2347

Sec. 4. Appropriates $5,250,000 to the Department !or the engineering, planning and construction of a new state historical building. H.F.225. Section 301.1(d), provides that this appropriation will be repaid to the general fund with lottery revenue.

General Administration

S.F. 434

Sec. 2.1 Appropriates $4,918,003 for salaries. support, maintenance. and miscellaneous purposes.

Utilities

Sec. 2 2 Appropriates $1,935,072 to pay the cost of utilities tor the Capitol Complex. The Department may fund energy conservation projects in the Capitol Complex which will have a 100% pay back within a 12 month period

Rental Facilities
Sec 23 Appropriates 8988,204 toi payment of lease or rental costs for agencies located outside the Capitol Complex

Risk Management Program
Sec 24 Appropriates $198,000 to implement a risk management program Funds dppropriated will be used to purchase catastrophic "all risk" property insurance coverage for the state

Capital Projects
Sec. 2.5 Appropriates $1,009,800 for the continuation of the Capitol Building Restoration Project and for major repairs on the Capitol Complex. H.F. 225. Section 301.1(d), provides that this appropriation will be repaid to the general fund with lottery revenue.

Centralized Printing Revolving Fund
Sec 3.1 Appropriates $745,877 from (he Centralized Printing Revolving Fund for salaries, support, maintenance. and miscellaneous purposes

Sec 3 2 Appropriates the remainder of the Centralired Printing Revolving Fund tor expenses incurred which are legally payable from this Fund

Centralized Purchasing Revolving Fund
Sec 3.3 Appropriates $471,050 from the Centralized Purchasing Revolving Fund for salaries, support, and maintenance.

Sec 3 4 Appropriates the remainder of the Centralized Purchasing Revolving Fund for the payment of expenses incurred through purchases by various state departments.

Vehicle Dispatcher Revulving Fund
Sec 3.5 Appropriates $451,940 trom the Vehicle Dispatcher Revolving Fund lor salaries, support, and maintenance.

Sec. 3 6 Appropriates the remainder of the Vehicle Dispatcher Revolving Fund for expenses which are legally payable from this Fund.

Capital Projects
S F 575
Sec 1.5 Appropriates $200,000 for the continuation of the renovation of the Robert Lucas Building on the Capitol Complex

GEOLOGICAL SURVEY
General Operations
H F 476
Sec 8 1 Appropriates $1,205,486 lor salaries, support, maintenance, and other operational purposes.

Reimbursement to Federal Agencies
Sec 8.2 Appropriates $255,000 lor reimbursement to federal agencies for cooperative contracts.

GOVERNOR. LIEUTENANT
S.F 434
Sec 5. Appropriates $114,503 for salaries, support, maintenance and miscellaneous purposes. Includes the Lieutenant Governor's compensation and expenses as provided ,in Section 2.10(2), Code of Iowa.

GOVERNOR. OFFICE OF THE
General Otfice
S.F. 434
Sec 4.1 Appropriates $702,769 for salaries, support, maintenaoce, arid miscellaneous purposes.

Governor's Expenses
Sec 4.2 Appropriates $5,832 for the Governor's expenses

Terrace Hill
Sec. 4.3 Appropriates $60,824 for salaries, support, and miscellaneous purposes of the Governor's quarters at Terrace Hill

Ad Hoc Committees
Sec. 4.4 Appropriates $17,820 for the payment of ad hoc committees, councils and task forces appointed by the Governor.

HEALTH. DEPARTMENT OF
Central Administration Division
H.F 571
Sec. 2.1 Appropriates $931,098 and authorizes 64.3 FTE's tor salaries. support. maintenance and miscellaneous purposes.

Health Facilities Division
Sec. 2.2 Appropriates 872'1,606 and authorizes 55 FTE's for an inspection and certification program for all hospitals, nursing homes, residential care facilities, health maintenance organizations and hospices. This section directs the Department to delay the hospice licensure procedure until July 1, 1987.

Health Planning and Development Division
Sec. 2.3 Appropriates $253.391 and authorizes 16.75 FTE's for the Statewide Health Coordinating Council and the Certificate of Need Proyram.

Disease Prevention Division
Sec 24 Appropriates $1,185,613 and authorizes 566 FTE's tor determining the frequency with which 60 specific infectious diseases occur within Iowa's population and reducing the risk and costs of these diseases to the public

Professional Licensure

Sec. 25 Appropriates $598,067 and authorizes 17 FTE's for the issuance of licenses to former or current practitioners of various health related professional occupations.

Personal and Family Health Division - Administration

Sec. 2.6a Appropriates $1,298,317 and authorizes 50 FTE's for salaries, support. niairitenance and miscellaneous purposes for the coordination of federal. state and local resources in order to assure comprehensive health services to women and children throughout the state This section allocates $603,669 for the Birth Defects and Genetics Counseling Program and specifies that $39.600 of these funds be allocated for a central Iowa Birth Detects Registry Program This section also allocates to the University of Iowa Hospital and Clinics money for programs under the Iowa Specialized Child Health Care Services These include Mobile arid Regional Child Health Specialty Clinics - $320.760. Muscular Dystrophy aiid Related Genetic Disease Programs - 8130,340, and Statewide Perinatal Program . $43,303. Of the 8320,760 for M&RCHSC, $71.280 shall be used for a specialized medical home care pioyrarn tor children who require technical medical care in the home

Personal and Family Health Division - Sexual Abuse Investigations

Sec. 2.6b Appropriates $57,217 for reimbursement of the cost o medical examinations of sexual abuse victims and the treatment and/or prevention of venereal disease

Personal and Family Health Division - SIDS Autopsy

Sec 2.6c Appropriates $14,850 for reimbursement to counties for autopsies on infants who are suspected victims of Sudden Infant Death Syndrome.

Community Health Division - Administration

Sec. 2.7a Appropriates $1,823,478 and authorizes 38.25 FTE's fo salaries, support, maintenance and miscellaneous purposes to assist local boards of health in defining loca health needs and in locating and utilizing resources tc meet these needs. This section allocates $931,507 for the Chronic Renal Disease Program.

Community Health Division - Public Health Nursing

Sec. 2.7b Appropriates $2,185,397 for partial support of Public Health Nursing Service Program through grants to local boards of health, utilizing a formula.

Community Health Division - Homemaker Home Health Aid

Sec. 2.7c Appropriates $7,315,308 for partial support for Homemaker Home Health Aid Services Program which are provided by the local agencies. The appropriation is allocated through a formula involving a base grant plus income population and the number of substantiated child abuse cases. The intent language includes a definition of "chore services" and the stipulation that up to 15% of the appropriation may be used for such services. the allocation formula and with whom the local boards shall contract the services.

Community Health Division - Well-Elderly Clinics

Sec. 2.7d Appropriates $214,203 for funds to local agencies to conduct Well-Elderly Clinics for persons age 60 and over.

Personal and Family Health Division - Administration

H.F. 771

Sec. 16. Appropriates the sum of $371,250 to the Department to expand the geographical coverage of maternal health and child health centers state-wide.

HERBERT HOOVER BIRTHPLACE FOUNDATION

H.F. 476

Sec. 9. Appropriates 81,337 to the Foundation for assistance with capital improvements.

HISTORICAL DEPARTMENT

General Otfice

HF. 747

Sec 1 2a Appropriates $1,395,857 for salaries, support. maintenance and miscellaneous purposes

Board Expenses

Sec 1.2b Appropriates $6.623 for the per diem arid expenses of board members.

Capitals

S.F. 575

Sec 1.2ab Appropriates $30.000 for the purchase of property adjacent to the gravesite at Gardner cabin and 820.000 for improvements for the Matthew Edel blacksmith shop in Haverhill

HUMAN SERVICES, DEPARTMENT OF

Bill of Rights for CMI. MR and DD

S.F 473

Sec 8 Appropriates $109,000 for support of 5 FTE's for both FY 1986 and FY 1987 for the implementation of this Act

General Administration

HF 771

Sec. 1. Appropriates $7,781,400 for salary and support of 416.75 FTE's. As a condition of the appropriation, the Department shall adopt rules for approving community. supervised apartment living arrangements which are to be implemented by April 1, 1986.

Community Services

Sec. 2 1 Appropriates $22,275,000 tor salary and support of 2,236 FTE's The appropriation includes $140,000 for additional protective service workers Also, requires the State Comptroller to expedite the process for hiring protective service workers

Volunteers

Sec. 2.2 Appropriates $71,280 for development and coordination of volunteer services

Aid to Families with Dependent Children

Sec. 3.1 Appropriates $63,211,500 to match federal funding (state 41 10%/federal 58 90%) to provide yrants for recipients of both the regular AFDC and the Unemployed Parent AFDC program The appropriation is based on estimated child support recoveries of $19 million and other adjustments relating to child support legislation. As a condition of this appropriation, the schedule of basic needs shall be increased by 5.7% effective January 1, 1986. The Department is required to study the recipient's classification under AFDC and the federal/state Food Stamp Program who are subject to the monthly reporting and retrospective budgeting requirements in determining if the classifications are appropriate and if costs are justified Also. the Department shall eliminate the 20% co-payment for school expenses under the Special Needs Prograrn ot AFDC

Medical Assistance

Sec 3 2 Appropriates $119,394,000 to match funds (state 4 11%/federal 58.9%) to provide reimbursement tor medical services This section also outlines restrictions on reimbursements for abortion services. Of the funds appropriated, not more than 9200,000 may be transferred on or before December 31, 1985 to tlie Department of Health so that full use ot available federal funds is achieved for tlie Women, Infants, arid Children Program The Department shall conduct ex parte reviews ot terminated cases of AFDC, SSI or Medical Assistance to determine ir those persons are eligible for Medicaid Assistance under the Medically Needy Program. The Department shall explore means to make full use of veterans' benefits for Medicaid recipients in ICF's. The Department shall seek ways to reduce utilization of surgery and is required to report on the effectiveness of efforts taken. A feasibility study of implementing a comprehensive perinatal services and obstetrical access program under tlie Medical Assistance program is required If approval is received under Home or Community Based Services, pursuant to a waiver under Medical Assistance, the program shall be funded with this appropriation The department shall also study Colorado's and California's Medically Indigent Program in cooperation with other stale agencies and health providers.

Medical Contracts

Sec. 3.3 Appropriates $1,950,300 to pay claims for processing the Medical Assistance Program, for the inspection of nursing homes and the state's share of utilization review for acute and long-term care. Intent language mandates the Department to study reimbursement methods under Medical Assistance with the objective of developing more equitable and less inflationary systems of delivering services and reimbursing providers. The Department is to study differential payment systems for heavy care residents at ICF's and to have a plan ready to implement by July 1, 1986.

Child Support Recovery Unit

Sec. 3.4 Appropriates $990,000 to match federal funds (state 41.1%/federal 58.9%) for salary and support of 108 FTE's to provide child support recovery assistance for both public assistance and non-public assistance cases. Intent language authorizes an additional 12.0 FTE's to serve the increased caseload for non-public assistance clients and to earn newly available federal incentives. Additional FTE's may be added and funded by transfers from AFDC when the Commissioner determines that the new level of FTE's can be expected to recover more than twice the amount of money required to pay tor the salaries and support of the new FTE's. The Department shall demonstrate the cost-effecliveness of the current and additional employees by reporting to the Human Services Appropriations Subcommittee the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recoveries.

State Supplementary Assistance

Sec 3.5 Appropriates $9,751,500 to provide funds to supplement the income of individuals who meet all SSI eligibility requirements except income and whose income is insufficient to meet the cost of Residential Care, Family Life Home, Home Health, Dependent Person Allowance, Mandatory Suppleinentation, and Burial expenses.

Aid to Indians

Sec. 3.6 Appropriates $36,630 to provide general relief to needy residents of the Tama County Indian Settlement. Allows the tribal council to use up to 10% of this appropriation for administrative expenses.

Home-Based Services

Sec. 3.7 Appropriates $5,296,500 to provide assistance to individuals arid families enabling them to remain in their own home. Allocates $695,970 for Subsidized Adoptions which includes the purchase of services for severely handicapped children and children in large sibling yroups. Allocates $198,000 Ior Family Planning Services. Allocates $4,402,530 for Family Centered Services.

Foster Care

Sec. 3 8 Appropriates $24,997,500 for children in Foster Family Homes, Group Care, Shelter Care and Independent Living Arrangements. Allows funds to be transferred to Home-Based Services if the amount allocated to subsidized adoptions is insufficieilt. Mandates that no more than 35% of all children in Foster Care that are funded with Title IV funds are to be in care tor more than 24 months Up to $36,000 may be used for foster parent training

Community Based Programs

Sec 3 9 Appropriates $2,460,150 to provide assistance to individuals outside of their homes but within a community context Allocates $123.750 tor Displaced Homemakers $445,500 is allocated for Child Care Center Financial Assistance Program with unencumbered funds on April 30, 1986 being less than $2,000 tor an award not to be reallocated. Allocates $178,200 for the Child Abuse Prevention Grant Program. Allocates $123.750 for the Domestic Abuse Grants Program. $9,900 is allocated tor the reimbursement of 1/2 of 1% of the total cost related to juvenile detention. Allocates $252,450 for Community-Based Juvenile Services Program which serve to reduce the need tor long-term placements in juvenile institutions and/or group foster care Allocates $514.800 for State Cases. Allocates $811,800 for Protective Day Care

County-Based Juvenile Justise

Sec. 3.10 Appropriates $2,376,000 to reimburse counties for service expenditures above a county's base as set forth under Chapter 232 141(4), Code of Iowa.

Additional Child and Domestic Abuse Appropriation

Sec. 4. Upon passage of H.F. 451, Child Abuse Prevention Grants is appropriated an additional $148,500 and $99,000 is appropriated for additional protective service workers. Upon passage of H F. 549, an additional $99,000 is appropriated for the Domestic Abuse Grants Program. [Note Both H.F 451 and HF. 549 were passed and signed into law.]

Juvenile Institutions

Sec. 5.1 Appropriates $7,999,200 to provide funding for 206.5 FTE's at the Boys' Training School and 118.0 FTE's at the Iowa Juvenile Home. Intent language mandates the establishment of a chemical dependency program at both campuses. Also. 1 additional FTE is authorized for the Juvenile Home to provide career education to meet the needs of older delinquent females.

Veterans Home

Sec. 5.2 Appropriates $19,136,700 to provide funding for 775.0 FTE's. An additional 33.0 FTEs may be created and staffed after January 1 1986 for the care of residents with Alzheimer's disease. The Department may use gifts accepted pursuant to Chapter 218.96, Code of Iowa, and other resources available for purposes identified by the department.

Mental Health Institutions

Sec. 6.1 Appropriates $32,769,000 to provide funding for 437.3 FTE's at Cherokee, 211.85 FTE's at Clarinda, 443.5 FTE's at Independence, and 220.53 FTEs at Mount Pleasant. Mandates the Department to deposit all client participation receipts into the general fund. Mandates the cost of the Psychiatric Residency and Chaplain Intern Program at Cherokee and Independence shall not be included in computing the institutes respective daily charges to patients. Mandates that an institution shall not accept a child alleged to be a CINA for more than thirty days except under defined instances. Mandates the Department to take all reasonable actions to expand the recruitment and retention of psychiatrists. Mandates that as long as there is a demonstrated need, the Department shall continue Io provide a Geriatric Program at the MHI at Mount Pleasant. If the Department chooses to reduce the catchment area for Mount Pleasant, reductions shall be considered temporary until population trends are clarified.

State Hospital Schools

Sec. 7. Appropriates $49,500,000 to provide funding for 1,260.7 FTE's at Glenwood and 1,056.62 FTE's at Woodward. Mandates the Deparlment to deposit all client participation receipts into the general fund. Mandates, except as provided in Section 7.4, that per-patient-per-day computations pursuant to Chapter 222.73, Code of Iowa, will be billed at 80%. Mandates that if over 20% af the cost of a patient's care is initially paid from any source other than state appropriated funds, the amount is subtracted from the per-patient-per-day computed cost and the patient's county of legal settlement will be billed the full balance. Mandates that in the per diem calculation. charges assessed to counties will be reduced by all the client participation proceeds tor Medical Assistance patients.

Mental Health & Mental Retardation Services Fund

See. 8. Appropriates **$3,465,000** for the Community Mental Health and Marital Retardation Fund.

Social Services Block Grant: Supplement

Sec 9. Allocates **$3,306,600** for supplementation of the federal **Social** Services Block Grant lor allocation to **the** various counties for the purchase of local services. The funds shall **be** allocated to the counties pursuant to **the** rules of **the** Department in effect on January 1, 1985 Requites the Department to increase the income guidelines for SSBG eligible individuals **by** tlie amount and at the same time as the federal social security benefits are increased. Allows up to 4% of the block grant allocation to **be** used for day care without any local match. In determining eligibility **for** purchase of local services, the Department shall disregard **1/3** of **the** income 01 a disabled survivor who is a recipient of child's insurance benefits under Title II of **the** federal Social . Security Act. Allocates $2,910.600 lor **the** Purchase of Local Services and allocates 5396.000 tor Child Day Care Services and requires counties to demonstrate a maintenance **of** effort to be eligible

Reimbursement Rates

Sec 10 The maximum reimbursement **rates** for ICF's shall **be** set at the 55th percentile **The** reimbursement rates for Social Service providers **shall be** increased **by** 1% over the rates in eftect on June 30. 1985 RCF's turided under SSA shall not exceed **$17.28/day** reimbursement.

Solicitation of Purchase Of Service Contracts

Sec. 11. The Department **shall** adopt rules to govern the requests for proposals as a **tool** tor the selection ot providers under Purchase Of Service contracts. The Department may develop and implement **a** pilot project establishing a prospective payment system for POS providers in no more than two districts.

Employee Damage Reimbursements

Sec 12 The Department may reimburse dn employee up to $150 for each item that is damaged or destroyed as it pertains to Chapter 217 23(2), **Code of Iowa**

Involuntary Transfers

Sec 13 Providers funded **by** Title XIX shall not involuntarily transfer any patient lo another facility If the patient is disqualified from Title XIX because of an increase in income

Severely Disabled Population Study

Sec 14. The Department **shall** study. in consultation to relevant agencies and providers, the feasibility of establishing a registry of those in need of services and shall report the results to the General Assembly.

Rules

See. **15.** The Department is authorized to use the emergency rule-making procedure only for rules related to Subsidized Adoption addressed in Section **3.7(a)**, County-Based reimbursements in Section **3.10,** Block Grant: Supplementation in Section **9**, and reimbursements under Medical Assistance and Social Services programs in Section **10**. These rules may be effective immediately upon filing.

Capital Expenditures Excluded

See 20. The **funds** appropriated by this bill are not to **be** used for capital acquisitions or improvements.

Capitals

S.F. 575

Sec. 1. Appropriates **$1,000,000** for capital improvements at the various institutions under the control of the Department.

INDUSTRIAL COMMISSIONER

Ailministration

S.F **562**

Sec. 1.3 Appropriates **$984.083** lor salartes, support. maintenance. and other operational purposes.

INSURANCE DEPARTMENT

S.F 269

Sac. **2.6** Appropriates $2,868,030 for salaries, support arid miscellaneous purposes.

Allows the Department to expend additional funds, if expenditures **for** insurance company examinations exceeds the amount budgeted and the State Coniptroller's Office authorizes such additional expenditures. The additional cost shall be charged to the institution being examined and the funds shall be deposited in the Department's appropriation account for examininy iitsurance companies.

JOB SERVICE IOWA DEPARTMENT OF

Administration

S.F. **562**

Sec 1 4 Appropriates **$159,635 tor** salaries, support. maintenance, and other operational purposes

Sec **6** Appropriates **$1,731,342** from **the** lowd Public Employees' Retirement System Fund lor salaries, support. maintenance, and other operational purposes.

JUDICIAL DEPARTMENT

Courts and Administration

S.F. 552

Sec. ti.1 Appropriates $31,500,000 lor judicial salaries, boards, administrative expenses and court reorganization. Language is included to make the counties aware that **the** state may delay the implementation of court reorganization.

Budget Procedures

Sec. 7.1 Amends Section 602 1301(2), Code of Iowa. to require the Chief Justice. by December 1 of each year. to submit to the Legislative Fiscal Bureau the annual budget request arid detailed supporting information for the Department. The submission shall be designed to assist Legislative Fiscal Bureau in its preparation tor legislative consideration of the budget request. The information shall be in a format substantially similar to Part 2 of the Governor's budget message. The Chief Justice is further required to subinit to the State Comptroller by December 1 of each year an astiinate of the total expenditure requirements of the Department

JUSTICE, DEPARTMENT OF

Attorney General Office

S.F. 552

Sec. 5.2a Appropriates $3,122,046 lo the General office of the Attorney General

Attorney General Tort Claims Study

Sec 5.2b Requires the Attorney General to conduct a study of the Tort Claims Division and report the results to the General Assembly on or before January 1, 1986

Attorney General Contingent Appropriation

Sec. 5.2c-d Appropriates, contingent upon the general fund receiving fiom a damage award an amount equal to that spent, $95,000 to be used tor the enforcement of the Iowa Competition Law under Chapter 553, Code of Iowa Also appropriates. contingent upon the general fund receiving from a damage award an amount equal to that spent. $30,000 to be used for public education relating to consumer fraud.

Prosecuting Attorney Training

Sec. 5.2e Appropriates $88,319 to the Prosecuting Attorney's Training Program.

Plosecuting Intern Program

Sec 5 2f Appropriates $51,480 to the Prosecuting Intern Program The counties participating in the program shall match the funds appropriated

Dispute Resolution Programs

Sec 5.2g Appropriates $49,500 for payment ot grants to dispute resolution programs under the Prosecuting Attorney Training Program

LABOR, BUREAU OF

S F 269

Sec 2 7 Appropriates $1,582,422 for salary, support and miscellaneous purposes. The appropriation provides $14,650 for one additional secretarial position and $5,000 for the Iowa Management Information System.

LANDSCAPE ARCHITECTURAL EXAMINERS, BOARD OF

S.F. 269

Sec. 1.2 Appropriates $9,900 for salary. support, maintenance and other operational purposes.

LAW ENFORCEMENT ACADEMY

S.F. 552

Sec. 5.3 Appropriates $761,128 for salaries, support. maintenance and miscellaneous purposes.

LEGISLATIVE FISCAL BUREAU

S.F. 409

Sec. 10. Provides that the salaries, support. and maintenance of the Legislative Fiscal Bureau shall be tunded from a standing unlimited appropriation. [Note: The appropriation made in S.F.434, Section 6 is void.]

LEGISLATIVE SERVICE BUREAU

S.F. 409

Sac. 10. Provides that the salaries, support, and maintenance of the Legislative Service Bureau shall be funded trom a standing unlimited appropriation. [Note: The appropriation made S.F. 434, Section 6 is void.)

LEGISLATURE

Legal Fees

HCR 43

Appropriates $16.000 to the General Assembly tor the payment of legal fees (Rush v. Ray).

LIBRARIES

State Library

HF 747

Sec 1.3a Appropriates $1,189,434 for salaries. support, maintenance and miscellaneous purposes in the State Library.

Regional Libraries

Sec 2 3b Appropridtes $1,534,040 to the eight Regional Libraries

MEDICAL EXAMINER, STATE

S.F. 552

Sec. 5.5 Appropriates $29.700 for salaries, support arid maintenance. Intent language is included providing that the Attorney General. the Commissioner of Public Safety, and the Dean of the College of Medicine at the University of Iowa Hospital, or their desiynees, shall meet and develop recommendations and proposed statutory changes designed to clarify the duties of the State Medical Examiner and assist the performance of these duties. These recommendations shall be submitted to the Justice System Appropriations Subcommittee on or before January 15, 1986.

MEDICAL EXAMINERS, BOARD OF

S.F. 269

Sec. 1.6 Appropriates $617,381 for salaries, support and miscellaneous purposes, including $3,900 for additional exam candidates.

MERIT EMPLOYMENT DEPARTMENT

S.F. 434

Sec. 1.6 Appropriates $1,558,408 for salaries, maintenance, and miscellaneous purposes.

$49,500 of Section 1.6, is from funds received from state agencies under Chapter 19A.8(9), and appropriated to the Merit Employment Department.

MISSISSIPPI RIVER PARKWAY COMMISSION

H.F. 476

Sec. 10 Appropriates $15,545 for dues, support, maintenance, and other operational purposes.

NATIONAL CONFERENCE OF STATE LEGISLATURES

S.F. 434

Sec. 6.3 Appropriates $51,002 for Iowa's organizational membership assessment.

NURSING EXAMINERS, BOARD OF

S.F. 269

Sec. 1.7 Appropriates $547,589 for salaries, support and miscellaneous purposes, including $5,000 for equipment replacement.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

S.F. 269

Sec. 2.8 Appropriates $49,010 for salary, support and miscellaneous purposes.

PAROLE, BOARD OF

S.F. 552

Sec. 5.4 Appropriates $457,186 for salaries, support, and maintenance.

PHARMACY EXAMINERS, BOARD OF

S.F. 269

Sec. 1.8 Appropriates $351,814 for salaries, support and miscellaneous purposes.

PIONEER LAWMAKERS

S.F. 434

Sec. 6.4 No dollars are appropriated to the Pioneer Lawmakers because no funds were requested for FY 1986.

PLANNING AND PROGRAMMING, OFFICE FOR

Highway Safety Program

S.F. 562

Sec. 1.5a Appropriates $81,599 for salaries, support, maintenance, and miscellaneous purposes.

Youth Services

Sec. 1.5b Appropriates $74,250 for salaries, support, maintenance, and miscellaneous purposes.

Administration

Sec. 1.5c Appropriates 9574,242 for salaries, support, maintenance, and miscellaneous purposes.

Economic Analysis and Planning Assistance

Sec. 1.5d Appropriates $148,500 for salaries, support, maintenance, and miscellaneous purposes.

Statistical Analysis Center

Sec 1.5e Appropriates $188.100 for salaries, support, maintenance and miscellaneous purposes. Intent language states that the center have a respected criminal justice authority independently validate the Center's risk assessment model.

Iowa Youth Corps

Sec. 1.5f Appropriates $866.052 for salaries, support. maintenance. and miscellaneous purposes.

Community Development Block Grant Administration

Sec. 1.5g Appropriates $115.488 for salaries, support, maintenance, and miscellaneous purposes to match federal funds to administer Community Development Block Grant.

Community Development Loan Fund

Sec 1.5h Appropriates $990,000 to be deposited in the Community Development Loan Fund.

Cultural Community Grants Program

Sec. 1.5i Appropriates $297,000 to the Cultural Community Grants Program.

Job Training Partnership Act

Sec 15j Appropriates $1,052,753 for salaries, support, maintenance, and miscellaneous purposes

Retired Senior Volunteer Program

Sec. 1.5k Appropriates $14,850 for salaries, support, maintenance. and miscellaneous purposes. Intent language stipulates. that each local program is allocated $200 with the remaining appropriation to be allocated to the local programs by the Commission on Aging.

Governor's Office for Volunteers

Sec 1 51 Appropriates $19,800 for salaries, support, maintenance, and miscellaneous purposes

PUBLIC DEFENSE DEPARTMENT OF

Iowa National Guard

S.F 434

Sec 1.7 Appropriates $3,161,160 for salaries and support for six programs including Administration, Armories, Maintenance, Facilities Air Guard, Camp Dodge, and Training Sites Intent language is included to reduce the per capita fund, Section 29A.33, Code of Iowa, to $5 per capita to be paid on a semi-annual basis

Provides that the proceeds from the sale of the Dubuque Armory revert to the general fund rather than to the National Guard Facilities Improvement Fund

Directs the Adjutant General of the Iowa National Guard to present to the members of the State Government Appropriations Subcommittee a detailed report outlining the conditions under which the Selective Retention Program was utilized during the previous year

Office of Disaster Services

See 1.8a Appropriates $119,469 lor saldries. support, maintenance, and miscellaneous purposes.

Sec. 1.8b Appropriates $178.414 for the match of federal funds tor the flood declaration in southwest Iowa in June, 1984.

PUBLIC EMPLOYMENT RELATIONS BOARD

S.F. 269

Sec. 2.Y Appropriates $558,360 tor salaries, support and miscellaneous purposes.

PUBLIC INSTRUCTION, DEPARTMENT OF

General Office

H.F 747

Sec 6.1a Appropriates $4,092,721 for salaries. support, and maintenance It is the intent that the Department expend $100,000 to develop subject matter committees for curriculum coordination and $250.000 to establish a new system of certification for teachers.

Fire Service Education

Sec. 6.1b Appropriates $198,000 for support 'of Fire Service Education.

Consultant Compensation

Sec 6 1c $25,000 of the funds received for the General Office are
ITEM VETO to used to compensate consultants

Vocational Education Administration

Sec. 6 2 Appropriates 5869,537 for salaries. support, maintenance, and miscellaneous purposes.

Vocational Education Secondary Schools

Sec. 6.3 Appropriates $3,723,061 for aid to local school districts for the development and operation of vocational programs, services, and activities.

Professional Teaching Practices-Commission

Sec. 6.4 Appropriates $57,336 to carry out the provisions of Chapter 272A, Code of Iowa.

Vocational Youth Organization Fund

Sec. 6.5 Appropriates 59.623 to continue funding of specified youth organizations as provided in the Code of Iowa.

School Food Service

Sec. 6.6 Appropriates $3,175,524 for the purpose of matching federal tunds to provide low cost meals to students enrolled in public 'and non-public schools.

Textbooks Non-public Pupils

Sec. 6.7 Appropriates $346,500 to cover some of the costs of providing textbooks to each resident pupil who attends a non-public school.

School Budget Review Committee

Sec 6.8 Appropriates $14.850 to distribute Io local school districts which incur unusual or unique costs

Non-English Speaking

See 6 9 Appropriates $192,456 for public and non-public school students to receive special instruction if they are non-English speaking.

Computer Clearinghouse

Sec. 6.10 Appropriates $99,000 and it *is* the intent of the General Assembly that funds for this program will only be provided for FY 1986, FY 1987, and FY 1988.

Merged Area Schools - General Aid - First Three Quarters FY 1986

Sec. 6.11 Appropriates $43,552,890 which represents the first three quarters of FY 1986 state aid which is to be paid in FY 1986. The final quarter of FY 1986 is delayed arid paid in FY 1987 (Sections 7 & 8). There is appropriated to each of the schools an amount equal to 99% of the total general slate aid received in FY 1985. An additional $792.000 is then distributed to promote equity among the schools. Each school with total aid per eligible contact hour below the state average total aid per contact hour is to receive a portion of the $792.000 prorated to reflect the amount that the school state aid per reimbursable

contact hour is below the statewide average. In addition the Department is required to submit recommendations to the General Assembly for dealing with the inequity between schools by December 1, 1985.

Vocational Reimbursement
Sec. 6.11d Appropriates $8,371,836 to be utilized to match federal and local funds for vocational education programs offered by merged area schools.

Educational Excellence Incentive Awards
Sec. 6.12 Appropriates $150,000 for awards to local school districts for the development of educational excellence programs.

Merged Area Schools - General Aid - Final Quarter FY 1986
Sec. 7-8 Appropriates $14,397,606 for the payment of the last quarter FY 1986 to be paid in FY 1987. This final quarter payment is to be paid on or about August 15, 1987 and is an account receivable for FY 1986.

Transportation of Non-public Pupils
Sec. 9 Mandates that the Department conduct a study to determine the amounts received by parents for the transportation of non-public school pupils.

Foreign Language Programs
Sec. 15 Creates a standing limited appropriation to provide assistance to school districts in offering foreign language courses.

Payment for Foreign Language, Math, and Science
Sec. 26-27 These sections change the payment program to the payment of $50 per student in third or fourth year Latin, German, French or Spanish and first or second year of other languages. The standing limited is reduced from $2,100,000 to $500,000.

Math and Science Programs and Merged Area Schools General Aid
Sec. 30. Repeals Chapters 286A and 257.42, Code of Iowa, and the appropriation to the latter.

PUBLIC SAFETY, DEPARTMENT OF

Administration
S.F. 552
Sec. 8.1a Appropriates $4,591,334 to the Department for administrative functions, the criminal justice information system, and radio communications.

Victim Compensation Program
Sec. 8.1b Appropriates $42,570 to the Department for administration of the Victim Compensation Program. Compensation paid by the Program is funded out of the Victim Reparation Fund. Language is included which clarifies the operation of this fund, providing that it is a separate fund, and that any balance in this fund on June 30 of any fiscal year exceeding $50,000 shall revert to the general fund.

Inspection Function
Sec. 8.2 Appropriates $1,079,505 to the Department for fire marshal's inspections, administration of the building code, and arson investigations.

Capitol Security
Sec. 8.3 Appropriates $719,670 to the Department for the Capitol Security Division.

Investigation Function
Sec. 8.4a Appropriates $4,953,780 to the Department for the Division of Criminal Investigation.

Undercover Purchases
Sec. 8.4b Appropriates $198,000 to the Department for undercover purchases.

Pari-Mutuel Law Enforcement
Sec. 8.4c Appropriates $229,680 to the Department for the employment of pari-mutuel law enforcement agents. Language is included providing that the Department shall purchase not more than five motor vehicles of the same make or model based upon specifications submitted by the Department.

State Highway Patrol
Sec. 8.5a Appropriates $17,883,360 to the Department for the Division of Highway Safety and Uniformed Police. provided that the Commissioner of Public Safety shall immediately rescind any rule, policy or directive whictt prohibits officers of the patrol from becoming partisan candidates or campaigning for a partisan elective public office.

Sec. 8.5b Provides that, in addition to the 410 state troopers, there shall be eight federally funded troopers in both FY 1986 and FY 1987.

Crime Prevention Programs
Sec. 8.5c Appropriates $56,430 to the Department for crime prevention programs. Language is included providing that supervisory personnel are eligible for "cash out" of sick leave upon retirement to the same extent as provided in the collective bargaining agreement.

Language is also included providing that the Department, prior to making any transfers of funds under Section 8.39, Code of Iowa, must notify each of the members of the Justice System Appropriations Subcommittee.

State Highway Patrol
S.F 562
Sec 15 Transfers $17,883,360 from the Road Use Tax Fund to be appropriated to the Department of Public Safety for the Highway Patrol and Uniformed Force

PUBLIC TELEVISION, IOWA
General Office
H.F. 747
Sec 1.4 Appropriates $6,134,931 for the salaries. support, maintenance. and miscellaneous purposes

Sale of Building
Sec. 13 Allows Iowa Public Broadcasting to retain the proceeds from the sale of their current building and property. The funds are to be used to pay a portion of the costs for construction of their new building.

Contracts
Sac 14 Allows Iowa Public Broadcasting to enter into contracts with PBS and retain the revenue from these contracts.

RACING COMMISSION, IOWA
S F 269
Sac 4. States that it is the intent of the General Assembly that the funding mechanism of the Commission be reviewed and any changes to the Commission's budgeting process be effective not later than July 1, 1987.

REAL ESTATE COMMISSION
S.F 269
Sec. 1 5 Appropriates $309,323 lor salaries, support and miscellaneous purposes

REGENTS, BOARD OF
General Office
H.F 747
Sec. 10.1a Appropriates $454,985 for salaries, support, maintenance, equipment, and miscellaneous purposes of the Board.

Tuition Replacement Bonding Program
Sec. 10 1b Appropriates $17,983,415 to reimburse SUI, ISU, and UNI for capital bond financing

University of Iowa - General University
Sec. 10.2a Appropriates $122,478,133 for salary, support, maintenance, equipment and miscellaneous purposes. It is the intent of the General Assembly thdt $312,500 of the funds appropriated be used to purchase research arid instructional equipment [Note: Funding was reduced by $100.725 lor vehicle depreciation (H.F. 747, Section 311.1

University of Iowa - Hospitals
Sec 10.2b1 Appropriates $25,658,805 for salaries, support, maintenance, equipment and miscellaneous purposes.

University of Iowa - Family Practice Program
See. 10.2b2 Appropriates $1,414,050 to carry out Chapter 148C, Code of Iowa, for the Family Practice Program.

University of Iowa - Specialized Child Health Services
Sec. 10.2b3 Appropriates $289.920 for Childhood Cancer Diagnosis, Care for Hemophilia Patients, and the High Risk Infant Follow-Up Proyram.

University of Iowa - County Indigent Patient Program
Sec. 10.2c Mandates that the FY 1986 county quotas for indigent patients at the University Hospitals shall not be lower than the FY 1985 county quotas. States that funds appropriated to the University Hospitals shall not be used for organ transplants determined to be experimental by the Federal Health Care Financing Administration and funds may not be expended for indigent organ transplants prior to the enactment of legislation protecting the right to information of the indigent patient.

University of Iowa - Indigent Patient Reporting
Sec. 10.2d Requires the U of I Hospitals to submit a quarterly report to the Legislative Fiscal Bureau and the State Comptroller containing the information required by Chapter 255.54. Code of Iowa.

University 01 Iowa - Medically Needy Abortions
Sec. 10.2e States that none of the funds appropriated to the University Hospital shall be used to perform abortions.

University of Iowa - Psychiatric Hospital
Sec. 10.2f Appropriates $5,534,254 tor salaries, support, maintenance, equipment, and miscellaneous purposes.

University of Iowa - State Hygienic Laboratory
Sec 102g Appropriates $2,182,399 for salaries, support, maintenance, equipment, and miscellaneous purposes.

University of Iowa - Hospital School
Sec. 10.2h Appropriates $4,029,792 for salaries, support, rriaintenarrce, equipment. and miscellaneous purposes.

University of Iowa - Oakdale Campus
Sec. 10.2i Appropriates $2,370,153 for salaries, support, maintenance. equipment. and miscellaneous purposes.

Iowa State University - General University
Sec 10 3a Appropriates $99,882,682 for salaries. support, maintenance, equipment, and miscellaneous purposes. It is the intent of the General Assembly that $312,500 of the funds appropriated be used for the purchase of research and instructional equipment. [Note: Funding was reduced by $71,725 for vehicle depreciation (H.F. 747, Section 31).]

Iowa State University - Agricultural and Home Economics Experiment Station

Sec. 10.3b Appropriates $11,442,560 for salaries, support, maintenance, equipment, and miscellaneous.

Iowa State University - Agricultural and Home Economics Cooperative Extension

Sec. 10.3c Appropriates $10,871,974 for salaries, support, maintenance, equipment, and miscellaneous.

Iowa State University - Center for Industrial Research

Sec. 10.3d Appropriates $693,000 for funding the small business development centers to provide assistance to small businesses in Iowa.

University of Northern Iowa

Sec. 10.4 Appropriates $39,363,531 for salaries, support, maintenance, equipment, and miscellaneous. [Note: Funding was reduced by $25,500 for vehicle depreciation (H.F 747, Section 31).]

School for the Deaf

Sec. 10.5 Appropriates $4,761,452 for salaries, support, maintenance, equipment, and miscellaneous purposes.

Braille and Sight Saving School

Sec. 10.6 Appropriates $2,605,658 for salaries, support, maintenance, equipment, and miscellaneous purposes.

Iowa State University - WOI-TV

Sec. 12. States the intent of the General Assembly that WOI increase it's efforts to become more profitable and explore the feasibility of transferring the license of operation to a foundation affiliated with ISU.

Bonding Resolution

HCR 41

VETOED

Authorizes the sale of $22,770,000 in academic revenue bonds to finance the following projects; Chemistry-Botany Remodeling (SUI), Gilman Hall Remodeling (ISU), Home Economics Building Remodeling/Addition (ISU), Agricultural Diversification Facility (ISU), Food Crops Research Center Remodeling (ISU), and research and instructional equipment (UNI).

REVENUE, DEPARTMENT OF

Administration

S.F. 562

Sec. 1.6 Appropriates $16,165,949 for salaries, support, maintenance, and other operational purposes.

Sec. 5. Appropriates $835,000 from the Motor Vehicle Fuel Tax Fund to the Department for salaries, support, maintenance, and other operational purposes for administration and enforcement of the Motor Vehicle Use Tax Program.

SCIENCE, IOWA ACADEMY OF

Administration

S.F. 562

Sec. 1.8 Appropriates $59,796 for support and maintenance.

SECRETARY OF STATE

S.F. 269

Sec. 2.10 Appropriates $1,122,543 for salaries, support and miscellaneous purposes.

Sec. 3. Prohibits the Secretary of State from charging a fee for the Iowa Official Register. Also, prohibits the reprinting of the most expensive version of the Iowa Official Register.

SOIL CONSERVATION, DEPARTMENT OF

General Office

H.F. 476

Sec. 11.1 Appropriates $3,816,007 for salaries, support, maintenance, assistance to soil conservation districts, and operational purposes.

Stipulates that if FTE's are to be reduced, the Department shall first consider staff reductions in the central office.

Soil Surveys

Sec. 11.2a Appropriates $325,347 to conduct soil surveys in cooperation with county governments and federal agencies.

Watershed Planning and Development

Sec. 11.2b Appropriates $23,576 to provide the state share of the watershed planning activities under the federal PL-566 Program.

Conservation Cost Share Revolving Loan Fund

Sec. 11.2c Appropriates $99,000 to the Soil Conservation Cost Share Revolving Loan Fund.

Soil Conservation Cost Share

Sec. 11.2d Appropriates $8,888,736 for Soil Conservation Cost Share payments.

Sec. 11.3 Provides guidelines for the allocation of the cost share funds appropriated in Section 11.2(d). Includes intent language allowing that no more than $20,000 of the cost share funds may be used for reimbursement of out-of-pocket expenses of fencing authorized by H.F. 266 if enacted. States that cost share funds may be used in combination with Iowa Conservation Commission funds.

SPANISH SPEAKING PEOPLE'S COMMISSION

H.F. 571

Sec. 1.5 Appropriates $45,051 and authorizes 1 FTE for salary, support, maintenance and miscellaneous purposes.

STATUS OF WOMEN, COMMISSION ON THE

HF 571

Sec 1.7 Appropriates $97,698 and authorizes 3 FTE's for salary, support, maintenance and miscellaneous purposes

SUBSTANCE AUUSE. DEPARTMENT OF

General Office

H.F. 571

Sec 4 I Appropriates $385,129 and authorizes 205 FTE's for salaries, support, maintenance and miscellaneous purposes of the Department The FTE cap is for both state and federal funded positions

Program Grants

Sec. 4.2 Appropriates $7,348,958 for grants to assist local programs in the areas ot treatment, prevention. public intormation and training.

TERRACE HILL AUTHORITY

S F 434

Sec 1 9 Appropriates $159.350 Ior salaries, support, rriaintenance. and miscellaneous purposes Intent language specifies that $1,500 of this appropriation shall be used for a downspout on the northwest corner of Terrace Hill and $3,000 be used for replacement of equipment arid tor replacement parts on equipment at Terrace Hill.

TRANSPORTATION, DEPAHTMENT OF

Administration

S.F 562

Sec. 7.I Appropriates $4,897,918 for salaries, support, maintenance, and miscellaneous purposes.

Public Transit Assistance Fund

Sec. 7.2 Appropriates $1,836,054 to be deposited in this Fund

Railroad Assistance Fund

Sec 7.3 Appropriates $940,500 to be deposited in this Fund.

Administration

Sec. 8.1 Appropriates $12,433,503 from the Road Use Tax Fund for salaries, support, maintenance, and miscellaneous purposes

Sac 8.2 Appropriates $16.000 troni the Road Use Tax Fund for making payments to the Iowa Merit Employment Department for expenses incurred in administering the merit system for the Department.

Unemployment Compensation

Sec. 8.3 Appropriates $12,250 trom the Road Use Tax Fund tor unemployment compensation.

Marquisville Garage

Sec. 8.4 Appropriates $150,000 from the Road Use Tax Fund tor the entrance to the Marquisville garage.

Workers' Compensation

See. 9. Appropriates $32,750 from Road Use Tax Fund for workers' compensation.

Administration

Sec. 10.1 Appropriates $128,873,000 from the Primary Road Fund for salaries, support, maintenance, and miscellaneous purposes.

Equipment Replacement

Sec. 10.2 Appropriates $2,000,000 from the Primary Road Fund to be deposited in the Materials and Equipment Revolving Fund for funding the replacement costs of vehicles.

Sec. '10.3 Appropriates $304,000 from the Primary Road Fund to the Iowa Merit Employment Department for expenses incurred in administering the merit system for the Department of Transportation.

Unemployment Conipensation

See. 10.4 Appropriates $232,750 from the Primary Road Fund for unemployment compensation.

Workers' Compensation

Sec. 11. Appropriates $622.250 from the Primary Road Fund for workers' compensation

Administration

Sec. 12. Appropriates $329,000 from the Aviation Fund for salaries, support, maintenance, and miscellaneous purposes.

Replacement of Facilities

Sec. 13.1 Appropriates $600,000 from the Primary Road Fund for the Dyersville Garage.

Materials Laboratory

Sec. 13.2 Appropriates $210,000 from the Primary Road Fund for support

Driver's License Program

Sec 14. Appropriates $3,602,875 from the Road Use Tax Fund for the operation and administration.

Railroad Facility Fund

Sec 19. Amends Section 3078.23, Code of Iowa, by eliminating the deposit of moneys credited to the Special Railroad Facility Fund generating from the Railway Vehicle Fuel Tax under Section 324.9, Code of Iowa.

Sec 20 Amends Section 321E.1, Code of Iowa, by allowing the issuance of permits for asphalt repavers to be temporarily moved on streets, roads. and highways.

Sec 21. Amends Section 324A.2, Code of Iowa. by defining a railroad company as a "person responsible for the operation of a railway vehicle within Iowa, except where the operation of the railway vehicle is limited to operation only within the geographical confines of a manufacturing plant or facility"

Sec. 23. Provides that those public transit systems which received a share of the $1,000,000 loan from the RUTF duriny FY 1984 and had earmarked the loan funds tor future loan repayment and deposited the funds in interest bearing accounts; shall repay the funds to the Department of Transportation by December 31, 1985. This section applies to loan funds earmarked on April 1, 1985

TREASURER OF STATE

Administration

S F 562

Sec 17a Appropriates $507,172 for salaries, support, maintenance, and other operational purposes.

Sec 17b Appropriates $17,820 tor the purchase of a tick meter.

Moneys and Credits Replacement Fund

Sac. 2 Appropriates $2,475,000 for pdyments to counties and cities as provided in Section 422.100 Code of Iowa.

UNIFORM LAWS COMMISSION

S.F. 434

Sec. 1.10 Appropriates $10,289 for support and expenses.

VETERANS AFFAIRS. DEPARTMENT OF

General Office

H F 571

Sec 3 I Appropriates $113,717 and authorizes 5 FTE's tor salaries support, maintenance and miscellaneous purposes

War Orphans Educational Aid

Sec. 3.2 Appropriates $14,850 for a state aid program whereby a maximum of $400 per calendar year ($2.000 lifetime maximum) may be paid to the school of higher learning on behalf of an eligible war orphan.

Chemical Exposure Reporting Program

Sec. 3.3 Appropriates $34,247 for a reporting procedure. a follow-up on reported health incidents and a clearing house for veterans who have been exposed to chemical defoliants, herbicides, or other causative agents, including but not limited to Agent Orange. The Department will be administering the program. This will be the final year for chemical exposure reporting.

VOCATIONAL REHABILITATION DIVISION OF DPI

H.F. 571

Sec. 1.8 Appropriates $2,723,317 and authorizes 326.5 FTE's for salary, support. maintenance and miscellaneous purposes.

WATER RESOURCES RESEARCH INSTITUTE, IOWA STATE

H.F. 476

Sec. 13. Appropriales $133,650 Io support research projects on water related subjects in Iowa.

WATER, AIR & WASTE MANAGEMENT. DEPARTMENT OF

General Office

H.F. 476

Sec. 12.1 Appropriates $2,626,448 tor salaries, support, maintenance, and other operational purposes Includes intent language stipulating that grain storage facilities shall not be required to install or use equipment to control the emission of dust or other particulates.

River Basin Coordinator

See 12.2 Appropriates $40,695 for salaries. support, maintenance, and other operational purposes.

AIDEX Superfund

Sec. 12.3 Appropriates $247,500 to provide state matching funds for Federal Superfund moneys to clean up the AIDEX site. Intent language states that funds appropriated to this program tor FY 1985 that are unexpended or unencumbered shall carry forward into FY 1986.

Sewage Construction Grants

Sec. 12.4 Appropriates $1,940,400 to provide state grants to assist in the construction of wastewater treatment plant facilities. Intent language provides that up to $10,000 of this appropriation may be used for payments to local governments to reimburse up to 50% of expenses for alternative solid waste disposal projects.

Suspension of Hazardous Waste Authority

Sec. 12.5 Suspends the Department's responsibilities, as defined in the Code of Iowa, relating to implementation of the Federal Resource Conservation and Recovery Act Permit Program for hazardous waste facilities in the state.

WAYS AND MEANS AND FEES SUMMARY

ENACTMENT LEGISLATION

Iowa Pork Producers Council

S.F 581

Sec. 1-14 Creates the Iowa Pork Producers Council to provide lor the promotion of the pork industry in Iowa. The Council shall consist ot the immediate past president and current president of the Iowa Pork Producers Association. two members appointed by the Iowa Pork Producers Association from its board of directors, and three pork producers appointed by the Secretary of Agriculture The Secretary, the Dean of Agriculture at Iowa State University, and the State Veterinarian or their designees. shall serve as non-voting ex offico members of the Council

Directs the Council to make an assessment ot not less than 002 nor more than .003 of the *gross* sale price of all porcine animals; the assessment shall be .0025 of the gross sale price until consent to an assessment has been given through an initial referendum. The assessment will be deducted by the first purchaser of the porcine animals from the price paid to the producer, the producer may claim a refund of the assessment from the Council

Assessments imposed shall be paid 10 and collected by the Council and deposited in the Pork Promotion Fund established in the Office of the Treasurer of Slate Of the moneys collected, the Council shall first pay the cost of referendums. The remaining funds shall in part be remitted to the National Livestock and Meat Board and the Pork Industry Group thereof, the National Pork Producers Council, arid the Iowa Pork Producers Association.

FISCAL EFFECT It is estimated that $5.9 million would be collected annually in assessments, and that approximately 5% of the assessments would be refunded to producers. The cost of each referendum is estimated to be $90,000 if the ballots are mailed; *the* cost of a walk-in referendum is estimated to be between $1,000 and $5,000

Local Option Taxes

S.F. 395

Sec 89 99 Provides further authorization for cities and counties to impose local option taxes. The taxes may be imposed. have their rates changed, or be repealed after an election upon a majority favorable vole An election may be called by a city council or a county board of supervisors and shall be called upon receipt of a petition signed by eligible electors in the city *or* county equal in number to 5% of the persons in the city *or* county who voted in the last preceding state general election requesting the tax imposition, rate change, *or* repeal. The local option tax shall be imposed for an unlimited period

The ballot proposition shall specify the type and rate of tax. In the case of a vehicle tax. the ballot must also specify the classes that will be exempt. In the case of a local sales and services tax, the ballot shall specify the date it shall be imposed. The ballot proposition shall also specify the approximate amount of local option revenues that will be used tor property tax relief and shall contain a statement as to the specific purpose *or* purposes for which the revenues shall otherwise be expended.

If a tax is imposed by a city, it shall only apply within tlie corporate boundaries of that city. If a tax is imposed by a county. it shall apply only to those areas where a majority of the voters favored its imposition. For purposes of the local sales and services tax. all cities contiguous to each other shall be treated as part of one incorporated area and the tax would be imposed in each of those contiguous cities only if the majority of those voting in the total area covered by the contiguous cities favor its imposition.

Local option tax areas and ttre rate increments are as follows:

Local Earnings Tax. Rate increments shall be stated on the ballot proposition. The tax may be imposed on the adjusted gross income from wages, salaries, commissions, and other compensation received or earned by resident or non-resident individuals except individuals wtro are state or county employees. A local income surtax or change in the rate shall be imposed January 1 following the favorable election to tan years beginning on *or* after January 1 and repeal of the surtax shall be as of December 31 following the favorable election tor tax years beginning after December 31.

The Oirector of the Department of Revenue shall credit local earnings tax receipts and any interest and penalties collected from revenues filed on or before November I of the calendar year following the tax year for which the tax is imposed to the Local Earnings Tax Fund, established in the Office of the State Treasurer. All local earnings tax receipts and any interest and penalties received or refunded from returns filed after November 1 shall go to the general fund as a part of the cost of administering the earnings tax. Local earnings tax moneys received by a city or county may be expended tor any lawful purpose of the city or county which imposed the tax

Vehicle Tax. Rate increments of one dollar per axle may be applied to every vehicle which is registered by the state aiid is registered with the county treasurer to a person residing within the county at the time of reyistration where the tax is imposed. Vehicles which the local authority exempts from the local tax must be listed on the ballot proposition. The local vehicle tax shall only be imposed on the renewals of registrations and shall be payable during the registration periods provided under Chapter 321.40, Code of Iowa. A local vehicle tax or change in the rate shall be imposed January 1 immediately following a favorable election for registration years beginning on or after that date and tlie repeal of the tan shall be as of December 31 following favorable election tor registration years beginning after that date.

The Local Vehicle Tax Fund shall be established in the office of the county treasurer. On a monthly basis, the county treasurer shall remit from this Fund to each city in the county the amount collected from the residents of the city during the preceding calendar month, excluding penalties Moneys received by a city or county from this Fund shall be credited to the general fund of the city or county to be used solely for public transit or shall be credited to the street construction fund of the city or the secondary road fund of the county to be used for purposes specified in Chapter 312.6, Code of Iowa. Any penalties collected shall be credited to the county general fund to be used to defray administration costs to the county from the tax.

Sales and Services Tax. Hates shall be 1% imposed on the same basis as the state sales and services tax and may not be iniposed on the sale of any property or on any service riot taxed by the state. The amount of the sale, for purposes of determining the amount of local sales arid services tax, does not include the amount of any state gross receipt taxes. A local sates and services tax shall be imposed either January 1, April 1, July 1, or October 1 following the notification of the Director ot Revenue. A local option sales and services tax shall be repealed only on March 31, June 30, September 30, or December 31 --

The State Treasurer shall credit the local sales and services tax moneys to the county's account in the Local Sales and Services Fund The remittances shall be made at least quarterly 75% of each county's account shall be remitted on the basis of tlie county's population residing in the unincorporated areas where the tax is imposed; 25% of the county's account shall be remitted on the basis of the sum of property tax dollars levied by the county's board of supervisors. Local sales and services tax moneys received by a city or county may be expended for any lawful purpose of the city or county.

Additional Real Property Tax. A city or a county may impose an additional real property tax on all taxable property located within the incorporated area of a city or the unincorporated area of a county. The rate of tax shall be specified on the ballot proposition.

S.F. 583

Sec 6 Makes technical corrections to references to local options taxes authorized under Chapter 422B, Code of Iowa. created in Section 89 of S.F. 395.

Sec 7 Repeals the additional real property tax that a city or county may impose.

Private Sale of Wine

S.F. 395

Sec. 3-77 Permits the private distribution and sale of wine containing more than 5%, but not more than 17% alcohol. The Beer and Liquor Control Department is authorized to purchase wine from persons holding a vintner's certificate of compliance or a class "A wine permit for resale in state liquor stores.

The Treasurer of State is require to distribute semi-annually a sum of money equal to at least 10% of the gross sales made by state liquor stores, but not less than $6.4 million to the cities of the state. The Treasurer of State is also required to credit to the Military Service Tax Fund a sum of money equal to 5% of the gross sales made by state liquor stores. but not less than $6.4 million annually.

Exempts native wines from the Wine Gallonage Tax [Note S.F 583 amends S.F 395 by deleting the gallonage tax exemption for native wines]

Establishes two classes of wine permits. A class "A" wine permit allows the holder to manufacture and sell, or sell at wholesale, wine for consumption off the premises. The cost of a class "A" wine permit is $750 annually. A class "B" wine permit allows the holder to sell wine at retail for consumption off the premises. The cost of a class "B" wine permit is $500 annually.

Requires all manufactures, distillers and importers of wine to annually make application for and hold a distiller's certificate of compliance before distributing and selling wines in the state. The cost of a distiller's certificate of compliance is $100 annually.

Establishes a Wine Gallonage Tax of $1.50 for each gallon sold at the wholesale level. Native wines are exempt from the gallonage tax. [Note; S.F. 583 amends S.F. 395 by deleting the gallonage tax exemption for native wines.] Revenues derived from the tax on wine manufactured for sale and sold in this state, except native wines, are deposited in the Liquor Control Fund and transferred by the State Comptroller to the general fund of the state.

S.F. 583

Sec. 1.1 Amends S.F. 395 by deleting the gallonage tax exemption for native wines.

Sec. 2 Establishes a Beer Barrel Tax Fund in the office of the Treasurer of State. Beer barrel tax revenues collected on beer manufactured in this state from a class "A" permittee which owns and operates a brewery located in Iowa are deposited in the Fund.

Sec. 3 Repeals the beer barrel tax rebate.

Sec. 4. Amends S.F.395 by requiring the Wine Gallonage Tax to be collected on all wines manufactured for sale and sold in this State at wholesale including native wines. Revenues derived from the wine tax collected on native wines shall be deposited in the Gallonage Tax Fund created in the Office of the Treasurer of State. All other revenues derived from the wine tax shall be deposited in the Liquor Control Fund and transferred by the State Comptroller to the general fund of the State.

State Lottery, Division I

H.F. 225

Sec. 101 29 Provides for the establishment of a five year state lottery. The bill creates the Iowa Lottery Agency, directed by a commissioner appointed by the Governor with the consent of the Senate. A lottery board is created consisting of five members, appointed by the Governor subject to Senate confirmation. The board and the commissioner shall operate the lottery so that after the initial state appropriations, it shall be self-sustaining and self-funding.

As nearly as is practicable, 45% of the annual revenues accruing from lottery sales shall be paid out in prizes. After the payment of prizes, the operating expenses shall be paid. An amount equal to .5% of the lottery revenue shall be deposited in a Gamblers Assistance Fund. Expenses for marketing, educational, and informational material shall not exceed 4% of the lottery revenue. [Note: The 45% of lottery revenues designated for prizes was increased to 50% (S.F. 395, Section 114). A 4% sales tax on the gross lottery sales was enacted (S.F. 395, Sections 115 and 116).]

FISCAL EFFECT: Overall, assuming a lottery might generate between $10.00 to $15.00 per capita, gross sales of $60.0 to $100.0 million are expected. Allowing for the deduction of prizes and operating expenses, net lottery revenues are estimated to be between $25.0 to $45.0 million for the first year of operation. This unsubstantiated figure is expected to decline somewhat after the first year of operation.

State Lottery, Division II

Sec. 201-7 Allows for the enactment of the Iowa Female and Minority Small Business Procurement Act. Approximately 5% of the value of total state procurement of goods and services, excluding utility services, may be awarded to small businesses owned and operated by females and socially or economically disadvantaged persons located in the state.

State Lottery, Division III

Sec. 301-3 Lottery revenue remaining after expenses are paid shall be transferred on a quarterly basis to the Iowa Plan Fund for allocation to five accounts. For FY 1986, before the lottery revenue is allocated to the five accounts, the loan for start-up purposes from the general fund and an amount of $6,270,000 for capitol restoration and construction of the state historical building shall be repaid to the general fund. The remaining lottery revenue shall be allocated on a prorated basis into five accounts. The first $11,092,000 shall be allocated to the Jobs Now Capital Account, $10,000,000 shall be allocated to the Community Economic Betterment Account, $8,500,000 shall be allocated to the Jobs Now Account, $12,500,000 shall be allocated to the Education and Agriculture Research and Development Account, with any excess revenues allocated equally between the Community Economic Betterment Account and the Surplus Account.

For FY 1987, the first $10,250,000 shall be allocated to the Jobs Now Capitals Account, $10,000,000 shall be allocated to the Community Economic Betterment Account, $8,500,000 shall be allocated to the Jobs Now Account, $12,500,000 shall be allocated to the Education and Agriculture Research and Development Account, with any excess revenues allocated equally between the Community Economic Betterment Account and the Surplus Account.

State Lottery, Division IV

Sec. 401-9 Consolidates economic development programs and services into one comprehensive Department of Economic Development. The Governor shall submit a recommendation to the General Assembly by December 1, 1985. Until the new Department is operative, the Iowa Development Commission shall serve as a interim coordinating agency for economic development programs. The Iowa

ITEM VETO

Partnership lor Economic Progress. established in this Act, shall serve as an advisory committee to assist the Governor in reorganizing economic development programs

State Lottery- Division V

Sec 501-ti Creates the Iowa World Trade Center Committee to review and accept proposals for the construction and operation of the Trade Center, and make a recommendation to the Executive Council Construction of the Center shall begin no later than December 15, 1985

State Lottery, Division VI

Sec 601-2 Establishes the Pi-imary Research and Marketing Center for Business and International Trade to be administered by the Iowa Development Commission.

Divides the state into 15 regional economic delivery areas, with each area creating a regional coordinatiny council to coordinate economic development programs Establishes up to 15 regional satellite centers in the state Centers may be lirianced through Development Commission grants

State Lottery, Division VII

Sec 701-4 Creates the Forgivable Student Loan Program. to be administered by the College Aid Commission

ITT BILLS

Aglime Fund

S.F. 465

Sec 1-3 Increases the license fee for selling, offering tor sale, or disposing of agricultural lime from $25 to a maximum of $40, as determined by the Secretary of Agriculture Moneys received trom license and testing tees will be deposited in the Aglime Fund The Aglime Fund moneys may be used by the Department of Agriculture lor inspection, sampling, analyzing, preparing and publishing of reports, arid other administrative expenses

FISCAL EFFECT: Currently, sampling and license tees are deposited directly into the general fund and total approximately $12,000. The cost of the program, $12,500, has been paid from the Department of Agriculture's Fertilizer Trust Fund Under S.F. 465, all sampling and license tees are deposited in the Aglirne Fund rather than the general fund. The administration costs of the program will be paid from the Aglimé Fund rather than the Fertilizer Trust Fund. Assuming the license fee is increased to $40. the receipts deposited in the Aglime Fund would total 920,000 After administration and. sample analysis expenditures, the net balance in the Aglime Fund would be ***$5.6'00***

Birth Certificate Fees

H.F. 451

Sec. 1-35 Requires a **$10** fee on the filing of a birth certificate unless the expense of birth was covered under the Medical Assistance Program ***or*** the State Papers Program whereas the fee is waived.

FISCAL EFFECT: The funds generated by the fee are expected to produce $388,000 annually. The cost associated with collecting the fee is $13,000, or 1 FTE annually, at the state level. Thus, the net effect to the general fund is a $375.000 increase.

Court Fees

S.F. 570

Sec. 1-49 Changes a number of court fees. The $35 filing and docketing fee is made inapplicable to petitions for modifications of a dissolution decree within 180 days of the date of the entering of the decree. The ***$25*** fee lor various services is made inapplicable to small claims cases on appeai and simple misdemeanors on appeal. Court fees and costs are waived lor counties in criminal action prosecuted under slate law

ITEM VETO

Two new district court tees are created. in addition to the $25 advance fee, for filing and docketiriy a transcript of judgement from another county and for entering a judgement by confession. A $25 Administrative Fee is created for the collection and distribution of support obligations, collectable after all support obligations have been paid. The Filing Fee for simple misdemeanors is increased from $8 to $20, except non-scheduled simple misdemeanors under Chapter 321. Code of Iowa. for which the tee will be $15. Court costs in scheduled violation cases where a court appearance is not required are increased to $10, and court costs where an appearance is required are increased to $15. The fee for filing Small Claims actions is increased from $10 to $11.

The contribution rate for judges to the Judicial Retirement System is changed. It is currently tour percent tor all judges; the bill establishes a variable rate between seven and four percent. based upon length of time on the bench.

S.F 570 is estimated to increase revenues to the general fund by ***$2.6*** million in FY 1986 and $3.0 million in FY 1987. Revenues lo counties are estimated to increase by $.8 million in FY 86 and $.4 million in FY 1987. Revenues to the judicial retirement fund are estimated to increase by $1.0 million in FY 1986 and FY 1987.

Fees Collected by County Officers
H.F 589

Sec 1 12 Increases the fees collected by county officers for various transfer and filing purposes. Fees for changing the name of parcels of real estate are increased from $3 to $5 Fees for verifying the frade name of a business. filing a financial statement, and registering or changing the name ot a farm will be $5 per page or part of a page. Fees tor filing notices relating to pre-arranged funeral agreements with the county recorder are also set at $5 Fees for transferring real estate are increased from $1 to $5; the fee for filing foreclosure instruments is eliminated

FISCAL EFFECT Statewide statistics on the number of filings of the types dtfected by the Act are not available and the counties do not keep detailed records of the number ot filings of edch type Thus, the fiscal effect of the Act is impossible to determine

Groundwater Fund
H.F 750

Sec 1-5 Establishes a Groundwater Fund and imposes a tonnage fee of $ 25 per tori of solid waste deposited in sanitary landfills The Groundwater Fund will provide a source of funding lor programs related to groundwater monitoring arid quality standards, research in alternative methods of solid waste disposal. and the abatement and cleanup of hazardous conditions resulting from sanitary landfills.

FISCAL EFFECT: Generates estimated receipts each year of $730,000 tor the Groundwater Fund. The net eflect after expenditures for salaries and support is estimated to be $639,610 in FY 1986 and $697.000 in FY 1987.

Marriage Dissolution Fee
H.F 549

Sec 1-12 Establishes a new court fee of $15 for the entering of a final decree of dissolution ot marriage Fees collected are to be deposited in the general fund of the state and are intended for use by sexual assault and domestic violence centers This fee is expected to generate approximately $156,000 annually.

Park User Fees
H.F 183

Sec 1-3 Requires a $2 daily, or $10 annual, user permit to park a motor vehicle in certain parts of state forests and areas managed by the Parks Section of the Conservation Commission Individuals aged sixty five or older or individuals with current Medical Assistance or Food Stamp identification cards are exempt. Also exempt are vehicles displaying a handicapped identification device. User permit receipts are deposited in a State Park, Forest, and Recreation Area Facilities Improvement Trust Fund to be appropriated to the Conservation Cornrnission solely for renovation, replacement, and improvement of facilities otherwise acquired in state parks, forest. and recreation areas

FISCAL EFFECT: Revenues from the sales of user permits are estimated to be $500,000 annually.

Sheriff Fees
H.F. 150

Sec. 1 Increases fees charged by sheriffs for carrying out various duties. The fee for serving a notice and returning it is raised from $6 lo $10 for each person, except additional persons in the same household is raised from $3 to $5. The fee for serving warrants and subpoenas is increased from $6 to $15, and the fee for serving an execution. attachment, order for the delivery of personal property. injunction. or any order of court, and returning it is increased from $5 to $10. The hourly tee for the time necessarily employed in making an inventory of personal property attached or levied upon is increased from $3 to $8 per hour, the fee for copies of any paper required by law is increased from $.25 to $.50, and the fee for attending the sale of property is increased from $3 to $30 The tee for conveying one or more persons to a state, county or private institution by order of court or commission, is increased from $3 to $10 per hour.

No estimate is available concerning how much additional revenue to counties will be generated by these fee increases.

Underground Storage Tanks
H.F. 643

Sec 1 9 Imposes a tee of $5 for each underground storage tdnk The fee receipts shall be deposited in a special fund created in the Office of the Treasurer of State Moneys from the turid are to be appropriated to pay the administrative expenses incurred by the Department 01 Water, Air and Waste Management as a result of this Act

FISCAL EFFECT The number of underground storage tanks in Iowa is unknown. Assuming that 61,000 tanks are registered in FY 1986 and 1000 tanks are registered in subsequent years. the net receipts after administration costs would be $237.000 in FY 1986 and $6,000 annually in subsequent years.

GENERAL TAXATION AND ADMINISTRATION

Denial of Registration Renewals

S.F. 395

Sec. 78.79 Directs the county treasurer to refuse to renew the registration of a vehicle registered to an applicant it the applicant has tailed to pay any local vehicle taxes due in the county ori that vehicle owned or previously owned by the applicant until the taxes are paid.

Registration fees imposed by Chapter **321,** Code of Iowa, upon passenger motor vehicles or sentitrailers are in lieu of all state and local taxes except local vehicle taxes. Motor vehicles and semitrailers which have been registered at any tiine under Chapter 321, **Code** ot Iowa, shall not be subject to a personal property tax unless the vehicle has been in storage continuously as an unregistered motor vehicle or semitrailer during the preceding registration year

FISCAL EFFECT. These sections have no effect upon the general fund Ttie local impact is unkriown

Licensees Conducting Games of Chance

S.F. 349

Sec. 1-3 Expands the number and type of federal tax-exempt persons or organizations under Chapter 501, Internal Revenue Code of 1954, eligible to become licensees to conduct games of skill, games of chance, and raffles.

FISCAL EFFECT: None

Nonrecognition of Tax Revenues

S.F. 395

Sec. 110 **Provides that revenues received as** a result of the Act shall not be considered revenues received for the state general fund tor the purpose of determining the state percent of growth in the School Foundation Program tor FY 1988

FISCAL EFFECT School Foundation Aid will not increase as a result ot increased revenues generated from S.F 395

Retention of Tax Records

S.F. 561

Sec. 10. Changes the period of time that records have to be in custody of the Department of Revenue before the records may be destroyed. The time period is changed from five years to three years or such longer or shorter time as the Director may determine by rule.

FISCAL EFFECT: The change will have no measurable impact on tax receipts. According to the Department, elimination of unnecessary storage requirements will permit improved efficiency and service to taxpayers.

Tax Return Checkoffs Requirenient

Sec. 1-2 Removes the requirement that checkoffs for the Election Campaign Fund and the Fish and Wildlife Protection Fund appear on the face of the income tax return imntediately above the signature line.

FISCAL EFFECT: This change is expected to give the Department of Revenue more flexibility in designing the income tax forms. No significant fiscal effect is anticipated.

INCOME TAX

Alternative Minimum Tax

S.F.24

Sec. 1-4.6 Eliminates the current Iowa Minimum Tax for tax preference items (70% of the federal minimum tax), and enacts a new Iowa Alternative Minimum Tax. The state alternative minimum taxable income of a taxpayer is equal lo the taxpayer's state taxable income with the deductions in Section **422.9,** Code of Iowa, adjusted by adding 12 lax preference deductions to taxable income, subtracting the applicable exemption amount (826,000 tor single persons **or** heads of household. $17.500 for married filing separately, **$35,000 for** married filing jointly), and subtracting the amount of net operating loss lor a tax year other than the current year which was carried back or carried forward *to* the current year.

The tax preference items are identical to the federal minimum tax preferences. Theses items relate to the dividends excluded; accelerated depreciation on real property and on leased personal property; amortization of certified pollution control facilities; mining exploration and development costs; circulation. research, and experimental expenditures; reserves for losses on bad debts of financial institutions; depletion allowances; net capital gains; incentive stock option, intangible drilling costs, and accelerated cost recovery deductions. In computing net capital gain as a preterence item. the gain or loss from the forfeiture of an installment real estate contract, the transfer of real or personal property securing a debt to a creditor in cancellation of that debt **or** trorn the sale or exchange of properly as a result of actual notice of foreclosure shall not be taken into account if all of the following conditions are met:

(1) The forfeiture. transfer. or sale or exchange was done for the purpose of establishing *a* positive cash flow,

(2) Immediately before the forfeiture. transfer, or sale **or** exchange. the taxpayer's debt-to-asset ratio exceeded 75% as computed under generally accepted accounting principles;

(3) The taxpayer's net worth at the end of the tax year is less than $75.000.

Under the provisions of tlie Act. a taxpayer's state alternative minimum tax shall not be greater than the taxpayer's net worth if either of the following conditions exist: (1) Tax preference items include the gain or loss from the transfer of real or personal property to a creditor in cancellation of a debt, or (2) the sale or exchange of property as a result of actual notice of foreclosure occurs in which the fair market value of the taxpayer's assets exceeds the taxpayer's liabilities

Sections 1, 2, and 3 of the Act take effect January 1, 1985 for tax years beginning on or after that date and Section 4 is retroactive to January 1, 1984 for tax years beginning on or after January 1, 1984 and beginning before January 1. 1985. For taxpayers with capital gains transactions occuring between January 1, 1985 and May I. 1985, the 1985 Iowa minimum tax may be computed under the law in effect on December 31, 1984

FISCAL EFFECT: Cut-runt law pertaining to the minimurn tax results in approximately $8.0 million in tax revenues. The Department of Revenue estimates that the Act will generate approximately the same amount of revenue per year in FY 1986 and FY 1987. Due to the retroactive effective date provisions, additional costs will accrue to the state in the form of amended returns filed by taxpayers Those costs, while substantial, are unknown The majority of the revenue paid out in refunds would occur during FY 1986 and FY 1987

Corporate Income Tax
S.F 561

Sec. 6,8,9 Establishes a tax period of less than twelve months for corporate income tax arid franchise tax. These sections establish the requirement that a short period Iowa return he tiled when a short period federal return is tiled and establish a due date that is consistent with the normal Iowa due date of 45 days after the federal due dale. These sections are retroactive to January I, 1985 for tax years beginning on or after that date.

FISCAL EFFECT The impact on state corporate income tax revenue in any specific fiscal year is not expected to be significant

IRC Update
Sec. 3. Updates references in the Internal Revenue Code (IRC) to reflect changes made through January 1, 1985, in reference to the Tax Reform Act of 1984 adopted by Congress (TRA). The following table summarizes the most significant of the several hundred provisions in the TRA.

FISCAL EFFECT: (dollars in millions)

PROVISION	FY 1986	FY 1987
A Direct Iowa Impact Taxable Income Definitions		
1. Provisions with Impact Primarily on Individual		
a. Capital Gains	Less Than $ 0.5 Red	Less Than $ 1.0 Red
b. Net Interest Exclusion	$ 8.0–10.0 Increase	$ 8.0–10.0 Increase
2. Provisions with Impact Primarily on Business		
a. ACRS Corporate and Individual Combined	Less Than $ 2.0 Inc	Less Than $ 4 0 Inc
b. Corporate Tax Preference and Corporate Minimum Tax	Minimal	Minimal
c. Finance Lease	Unknown Impact	Unknown Impact
d. Leasing to Tax-exempt Entities	No Est	No Est
e. Construction Period Interest	Minimal	Minimal
B. Indirect Iowa Impact Federal Tax Deduction		
Income Averaging	$ 3.0- 4.0 Reduction	$ 30- 4.0 Reduction
NET EFFECT TO GENERAL FUND	$ 65- 7.5 Increase	$ 80- 9.0 Increase

New Jobs Tax Credit
S.F. 395

Sec. 80,81 Provides that the taxes imposed under Division II of Chapter 422, Code of Iowa, shall be reduced by a new jobs tax credit. An industry which has (1) entered into an agreement under Chapter 280B and which has increased its base employment level by at least 10% within the time set in the agreement, or (2) adds new jobs within the time set in the agreement if the industry does not have a base employment level, is entitled to the new jobs tax credit lor the tax year.

The amount of the credit is equal to the product of 6% of the taxable wages upon which an employer is required to contribute to the state unemployment compensation fund multiplied by the number of new jobs existing in the tax year as a result of the project covered by the agreement.

FISCAL EFFECT: Unknown.

Personal Income Tax Refund
S.F. 561
Sec. 11. Allows a refund of individual income tax, if the federal income tax was forgiven under section 692(c), Internal Revenue Code, because the taxpayer died after November 17, 1978 as a result of wounds or injury sustained due to military or terroristic action outside the United States. Iowa has a three-year statute of limitations to claim a refund and this section extends the statute of limitations for those affected taxpayers, if an Iowa refund claim is filed on or before June 30, 1986.

FISCAL EFFECT: The impact on tax receipts will be insignificant.

Research Tax Credit
Sec. 5,7 Provides corrective language for the state credit for research activities in the state under the state corporate and individual income taxes. These sections are retroactive to January 1, 1985 for tax years beginning on or after that date.

FISCAL EFFECT: None.

Unemployment Compensation Tax Refund
Sec. 4. Allows a refund of individual income tax paid on unemployment compensation benefits in 1979 which were attributable to weeks of unemployment before December 1, 1978. Currently, Iowa has a three-year statute of limitations during which a refund may be claimed. This section extends the statute of limitations for those persons who file an Iowa claim for refund on or before June 30, 1986.

FISCAL EFFECT: A minimal reduction in tax receipts is expected.

INHERITANCE TAX
H.F. 761
Sec. 1-5 Updates Inheritance Tax. Introduces several changes in the inheritance tax and fiduciary income tax law. Sections 1 and 4 are expected to assist the Department of Revenue in collecting inheritance and income tax before the estate or trust is closed and the property distributed. Section 2 is designed to close a tax loophole by providing that the possession of a general power of appointment, rather than its exercise, is taxable. Section 3 provides that property on the death of the surviving spouse, rather than in the estate of the first spouse, would be subject to tax. Section 5 gives the Department of Revenue the option of making an additional examination and determination of any matter between a taxpayer and the IRS with respect to the federal estate, gift, or generation skipping transfer tax.

FISCAL EFFECT: The net fiscal impact of H.F. 761 is not expected to be significant.

IRC Update
S.F. 561
Sec. 12. Clarifies provisions which permit a husband and wife to make split gifts, and corrects an erroneous reference to the Internal Revenue Code in Section 450.3(2), Code of Iowa. This section is retroactive to July 1, 1984 for the estates of persons dying on or after that date.

FISCAL EFFECT: The impact on inheritance and estate tax receipts is not expected to be significant.

INSURANCE PREMIUM TAX
Mutual Service Corporations
H.F. 570
Sec. 1-9 H.F. 570 imposes the 2% insurance premium tax upon mutual service corporations operating under Chapter 514 (which includes Blue Cross/Blue Shield). The bill provides that the entire increase in the amount of premium taxes paid accident and health insurance policies shall be set aside in a separate account within the general fund and reserved solely for the purposes of implementing recommendations of a study committee. This committee shall study guaranty fund laws and risk-sharing pools for uninsurable persons.

It is estimated that increased revenue to the general fund will be $11 million, all of which will be set aside.

H.F. 570 also appropriates $3,000,000 for the Medically Needy Program under the Medical Assistance Program of DHS to supplemental security income related individuals.

Self-Insured Cities and Counties
S.F. 503
Sec. 1-3 Exempts self-insurance associations and association of cities or counties which enter into agreements for the purpose of establishing a self-insured group plan for the payment of workers compensation and benefits. The liability of these associations for premium tax under

current law is in dispute, and the data on the amount of premiums collected is incomplete It is estimated that this bill will reduce revenue to the general fund by at least $38000

MOTOR FUEL AND SPECIAL FUEL TAXES

Fuel Tax Increases

S.F. 565

Sec 1-19 Increases the excise tax by $.02 on motor fuel and special fuels imposed under the tax rate in Chapter 324 3, Code of Iowa, for the period July 1, 1985 through December 31, 1985 and further increases the tax by $01 beginning January 1, 1986. Increases the excise tax by $01 on special fuel lor diesel engines for the period July 1, 1985 through December 31, 1985, further increases the tax by $.01 tor the period January 1, 1986 through December 31, 1986, and increases the tax by $01 beginning January I. 1987

Two-thirds of the revenue accruing from the increase of fuel taxes shall be deposited in the Revitalize Iowa's Sound Economy Fund administered by the Department of Transportation for the financing of roads and streets which promote economic development 50% of the Fund shall be used for primary road projects. 25% shall be used lor secondary road projects, and 25% shall be used for city street projects The remaining one-third of the revenue accruing from the increase of fuel taxes shall be deposited in the Road Use Tax Fund.

Credits one fortieth of the revenue allocated to Road Use Tax Fund accruing from the motor fuel tax increase lo the Public Transit Assistance Fund.

Exempts special fuel for diesel engines used in the operation of ships, barges, or waterborne vessels from the sales tax

Exempts vehicles registered under Chapter 326, Code of Iowa, with a minimum of 25% of mileage accrued outside the state from the use tax.

Exempts 40% of the purchase price of a mobile home from the use tax. Exempts future imposition of the tax, if any previous owner of a mobile home had paid the tax

FISCAL EFFECT. For FY 1986, the revenue increase is estimated to be $37,000,000 Allowing for the fiscal effect of the exemptions and the allocation of revenues for public transit, $30,838,000 shall be allocated for road and street projects. For FY 1987, the revenue increase is estimated to be $39,100,000. Allowing for the fiscal effect of the exemptions and the allocation of revenues for public transit, $32,935,000 shall be allocated for road and street projects.

Vehicle Registration Credit

. S.F. 387

Sec I-ti Allows for a vehicle registration credit to an individual to whom ownership of a vehicle has been transferred by a spouse. parent. child. or former spouse. Refunds unexpired registration fees for vehicles which are junked or sold within 30 days after a replacement vehicle is, purchased.

FISCAL EFFECT: The annual loss of revenue to the Road Use Tax Fund for FY 1986 and FY 1987 is estimated to be $2,439,000.

PROPERTY TAX CREDITS

S.F. 395

Sec. 103. Excludes Point-Of-Sale equipment from the definition of "computers" in Section 427A.1(1 j.l), Code ot Iowa.

Sec 104-7 Freezes the additional personal property tax credit for FY 1987 at the FY .1986 payment level. On July 1, 1987, all taxes on personal property as defined in Section 427A.l Code of Iowa are repealed. For assessment years beginning on or after January 1, 1986. personal property shall not be listed or assessed.

For FY 1988, $59 million is appropriated to the Personal Property Tax Replaceinunt Fund, and $68 million is appropriated to the Fund in FY 1989

FISCAL EFFECT. Increase

Fiscal year	(decrease) to General Fund
1986	$ .0
1987	.9 million
1988	(3.3 million)
1989	(8.5 million)

Sec 108 9 Changes the provisions relating to the special tax treatment of industrial machinery, equipment, and computers (70/30 program) For property acquired after December 31 1981, and on or before January I, 1985, the taxpayer's valuation shall be limited lo 30% of the net acquisition cost of the property

for property acquired or leased after January I, 1985, the taxpayer's valuation shall also be 30% ot the net acquisition cost

FISCAL EFFECT For property acquired after December 31, 1981 and on or before January 1, 1985, the state will reimburse local governments for the lost revenue resulting from the taxpayer's decreased valuation. How ever, the state will not reimburse local governments for decreased valuation on property acquired after January I 1985 It is estimated thdt the phase out of the proyram will result in a savings to the yeneral fund of $9 million in FY 1988 arid $18 million in FY 1989

PROPERTY TAX

H F 640

Sec. 1. Provides that the interest penalty for delinquent property taxes under Chapter 445 39, Code of Iowa, shall be computed to the nearest whole dollar and the amount of interest shall not be less than $1

FISCAL EFFECT None

H.F 768

Sec I Allows any township located within a county with a population of 300,000 or more to establish an Emergency Warning System and to levy an annual tax of up to 9.67 1/2 per $1,000 of assessed value of the taxable property in the township to provide the Emergency Warning System, Fire Protection Service, and Ambulance Service. This Act eliminates the requirement that townships have a common boundary with a city of at least 180.000 population in order to provide Emergency Warning Systems and levy a tax

FISCAL EFFECT: This Act has no effect on general fund revenues or expenditures. The amount of taxes levied will depend upon the number of townships which choose to establish the services

S.F 395

Sec 102 Removes 10 year limit on the exemption of pollution control equipment from property taxation

FISCAL EFFECT General fund revenues and expenditures are not impacted The local impact is unknown

S F 568

Sec I Allows a county to levy a special assessment on properly within an urban drainage district for the cost of drainage improvements and to issue special assessment bonds in anticipation of the collection of the special assessment to pay the cost of the improvement An urban drainage district would be formed as a result of a joint agreement under Chapter 28E, Code of Iowa, between the county and cities within the county.

This Act also provides that the urban drainage district may fund the costs of the drainage improvements through issuance of county general obligation bonds. The bonds would be repaid from a debt service tax levy on all property within those cities that are parties to the agreement and the unincorporated areas of the county.

FISCAL EFFECT: General fund revenues and expenditures are not impacted by this Act. Local tax levies and rates would vary among the counties if counties chose to exercise this method of financing drainage improvements.

S.F. 576

Sec. 1. Allows a city council or county board of supervisors *to* grant a partial real property tax exemption for new construction of research-service facilities. "Research-Service Facilities" refers *to* a building or group of buildings devoted primarily to research and development activities, including the design and production or manufacture of prototype products for experimental use, and corporate-research services which do not have a primary purpose of providing oil-site services to the public.

FISCAL EFFECT This Act has no effect on general fund revenues and expenditures. At the local level, some shifting in tax burdens arnony classes of property may result if the exemption is granted.

SALES, SERVICES. AND USE TAXES

S.F. 395

Sec. 1. Increases the tax rate on cigarettes used or disposed of in the state for any purpose from 9 mills to 13 mills par cigarette (from 18 cents to 26 cents per pack) effective October 1, 1985.

FISCAL EFFECT: General fund revenues are expected to increase by $18 million in FY 1986 and increase by $24 million in FY 1987 due to the rate increase.

Sec 2 Increases the sales tax rate on all non-cigarette tobacco products from 10% to 15% of the wholesale sales price, and increases the rate for the use or storage by consumers of tobacco products from 10% to 15% of the cost of the tobacco products.

FISCAL EFFECT: It is estimated that the rate change will increase general fund revenues by $600,000 annually.

Sac. 82. Changes the definitions of "retail sale" in Chapter 422.42, Code of Iowa, to include the sale of yas, electricity, water. and communication service to retail consumers or users as a retail sale. Agricultural breeding livestock and domesticated fowl and chemicals and equipment used in weed control. disease control, insect control, or health promotion ot plants or livestock are excluded tor the definition of retail sale.

The definition of tangible personal property which is sold for processing when it is intended that the property will become an integral part of other tangible personal property intended to be ultimately sold at retail. In addition, the definition of casual sales is expanded to include services.

FISCAL EFFECT: Unknown

Sec 83, 84 Imposes a 4% tax upon the gross receipts derived from the sale of Lottery tickets or shares pursuant to Chapter 99E, Code of Iowa. The tax shall be included in the sales price and shall be distributed to the general fund as provided for in section Y'JE 10, Code of Iowa The enumerated list ot taxable services in section 422 43(11). Code of Iowa, is also expanded.

FISCAL EFFECT: It is expected that the expanded sales and services tax will generate an additional $23 million ti) the general fund in FY 1986 and FY 1987.

Sec 85 88 Exempts agricultural machinery and equipment. industrial machinery and equipment, and industrial computers from the state sales, services, and use tax if certain conditions are met Taxes paid on the purchase or rental 01 agricultural machinery and equipment, industrial machinery and equipment, industrial computers, and replacement parts which are depreciable for state and federal income tax purposes shall be refunded to the purchaser or renter for purchases made between July 1, 1985 and June 30, 1987.

A machinery and equipment refund account is created to be used to pay the refunds. The Department of Revenue shall estimate the amount necessary to credit the amount and make the necessary adjustments.

FISCAL EFFECT: For FY 1986 and FY 1987, it is estimated that $48 million will be set aside tor all machinery, equipment and depreciable parts ($28 milliori for agricultural, $20 million tor industrial), which represents a reduction in general fund revenues The set aside fund will generate an estimated $2.2 million in FY 1986 and $4.3 million in FY 1987 in interest, assuming a 9% rate.

Sec. 101 Exempts newsprint and ink from use tax

FISCAL EFFECT: Unknown.

Sec 114 Relates to the state sales tax as applied to Lottery revenues. As nearly as is practicable, 50% of the projected annual revenues after deduction of the amount of sales tax shall be appropriated for prizes.

FISCAL EFFECT Assuming a Lottery might generate gross sales between $600 and $100.0 million and allowing for the sales tax deduction, annual Lottery prizes are estimated to be between $288 and $480 million

Sec 115. Relates to the state sales tax as applied to the sale of Lottery tickets. A 4% sales tax on the gross sales price of each ticket or share shall be remitted to the Treasurer of the State and deposited into the general fund.

FISCAL EFFECT: Assuming Lottery might generate gross sales between $60.0 and $100.0 million, annual sales tax revenues are estimated to be between $2.4 and $40 million.

Sec. 116 Amends Chapter 422.45(22), Code of Iowa, by amending H.F. 225, Section 122.

S.F. 434
Sec. 13. Limits the amount set aside and placed into the machinery and equipment replacement fund created in S.F 395, Section 88, to $35 million annually

S.F 564
Sec. 1-3 Provides a sales and use tax exemption for sales made to certain facilities: (1) residential and intermediate care facilities for the mentally retarded under Chapter 135C, Code of Iowa; (2) residential facilities for mentally retarded children licensed under Chapter 237, Code of Iowa; (3) rehabilitation facilities that provide services to persons with disabilities which are accredited by the Commission on Accreditation of Rehabilitation Facilities or the Accreditation Council for Services for Mentally Retarded and Other Developmentally Disabled Persons, and adult day care services approved for reimbursement by the Department of Human Services; (4) community mental health center accredited by the Department of Human Services pursuant to Chapter 225C, Code of Iowa. Taxes payable on transactions occurring between July 1, 1980 and July 1. 1985 by the lacilities are no longer due and payable.

FISCAL EFFECT: Upon review of Revenue Department records, an estimate of the taxable purchases of the institutions at current levels cannot be provided Sales tax returns do not indicate the level of taxable purchases made by the institutions.

S.F 574
Sec I Exempts electricity, steam, and other taxable services which are used by a manufacturer of food products for human consumption from the state sales, services. and use tax of ttie processing exemption

FISCAL EFFECT The Department of Revenue estimates that the tax on these services is significant However, information pertaining to the dollar value of taxable services sold for processing marketable food products is not available, thus the exact value Of the exemption is unknown

S F. 580
Sec. I

Provides that the gross receipts from the rental of motion picture film, video and audio tapes and discs. records. photographs, copy. scripts, and other inedta used for the purpose of transmitting that which can be seen, heard, or redd, are exempt from the sales, services, and use tax it a charge which is subject to taxation is imposed for viawiriy or listening. The exemption applies to all payments made on or attar July 1, 1984

FISCAL EFFECT. The general fund balance will be reduced as a result of S F. 580. For FY 1985, 35 refund claims in the amount of $186,794 have been filed by 10 organizations (ti in the motion picture industry, 4 in the iadio and television business) with the Department of Revenue as of March 30, 1985. However, the annual total fiscal effect is unknown

FEDERAL BLOCK GRANT AND PETROLEUM OVERCHARGE SUMMARY

ALCOHOL, DRUG ABUSE & MENTAL HEALTH SERVICES BLOCK GRANT
S.F 585

Sec 11 Appropriates $2,936,000 to the Iowa Department of Substance Abuse.

Sec 12 Transfers 17.8% ($522,608) of the funds appropriated in Section 1.1 to the Division of Mental Health, Mental Retardation, and Developmental Disabilities within the Department of Human Services for community mental health centers.

Sec 13 Limits the amount of funds the Department of Substance Abuse may spend on administration of the block grant to $293,600 and requires that the audit costs be included.

Sec 14 Provides that 5% ($146,800) of the funds appropriated in Section 1.1 shall be used to initiate and provide new alcohol arid drug abuse services to women.

Sec 15 Sets forth the proportions to be used in allocating funds to the programs within the block grant as follows:

Drug Abuse Proyrams	38.89%
Alcohol Abuse Programs	38.89""
Prevention Proyrairis	22.22%

Sec 161 Amends last year's block yrant bill to appropriate $2,936,000 to the Department of Substance Abuse.

Sec 162 Amends last year's block grant to limit the amount of funds that the Department of Substance Abuse may spend on administration to $237,000.

Sac 163 Amends last year's block grant bill to state that 178% of the funds appropriated to the Department of Substance Abuse. as amended in Section 16.1. shall be translerred to the Division of Mental Health, Mental Retardation, and Developmental Disabilities within the Department of Human Services.

COMMUNITY DEVELOPMENT BLOCK GRANT
S.F 585

Sec 51 Appropriates $24,930,000 to the Office tor Planning and Programming

Sec 52 Limits the dmount of funds that the Office lor Planning and Programming may spend on administration of the block grant to $991.000 The total dmount used for these expenses includes $495,500 of funds appropriated in Section 51 and a matching contribution from the state yeneial fund of $495,500 Total ddministrdtive expenses from both federal and state sources shall not exceed 4% of the amount appropriated.

Sec. 12.2 Requires that, if funds received from block grants exceed the amounts appropriated in Section 5 (Community Development Block Grant), 100% of the excess be appropriated to the Community Development Block grant program. Not more than 2% of the excess may be used for additional administrative expenses.

Sec. 14. Amends the FY 1984 block grant bill to provide that, if block grant funds exceed the amount appropriated to the Community Development Block Grant, the excess shall be allocated as specified in a new subsection to the 1983 Acts of Iowa as defined in Section 15.

Sec. 15. Amends the FY 1984 block grant bill to provide that, if block grant funds exceed the amounts appropriated to the Community Development Block Grant, 100% of the excess is allocated to the Community Development Block Grant Program. Not more than 2% of the excess may be used for administration if the amount is equally matched by the state appropriation for related activities of the Office for Planning and Programming.

COMMUNITY SERVICES BLOCK GRANT
S.F. 585

Sec. 4.1a Appropriates $3,768,600 to the Office for Planning and Programming.

Sec 4 1b Provides that not less than 90% of the amount of the block grant will be distributed based upon the *sire* of the poverty-level population in the state. An amount not exceeding 5% of the amount of the grant will be distributed based upon other measures of need in each community action area.

Sec. 4.2 Appropriates an amount not exceeding 5% of the funds appropriated in Section 4.1(a) for administrative expenses of the Office for Planning and Programming.

Sec. 12.6 Requires that, if funds received for block grants exceed the amounts appropriated in Section 4 (Community Services Block Grant), 100% of the excess shall be allocated to the Community Services Block Grant Proyram.

EDUCATION BLOCK GRANT
S.F. 585

Sec 61 Appropriates an amount not to emceed $5.950.000 to :he Departmeiit of Public Instruction.

Sec. 6.2 Allocates 20% of ttie funds appropriated in Section 6 1, riot to exceed $1,190,000, to the Department of Public Instruction to be used tor basic skills developmeiit. stale leaderstiip and support services, educational improvement and support services. special projects, and state administrative expenses and auditing. State administrative expenses of the Department are limited to **$225,000.**

Sec. 6.3 Allocates **80%** of the funds appropriated in Section 6.1 to local education agencies according to ttie following percentages and enrollments:

- 75% on the basis ot enrollment in public and approved non-public schools;
- 20% on the basis of ttie number of disadvantaged students in schools where **the** incidence of disadvantaged students is above average; and
- 5% **on** the basis of the number ot limited English speaking students whose language imposes a barrier to learning

Sec 7 Requires that funds appropriated in Section 6 can not be **used** to aid schools or programs that illegally discriminate in employment or educational programs **on the** basis ot sex, race, color, national origin, or disability

Sec 12 3 Requires **that. il** funds received from block grants **exceed** the amounts appropriated in Section 6.2 (Education Block Grant). the excess shall be deposited **in** a special **fund** created in Section 841 **and be** subject to appropriation by the General Assembly.

GENERAL PROCEDURES FOR THE BLOCK GRANTS

Procedure for Reduced Federal Funds

S.F. 585

Sec. 11.1 Requires the Governor to prorate the funds received to the various programs on the same percentage basis as specified in this Act, other than tor the Rape Prevention Program under Section 3.3. if funding from the federal block grants is less than the amounts appropriated. This does not apply to Section 6 (Education Block Grant) arid Section 9.4 (Social Services Block Grant)

It the Governor determines that the tunds allocated will not be sufficient, the Governor may allocate the funds in a manner which will achieve to the greatest extent possible the purposes of the various programs tor which the block grants are available

Sec 11.2a Requires the Governor, prior to implementing the actions **under** Section 11.1, to notify the chairpersons and ranking members of the Senate arid House Appropriations Committees. the Legislative Fiscal Bureau. and the chairpersons and ranking members **of** the aftected appropriations subcommittees.

Sec. 11.2b Requires the notice to include the proposed allocations. and justification of the percentages or amounts allocated to ttie individual programs.

Procedure for Increased Federal Funds

Sec. 12.1 Requires that, if funds received from block grants exceed the amounts appropriated in Sections 1 (Alcohol, Drug Abuse and Mental Health Block Grant), 2 (Maternal and Child Health Services Block Grant). 3 (Preventive Health and Health Services Block Grant), and 6.3 (Education Block Grant), the excess shall be prorated to the programs according to the percentages specified in those sections, administrative expenses excepted.

Procedure tor Consolidated, Categorical, or Expanded Federal Block Grants

See. 13. Requires federal funding formerly received **as** categorical grants and **consolidated** into block grants, or block grants expanded to include programs formerly funded by categorical grants, be appropriated for the programs formerly funded by the categorical grants, subject to the conditions outlined in the section.

Procedure for Increased Federal Funds

Sec. **20.** Amends last year's block grant bill to provide that, if funds received for block grants exceed the amounts appropriated to the Alcohol, Drug Abuse and Mental Services Block Grant, the Community Services Block Grant. and the Community Development Block Grant, the excess shall be allocated as specified in Section **22** of this Act.

Sec. **22.** Amends last year's block grant bill to provide that. if the Conimunity Services Block Grant exceeds the appropriatidn, **100%** of the excess shall be allocated to the Community Block Grant Program. If the Conimuniry Development Block Grant exceeds the appropriation, 100% of the excess shall be allocated to the Community Development Block Grant Program. Not more than 2% of the excess may be used for administration if the amount is equally matched by the state appropriation tor related activities of the Oflice for Planning and Programming.

LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT

S.F. 585

Sec. 8.1 Appropriates $36,719,800 to the Eneryy Policy Council tor low-income home energy assistance grants.

Sec 8.2 Authorizes **$2,892,000** or 9% of the funds appropriated in Section 8.1, whichever is less, to be used for administrative expenses. Not more than **$290,000** of this niay be used by the Energy Policy Council for administrative expenses. including the cost of an audit.

Sec a 3 Allocates the remaining funds to help eligible households **meet the** costs of home energy. After an allowance of not more than **$1,000,000** for the carry forward, at least 10% and not more than 15% of the funds are allocated **tor** low-income residential weatherization.

Sec 8 4 Requires eligible household to allow residential weatherization or other related home repairs as a condition of receiving **home** energy assistance If ttie eligible household resides in rental property. the unwillingness of the landlord to allow weatherization or other repairs shall riot prevent the household trom receiving home energy assistance.

Sec 12.4 Requires that, if funds received from block grants exceed the amounts appropriated in Section 9 (Low-Income Home Energy Assistance Block Grant), at least 10% and not more than 15% of the excess shall **be** allocated to the **Low**-Income Weattienzation Proyram.

MATERNAL & CHILD HEALTH SERVICES BLOCK GRANT
S.F *585*

Sec 2.1 Appropriates $5,460,672 to the Department of Health

Sac 2.2 Sets forth the proportions to be used in allocating funds to the programs within the block grant as **follows:**

Maternal and **Child** Health Programs	**63%**

(Of these tunds. $48,720 is to be used for the Sudden Infant Death Syndrome Program. $25.000 is to be used **for the** Lead Poisoning Prevention Program. and $208,950 is to be used for the statewide Perinatal Care Program)

University of Iowa Hospitals and Clinics	**37%**

Sec. 2 3 Limits the amount of funds the Department of Health may spend on administration of the **block** grant to $122,030 and requires that audit costs be included. Intent language states that **the** Departments ot Health, Human Scivices, and Public Instruction and the University ot Iowa's Regional and Mobile Child Health Specialty Clinics should continua their integration and coordination projects

Sec. 2.4 Provides that funds transferred from the Prevention Health and Health Services block grant to the Maternal and Child Health block grant shall be transferred to the Division of Personal and Family Health and to Mobile and Regional Child Health Specialty Clinics Program according to the percentages specified in Section 2.2 of this **Act**.

PREVENTIVE H W T H AND HEALTH SERVICES BLOCK GRANT
S.F.*585*

Sec. **3.1** Appropriates **$1,047,495** to the Department of Health

Sec. **3.2** Limits the amount of funds that the Department niay spend on administration of the block grant to **$100.317** and requires that audit costs be included.

Sec. 3.3 Requires that funds specifically designated by the federal government for rape prevention must be spent on that program.

Sec. **3.4** Transfers **7% ($73,325)** of the funds appropriated in Section **3.1** to the Maternal and Child Health Services Block Grant to be used in accordance with Section **2.2** of this Act.

Sec. 3.5 Sets forth the proportions ***to*** be used' in allocating funds to programs within the block grant as follows:

Hypertension Grants	15.2%
Risk Reduction Grants	**21.0%**
Health Incentive Grants	**17.9%**
Emergency Medical Services	**30.0%**
Fluoridation Grants	**15.9%**

SOCIAL SERVICES BLOCK GRANT
S.F. 585

Sec. **9.1** Appropriates **$33,688,017** to the Department of Human Services.

Sac. **9.2** Limits the amount of funds that the Department of Human Services may spend on general administration to **$1,942,708** and requires that audit costs be included.

Sec **9.3** Allocates the balance of the funds appropriated in this section as follows:

Field Operations	$13,306,852
Home-Based Services	$ **155,791**
Foster Care	**$ 4,935,799**
Comnrunity-Based Services	**$ 790,479**
Purchase of Local Services	**$12,421,424**
Volunteers	**$ 134,964**

Sec 94 Appropriates $155,693 from the special block grant fund created by Section 8.41 to the Department of Human Services tor child care provider training. These funds shall not revert to the special block grant fund of the state until September 30, 1987.

Sec 10 Requires the Department of Human Services to develop a plan for the use of federal Social Services Block Grant funds lor the subsequent state fiscal year.

Sec 125 Requires that, if funds received from block grants exceed the amounts appropriated in Section 9.1 (Social Services Block Grant), the excess shall be prorated to the appropriate programs according to the percentages specified in Section Y with administrative expenses excepted

Sec 1? Amends last year's block grant bill *to* provide that the moneys received tor child care provider training be separately received and appropriated as specified in Section 18 ot this Act

Sec 18 Amends last yedr's block grant bill to appropriate $155,963 to the Department of Human Services for child care provider traininy The Slate Comptroller shall account tor these funds separately from other Social Services Block Grant funds

Sec 19 Amends last year's bill to provide that, in the cast? of reduced funding, the moneys received for child care provider training are excepted.

Sec 21 Amends last year's block grant bill to provide that. in the case of increased funding, the moneys received for child care provider training are excepted and whatever amount is received will be appropriated.

THE PETROLEUM OVERCHARGE

S.F 587

Sec 1 Appropriates petroleum overcharge funds to the Energy Policy Council to be distributed as follows

- 21% to Energy Policy Council for low-income residential weatherization
- 37 2% to the Department of Transportation to establish a revolviny loan fund lor rural and community-based transportalion systems
- 27 7% to the Department of Ayriculture for petroleurn quality and motor vehicle inspection
- 9 1% to the Energy Policy Council for energy conservation loans
- 5% to the Energy Policy Council for administration expenses resulting from this Act

States that the appropriations made in this section are for FY 1986, except for the revolviny loan fund which shall not revert at the end of the fiscal year.

Requires that the appropriations made in this section be expended in accordance with the petroleum overcharge funds distribution plan, or any portion thereof. submitted by the state and approved by the United States Department of Energy.

Sec 2. Reauthorizes all unencumbered or unobligated money remaining from the FY 1984 petroleum overcharge appropriation, as well as the interest accrued to the petroleum overcharge funds through June 30. 1985.

Sec. 3. Amends the 1983 Acts of Iowa by striking the requirement that 6% of the FY 1984 petroleum overcharge funds be used for the installation of utility meters in government-owned buildings.

Sec. 4. Amends the 1983 Acts of Iowa by changing the percentage of the FY 1984 petroleum overcharge funds to be used for grants to local governments for eneryy conservation improvements from 47% to 53% and expanding the allowable use of these funds to utility meter installation.

PROGRAM EVALUATION AND RESEARCH ACTIVITIES

PROGRAM EVALUATION AND RESEARCH ACTIVITIES

In addition to the provision of fiscal analysis, the Legislature has assigned responsibility for conducting program evaluations and related research activities to the Fiscal Bureau. During the past year two evaluations, a review of Iowa's economic development programs and three issue analyses have been completed. Currently, two additional evaluations and three issue analyses are underway Below is a brief synopsis of each project.

PROGRAM EVALUATION: THE REORGANIZATION OF THE MENTAL HEALTH. MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES SYSTEM

Synopsis

During the 1981 session. the 69th General Assembly adopted S.F. 572 (Chapter 78, Acts of Iowa) culminating several years of legislative planning and decision-making. This legislation, referred to as the Mental Health arid Mental Retardation Reorganization Act, souyht to address a number of problems in the organization, planning, funding and delivery of mental health and mental retardation services in Iowa. The policy changes adopted in this legislation consolidated state management of the mental health and mental retardation services system, introduced new funding mechanisms. imposed new requirements for county planning, budgeting, and service delivery and strengthened existing quality assurance mechanisms

The program evaluation of the Mental Health, Mental Retardation and Developmental Disabilities System focused on the efficacy of Ihe reorganization and the contributions of the state ayency assigned to implement the reorganization, the Division of Mental Health, Mental Retardation and Developmental Disabilities of the Department ot Huinan Services. A summary of the findings and recommendations of the study are presented here.

Recommendations and Findings

1. Policy-makers including the Commission of MH/MR/DD, the DD Council., county boards of supervisors, state agencies and the Division should focus on developing a system for both formal and informal monitoring and capacity building.

Based on the results of a survey, the decision--making arid goal-setting functions within the system are strong Not as strong were the monitoring and capacity building, functions performed by system policy-makurs. Monitoring can be both a formal process of quality assurance and tiscal responsibility, and an informal process of feedback, assessment and. advocacy.

? Revisions of tha Plan should de-emphasize system description and provide a clear, concise delineation of goals for the system, objectives, actions steps and assignments of responsibility to better guide and coordinate participants within the MH/MR/DD system.

Creation of the county planning process is viewed positively. Counties report that the general allocation application is a valuable tool in planning. The Comprehensive State Plan is not as useful. While the Plan does an adequate job of describing the system, it does not provide a useful delineation of goals, objectives, action steps and responsibility assignments for use by organizations within the system.

3 The Division should improve the data collection and management information system for convenient use by system participants, focusing particular attention on information regarding service availability, level and accessibility. In, addition. the Division needs to reach a point of standardizing and finalizing definitions, forms, and tools for them lo be effective measures of system change.

The Division is mandated to establish and maintain a data collection and management information system oriented to the needs of patients, providers, the department, and other programs or facilities. We found their information inadequate to answer questions concerning service availability. levels of service available and actual accessibility of those services. Their "system" is fragmented, poorly organized, incomplete, and for the most part, not automated.

4 The Division needs to work toward or negotiate greater consensus on the yoals of the MH/MR/DD system and The ways in which those goals will be attained. An equalitarian communication style and a better balanced flow of resources between the Division and participating organizations should be optimized and maintained.

Five factors appear to be key for the Division to coordinate organizational activities within the MH/MR/DD system, regardless of the population an organization serves, the variety or complexity of the organization's involvement in the system. the existence of disputes between an organization and the Division or their degree resolution. the frequency of contacts, or the degree of balance of power and trust and sympathy with the Division.

Coordination is highest when 1) consensus is reached on the important needs of the MH/MR/DD population and the way services should be provided. 2) formalization of relationships are maintained between the Division and other organizations in the system, 3) the contacts between the Division and an organization are important to accomplish the organization's mission, 4) there is optimal symrnetry in the transactions between the Division and other organizations creating reciprocal working ielationships, and 5) an equalitarian communication style is maintained with organizations.

5 Reliance on local property tax for MH/MR funding limits the development of a comprehensive array of services in smaller rural counties. If the goal is to reduce the heavy reliance on local properly tax by smaller rural counties two options exist 1) The General Allocation formula should be Adjusted to provide more dollars to small counties which have the greater service deficiencies, or 2) more money should be committed to the Community Services Fund to provide a greater proportion of state to local dollars statewide

It appears that there is uniformity of counties' property tax burden and financial effort. Per capita local expenditures and levy rates have been approximately equal across the state from 1977 through 1983.

Increases to the Community Services Fund by the state have not been ot significant proportion to local property tax revenues to influence the local system. Although the services fund has committed a million dollars more each of three years, counties still raise the largest portion of funds for local services.

Although the dollar amounts expended locally for MH/MR/DD services continues to increase, an adjustment for inflation shows that no new real dollars are entering the system Expenditures are merely keeping pace with inflation; more money is not being committed to fund the system

6 The Division should develop a clear strategy tor expanding the range of services to rural counties, particularly those with lower populations and lower property values which experience the highest levels of service deficiency Previously recommended changes in funding help to address the problems associated with "economies-of--scale" in rural areas. Greatly expanded monitoring and capacity-building are necessary by the Divisiori to assist local planners in developing the necessary skills for initiating new and alternative services locally

While most counties report the existence of more local services now than they did in 1979. counties with low median income and low population still report large yaps in services. Transitional services such as emergency. local inpatient, intermediate care/partial hospitalization arid residential services are areas of greatest service deficiency.

The ongoing change of service detinitions by the Division has made it difficult to track changes in service availability. In addition, the Division has little information to determine the level and accessibility of services or the general availability of services.

7 The General Assembly should remove the conflict that exists between Chapters 225C.4(s) and 2272 and 227.4 Code of Iowa to clarify standards and enforcement responsibilities for the Division and the Oepartment of Health.

The Division is mandated to establish suitable standards of care, treatment and supervision of mentally disabled residents of CCF's and the Department of Health is assigned enforcement of these and other standards. To date, these standards have not been established nor have enforcement procedures been implemented. In their attempt to be more comprehensive and have such standards apply to all other residential facilities, the Division and Department of Health have expanded the mandate beyond a manageable scope. Neither agency has been able to distinguish their responsibilities for such activities Io meet the mandate. A conflict between two Code of Iowa chapters compounds the problem Chapter 225C.4(s) requires the Division to recommend and enforce standards. while Chapter 227.2 and 227.4 requires Division recommendation of standards and Health Department inspection. but deletes the Division's enforcement responsibility.

8. The Division and the Department of Health should proceed with the promulgation and implementation of standards for County Care Facilities.

The legislation mandated that the MH/MR/DD Commission and Division develop and adopt standards for community mental health centers. county care facilities, and other providers. Rules have been promulgated for CMHC and other providers. but are yet to be developed tor county care facilities.

9 The Division and Department of Health should develop, for the General [illegible] proposed [illegible] requires licensing of ICFs and [illegible]s appropriate to the levels of care of the mentally disabled they serve. Included in this legislation should be a revision of Division responsibilities to include the recommendation and transmittal to the Health Department, of standards for the treatment and care of the mentally ill, the mentally retarded and the developmentally disabled in such licensed health care facilities.

With the MH/MR/DD quality assurance system, standards are being applied based on the physical and safety needs of residents rattier then on the programmatic and treatment needs for the variety of disabilities of clients served by the facility. For example, licensed health care facilities standards focus on health and safety requirements rather than treatment needs of the mentally ill or retarded who may be in residence. Standards may not, in such cases, appropriately address the needs of all clients served by some facilities

PROGRAM EVALUATION: DISPUTE RESOLUTION

Synopsis

In Iuwa. the General Assembly has funded dispute resolution programs for three years In FY 1983, $100,000 of funding was provided for six programs around the state The appropriation was reduced to $75.000 lor the FY 1984 and FY 1985. The appropriations required a 25% local match, and were intended tor expansion of existing or development of new dispute resolution prograns This funding was to provide model programs that would divert criminal and civil disputes from judicial proceedings by providing mediation and conciliation services.

Of the six programs that received funding, only one had been in existence before the first year of state funding It was originally expected that counties would be primarily responsible for financing these programs However, with the passage of ttie court reorganization legislation, which directs the state to pay for court costs, the incentive tor counties to assume the financial responsibility lor these programs is diminished During the grant process for FY 1984 and FY 1985 the legislature limited funding to those programs which had received grants in FY 1983. This evaluation was designed to provide information tor policy decisions regarding the state's involvement with dispute resolution programs

The program evaluation of Dispute Resolution in Iowa produced the following findings and recommendations

Findings

1. The current dispute resolution programs in Iowa offer informal and accessible forums as an alternative to the courts for minor disputes.

Over 8,000 cases were referred to the Iowa programs in FY 1984 and in over half of these cases an agreement 'was reached between the disputing parties The programs use a number of different mediation sites and schedules to minimize any inconvenience for the disputing parties.

2 The goals and objectives of dispute resolution programs have not been clearly defined by the General Assembly.

Guidelines and goals for these programs have never been clearly stated in the appropriation language, and no language concerning the programs has been written into the Code of Iowa. The programs currently operate under guidelines and goals established by the State Court Administrator's Office, although this office tie) longer administers the program.

3 The General Assembly has not indicated the types of cases thdt are appropriate for dispute resolution programs

Different programs handle a wide variety of disputes Four of the programs are involved in handling dishonored checks; in two of the programs, dishonored checks make up over 80% of the caseload. The services provided to holders of bad checks by the dispute resolution programs does not differ in any significant way from the services provided by a collection agency Also. some cases handled by the programs involve conflicts in which criminal charges have been or could be filed In a traditional criminal prosecution the action is filed by the State. However, in mediation the parties involved have the authority to agree upon a resolution of the dispute, and the State has no formal role.

4 The current programs serve only a limited area of the state and the area served has not expanded since state funding began.

The original intent ot the legislative appropriation was to provide seed money for new programs However. only the programs which received grants in FY 1983 received continued funding in FY 1984. In FY 1985. only those programs which received grants in FY 1984 could qualify for funding and only five of the original six programs received funding. The population served by dispute resolution prograins is overwhelmingly urban and only 28% of Iowa's total population is located in areas served by all six programs.

5 No meaningful state monitoring of these proyrains exists.

No state agency has ever requested an appropriation lor these proyrams. The first two years of the program, FY 1983 arid FY 1984, the appropriation was made to the Court Administrator's Office. The office was given $6,000 and $4,000. respectively, to administer the program For FY 1985, the program is being administered by the Prosecuting Attorneys Training Council which is receiving no funding for administration. The individual programs are only required to meet minimal standards to receive funding. No monitoring of the programs takes place to assess their proycess in meeting these standards

6 Some of the programs do not maintain the statistical records originally required by the State Court Administrator's Office

Some proyrarns do not collect all the required information on type and source of referral. No standardized reporting requirements exist and as a result each program has developed a different method for classifying and reportiny cases. This means accurate comparisons between programs is impossible.

7 Four of the advisory boards are active, and two boards have low income representatives among their membership.

Four of the six boards are limited to an advisory role According tu research conducted by the prograins arid research outside of Iowa. a large number of clients of dispute resolution programs are low-income individuals However, low-income client populations served by the dispute resolution proyrains are not always represented in policy making or yoverniny of the board.

8 Currently, there is insufficient data to determine if the six dispute resolution programs have significantly affected the number of cases that would have been litigated in court

This lack of evidrrice can be attributed to the relatively short amount of time the programs have been operating, as well as to the small number of cases handled by the proyrarns when compared to the number handled by the courts The effectiveness of dispute resolution programs in diverting cases from the courts cannot be statistically assessed with currently available information.

9 Information gathered by the programs during medidtion is currently not protected from baing subpoenaed in subsequent litigation.

The only protection afforded to mediators in this regard, in Iowa. is a set of informal agreenients made with prosecuting attorneys. Mediators must obtain sensitive information in order to help parties reach an agreement. The effectiveness of the mediation process could be diminished if the disputing parties believed that the information they give could be used in later court proceedings.

Recornmendations

1. The State of Iowa discontinue funding dispute resolution programs.

The benefits that the programs provide accrue principally to a limited number of local areas rather than to the state as a whole

2 The General Assembly should investigate granting the authority for local funding mechanisms for dispute resolution proyrams.

The individual programs each provide a service lo their community. A program designed and supported at the local level would allow continuation of existing services and possibly the extension of services to other areas of the state. One mechanism used by other states to fund dispute resolution programs at the local level is allowing counties to impose a small surcharge on court tiling fees.

3. The General Assembly should enact a statute which protects the confidentiality of mediation subject to subsequent court action.

Currently, the Iowa programs must rely on informal agreements with local prosecutors that information will not be demanded from mediators. In some instances mediators have been threatened with subpoenas for the release of information. In other states mediators have received confidentiality protection of memorandum, tiles and written agreements. This is similar to the confidentiality currently granted in Iowa to practicing attorneys, counselors. physicians, mental health prolessionals, stenographers, and ministers or priests.

4. The General Assembly should determine what type of cases can be mediated by dispute resolution programs.

Collection of bad checks traditionally has been handled by the county attorney or collection agency. Collection of tad checks does not fit the traditional idea of mediation; most simply .involve a letter from a dispute resolution program and then telephone contact to discuss payment terms. Dispute resolution programs also handle a number of cases where criminal charges could be brought. This has included potential felony charges which have gone to mediation

ISSUE ANALYSIS: DRIVING WHILE INTOXICATED. A REVIEW OF PROSECUTIONS UNDER IOWA LAW

Synopsis

This analysis focused on two main questions:

What penalties are being applied to persons convicted of operating a motor vehicle while intoxicated (OWI)?

Data for a sample of OWI cases showed that among those convicted and sentenced the distribution of penalties was 1) prison - 1.4 percent; 2) jail - 34.9 percent; 3) fine - 52.5 percurit; and, 4) probation - 38.9 percent

In addition, the research found that only 66 percent of those arrested for OWI actually were convicted Of those convicted and sentenced for OWI, only 33.8 percent served any post sentencing incarceration time. Even among those convicted of second offense OWI, for which the Code of Iowa clearly requires a seven day sentence upon conviction, nearly 3 percent did not serve any post conviction time.

Are these penalties consistently applied?

Here the research showed that mettopolitan counties tend to make more use of deferred judgements and deferred prosecution arid some disparity was also noted between uiban and rural counties in sentencing

Recommendations

Four recommendations were generated for legislative consideratton

1 Reduce the 0.13 Blood Alcohol Concentration (BAC) level of intoxication to 0.10 BAC.

This would likely result in increased prosecutions and convictions, but may increase caseloads lor county attorneys and courts thus slowing the administration of justice.

2. Require an immediate 30-day mandatory suspension of drivers license for first-time offenders.

Studies in California and Washington suggest that swift and certain loss of driving privileges is the best deterrent to drinking and driving.

3. Establish truly mandatory minimum sentences tor all OWI offenders with prohibitions for a deferred or suspended sentence.

This would limit judicial discretion and likely result in more charge bargaining at the pretrial stage.

4 Establish a minimum drinking age of 21.

Much of the Concern in Iowa and nationally is the fact that younger drivers are disproportionately involved in alcohol related accidents. Data show that although only 11.5 percent of all licensed drivers are under aye 21, they account for 30 percent of the drunk drtvers involved in fetal crashes.

ISSUE ANALYSIS SAFETY BELT MANDATORY USE LAW

Synopsis

The impetus and momentum for states *to* pass mandatory safety belt usage legislation appears to come from two areas: 1) auto manufacturers and sellers urging states to adopt such legislation so that they will not be required to install other safety devices (e.g. air bays) in vehicles; and, 2) those who feel satety belts really do save lives

In this analysis the tocus was on two main questions.

What action are other states taking?

It was found that five states had passed some form of mandatory seal belt legislation and many more were considering it However. opponents wete urging states to require safer vehicles rather than or in addition to such tegislation.

What are possible Beneficial impacts if Iowa were to adopt a mandatory safety belt usage law?

The analysis identified several benefits to the state for passage of such a law These included: 1) a reduction in the state share of medicaid paynients. 21 fewer long-term care patients at state institutions; 3) less aid to dependent children paynients to families of these injured or killed; 4) less workers compensation/sick leave for state employees; 5) less litigation costs and judgements against the state; 6) reduced autotriobile insurance for state-owned vehicles; and 71 a reduction in other indirect expenses or losses (e.g loss of tax revenue).

The policy options identified for the Iowa legislature were

1 Take no legislative action

Changes in drunk driving laws, increased education efforts and changes in automobile desiyn may continue to reduce injuries and fatalities in Iowa. Legislation at the federal level may also reduce the need for Iowa to intervene at this time.

2 Offer incentives for seat belt usage

Among those used by other states are a mandatory discount on auto insurance for cars equipped with automatic restraints (New York), allow failure to wear seat belts to be used to mitigate damages resulting from an accident (New York, Michigan and Missouri). or provide as done in Tennessee, give a coupon redeemable lor five dollars to citizens found wearing a seat belt at random stops

3. Pass a mandatory use law

Proponents argue it is the quickest way to increase usage and would result in considerable saving of lives and reduction of injuries

ISSUE ANALYSIS SCHOOL DISTRICT ENROLLMENT COUNTS

Synopsis

The state legislature has an interest in enrollment counts as they are a major factor in determining state aid. The Iowa State Foundation did program utilizes a formula to determine the ainount of state aid and local property tax dollars used in funding school districts State aid represents a significant portion ot revenue lo school districts budgets. The proportion of districts budgets composed of state dollars has been increasing since the inception of the Foundation program, 27.8 percent in FY 1970 71 to 43.2 percent in FY 1983-84.

A weiyhted enrollment count is used in calculating the aid each school district will receive. The pupils count used for state aid budget purposes is comprised of four parts; 1) Actual certified pupil enrollments, 2) Compensation for declining enrollments, 3) Special education weighting. 4) Supplemental weighting.

Of these four parts, only actual certified pupils is a real enrollment count of which two items could be verified; school staff computations and district residency of the students. There are no attendance criteria that need to be met. The second part of the weighted enrollment formula, the compensation for declining enrollments. reduces the value of enrollment auditing

Even if the actual count is added to or subtracted from as the result of an audit, the compensation factor may negate any change in weiyhted enrollment For the special education factor, the placement decisions are the main concern. Because of small number in supplemental weighting, the impact of auditing this category would be minimal.

Are school district enrollment counts accurate?

There are several ways enrollment counts may be checked for errors At the district level, for planning purposes, school superintendents project the expected September enrollment count before the actual count is taken. It the number count at a school is significantly different from the projection, this indicates to the superintendents office that there may be a mathematical error. After the start of the school year. those students who do not attend classes but were enrolled are contacted. It a student moves out of the district or will not be attending a school, they will be deleted from the enrollment rooster before the count is submitted to the superintendent. Accuracy problems may be present in the case of school dropouts who do not attend another school. In 1983-84, DPI school data indicates there were 5,109 public school dropouts.

At the state level. the DPI will analyze which districts have had their enrollment counts increase or dectease by a percentage much greater than the average district percentage change. The School Administration and Finance Office staff considers district counts to be reasonably accurate.

Ttie policy options identified for the Iowa legislature were

1 No legislative actiori

At present, the DPI receives calls trom districts correcting enrollment figures with additions to the count or subtractions which were in error when transcribed. This indicates an earnest attempt on the part of school districts to be as accurate as possible. Also the Foundation formula does not have a one to one relationship with enrollment figures. Numerous factors have entered the formula to estimate average costs, and aid in planning tor the current period of declining enrollments The factors make the value of enrollment audits questionable

2 Audit special education students

Currently. a team (which may include the parent, teacher, principal, and professionals iii the area of the student needs) makes the judgement regarding program placement, and districts receive extra funding based on the needs of various programs. The cost may be prohibitive to assign a similar multidisciplinary team to review the placement weighting. There may be few alternatives for placement in certain areas 01 the state. and again, It may not effect state aid to the district.

3 Select a different pupil count

Legislative leaders have been considering a change in the educational funding formula Some criticism has been aimed at the factor compeiisating tor declining enrollments which critics charge as adding "phantom students". If the formula is changed, consideration should be given to alternative methods of countiiig students (e.g. an average daily census or a full time equivalent count).

4 Audit actual certified enrollments

If the school aid formula is changed to rely more on actual enrollments tor fuiidiny, verification would take on more importance Either legislative or administrative action may be needed requiriny districts to maintain uniform records for possible audits A procedure for auditing enrollment could be added to the current financial audit requirement

ECONOMIC DEVELOPMENT

This report produced a breakdown of all State departments and programs involved in economic development activities A brief description of edch program with funding sources and actual or estimated dollar amounts for FY 1984, FY 1985 and FY 1986 was provided

RESEARCH IN PROGRESS

During the current interim, staff will be working on evaluations of Iowa's Job Training Programs and components of the Child Welfare System. Both studies should be completed prior to the next legislative session. In addition. three issue analyses are in process.

1 The Job Insurance Program in Iowa - Administering Unemployment Compensation.

2. Child Abuse Investigation

3. Development of an Area Health Center Education Program.

Additional issue analysis topics may be forthcoming from interim study committee members.

Copies of past reports are available upon request from the Legislative Fiscal Bureau, Capitol Complex, Des Moines, Iowa 50319. (515) 281-6766.

RESOLUTIONS AND ENROLLED BILLS

HOUSE CONCURRENT RESOLUTION NO. 41

BY COMMITTEE ON APPROPRIATIONS

A Concurrent Resolution relating to the board of regents ten-year building program.

WHEREAS, pursuant to section 262A.3, the state board of regents prepared and within seven days after the convening of the Seventy-first General Assembly of the State of Iowa, First Session, submitted to the Seventy-first General Assembly, First Session, for approval the proposed ten-year building program 'for each institution of higher learning under the jurisdiction of the board, containing a list of the buildings and facilities which the board deems necessary to further the educational objectives of the institutions, together with an estimate of the cost of each of the buildings and facilities and an estimate of the maximum amount of bonds which the board expects to issue under chapter 262A for each year of the fiscal biennium beginning July 1, 1985, and ending June 30, 1987; and

WHEREAS, the projects contained in the building program are deemed necessary for the proper performance of the instructional, research, and service functions of the irstitutions; and

WHEREAS, section 2628.4 provides that the state board of regents, after authorization by a constitutional majority of each House of the General Assembly and approval by the Governor', may undertake and carry out at the institutions of higher learning under the jurisdiction of the board any project as defined in chapter 262A; and

WHEREAS, chapter 262A authorizes the state board of regents to borrow money and to issue and sell negotiable revenue bonds to pay all or any part of the cost of carrying out projects at

any institution payable solely from and secured by an irrevocable pledge of a sufficient portion of the student fees and charges and institutional income received by the particular institution: and

WHEREAS, to further the educational objectives of the institutions, the state board of regents requests authorization to undertake and carry out certain projects at this time and to finance their cost by borrowing money and issuing negotiable bonds under chapter 262A in a total amount not to exceed twenty-two million seven hundred seventy thousand (22,770,000) dollars, the remaining cost of the projects to be financed by capital appropriations or by federal or other funds lawfully available: NOW THEREFORE,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, THE SENATE CONCURRING, That the proposed ten-year building program submitted by the state board of regents for each institution of higher learning under its jurisdiction is approved: and

BE IT FURTHER RESOLVED, That no commitment is implied or intended by approval to fund any portion of the proposed ten-year building program submitted by the state board of regents beyond the portion that is financed and approved by the Seventy-first General Assembly, First Session, and the Governor: and

BE IT FURTHER RESOLVED, That during the biennium which commences July 1, 1985, and which ends June 30, 1987, the maximum amount of bonds which the state board of regents expects to issue under chapter 262A is twenty-two million seven hundred seventy thousand (22,770,000) dollars, all or any part of which may be issued during the fiscal year ending June 30, 1986, and if all that amount should not be issued during the fiscal year ending June 30, 1986, any remaining balance may be issued during the fiscal year ending June 30, 1987, and this

plan of financing is approved: and

BE IT FURTHER RESOLVED, That the state board of regents is authorized to undertake and carry out the following projects and to pay all or any part of the cost of carrying out the projects by borrowing money and issuing negotiable revenue bonds under chapter 262A in a total amount not to exceed twenty-two million seven hundred seventy thousand (22,770,000) dollars:

State University of Iowa

Chemistry-botany building remodeling -- phase II

Cost of issuance of bonds

Iowa State University of Science and Technology

Gilman Hall remodeling -- phase II

Home economics building addition/remodeling -- phase I

Industrial education building remodeling

Agricultural diversification facility, including equipment

Food crops research center remodeling

Cost of issuance of bonds

University of Northern Iowa

Research and instructional equipment and utility improvements

Latham Hall remodeling

Cost of issuance of bonds

BE IT FURTHER RESOLVED, that if any self liquidating bonds for fluidized bed boilers are issued under chapter 262.44, the Board of Regents will report to the joint subcommittee on educational appropriations by January 15 of each year on the construction progress of the fluidized bed boilers. After the fluidized bed boilers are installed, the Board will report yearly on the fuel savings achieved by the use of fluidized bed boiler technology.

We, Donald D. Avenson, Speaker of the House and Robert T. Anderson, President of the Senate and Joseph O'Hern, Chief Clerk of the House and K. Marie Thayer, Secretary of the Senate, hereby certify that the above and foregoing Resolution was adopted by the House of Representatives and the Senate of the Seventieth General Assembly.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

JOSEPH O'HERN
Chief Clerk of the House

K. MARIE THAYER
Secretary of the Senate

I hereby certify that this resolution originated in the House and is known as House Concurrent Resolution 41, Seventy-first General Assembly.

TERRY E. BRANSTAD
Governor

TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR
STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

May 28, 1985

The Honorable Donald Avenson
Speaker
House of Representatives
State Capitol Building
LOCAL'

Dear Mr. Speaker:

I am unable to approve House Concurrent Resolution 41, a concurrent resolution relating to the Board of Regents Ten-Year Building Program, in accordance with Section 262 A.4 of the Code of Iowa, 1985.

House Concurrent Resolution 41 gives the State Board of Regents the authority to issue negotiable bonds under Chapter 262 A in a total amount not to exceed $22,770,000. The proceeds of these bonds would be used to fund several capital remodeling projects at the Regent institutions. Student tuition is pledged to repay these bonds. However, there is a longstanding commitment that the General Assembly will appropriate funds to replace these tuition revenues.

I support these capital remodeling projects. In fact, the budget I submitted to the General Assembly in January included recommendations for funding from lottery revenues in the 1985-1987 biennium for a number of these same projects. However, rather than providing for these projects through the appropriations process on a pay-as-you-go basis, House Concurrent Resolution 41 would fund them through further bonded indebtedness. Funding these projects in such a manner is not in the best interests of the State of Iowa.

Financing remodeling projects through bonded indebtedness greatly increases the cost to the taxpayers. Interest payments and costs of bond issuance would raise the total cost of these projects to more than $40 million over the life of the bonds.

Over the next 17 years, more than $206 million in principal and interest payments will come due for bonds already outstanding. The cost in the next two fiscal years alone will exceed $41 million. Increasing this debt load by bonding for remodeling

projects at this time would be imprudent, and could divert needed funds from the Regents operating budgets in the future.

In addition, as a practical matter, the Regents staff anticipates that the bonds authorized under this resolution could not be sold until May or June of 1986. Thus, the projects to he funded by the proceeds of the bonds could not begin until very late in fiscal year 1986, or the beginning of fiscal year 1987.

Given this timetable, the remodeling projects would not be delayed if the General Assembly would consider these projects for direct appropriations in fiscal year 1987.

In light of the state's present financial difficulties, it would not be wise to commit the state to $40 million of additional spending at this time. To the extent possible, the state should use a pay-as-you-go policy in funding remodeling projects.

For these reasons, I hereby respectfully disapprove House Concurrent Resolution 41.

Sincerely,

Terry E. Brnnstad
Governor

TEB:wm

cc: Secretary of the Senate
Chief Clerk of the House

HOUSE CONCURRENT RESOLUTION NO. 43

BY COMMITTEE ON APPROPRIATIONS

A House Concurrent Resolution authorizing the payment of fees for legal services rendered the Iowa General Assembly.

BE IT RESOLVED BY 'THE HOUSE OF REPRESENTATIVES, THE SENATE CONCURRING, That the Iowa General Assembly authorizes the payment of the sum of sixteen thousand (16,000) dollars, from the funds appropriated by section 2.12 to be used to pay legal expenses of the appellant in Rush v. Ray, No. 83-1191, filed by the supreme court on February 13, 1985; and

BE IT FURTHER RESOLVED, That the state comptroller shall pay to the attorneys of record for the appellant the amount authorized by this resolution.

HOUSE FILE 150

AN ACT
RELATING TO FEES COLLECTED BY THE SHERIFF.

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

Section 1. Section 331.655, subsection 1, paragraphs a, b, c, e, f, g, h, i, k, 1, and o, Code 1985, are amended to read as follows:

a. For serving a notice and returning it, for the first person served, six ten dollars, and each additional person, six ten dollars except the fee for serving additional persons in the same household shall be three five dollars for each additional service, or if the service of notice cannot be made or several attempts are necessary, the repayment of all necessary expenses actually incurred by the sheriff while attempting in good faith to serve the notice.

b. For each wdrrant served, six fifteen dollars, and the repayment of necessary expenses incurred in executing the warrant, as sworn to by the sheriff, or if service of the warrant cannot be made, the repayment of all necessary

expenses actually incurred by the sheriff while attempting in good faith to serve the warrant.

c. For serving and returning a subpoena, for each person served, six fifteen dollars, and the necessary expenses incurred while serving subpoenas in criminal cases or relating to the mentally ill process.

e. For summoning a jury to assess the damages to the owners of lands taken for works of internal improvement, and attending them, thirty sixty dollars per day, and necessary expenses incurred. This subsection does not allow a sheriff to make separate charges €or different assessments which can be made by the same jury and completed in one day of ten hours.

f. For serving an execution, attachment, order for the delivery of personal property, injunction, or any order of court, and returning it, five ten dollars.

g. For making and executing a certificate or deed for lands sold on execution, or a bill of sale for personal property sold, five twenty-Eive dollars.

h. For the time necessarily employed in making an inventory of personal property attached or levied upon, three *eight* dollars per hour.

i. For a copy of any paper required by law, made by the sheriff, twenty-five fifty cents.

k. For each-day attending sale of property, three thirty dollars.

1. For conveying one or more persons to a state, county, or private institution by order of court or commission, necessary expenses for the sheriff and the person conveyed and three ten dollars per hour for the time necessarily employed in going to and from the institution, the expenses and hourly rate to be charged and accounted for as fees. If the sheriff needs assistance in taking a person to an institution, the assistance shall be furnished at the expense of the county.

o. For posting a notice or advertisement, ~~the fee provided in section 618.12~~ one dollar.

DONALD D. WVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the Mouse and is known as House File 150, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Govcrnor

HOUSE FILE 183

AN ACT

RELATING TO A USER FEE €OR CERTAIN STATE LANDS UNDER THE JURISDICTION OF THE: STATE CONSERVATION COMMISSION, WRITING FEES, MAKING AN APPROPRIATION, AND PROVIDING A PENALTY.

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

Section i. Chapter 111, Code 1985, is amended by adding the following new section:

NEW SECTION. USER PERMTTS FOR CERTAIN STATE LANDS.

1. A person shall not park or permit to be parked a motor vehicle required to be registered under chapter 3Zi on state land under tne jurisdiction of the conservation commission where a user permit is required by subsection 3, unless the vehicle has a user permit attached in accordance with this section.

2. This section does not apply to the following vehicles:

a. Official government vehicles, or vehicles operated by state, county, city, and federal employees and agents while in the performance of official government business.

b. Vehicles operated by family members and guests of a commission employee residing at an area subject to the user permit requirement. The commission shall provide for temporary devices to identify the vehicles of such guests.

c. A vehicle moving on highways within or that cross state land to which this section applies.

d. A vehicle transporting employees to or furnishing services or supplies to the conservation commission or designated concessionaire.

e. A vehicle displaying a handicapped identification device issued under chapter 601E.

3. The requirement of a user permit applies to developed campgrounds at the Shimek, Yellow River, and Stephens state forests, and all areas managed by the state parks section of the conservation commission except those excluded by rule. However, the requirement of a user permit shall not apply on any land acquired by gift if a condition of the gift was the free, public use of the land.

4. The user permit issued by the commission is valid for either the calendar year in which issued or for twenty-four hours from the time of purchase. The fee is ten dollars for the calendar year permit and two dollars for the daily permit.

5. User permits shall be issued without the permit fee by the county recorder to individuals who present a current medical assistance identification card provided by the department of human services or to individuals who show proof of age of sixty-five years or older or to individuals who declare themselves in writing to be current food stamp recipients and who sign a release allowing the department of human services to confirm or deny their eligibility status upon request of the county recorder or the conservation commission.

6, User permits shall be sold by the commission and county recorders and may be sold by depositaries designated by the recorders or the director under section 110.11. A writing fee say be charged for dispensing the user permits as provided under section 110.12 for licenses. Duplicate user permits shall not be issued.

7. A user permit is not transferable between vehicles and shall be displayed as the commission prescribes by rule.

8. a. An officer of the commission who observes a motor vehicle parked in violation of this section shall take the vehicle's registration number and may take other information displayed on the vehicle which may identify its user and deliver to the driver or conspicuously affix to the vehicle a notice of violation in writing on a form provided by the commission. A person who receives the notice or knows that a notice has been affixed to the motor vehicle owned or controlled by the person may pay a civil penalty of twenty dollars to the commission within twenty days. If the civil penalty is not timely paid, the commission may cause a complaint to be filed against the owner or operator of the motor vehicle before a magistrate for the violation of this section in the manner provided in section 804.1. Timely payment of the civil penalty shall be a bar to any prosecution for that violation of this section. All civil penalties collected under this subsection shall be deposited in the general fund of the state.

b. If a citation is issued for a violation of this section and a plea of quilty is entered on or before the time and date set for appearance, the fines shall be thirty dollars and court costs and the criminal penalty surcharge of section 411.2 shall not be imposed.

c. The conunission shall provide to its officers sets of triplicate notices each identified by separate serial numbers on each copy of notice. One copy shall be used as a notice of violation and delivered to the person charged or affixed to

the vehicle illegally parked, one copy shall be sworn to by the officer as a complaint and may be filed with the clerk of the court of the county if the civil penalty is not timely paid to the commission and one copy shall be retained by the commission for record purposes.

9. The county recorder shall remit to the commission all fees from the sale of user permits within ten days from the end of the month. The ccmrnission shall remit the fees from sales of user permits to the treasurer of state who shall place the money in a state park, forest, and recreation area facilities improvement trust fund. Notwithstanding section 153.7, subsection 2, interest or earninqe on investments or time deposits of the funds in the state park, forest and recreation area facilities improvement trust fund shall be credited to that fund. The money in that fund is appropriated to the commission solely for renovation, replacement, and improvement of facilities otherwise acquired in state parks, forests, and recreation areas. Notwithstanding chapters 36 and 978, persons employed by the commission with the money from the trust fund are not eligible for membership in the Iowa public employees' retirement system or eligible to receive unemployment compensation benefits by virtue of this employment.

10. A person who receives a notice of violation under this section may, in lieu of paying the civil penalty. produce proof that the person has acquired a current calendar year permit. The proof shall be submitted to the commission in ehe same manner as the civil penalty.

Sec. 2. Section 111.57, Code 1985, is amended to read as tollows:

111.57 PENALTIES.

Any person violating any of the provisions of the foregoing sections numbered 111.35 to 111.56 shall be and section 1 of this Act is guilty of a simple misdemeanor.

Sec. 3. This Act takes effect January 1 following enactment.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 183, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

HOUSE FILE 225

AN ACT

RELATING TO ECONOMIC DEVELOPMENT BY CREATING A FIVE-YEAR STATE LOTTERY, PROVIDING PENALTIES, AND PROVIDING REVENUES FROM THE STATE LOTTERY TO BE USED FOR CERTAIN ECONOMIC DEVELOPMENT PROGRAMS AND ACTIVITIES: PROVIDING FOR SET-ASIDES IN STATE PROCUREMENT CONTRACTS FOR SMALL MINORITY BUSINESSES; PROVIDING FOR THE REORGANIZATION OF STATE ECONOMIC DEVELOPMENT PROGRAMS AND ACTIVITIES WITH THE IOWA DEVELOPMENT COMMISSION ACTING AS THE INTERIM COORDINATING AGENCY FOR ECONOMIC DEVELOPMENT UNTIL THE NEW DEPARTMENT OF ECONOMIC DEVELOPMENT IS CREATED; CREATING AN IOWA PARTNERSHIP FOR ECONOMIC PROGRESS ADVISORY COMMITTEE TO ADVISE THE IOWA DEVELOPMENT COMMISSION AND THE GENERAL ASSEMBLY ON ECONOMIC DEVELOPMENT MATTERS AND THE USES TO BE MADE OF TBE REVENUES FROM THE STATE LOTTERY; CREATING AN IOWA WORLD TRADE CENTER SELECTION ADVISORY COMMITTEE TO ACCEPT PROPOSALS FROM PRIVATE GROUPS ON THE CONSTRUCTION OF THE IOWA WORLD TRADE CENTER, TO SELECT FROM THOSE PROPOSALS ONE PROPOSAL UNDER WHICH THE STATE WILL PURCHASE SPACE IN THE IOWA WORLD TRADE CENTER, AND TO BECOME PART OF THE NONPROFIT CORPORATION FORMED TO OPERATE, MANAGE AND LEASE THIS STATE-OWNED SPACE; ESTABLISHING A PRIMARY RESEARCH AND MARKETING CENTER

FOR BUSINESS AND INTERNATIONAL TRADE AND SATELLITE CENTERS; CREATING A FORGIVABLE LOAN PROGRAM FOR LOANS TO STUDENTS WHO REMAIN RESIDENTS OF IOWA AND ARE EMPLOYED AS A TEACHER UNDER CERTAIN CIRCUMSTANCES: WAKING APPROPRIATIONS FOR ECONOMIC DEVELOPMENT PROGRAMS AND ACTIVITIES: AND PROVIDING AN EFFECTIVE DATE.

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

DIVISION I

Section 101. NEW SECTION. 99E.1 TITLE.

This chapter may be cited as the "Iowa Lottery Act".

Sec. 102. NEW SECTION. 99E.2 DEFINITIONS.

As used In this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of the lottery.

2. "Director" means the director of each of the three divisions of the lottery agency operating under the commissioner.

3. "Lottery" means the lottery created and operated under this chapter.

4. "Board" means the Iowa lottery board.

5. "Licensee" means the person issued a license by the commissioner to sell lottery tickets or shares. The licensee is responsible for the licensee's employees' conduct which is within the scope of this chapter.

6. "Ticket" means any tangible evidence Issued by the Iowa lottery agency to prove participation in a game conducted by the state lottery agency.

7. "Share" means any intangible manifestation authorized by the Iowa lottery agency to prove participation in a game conducted by the state lottery agency.

8. "On-line lotto" means a loltery game hooked up to a central computer via telecommunications lines in which the player selects a specified group of numbers out of a predetermined range of numbers.

9. "Instant lottery" means a game that offers preprinted tickets that indicate immediately whether the player has won.

Sec. 103. NEW SECTION. 99E.3 ESTABLISHMENT OF LOTTERY -- APPOINTMENT OF COMMISSIONER -- OTHER EMPLOYEES.

1. A state agency is established Io be known as the Iowa lottery agency. Except as provided in section 99E.9, subsection 3, paragraph "b", the Iowa lottery agency IS subject Lo chapter 17A. It is a separate agency of state government whose head is the commissioner.

2. The commissioner shall be qualified by training arid experience to direct the lottery. The commissioner shall be appointed by Lhe governor within thirty days after the effective date ol this Act subject to confirmation by the senate, and shall serve at the pleasure of tlie governor. A vacancy occurring in the office of the commissioner shall be filled in the same manner as the original appointment. Section 2.32 applies to Lhe appointment of the commissioner. The commissioner shall devote time and attention solely Io the duties of the ofticc and shall not be engaged in any oilier profession or occupation. The commissioner shall receive a salary determined by the governor within salary range five as set by the general assembly.

3. The commissionet may employ clerks, stenographers, inspectors, agents, and other employees pursuant to chapter 19A as necessary Lo carry out this chapter, except as provided in section 99E.14, subsection 2.

Sec. 104. NEW SECTION. 99E.4 COMMISSIONER'S OATH -- BOND -- EMPLOYEES -- BONDING OF EMPLOYEES.

1. Before taking office, the comm ssioner shall take an oath to faithfully execute the duties of the office according Io the laws of the state, and shall g ve bond with sufficient surety to be approved by the governor in the sum of not less than twenty-five thousand dollars, conditioned upon faithful execution and performance of the duties of the office. The bond when fully executed and approved shal1 be filed in the ofticc of the secretary of stale. When in the governor's opinion the bond has become or is likely to become invalid or insufficient, the governor shall require the commissioner to renew the bond in an amount approved by the governor but not less than twenty-five lhousand dollars. The cost of a bond qiven shall be part of the necessary expenses of the lottery.

2. The commissioner shall employ personnel necessary to implement this chapter. The commissioner may require lottery agency employees to give bond in an amount the commissioner determines. Each bond when fully executed and approved shall be filed in the office of the secretary of state. The cost of each bond given shall be part of the necessary expenses of the lottery. The commissioner may obtain a blanket bond to cover personnel of the lottery agency for which the commissioner requires a bond.

Sec. 105. NEW SECTION. 99E.5 LOTTERY BOARD.

An Iowa lottery board is created to consist of five members, not more Lhan three of whoa shall be from the same political party, and who shall be appointed by the qovernor subject to confirmation by the senate. The governor shall appoint the board members within sixty days of the effective date of this Act. The term of each member shall begin and end as provided in section 69.19. A vacancy on the board shall be filled in the same manner as regular appointments are made and the term shall be for the unexpired portion of the regular term.

Sec. 106. NEW SECTION. 99E.6 BOARD QUALIFICATIONS.

Board members shall be residents of this state. At least one member of the board shall be a person who has been a law enforcement officer for not less than five years, one member shall be an attorney admitted to the practice of law in Iowa for not less than five years, and one member shall be a certified public accountant who has practiced accountancy in Iowa for not less than five years.

Sec. 107. NEW SECTION. 99E.9 BOARD MEETINGS.

The board shall hold at least one meeting each month and as often as necessary. The board shall select a chairperson from

its membership at the first regular meeting of the board and shall thereafter select a chairperson at the first regular meeting of each fiscal year. Written notice of the time and place of each meeting shall be given to each member of the board. A majority of the board constitutes a quorum.

Sec. 108. NEW SECTION. 99E.8 EXPENSES -- SALARY.

Members of the board shall be compensated at a rate of six thousand dollars per year. Members shall also be allowed the actual and necessary expenses incurred in the performance of their duties. The expenses incurred by members of the board and the salaries paid to members of the board are part of the necessary expenses of the lottery agency.

Sec. 109. NEW SECTION. 99E.9 DUTIES OF THE BOARD -- RULES -- COMMISSIONER.

1. The board and the commissioner shall supervise the lottery in order to produce the maximum amount of net revenues for the state in a manner which maintains the dignity of the state and the general welfars of the people.

2. Subject to the approval of the board, the commissioner may enter into contracts for the operation and marketing of the lottery, except that the board may by rule designate classes of contracts other than major procurements which do not require prior approval by the board. A major procurement shall be as the result of competitive bidding with the contract being awarded to the responsible vendor submitting the lowest and best proposal. However, before a contract for a major procurement is awarded, the division of criminal investigation of the department of public safety shall conduct a thorough background investigation of the vendor, any parent or subsidiary corporation of the vendor, all sharchulders of five percent or more interest of the vendor or parent or subsidiary corporation of the vendor, and all offickrs and directors of the vendor or parent or subsidiary corporation of the vendor to whom the contract is to be awarded. The vendor shall submit to the division of criminal investigation appropriate investigation authorizations to facilitate this

investigation. A contract for a major procurement awarded or entered into by the commissioner with an individual or business organization shall require that individual or business organization to establish a permanent office in this state. As used in this subsection, "major procurement" means consulting agreements and the major procurement contract with a business organization for the printing of tickets, or for purchase or lease of equipment or services essential to the operation of a lottery game.

3. Except as provided in subsection 3, paragraph "b", the board shall make rules in accordance with chapter 17A for implementing and enforcing this chapter. The rules shall include but are not limited to the following subject matters:

a. The fees charged for a license to sell lottery tickets or shares. Revenue received by the lottery from license fees shall be transferred to the lottery fund immediately after the cost of processing license applications is deducted.

b. The types of lottery games to be conducted. Rules governing the operation of a class of games are subject to chapter 17A. However, rules governing the particular features of specific games within a class of games are not subject to chapter 17A. Such rules may include, but are not limited to, setting the name and prize structure of the game and shall be made available to the public prior to the time the games go on sale and shall be kept on file at the office of the commissioner. The board shall authorize instant lottery and on-line lotto games and may authorize the use of any type of lottery game that on the effective date of this Act has been conducted by a state lottery of another state in the United States, or any game that the board determines will achieve the revenue objectives of the lottery and is consistent with subsection 1. However, the board shall not authorize a game using electronic computer terminals or other devices if the terminals or devices dispense coins or currency upon the winning of a prize. In a game utilizing instant tickets, each ticket in the game shall bear a unique consecutive serial

number distinguishing it from every other ticket in the game, and each lottery number or symbol shall be accompanied Ly a confirming caption consisting of a repetition of a symbol or a description of the symbol in words. In the game other than an instant game which uses tangible evidence of participation, each ticket shall bear a unique serial number distinguishing it from every other ticket in the game.

c. The price of tickets or shares in the lottery, including but not limited to authorization of sales of tickets or shares at a discount for marketing purposes.

d. The number arid size of the prizes on the winning tickets or shares, including but not limited to prizes of free tickets or shares in lottery games conducted by' the lottery and merchandise prizes. The lottery agency shall maintain and make available to public inspection at its offices during regular business hours a detailed listing of the estimated number of prizes of each particular denomination that are expected to be awarded in any game that is on sale or the estimated odds of winning the prizes and, after the end of the claim period, shall maintain and make available a listing of the total number of tickets or shares sold in a game arid the number of prizes of each denomination which were awarded.

e. The method of selecting the winning tickets or shares and the manner of payment of prizes to the holders of winning tickets or shares. The rules mdy provide for payment by the purchase of annuities in the case of prizes payable in installments. Lottery employees shall examine claims and shall not pay any prize for altered, stolen, or counterfeit tickets or shares nor tickets or shares which fail to meet validation rules established for a lottery game. A prize shall not be paid more than once. If the commissioner determines that more than one person is entitled to a prizc, the sole remedy of the claimants is to receive an equal share in the sinyle pcize. The rules may provide for payment of prizes directly by the licensee.

f. The methods of validation of the authenticity of winning tickets or shares.

g. The frequency of selection of winning tickets or shares. Drawings shall be held in public. Drawings shall be witnessed by an independent certified public accountant. Equipment used to select winning tickets or shares or participants for prizes shall be examined by lottery agency employees and an independent certified public accountant prior to and after each public drawing.

h. Requirements for eligibility for participation in runoff drawings, including but not limited to requirements for submission of evidence of eligibility.

i. The locations at which tickets or shares may be sold.

j. The method to be used in printing and selling tickets or shares. An elected official's name shall not be printed on the tickets. The overall estimated odds of winning a prize in a given game shall be printed on each ticket if the games have either preprinted winners or fixed odds. Estimated odds of winning a prize are not required to be printed on tickets in lottery games of a pari-mutuel nature. As used in this paragraph, "games of a parl-mutuel nature" means a game in which the amount of the winnings and the odds of winning are determined by the number of participants in the game.

k. The issuing of licenses to sell tickets or shares. In addition to any other rules made regarding the qualifications of an applicant for a license, a person shall not be issued a license unless the person meets the criteria established in section 99E.16, subsection 7.

l. The compensation to be paid licensees including but not limited to provision for variable compensation based on sales volume or incentive considerations.

m. The form and type of marketing, Informational, and educational material to be permitled. Marketing material and campaigns shall include the concept of investing in Iowa's economic development and show the economic development initiativcs funded from lottery revenue.

n. Subject to section 99E.10, the apportionment of the annual revenues accruing from the sale of lottery tickets or shares and from other sources for the payment of prizes to the holders of winning tickets or shares and for the following:

(1) The payment of costs incurred in the operation and administration of the lottery and the lottery agency, including the expenses of the lottery and the cost resulting from contracts entered into for consulting or operational services, or for marketing.

(2) Actual arid necessary expenses of all audits performed pursuant to section 99E.20, subsection 3.

(3) Incentive programs for lottery licensees and lottery employees.

(4) Payment of compensation to licensees necessary to provide for the adeyuate availability of tickets, shares, or services to prospective buyers and for the convenience of the public.

(5) The purchase or lease of lottery equipment, tickets, and materials.

4. The board and the commissioner may enter into written agreements or compacts with another state or states for the operation, marketing, and promotion of a joint lottery or joint lottery games.

5. Whenever possible when the lottery agency awards a contract under subsection 2, for the lease, purchase, or servicing of a machine to be used in the conducting of a lottery game including, but not limited to, a video lottery machine or machine used in lotto, the lottery agency shall give preference to awarding the contract to a person whose primary place of business is in Iowa.

Sec. 110. NEW SECTION. 99E.10 ALLOCATION AND APPROPRIATION OF FUNDS GENERATED -- IOWA PLAN FUND.

1. Upon receipt of any revenue, the commissioner shall deposit the moneys in the lottery fund created pursuant to section 99E.20. As nearly as is prdcticahle, forty-five percent of the projected annual revenue computed on a year-

round average basis for each type of lottery game accruing from the sale of tickets or shares is appropriated for payment of prizes to the holders of winning tickets. After the payment of prizes, all of the following shall be deducted from lottery revenue prior to disbursement:

a. An amount equal to one half of one percent of the gross lottery revenue shall be deposited in a gamblers assistance fund in the office of the treasurer of state. Moneys in the fund shall be administered by the commissioner of human services and used to provide assistance and counseling to individuals and families experiencing difficulty as a result of gambling losses and to promote awareness of gamblers anonymous and similar assistance programs.

b. The expenses of conducting the lottery including the reasonable expenses incurred by the attorney general's office in enforcing this chapter.

c. The contractual expenses required in this paragraph. The division of criminal investigation shall be the primary state agency responsible for investigating criminal violations of the law under this chapter. The commissioner shall contract with the department of public safety for investigative services, including the employment of special agents and support personnel, and procurement of necessary equipment to carry out the responsibilities of the division of criminal investigation under the terms of the agreement and this chapter.

Lottery agency expenses for marketing, educational, and informational material shall not exceed four percent of the lottery revenue.

The Iowa plan fund for economic development, also to be known as the Iowa plan fund, is created in the office of the treasurer of state. Lottery revenue remaining after expenses are determined shall be transferred to the Iowa plan fund on a quarterly basis. However, upon the request of the commissioner and subject to approval by the treasurer of state, an amount sufficient to cover the foreseeable

administrative expenses of the lottery for a period of twenty-one days may be retained from the lottery revenue. Prior Lo the quarterly transfer to the Iowa plan fund, the commissioner may direct that lottery revenue shall be deposited in the lottery fund and in interest bearing accounts designated by the treasurer of state in the financial institutions of this state or invested in the manner provided in section 452.10. Interest GI earnings paid on the deposits or investments is considered lottery revenue and shall be transferred to the Iowa plan fund in the same manner as other lottery revenue. Honey in the Iowa plan fund shall be deposited in interesl bearing accounts in financial institutions in this state or invested in the manner provided in section 452.10. The interest or earnings on the deposits or investments shall be Considered part of the Iowa plan fund and shall be retained in the fund unless appropriated by the general assembly.

2. Funds transferred Lo the Iowa plan fund shall he used Lor economic development initiatives. As used in this subsection "economic development initiatives" means initiatives which encourage development of capital, research and development of new products, and development of jobs in this state by expanding existing business and industry, upgrade academic institutions in order Lo maintain and attract business and industry, creating new businesses and industries, encourage the conservation of energy in order to create new jobs and bitract new business and industry, develop alternate methods for the disposal of solid or hazardous waste, develop markets for products grown or produced or manufactured in the state including the promotion of Iowa and Iowa products, and make grants and loans available to local communities for local economic development initiatives. "Economic development initiatives" does not include providing loans, grants, bonds, or any other incentive or assistance for the construction of a racetrack or other facility where gambling will be permitted.

3. Funds equal to any initial appropriation from the general fund to the lottery shall be returned to the general

fund from the receipts of the sale of tickets or shares not late: than July 1, 1986. The comptroller shall not include lottery revenues in the comptroller's fiscal year revenue estimates. Moneys in the Iowa plan fund shall not be considered to be a part of the Iowa economic emergency fund.

Sec. 111. NEW SECTION. 99E.11 REPORTS.

1. The commissioner shall report quarterly to the governor, the treasurer of state, and the general assembly. The quarterly report shall include the total lottery revenue, prize disbursements, and other expenses for the preceding quarter. The fourth quarter report shall be included In the annual report made pursuant to subsection 2.

2. The commissioner also shall report annually to the governor, the treasurer of state, and the general assembly. The annual report shall include a complete statement of lottery revenues, prize disbursements, and other expenses, and recommendations for changes in the law which the commissioner deems necessary or desirable. The annual report shall be submitted within ninety days after the close of a fiscal year.

3. The commissioner shall report immediately to the governor, the treasurer of state, and the general assembly any matters that require immediate changes in the law in order to prevent abuses or evasions of this chapter or rules adopted or to rectify undesirable conditions in connection with the administration OK operation of the lottery.

Sec. 112. NEW SECTION. 99E.12 STUDIES.

1. The commissioner shall make a continuous study of the lottery to ascertain any defects of this chapter or in the rules which could result In abuses in the administration and operation of the lottery or in any evasion of this chapter or the rules of the commissioner and make recommendations for improvement in this chapter.

2. The commissioner shall make a continuous study of the operation and the administration of similar laws in effect in other states. written material on the subject which is published or available, federal laws which may affect the

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operation of the lottery, and the reaction of citizens to existing and potential features of the lottery in order to recommend changes that will serve the purposes of this chapter.

3. The commissioner shall make a demographic study of lottery players.

4. The commissionrr shall contract with the department of human services to conduct a study of the extent to which the lottery creates a compulsive gambling problem among lottery players and the impact of gambling on affected families.

Sec. 113. NEW SECTION. 99E.13 CONFLICT OF INTEREST -- PENALTY.

1. A member of the board, the commissioner, or an employee of the lottery shall not directly or indirectly, individually, as a member of a partnership or other association, or as a shareholder, director, or officer of a corporation have an interest in a business which contracts for the operation and marketing of the lottery as authorized by section 99E.9, subsection 2.

2. A member of the board, the commissioner, an employee of the lottery, or a member of their immediate family shall not ask for, offer to accept, or receive a gift, gratuity, or other thing of more than fifty dollars in value from a person contracting or seeking to contract with the state to supply gaming equipment or materials for use in the operation of a lottery or from an applicant for a license to sell tickets or shares in the lottery or from a licensee.

3. A person contracting or seeking to contract with the state to supply gaming equipment or materials for use in the operation of a lottery, an applicant for a license to sell tickets or shares in the lottery, or a licensee shall. not offer a member of the board, the commissioner, an employee of the lottery, or a member of their immediate family a gift, gratuity, or other thing of more than fifty dollars in value.

4. A hoard member, commissioner, or employee of the lottery who violates a provision of this section., or if a

member of their immediate family violates a provision of this section, shall be immediately removed from the office or position.

5. A violation of this section is a serious misdemeanor.

6. As used in this section, "member of their immediate family" means a spouse, child, stepchild, brother, brother-in-law, stepbrother, sister, sister-in-law, stepsister, parent, parent-in-law, or stepparent of the board member, the commissioner, or the employee.

7. Enforcement of this section against a board member or commissioner shall be by the attorney general who upon finding a violation shall initiate an action to remove the board member or commissioner.

8. In addition to the prohibitions of this section, the prohibitions of sections 722.1 and 722.2 are applicable.

Sec. 114. NEW SECTION. 99E.14 LOTTERY DIVISIONS -- DIRECTORS.

1. The Iowa lottery agency has three divisions:

a. A security and licensing division.

b. An administrative division.

c. A marketing, education, and information division.

2. Each division is under the supervision of a director appointed by the commissioner and each director shall have expertise in the functions of the division. The position of director is exempt from the provisions of chapter 19A. The commissioner shall designate one of the directors to serve as acting commissioner during the commissioner's absence.

3. Departments, boards, commissions, or other agencies of this state shall provide reasonable assistance to the lottery upon the request of the commissioner.

Sec. 115. NEW SECTION. 99E.15 POWER TO ADMINISTER OATHS AND TAKE TESTIMONY -- SUBPOENA.

The commissioner or the commissioner's designee authorized to conduct an inquiry, investigation, or hearing under this chapter may administer oaths and take testimony under oath relative to the matter of inquiry, investigation, or hearing.

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At a hearing ordered by the commissioner, the commissioner or the designee may subpoena witnesses and require the product.ion of records, papers, and documents pertinent to the hearing.

Sec. 116. NEW SECTION. 99E.16 LICENSING -- BONDS.

1. The commissioner shall license persons to sell lottery tickets or shares to best serve public convenience. A licensee shall not engage in business exclusively to sell lottery tickets or shares. However, Lhe board may approve a special license to permit a licensee or the lottery agency itself Lo sell lottery tickets or shares to the public at special events approved by the board. Before issuing a 1icense the commissioner shall consider the financial responsibility and security of the applicant, the applicant's business or activity, the accessibility of the applicant's place of business or activity to the public, the sufficiency of existing licensees to serve the public convenience, and the volume of expected sales. A licensee shall cooperate with the lottery by using poiill-of-purchase materials, posters, and other educational, informational, and marketing materials when requested to do so by Llie lotlery. Lack of cooperation is sufficient cause for revocation of a person's license.

2. A licensee shall sell tickets or shares only on the premises stated in the license. The licensee shall only sell a ticket or share in person and not over a telephone. The licensee shall accept payment in cash only. The licensee aha11 not extend or arrange credit €or the purchase of a ticket or share. As used in this subsection "cash" means United Stales currency. "Cash" does not mean any other form of payment including, but not limited Lo, check, credit card, or a negotiable instrument.

3. A licensee shall display the licenrc or a copy of the license together with the lottery rules wherever tickets or shares are sold. A license is not assignable or transferable. The conmissioner may issue a temporary 1icense when deemed necessary.

4. The commissioner nay require a bond from a licensee in an amount as provided In the rules graduated according to the volume of expected sales of lottery tickets or shares by the licensee, or may require a licensee to furnish evidence of financial responsibi1ity.

5. A bond shall not be canceled by a surety on less than thirty days' notice in writing to the commissioner. If a bond is canceled and the licensee fails to file a new bond with the commissioner in the required amount on or before the effective date of cancellation, the licensee's license shall be automatically suspended. A suspended license shall be revoked if the requirements of this subsection are not met within thirty days of the license suspension. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

6. Subject to the approval of the board, the commissioner may authorize compensation to licensees in the mann'er and amounts and subject to the limitations the commissioner determines if the commissioner finds that. compensation is necessary to assure adequate availability of lottery tickets or shares.

7. A license shall be granted only after the commissioner finds all of the following:

a. The applicant is at least eighteen years of age.

b. The person has not been convicted of a fraud or a felony.

c. The person has not been convicted or found to have committed a violation of this chapter.

d. The person has not previously had a license issued under this chapter revoked.

e. The person has not had a license to sell lottery tickets or shares in another jurisdiction suspended or revoked by the authority regulating a lottery or by a court of that jurisdict.ion.

f. The applicant has demonstrated financial responsibility sufficient to adequately meet the requirements of the proposed enterprise.

g. The applicant is the true owner of the proposed lottery business an3 that all persons holding at least a ten percent ownership interest in the applicant's business has been disclosed.

h. The applicant has not knowingly made a false statement of material fact to the commission.

8. If after a license is granted the commissioner finds that the licensee has violated this section, then the commissioner shall revoke the license.

Sec. 117. NEW SECTION. 99E.17 SUSPENSION OR REVOCATION OF LICENSE -- HEARINGS -- HEARING BOARD.

1. The commissioner may suspend or revoke the license of a licensee who violates a provision of this chapter or a rule adopted pursuant to this chapter. If the commissioner suspends or revokes a license, or refuses to grant a license. the aggrieved party is entitled to a hearing by filing a written request with the commissioner. Upon receipt of the request €or hearing, the commissioner shall set a hearing date within thirty ddys ot receipt of the request, and shall notify the aggrieved party, in writing, at least seven days in advance of the hearing date. The commissioner may slay the revocation or suspension of a license pending the outcome of the hearing, when a stay is requested with the request for hearing.

2. A three-member hearing board for the purpose of conducting hearings relating to controversies concerning the issuance, suspension, or revocation of licenses is created. One member shall be a designee of the board, one member shall be the treasurer of state or a designee of the treasurer of state, and one member shall be the commissioner of public safety or a designee of the commissioner of public safety. The lottery board shall adopt rules and procedures for conducting the hearings.

3. A license shall be suspended for a period deemed appropriate by the commissioner. A former licensee whose license is revoked is not eligible to receive another license.

Sec. 118. NEW SECTION. 99E.18 PROHIBITED SALES OF TICKETS OR SHARES -- FORGERY -- PENALTIES.

1. A ticket or share shall not be sold at a price greater than that fixed by the board and the commissioner and a sale shall not be made other than by a licensee or an employee of the licensee who is authorized by the licensee to sell tickets or shares. A person who violates a provision of this subsection is guilty of a simple misdemeanor.

2. A ticket or share shall not be sold to a person who has not reached the age of eighteen. This does not prohibit the lawful purchase of a ticket or share for the purpose of making a gift to a person who has not reached the age of eighteen. A licensee or a licensee's employee who knowingly sells or offers to sell a lottery ticket or share to a person who has not reached the age of eighteen is guilty of a simple misdemeanor. In addition the license of a licensee shall be suspended. A prize won by a person who has not reached the age of eighteen but who purchases a winning ticket or share in violation of this subsection shall be forfeited.

3. A ticket or share shall not be purchased by and a prize shall not be paid to the commissioner, a board member or employee of the lottery agency, or to a spouse, child, stepchild, brother, brother-in-law, stepbrother, sister, sister-in-law, stepsister, parent, parent-in-law, or stepparent residing as a member of the same household in the principal residence of the commissioner, a board member, or an employee. A ticket or share purchased in violation of this subsection is void.

4. A person who, with intent to defraud, falsely makes, alters, forges, utters, passes, or counterfeits a lottery ticket or share is guilty of a class D felony.

Sec. 119. NEW SECTION. 99E.19 DISTRIBUTION OF PRIZES -- UNCLAIMED PRIZES -- PAYMENT PER WINNING TICKET.

1. The commissioner shall award the designated prize to the ticket or share holder upon presentation of the winning ticket or confirmation of a winning share.

All prizes awarded are Iowa earned income, All lottery winnings are subject to state and federal income tax laws. An amount deducted from the prize for payment of a state Lax shall be transferred by the commissioner to the state department ot revenue on behalf of the prize winner. Unclaimed prize money for the prize on a winning ticket or share shall be retained €or a period deemed appropriate by the commissioner, subject to approval by the board. If a valid Claim is not made for the money within the applicable period, the prize money shall be added to future prize pools and given to holders of winning tickets or shares in addition to amounts already allocated.

2. The prize shall be given to the parson who presents a winning ticket. A prize may be given to only one person per winning ticket. However, a prize shall be divided between holders of winning tickets if there is more than one winning ticket. Payment of a prize may be made to the estate of a deceased prize winner or to another person pursuant to an appropriate judicial order. The commissioner is discharged of all further liability upon payment of a prize pursuant to this subsection. This section does not prohibit the making of a gift of a lottery ticket or share to a person.

Sec. 120. NEW SECTION. 99E.20 DEPOSIT OF RECEIPTS FROM TICKET OH SHARE SALES -- LOTTERY YUND -- QUARTERLY AUDITS.

1. The board shall adopt rules €or the deposit as soon as possible in the lottery fund of money received by licensees from the sale ut Iickets or shares less the amount ot compensation, if any, authorized under section 99E.16, subsection 6. Subject to approval of the board, the commissioner may require licensees to file with the commissioner reports of receipts arid transactions in the sale of Lickets or shares. The reports shall be in the form and contain the information the commissioner requires.

2. A lottery fund is created in the office of the treasurer of state. The fund consists of all revenues received from the sale of lottery tickets or shares and all

other moneys lawfully credited or transferred to the fund. The commissioner shall certify quarterly that portion of the fund that is transferred to the Iowa plan Cund under section 99E.10 and shall cause that portion to be transferred to the Iowa plan fund of the state.

3. The auditor of state or a certified public accounting firm appointed by the auditor shall conduct quarterly and annual audits of all accounts and transactions of the lottery and other special audits as the auditor of state, the general assembly, or the governor deems necessary. The auditor or a designee conducting an audit under this chapter shall have access and authority to examine any and all records of licensees necessary to determine compliance with this chapter and the rules adopted pursuant to this chapter.

Sec. 121. NEW SECTION. 99E.21 LIABILITY AND FUNDING.

The board and the commissioner shall operate the lottery so that after the initial state appropriation, it shall be self-sustaining and self-funded. A claim for the payment of an expense of the lottery and the payment of a lottery prize shall not be made unless it is against the lottery fund or money collected from the sale of lottery tickets or shares. Except for the initial appropriation to the lottery, funds of the state shall not be used or obligated to pay the expenses of the lottery or prizes of the lottery.

Sec. 122. Section 422.45, Code 1985, is amended by adding the following new subsection:

NEW SUOSECTION. 22. The gross receipts from the sales of lottery tickets or shares in lottery games conducled pursuant to chapter 99E.

Sec. 123. Section 537A.4, unnumbered paragraph 2, Code 1985, is amended to read as follows:

This section does not apply to a contract for the operation of or lor ihe saie or rental of equipment for games of skill or games of chance, if both the contract and the games are In compliance with chapter 990. This section does not apply to wagering under the pari-mutuel method of wagering authorized

by chapter 99D. This section does not apply to the sale, purchase or redemption of a ticket or share in the state lottery in compliance with chapter 99E.

Sec. 124. Section 692.2, subsection 1, Code 1985, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. e. The stale lottery agency for purposes of section 99E.9, subsection 2.

Sec. 125. Section 725.12, unnumbered paragraph 1, Code 1985, 'is amended to read as follows:

If any person make or aid in making or establishing, or advertise or make public any a scheme for any a lottery; or advertise, offer for sale, sell, neyotiate, dispose of, purchase, or receive any a ticket or part of a ticket in any a lottery or number thereof of a ticket in a lottery; or have in the person's possession any a ticket, part of a ticket, or paper purporting to be the number of any a ticket of any a lottery, with intent to sell or dispose of the same ticket, part of a ticket, or paper on the person's own account or as the agent of another, the person commits a serious misdemeanor. However, this section does not prohibit the possession by a person of a lottery ticket, part of a ticket, or number of a lottery ticket from a lottery legally operated or permitted under the laws of another jurisdiction.

Sec. 126. Section 725.15, Code 1985, is amended to read as follows:

725.15 EXCEPTIONS FOR LEGAL GAMBLING.

Seclions 725.5 to 725.10 and section 725.12 shall do not apply to any a game, activity, ticket or device when lawfully possessed, used, conducted or participated In pursuant to chapter 998 or chapter 99E.

Sec. 127. The commissioner shall file an initial report with the governor, treasurer of state, and the general assembly by January 15, 1986 detailing the commissioner's efforts regarding the establishment of a lottery and the status of the lottery.

Sec. 128. The commissioner shall initiate and operate instant lottery games by September 15, 1985 and on-line lotto games by Hay 1, 1986.

Sec. 129. It is the intent of the general assembly that this Act shall have temporary effect only. that chapter 99E is repealed on July 1, 1990 other than to implement the winding down of the operations of the Iowa lottery board. The amendments to sections 537A.4 and 725.15 made in this Act shall be stricken when chapter 99E is repealed.

DIVISION II

Sec. 201. **NEW SECTION.** 18.170 TITLE.

Sections 18.171 through 18.175 may be cited as the "Iowa female and minority small business procurement Act."

Sec. 202. **NEW SECTION.** 18.171 **DEFINITIONS.**

When used in sections 18.170 through 18.175, unless the context otherwise requires:

1. "Small business" means a business organized for profit which has its principal place of business in Iowa and which is neither dominant in its field of operation nor an affiliate or subsidiary of a business dominant in its field of operation.

2. "Dominant in its field of operation" means exercising a controlling or major influence in a business activity in which a number of businesses are engaged. The following businesses are dominant in their field of operation:

a. Manufacturing businesses which employ more than One hundred persons and whose gross receipts for the preceding three fiscal years exceeded a total of fifteen million dollars.

b. General construction businesses which had gross receipts exceeding a total of six million dollars in the preceding three fiscal years.

c. Speciality construction businesses which had gross receipts exceeding three million dollars in the preceding three fiscal years.

d. Nonmanufacturing businesses which employ more than twenty-five persons and which had gross receipts exceeding three million dollars in the preceding three fiscal years.

3. "Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least twenty percent owned by a business dominant in that field of operation. or by partners, officers, directors, majority shareholders, or their equivalent of a business dominant in that field of operation.

4. "Socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of any of the following circumstances:

a. Cultural, social, or economic circumstances or background.

b. Physical location if the person resides or is employed in an area declared a labor surplus area by the United States department of commerce.

c. Other similar cause as defined by rules adopted by the director pursuant to chapter 17A.

Sec. 203. NEW SECTION. 18.172 PROCUREMENT FROM FEMALE AND MINORITY SMALL BUSINESSES.

1. FEMALE AND MINORITY SMALL BUSINESS SET-ASIDES. Notwithstanding section 18.6, the director may designate and set aside for awarding to small businesses owned and operated by females and socially or economically disadvantaged persons approximately five percent of the value of anticipated total state procurement of goods and services, including construction, but not including utility services pursuant to section 18.8, each fiscal year. The director may divide the procurements so designated into contract award units of economically feasible production runs to facilitate offers or bids from these small businesses. In designating set-aside procurements, the director may vary the included procurements so that a variety of goods and services produced by different small businesses may be set aside each year.

2. NEGOTIATED PRICE OR BID CONTRACT. The director may use either a negotiated price or bid contract procedure in the awarding of a contract under this set-aside program. The

amount of an award shall not exceed by more than five percent the director's estimated price for the goods or services, if they were to be purchased on the open market or under the competitive bidding procedures of section 18.6, and not under this set-aside program. Surety bonds guaranteed by the federal small business administration are acceptable security for a construction award under this section.

3. DETERMINATION OF ABICITY TO PERFORM. Uefore announcing a set-aside award, the director shall evaluate whether the small business scheduled to receive the award is able to perform the set-aside contract. This determination shall include consideration of production and financial capacity and technical competence.

4. PROCUREMENT PROCEDURES. All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply to procurements set aside for small businesses to the extent there is no conflict. If sections 18.171 through 18.175 conflict with other laws or rules, then sections 18.171 through 18.175 govern.

Sec. 204. NEW SECTION. 18.173 ROLE OF DEVELOPMENT COMMISSION.

The director of general services may assist the director of the Iowa development commission in publicizing the set-aside program, attempting to locate small businesses able to perform set-aside awards, and encouraging program participation. When the director of general services determines that a female or minority business is unable to perform under a set-aside contract, the director of general services shall inform the director of the Iowa development commission who shall assist the small business In attempting to remedy the causes of the inability to perform. In assisting the small business. the director of the Iowa development commission in cooperation with the director of general services may use any management or financial assistance programs available through state or governmental agencies or private sources. Primary responsibility under this section rests with the director of the Iowa development commission.

Sec. 205. NEW SECTION. 18.174 CERTIFICATION.

The director shall adopt by rule standards and procedures for certifying that small businesses owned and operated by females and socially or economically disadvantaged persons are eligible to participate in the set-aside program. The procedure for determination of eligibility may include self-certification by a business, provided the director retains the ability to verify a self-certification. The director of general services shall maintain a current directory of small businesses which have been certified under this section.

Sec. 206. NEW SECTION. 18.175 REPORTS.

1. DIRECTOR OF GENERAL SERVICES. The director of general services shall submit an annual report to the governor and the general assembly with a copy to the director of the Iowa development commission relating progress towards realizing the objectives and goals of sections 18.171 through 18.174 during the preceding fiscal year. The report shall include the following information:

a. The total dollar value and number of potential set-aside awards identified and the percentage of total state procurements this figure reflects.

b. The total dollar value and number of set-aside contracts awarded to small businesses owned and operated by females and economically or socially disadvantaged persons with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the percentages of the total state procurements the figures of total dollar value and the number of set-asides reflect.

c. The number of contracts which were designated and set aside pursuant to section 18.172, but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business and the price at which these contracts were awarded pursuant to the normal procurement procedures.

2. DIRECTOR OF THE IOWA DEVELOPMENT COMMISSION. The director of the Iowa Development Commission shall submit an

annual report to the governor and the general assembly with a copy to the director of general services. The report shall include the following information:

a. The efforts undertaken to publicize the set-aside program during the preceding year.

b. The efforts undertaken to identify small businesses owned and operated by females and socially or economically disadvantaged persons, and the efforts undertaken to encourage participation in the set-aside program.

c. The efforts undertaken by the director to remedy the inability of these small businesses to perform on potential set-aside awards.

d. The director's recommendations for strengthening the set-aside program and delivery of services to these small businesses.

Sec. 207. Section 28.7, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. Aid in the set aside of procurements for small businesses owned and operated by females and economically or socially disadvantaged persons pursuant to sections 18.171 to 18.175.

DIVISION III

Sec. 301.

1. The treasurer of state shall, for the fiscal year beginning July 1, 1985 and ending June 30, 1986, make allotments of the moneys within the Iowa plan fund for economic development created in section 99E.10 to separate accounts within that fund as follows:

a. The first eleven million ninety-two thousand dollars to the "Jobs Now Capitals'' account.

b. After the allotment in paragraph "a", ten million dollars to the "Community Economic Betterment" account, eight million five hundred thousand dollars to the "Jobs Now" account, and twelve million five hundred thousand dollars to the "Education and Agriculture Research and Development" account.

c. After the allotments have been made under paragraphs "a" and "b", the excess is allotted equally to the coemunity economic betterment account and to the "Surplus" account.

d. Before the treasurer makes the allotments under pdragrdphs "a", "b", arid "c", the treasurer shall repay to the general fund the loan for start-up purposes of the Iowa lottery, shall repay to the general fund the sum of one million twenty thousand dollars which was appropriated for the fiscal year beginning July 1, 1985 from the general fund to the department of general services for capitol building restoration and major repairs, and shall repay to the general fund the sum of tivc million two hundred fifty thousand doilars which was appropriated for the fiscal period beginning July 1, 1985 and ending June 30, 1989 from the general fund to the department of general services for the engineering, planning arid construction of a new state historical building under 1984 Iowa Acts, chapter 1316, section 4.

2. There is appropriated from the allotment made to Lhe community economic betterment account under subsection 1 for the fiscal year beginning July 1, 1985 and ending June 30, 1986 to the Iowa development commission the amount in that account, or so much thereof as may be necessary, to be used fur the following purposes:

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

b. Interest buy-down program Lo reduce the interest on a business loan.

c. Grants and loans to aid in economic development.

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

e. Road construction projects.

Only a political subdivision of the state may apply to receive funds for any of the above purposes. The political subdivision shall make application to the commission specifying the purpose for which the funds will be used. In ranking applications for funds, the commission shall consider

the proportion of political subdivision match to be provided, the proportion of private contributions to be provided. the total number of jobs to be created, the recapture, if any, of these tunds by the political subdivision that will occur, level of need in the political subdivision, and impact of proposed project on the economy of the political subdivision. The commission shall not provide more than one million dollars for any project, unless at least two thirds of the members of the commission vote for providing mare. However, after the first ten million dollars in the community economic betterment account have been provided to political subdivisions, the amount that may be provided by the commission for a project from additional moneys credited to that account is not subject to the one million dollar limitation.

An eligible road construction project is one involving highway improvements which support and assist economic development.

The commission shall take applications Prom state, city, or county government entities for road construction projects. The commission shall prioritize the projects and determine which projects shall be funded. However, the approval of the department of transportation is necessary for planning, design, construction and maintenance and other activities as provided in section 307.24. The commission shall make the final selection of which projects will be funded. Matching funds on a dollar-for-dollar basis for each project funded shall be required. The source of the matching funds shall be determined by the type of project. Thus a match from the primary road fund is required for a project involving a primary road. The department of transportation does not have the right to reject a project for which a match of primary road funds is requited. If the department of transportation disapproves of a project for which a match of primary road funds is required, the reasons shall be supplied Lo the applicant and commission. But the commission may still approve such project, and once approved, matching funds arc to be provided.

In prioritizing the road construction projects and determining which shall be funded, the commission shall consider the economic benefits of the project to the local community and the state as a whole, including but not limited to the number of direct and indirect jobs created.

3. There is appropriated from the allotment made to the jobs now account under subsection 1 for the fiscal year beginning July 1, 1985 and ending June 30, 1986 to the following funds, agencies, boards or commissions the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

a. To the state conservation commission the sum of two million five hundred thousand (2,500,000) dollars for the development of parks, recreation areas, forest, fish and wildlife areas, and natural areas, and for related technical services for carrying out these projects. Not more than five hundred thousand (500,000) dollars shall be set aside to match private funds available for the acquisition of natural areas with unique or unusual features. Not more than four hundred thousand (400.000) dollars shall be set aside for the acquisition of land for expansion or development of state forests and state fish and wildlife areas. Not more than seven hundred fifty thousand (750,000) dollars shall be set aside for use in providing grants-in-aid to county conservation boards for carrying out acquisition and development projects as provided in chapter 111A. Any of the above funds can be matched with any available federal funds oc with any available federal or local funds in the case of grants-in-aid to county conservation boards.

b. To the energy policy council the sum of one hundred fifty thousand (150,000) dollars to provide for energy management auditing services and administrative costs associated with the establishment of lease-purchase conservation projects for state buildings. The appropriation under this paragraph is contingent upon the passage and enactment into law of Senate File 303.

c. To the Iowa product development fund the sum of two million (2,000,000) dollars for the purposes provided in section 28.89.

d. To the office for planning and programming the sum of one million (1,000,000) dollars for additional and supplemental funding for the child care services program and the displaced homemakers program in connection and coordination with the federal Job Training Partnership Act of 1982 and funding for a child care grants program to provide grants of up to ten thousand dollars for start-up funding for before and after school programs using school facilities, infant care programs, child care information and referral centers, and on-site employer day care. An application for a grant under the child care grants program shall include a study documenting a need for the service or program for which the grant is sought and a plan for implementation of the service or program which plan includes a listing of other sources of income, the staff to be employed, and the method to make the service or program self-supporting within three years.

e. To the office for planning and programming the sum of two hundred fifty thousand (250,000) dollars for the purposes of the community cultural grants program established under 1983 Iowa Acts, chapter 207, section 92.

f. TO the Iowa development commission the sum of two million six hundred thousand (2,600,000) dollars for the purposes designated as follows:

(1) Business incubators.

(2) Satellite centers under division VI of chis Act.

(3) Federal procurement offices.

(4) Tourism and marketing.

(5) Iowa main street program.

4. There is appropriated from the allotment made to the education and agriculture research and development account under subsection 1 for the fiscal year beginning July 1, 1985 and ending June 30, 1966 to the follow ng funds, agencies,

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boards or commissions the tollouing amounts, or so much thereof as may be necessary, to be used for the following purposes:

a. To the Iowa college aid commission the sum of seven hundred fifty thousand (750,000) dollars for the forgivable loan program established in division VII of this Act. However, funds shall not be transferred to the college aid commission until the college aid commission certifies to the treasurer of state that the association of private colleges and universities and the board of regents will provide an equivalent amount of seven hundred fifty thousand (750,000) dollars for the forgivable loan program for the same fiscal year.

b. To the Iowa development commission the sum of three hundred thousand (300,000) dollars to develop and administer programs to encourage foreign trade. Prior to providing funds for any activity under this paragraph the Iowa development commission shall seek the input of public and private institutions of higher education, relevant government agencies, boards and departments, and private sector businesses involved in foreign trade for the purpose of coordinat iny trade related resources already available and those created pursuant to this Act in Iowa higher education institut ions. The commission shall also, after seeking input from these entities, initiate the development of trade related curricula and curricula to support potential growth sectors and develop new programs to provide trade assistance to small and medium-sized Iowa businesses including, but not limited to. those created under this paragraph. The commission shall work with Iowa businesses engaged in foreign trade and public and private institutions of higher education to create a comprehensive plan designed to promote and develop the trade of Iowa's agricultural arid manufactured products and services in foreign markets and shall coordinate the plan with other public and private foreign trade efforts including those created pursuant to this Act. The Iowa development commission

shall require, where feasible, that recipients of moneys appropriated in this section certify to the Iowa development commission that they will provide contributions, either in-kind or financial, equal to up to ditty percent of the moneys the recipient will receive under this section. The programs ace a5 follows:

(1) To establish internships with Iowa businesses involved in foreign trade, with foreign businesses, with foreign governments, and with the Iowa development commission. A student who is enrolled in an Iowa institution ot higher education in a course of study that could involve the student in foreign trade is eligible to apply for an internship. College credit will be given in a manner determined by the institution of enrollment.. Money granted for internships shall be used €or travel expenses and a stipend for the interns.

(2) To establish a program in which professors employed at Iowa institutions of higher education who are familiar with the language and customs of foreign countries are utilized as cultural advisors for the Iowa development commission and for Iowa businesses participating in trade missions and other foreign trade activities.

(3) To establish a program of short courses useful to assist Iowans in developing skills needed to participate in toreign trade, including but not limited to courses in foreign language, foreign culture and business practices, and foreign trade strategies. The short courses shall be developed in cooperalion with Iowa institutions of higher education.

(4) To develop a data base of information useful in foreign trade.

(5) To establish a clearinghouse listing of state residents who have political, social, or business contacts in foreign countries.

(6) To provide assistance in foreign language translation for correspondence and other purposes.

(7) To establish a program for conducting a business risk analysis for Iowa businesses seeking markets in foreign countries. Iowa businesses would file requests for the risk analysis with the Iowa development commission. The Iowa development commission shall contract with an Iowa higher education institution for an analysis of conditions in a specific foreign country as requested by an Iowa business, including but not limited to, rate of exchange projections for the cucrency, political climate, cultural mores relating to business etiquette, market climate, and assessment of the political and social status of the business' personal contacts.

c. To the state board of regents the sum of two hundred thousand (200,000) dollars to be used by the agricultural experiment station at Iowa state uhiversity of science and technology for value added research.

d. To the Iowa development commission the sum of ten million (10,000,000) dollars to be allocated by the Iowa development commission for economic development and research and development purposes at an institution of higher education under the control of the state board of regents or at an independent college or university of the state. The institutions under control of the state board of regents may present proposals to the state board of regents for the use of the funds. The proposals may include, but are not limited to, endowing faculty chairs, conducting studies and research, establishing centers, purchasing equipment, and constructing Cacilities in the areas of entrepreneurial studies, foreign language translation and interpretation, management development, genetics, molecular biology, laser science and engineering, biotechnology, third crop development, and value-added projects. The proposals shall include certification from the institution, college or university that it will receive from other sources an amount equal to the amount requested in the proposal. The state board of regents shall, for institutions under its control, determine the specific

proposals for which it requests funding and submit them to the Iowa development commission. An independent college or university shall submit requests directly to the Iowa development commission. The Iowa development commission shall disburse to the regents' institutions or an independent college or university the moneys for the various proposals requested unless the Iowa development commission disapproves of a specific proposal as inconsistent with the plan for economic development for this state. The applicants may submit additional proposals for those not approved by the Iowa development commission.

e. To the state board of regents the sum of two hundred thousand (200,000) dollars to be used by Iowa state university for the establishment of Iowa farm management program. The cooperative extension service shall administer the program with provisions for cooperation and assistance through the department of public instruction. The program may be offered in conjunction with programs offered at the merged area schools and at school districts. The cooperative extension service may allocate moneys appropriated in this section for the program to area schools and school districts participating in the program. The cooperative extension service may accept gifts from other sources to supplement moneys appropriated in this section.

f. To the legislative council the sum of fifty thousand (50,000) dollars to be used by the alternative crops and livestock study conunittee created in this paragraph. There is established a twelve-member alternative crops and livestock study committee to study the feasibiiity of alternative crops and livestock enterprises. The members shall consist of three farmers, three representatives from the agriculture industry, two faculty members from the Iowa state university and four members of the general assembly. The majority and minority leaders of the senate shall each appoint two nonlegislative members and one legislative member from the senate and the speaker and minority leader of the house of representatives

shall each appoint two nonlegislative members and one legislative member from the house. The appointers shall consult with each other before making their appointments to ensure the requirements of the makeup of the committee are met. Nonlegislative members shall receive a per diem of forty dollars and be reimbursed for their travel and other necessary expenses actually incurred in the performance of their official duties. Legislative members shall receive, when the general assembly is not in session, a per diem of forty dollars and their travel and other expenses incurred in the performance of their official duties from funds appropriated by section 2.12. The committee shall submit its final report along with any recommendations to the legislative council by January 1, 1986.

g. To the Iowa college aid commission for the summer institute program established pursuant to this paragraph the sum of one million (1,000,000) dollars. Institutions of higher education in the state may submit proposals to the council for postsecondary education for eight-week summer institute programs to upgrade the skills of Iowa teachers in the subject areas of math, science, foreign languages and such other areas as the department of public instruction has indicated a teaching shortage exists. The proposals shall provide for the institutional reimbursement for the costs of instruction, materials, and room and board for the participants as well as for a weekly stipend of one hundred fifty dollars per week for each participant. The council for postsecondary education shall select the institutions at which the summer institutes shall be conducted. The council for postsecondary education in consultation with the Iowa college aid commission shall establish the criteria for the selection of the teachers to participate in the programs.

5. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1985 and ending June 30, 1986 to the following council, office, and departments the following

amounts, or so much thereof as may be necessary, to be used for the following purposes:

a. To the executive council for allocation to Che nonprofit corporation organized to facilitate the state's involvement in the Iowa world trade center pursuant to division V of this Act the sum of nine million two hundred fifty thousand (9,250,000) dollars to fund the construction of the state-owned portion of the Iowa world trade center as provided in division V of this Act.

b. Po the department of public defense the sum of two hundred forty-three thousand thirty-five (243,035) dollars for the architect, engineering, equipment and construction of the armory in Carroll.

c. To the department of public defense for the purposes and in the amounts designated as follows:

(1) To connect the armory in Cedar Rapids to the city water and sewer lines and for related architect and enyineering services the sum of two hundred thirty-four thousand three hundred thirty-five (234,335) dollars.

(2) For the architect, engineering, equipment and construction of an addition to the armory In Cedar Rapids the sum of two hundred sixty-four thousand sixty-four (264,064) dollars.

d. To the department of public instruction the sum of one million (1,000,000) dollars to be allocated to the merged area schools Ciliny requests with the department for the purchase of equipment. The department of public instruction shall allocate moneys to an area school based upon the ability of the area school to provide matching contributions. either in-kind or financial, and the potential for creation of jobs and economic development. The maximum grant to an area school shall not exceed two hundred fifty thousand (250,000) dollars.

e. To the office of the governor the sum of one hundred thousand (100,000) dollars or so much as may be needed for a feasibility study of costs and benefits of a joint telecommunications partnership to be entered into between the

state and private firms. The study shall be contracted out to a private firm in the state which is experienced in telecommunications and which has the capability to analyze the technical and economic potential and feasibility of a telecommunications satellite and fiber optics system with state and worldwide capability. The study shall be developed to insure input from the telephone, banking, insurance, television, and other business sectors in the state as well as from the educational community.

6. If the moneys to be allotted to the economic betterment account, jobs now account or education and agriculture research and development account are less than the amount specified in subsection 1, paragraph "b", the moneys appropriated to the funds, agencies, boards or commissions for the purposes specified in subsection 2, 3 or 4, as applicable, shall be reduced by the same percentage decrease in the appropriate allotment.

7. The moneys appropriated in subsections 2, 3, 4 and 5 shall remain in the appropriate account of the Iowa plan fund until such time as the agency, board, commission, or overseer of the fund to which moneys are appropriated has made a request to the treasurer for use of inoneys appropriated to it and the amount needed for that use. The treasurer shall withdraw this amount from the amount appropriated to that entity and remit it to the entity not earlier than thirty days after receipt of the request. Notwithstanding section 8.33, moneys remaining of the appropriations made from any of the accounts within the Iowa plan fund on June 30, 1986 shall not revert to any fund but shall remain in that account to be used for the purposes for which they were appropriated and the moneys remaining in that account shall not be considered in making the allotments for the next fiscal year.

8. The agency, board, commission, or overseer of the fund to which moneys are appropriated under this section shall make every effort to maximize the impact of these nioneys through government and private matching funds.

Sec. 302.

1. The treasurer of state shall, for the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988. and July 1, 1989, make allotments of the moneys within the Iowa plan fund for economic development created in section 99E.10 to separate accounts within that fund as follows:

a. In each of the fiscal years beginning July 1, 1986 and July 1, 1987 the first ten million two hundred fifty thousand dollars, in the fiscal year beginning July 1, 1988 the first three million two hundred fifty thousand dollars and in the fiscal year beginning July 1, 1989 the first one million dollars to the jobs now capitals account.

b. In each of the four fiscal years after the allotment in paragraph "a", ten million dollars to the community economic betterment account, eight million five hundred thousand dollars to the jobs now account, and twelve million five hundred thousand dollars to the education and agriculture research and development account.

c. After the allotments have been made under paragraphs "a" and "b" in each of the fiscal years, the excess is allotted equally to the community economic betterment account and to the "Surplus" account.

2. There is appropriated moneys in the community economic betterment account for each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989 to the Iowa development commission to be used for the following purposes in the amounts, or so much thereof as may be necessary, as provided in section 303 of this Act:

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

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

c. Grants and loans to aid in economic development.

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

e. Road construction projects.

The conditions, criteria and limitations specified in section 301, subsection 2 of this Act applies to the providing of moneys under this subsection.

3. There is appropriated moneys in the jobs now account for each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989 to the following funds, agencies, boards or cununissioris in the amounts, or so much thereof as may be necessary, as provided in section 303 of this Act to be used fur the following purposes:

a. To the state conservation commission for the pucposes designated in section 301, subsection 3, paragraph "a" of this Act.

b. To the Iowa product development fund tor the purposes provided in section 28.89.

c. To the office for planning and programming for the purposes designated in section 301, subsection 3, paragraphs "d" and "e" of this Act.

d. To the Iowa development commission lor the purposes designated in section 301, subsection 3, paragraph "f" of this Act.

4. There is appropriated moneys in the education and agriculture research and development account for each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1 1988, and July 1, 1989 to the following funds, agencies, boards or commissions in the amounts, or so much thereof as may be necessary, as provided in section 303 of this Act to be used for the following purposes:

a. To the Iowa college aid commission for the forgivable loan program established in division VII of this Act.

b. To the Iowa development commission for the purposes and under the conditions specified in section 301, subsection 4, paragraphs "b" and "d" of this Act.

c. To the state board of regents for the purposes and under the conditions specified in section 301, subsection 4, paragraph "c" of this Act.

d. To the Iowa college aid commission for the purposes and under the conditions specified in section 301, subsection 4, paragraph "g" of this Act.

5. a. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal years beginning July 1, 1986, July 1, 1987 and July 1, 1988 to the executive council for allocation to the nonprofit corporation organized to facilitate the state's involvement in the Iowa world trade center pursuant to division V of this Act the sum of nine million two hundred fifty thousand (9,250,000) dollars for each of the fiscal years beginning July 1, 1986 and July 1, 1987 and the sum of two million two hundred fifty thousand (2,250,000) dollars for the fiscal year beginning July 1, 1988 to fund the construction of the state-owned portion of the Iowa world trade center as provided in division V of this Act.

b. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988 and July 1, 1983 to the department of public instruction the sum of one million (1,000,000) dollars for the purposes and under the conditions specified in section 301, subsection 5, parayraph "d" of this Act.

6. If the moneys to be allotted in a fiscal year to the community economic betterment account, jobs now account or education and agriculture research and development account is less than the amount specified for that fiscal year in subsection 1, paragraph "b" the moneys appropriated for that fiscal year to the funds, agencies, boards or commissions for the purposes specified in subsection 2, 3 or 4, as applicable, shall be reduced by the same percentage decrease in the appropriate allotment.

7. The moneys appropriated in subsections 2, 3, 4 and 5 shall remain in the appropriate account of the Iowa plan fund until such time as the agency, board, commission, or overseer of the fund to which moneys are appropriated has made a

request to the treasurer for use of moneys appropriated to it and the amount needed for that use. The treasurer shall withdraw this amount from the amount appropriated to that entity and remit it to the entity not earlier than thirty days after receipt of the request. Notwithstanding section 8.33, moneys remaining of the appropriations made for a fiscal year from any of the accounts within the Iowa plan fund on June 30 of that fiscal year, shall not revert to any fund but shall remain in that account to be used for the purposes for which they were appropriated and the moneys remaining in that account shall not be considered in making the allotments for the next fiscal year.

8. The agency, board, conunission, or overseer of the fund to which moneys are appropriated under this section shall make every effort to maximize the impact of these moneys through government and private matching funds.

Sec. 303. For each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989, the Iowa partnership for economic progress advisory conunittee established under division IV of this Act shall submit to the general assembly by March 1 preceding the beginning of the fiscal year planned expenditures from the allotment to be made for that fiscal year to the community economic betterment account, the jobs now account, and the educdtion and agriculture research and development account to each of the funds, agencies, boards or commissions for the purposes specified in subsections 2, 3. and 4 of section 302 of this Act. The Iowa partnership for economic progress shall include a description of planned expenditures to be made of :he moneys in the surplus account.

Plans may provide for increased or decreased expenditures if the allotment available for those appropriations is grcdter than or less than the allotment specified in subsection 1 of section 302 of this Act. In order to enable Lhe Iowa partnership for economic progress to prepare its plans for future expenditures, it has authority to review applications

and uses of the moneys appropriated from each allotment. However, this authorized review does not authorize the Iowa partnership for economic progress to veto or deny any application or use and such review shall not cause any delay in the approval of an application or use.

DIVISION IV

Sec. 401. NEW SECTION. TITLE.

This chapter may be cited as the "Economic Development Reorganization Act".

Sec. 402. NEW SECTION. DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1, "Commission" means the Iova development commission.

2. "Committee" or "advisory committee" means the Iowa partnership for economic progress advisory committee, established in section 405 of this Act.

3. "Programs and services" means economic development programs, services and agencies as described in section 403 of this Act.

Sec. 403, NEW SECTION. GOVERNOR'S REORGANIZATION PLAN.

By December 1, 1985, the governor shall submit to the general assembly a proposal for the reorganization and coordination of all state economic development programs and services under one comprehensive department of economic devclopmrnt. In the course of developing the reorganization plan, the governor shall consult with the advisory committee. For purposes of this chapter, economic development programs and services shall include, but are not limited to, those wnich provide one or more of the following:

a. Community development.

b. Planning and management assistance.

c. Technical assistance.

d. Education and job training.

e. Financial assistance for programs and services described in paragraphs "a" through "d" and other programs and services, including those that are federally funded but

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administered by the state, and other federal and local funding programs.

Sec. 404. NEW SECTION. INTERIM COORDINATING AGENCY.

Upon enactment of this chapter, and until the establishment of a central department of economic development, the Iowa development commission shall be the interim coordinating agency for federal, state and local economic development programs and services. The commission shall adopt, amend, and repeal rules under chapter 17A as it deems necessary to function as the interim coordinating agency. Statewide delivery of programs and services, except for programs and services under the federal Job Training Partnership Act of 1982, shall be accomplished through a network of fifteen subregions which shall correspond to the merged areas as defined in section 280A.2 and which are already in existence.

Sec. 405. NEW SECTION. ADVISORY COMMITTEE ESTABLISHED.

The Iowa partnership for economic progress is established to serve as an advisory committee to the commission pending the creation of a department of economic development, at which time the committee will act as an advisory body to the new department. The commission, and ultimately the department of economic development, shall provide the committee with administrative staff personnel in accordance with chapter 19A, and shall provide other assistance as necessary.

Sec. 406. NEW SECTION. COMPOSITION OF ADVISORY COMMITTEE.

1. The committee shall consist of thirteen members appointed by the governor subject to confirmation by the senate. Members shall be appointed for four-year terms beginning and ending in accordance with section 69.19.

2. Members shall be appointed from agriculture, local government, business, labor and education as follows:

a. Two members actively engaged in farming. Appointments may be made from lists of nominees which shall be submitted by agricultural associations representing at least twenty-five members.

b. Six members from business, including one representative from small business, one representative from insurance and one representative from agribusiness. Appointees shall be an owner, president, chief executive officer, board member or other senior officer of the firm or organization they represent. Appointments may be made from lists of nominees which shall be submitted by business, trade or industrial associations representing at least twenty-five members.

c. Two members from organized labor. Appointments may be made from lists of nominees which shall be submitted by any organizations authorized to bargain on behalf of people employed in this state.

d. Two members from education. Appointments may be made from lists of nominees which shall be submitted by the board of regents, the association of independent colleges and universities, or the association of community college trustees.

e. One member from local government. Appointment may be made from lists of nominees which shall be submitted by the Iowa state association of counties and the league of municipalities.

f. Each list of nominees submitted shall contain an equal number of females and males.

Sec. 407. NEW SECTION. ADVISORY COMMITTEE DUTIES.

1. The committee's duties and responsibilities shall include, but are not limited to the following:

a. To provide assistance as needed or requested by the governor in the development of the governor's proposal for economic development reorganization and coordination. In order to facilitate the committee's assistance of the governor's office, all economic development agencies and programs shall submit reorganization and coordination proposals and recommendations to the committee within six months of the effective date of this chapter.

b. To submit plans to the general assembly relative to the disbursement of lottery revenues pursuant to division III of this Act.

c. To collaborate with the commission on the review of all disbursements of lottery revenues.

d. To assist the commission in the development and administration of a statewide regional delivery network €or programs and services.

e. To review, coordinate and implement other economic development proposals that emerge from studies now underway or recently completed.

f. To assist in the coordination of federal, state, local and private sector programs and services.

g. To analyze, at regular and frequent intervals, the trends and growth opportunities in major sectors of the economy, particularly those represented in the Iowa economy.

h. To analyze, at regular and frequent intervals, the qeneral economic, demographic, state fiscal and business climate indicators Lhat define Iowa's position relative to regional and national trends.

i. To initiate special economic development studies as deemed necessary.

Sec. 408. NEW SECTION. ORGANIZATION OF ADVISORY COMMITTEE.

The committee shall annually elect from its membership a chairperson and shall adopt rules to govern its proceedings. Election of the chairperson shall be held at the committee's first meeting in each calendar year. The committee shall meet at least once a month and otherwise as often as necessary. Members shall be compensated for their actual and necessary expenses incurred in the performance of their duties in accordance with section 28.2. All per diem and expense moneys paid to the members shall be paid from funds appropriated to the commission.

Sec. 409. Notwithstanding the provisions of section 406 of this Act, of the initial appointees to the committee three members shall be appointed for one-year terms, three memhers shall be appointed for two-year terms, three members shdll be appointed for three-year terms, and four members shall be

appointed for four-year terms. The initial appointees' successors shall be appointed to terms of four years each except that a person chosen to fill a vacancy shall be appointed only for the unexpired term of the committee member replaced.

DIVISION V

Sec. 501. NEW SECTION. 18C.1 DECLARATION OF POLICY AND PURPOSE FOR STATE INVOLVEMENT IN IOWA WORLD TRADE CENTER.

It is found and declared that there exists a need to promote, develop, maintain, .and expand export and trade opportunities for agricultural, commercial, and manufactured products and services and any other products and services or' the state in order to protect and advance the welfare and interests of residents of the state; that such export and trade opportunities with other nations can be promoted, developed, maintained, and expanded by the Iowa world trade center; that jobs can be maintained and created in the state as a result of increased export and trade opportunities; and that such economic results will benefit all residents of the state.

It is further found and declared that the promotion, development, maintenance, and expansion of exports and trade opportunities are public purposes and uses for which public moneys may be expended, advanced, loaned, or granted; that such activities serve a public purpose in improving export and trade opportunities or otherwise benefiting the people of this state; and that the state's purchase, operation and marketing of a building or facility as part of a world trade center will aid in accomplishing these purposes.

Sec. 502. NEW SECTION. 18C.2 CREATION OF SELECTION ADVISORY COMMITTEE.

1. There is created an Iowa world trade center selection advisory committee, hereafter referred to as "the committee". The committee shall be comprised of five members with one member appointed by the governsr, one member appointed by the speaker of the house of representatives, one member appointed

by the minority leader of the house of representatives, one member appointed by the majority leader of the senate, and one member appointed by the minority leader of the senate. No two members shall be from the same congressional district. Vacancies shall be filled in the same manner as the appointment of ltit original members. Members shall not be compensated fur their services.

2. The committee shall elect from among its members a chairperson. Meetings shall be held at lhe call of the chairperson or whenever two committee members request it. Three members shall constitute a quorum and the affirmative vote of three members shall be necessary for any action taken by the committee.

Sec. 503. NEW SECTION. 18C.3 DUTIES OF THE COMMITTEE.

1. It shall be the duty of lhe Iowa world trade center selection advisory committee to accept and review proposals from private groups to organize, construct, opcratc, and market the Iowa world trade center. In submitting a proposal, the private group shall also submit a study outlining the feasibility of its proposal. A private group submitting a proposal must include among its investors a significant number of Iowa-based companies and individuals. The committee is empowered to contract Lor an independent analysis of a proposal submitted. The committee is empowered to recommend for ratification by the execut ivc council a proposal to obligate, but not in excess of thirty million dollars. the state in the construction of the Iowa world trade center under the recommended proposal. However, a proposal shall not be recommended unless the proposal provides that the private group shall provide moneys at least equal to the amount which the committee has recommended for obligation by the state. The proposal recommended by tlic committee must include an agreement from the private group that construction of the Iowa world trade center will begin no later than December 15, 1985, and that a nonprolit corporation will be created by the private group pursuant to section 10C.4 to facilitate tlic

state's involvement In the construction, operation, and marketing of lhe lowa world trade center. In approving a proposal of a private group, the committee may employ othe: selection criteria that are consistent with thè above standards. Once the committee has recommended a contract proposal, lt shall be submitted for ratification to the executive council. The committee shall present a proposal by August 1, 1985 for ratification by the executive council.

2. The committee shall cease to exist upon ratification of the contract submitted to the executive council.

3. The members of the committee, upon ratification of the contract by the executive council, shall automatically become the state's representatives on the board of directors of the nonprofit corporation organized to facilitate the state's involvement in the Iowa world trade center pursuant to section 18C.4.

Sec. 504. NEW SECTION. 18C.4 STATE PARTICIPATION IN THE WORLD TRADE CENTER.

1. The state recognizes the nonprofit corporation organized pursuant to the contract ratified by the executive council as the entity that will facilitate the state's involvement in the construction, operation and marketing of the Iowa world trade center. The board of directors of the nonprofit corporation shall consist of nine members.

2. State representation cn the nonprofit corporation's board of directors shall consist of five directors serving six-year terns. The initial directors shall be the five members appointed to the committee pursuant to section 18C.2. Vacancies shall be filled in the same manner as the appointment of the original directors.

3. Private represcntalion on the nonprofit corporation's board of directors shall consist of four directors chosen pursuant to the corporation's articles of incorporation.

4. Amendments to the nonprofit corporation's articles of incorporation relating Lo the governance of the corporation shall not he made without all of the following:

a. A majority approval of the entire board of directors.

b. A majority approval of the five directors appointed to represent the state interests.

c. A majority dpproval by the four directors appointed to represent the private interests.

5. The nonprofit corporation shall:

a. Provide for the management, operation, and marketing of the state-owned portion of the Iowa world trade center. A fee may be negotiated which will be paid by the state €or necessary services provided to or for the state-owned portion. The management. operation, and marketing may be done by entering into a service agreement with a management firm. If such an agreement is entered into, the board of directors shall require periodic reports from the firm on the operation, marketing, costs, and revenues of the state-swned portion.

b. Provide for the leasing of space in the state-owned portion to the extent space is available and the leasing of it will fulfill the purposes of the state's involvement in the lowa world trade center.

c. Use, operate, and market the state-owned portion for the purposes of prsmoting, developing, maintaining, and expanding export and trade opportunities for agricultural, commercial, and manufactured products and services and other products and services of the state in order to protect and advance the weltare and interests of residents of the state.

6. The nonprofit corporation organized pursuant to the contract ratified by the executive council as the entity that will facilitate the state's involvement in the construction, operation, and marketing of the Iowa world trade center shall not be construed Lo be a state agency, board, commission, department, or other administrative unit of :he state.

Sec. 505. Chapter 18, Code 1985, is amended by adding the following new section:

NEW SECTION. IOWA WORLD TRADE CENTER.

This chapter doer not apply to the management, operation, and ownership of the lowa World trade center.

Sec. 566. Section 422.45, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. The gross receipts of all sales of goods, wares, or merchandise used, or from services rendered, furnished or performed in the construction and equipping of the Iowa world trade center for that portion of the project funded by the state of Iowa as authorized in division V of this Act. This subsection is repealed November 30, 1989.

DIVISION VI

Sec. 601: Section 28.7, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. Establish, oversee, and operate, to the extent practicable, a centrally located marketing center as provided in section 28.101.

Sec. 602. Chapter 28, Code 1985, is amended by adding the following new section as a separate division:

NEW SECTION. 28.101 PRIMARY RESEARCH AND MARKETING CENTER.

1. The commission shall establish as soon as practicable a marketing center within the commission, to be known as "The Primary Research and Marketing Center for Business and International Trade". The purpose of this center is to provide, in a central location, an inventory of the products and services of Iowa businesses. This information is to provide Iowa businesses with a source for locating and contacting potential buyers of their products and services; to aid in opening new markets for Iowa businesses; and to provide a marketing center for new businesses to utilize within the state. The director of the commission is the executive director of the center and shall coordinate activities at the satellite centers. In operating and overseeing the primary research and marketing center for business and international trade, the duties and responsibilities of the commission include the following:

a. Cataloging the products and services unique to economic development offered by and purchased by businesses located in the state.

b. Developing a marketing plan to include a listing of target markets within the state, the United States, and international communities for specific products and services already available within the state and products and services which could be made available within the state.

c. Stimulating research in and development and production of new products by state businesses.

d. Marketing management which includes keeping abreast of the changing market demands, developing new approaches to tap potential markets, and financing.

e. Assisting Iowa businesses to enter the international marketplace through the development of export sales strategies and the procurement of export financing, including the use of bartering transactions.

f. Coordinating the satellite centers.

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

h. Coordinating the delivery of programs and services with other state, local, and federal economic development programs and activities including, but not limited to, those available at institutions of higher learning in this state, the United States department of commerce, and other appropriate agencies.

2. To aid in fulfilling the purpose of the primary research and marketing center for business and international trade, the commission may provide grants to establish satellite centers throughout the state. To facilitate establishment of satellite centers, the state is divided up into fifteen regional economic delivery areas which have the same area boundaries as merged areas, as defined in section 280A.2, in existence on the effective date of this section.

Each regional delivery area wishing to receive a grant from the commission to establish a satellite center in its area shall create a regional coordinating council which shall develop a plan for the area to coordinate all federal, state, and local economic development services within the area. After developing this plan. the council may seek a grant for a satellite center by submitting the coordinating plan and an application for a grant to the Iowa development commission. A grant shall not be awarded within the regional economic delivery area without the approval of the regional coordinating plan by the Iowa partnership for economic progress created in division IV of this Act. The Iowa partnership for economic progress may rescind its approval of a regional coordinating plan upon thirty days notice, if the Iowa partnership for economic progress determines that the stated purpose of the plan is not being carried out. The Iowa partnership for economic progress may then accept an alternative proposal for a regional coordinating plan. If a regional coordinating council is awarded a grant for a satellite center, It shall employ a center director at the satellite center. The center director's duties and responsibilities include the following:

a. Overseeing the center's computer system and computer data input including the entry of the cataloged products and services of businesses located in the area.

b. Managing the center.

c. Communicating with the primary research and marketing center for business and inlernational trade.

d. Coordinating local marketing activities and efforts of local business.

e. Coordinating delivery of all federal, state, and local economic development programs and services within the area.

f. Performing other duties and responsibilities assigned to the center by the primary center.

Each satellite center's duties and responsibilities involve conducting primary and secondary research or assisting local

colleges, universities, and businesses in developing primary research programs. Primary and secondary research shall be used for analyzing changes in the marketplace, forecasting changes in consumer wants and needs, and possible modifications of products and services to meet the changes.

A reqional coordinating council may enter into an agreement under chapter 28E with other regional coordinating councils for the purpose of fostering tourism within their areas. Regional coordinating councils shall be considered public agencies for purposes of chapter 28E.

The regional coordinating council of each regional economic delivery area shall consist cf at least six members who shall be selected from state and locai government, business, and educatiori which are representative of the region. Beginning with the fiscal year beginning July 1, 1987, only applications from political subdivisions located within regions with an approved regional coordinating plan will be accepted for moneys from the community betterment account established in the Iowa plan fund for economic development in division III of this Act. A political subdivision shall submit a copy of the application to the regional coordinating council at the same time as the application is submitted to the Iowa development commission.

DIVISION VII

Sec. 701. NEW SECTION. 261.64 FORGIVABLE LOAN PROGRAM.

There is established a forgivable student loan program to be administered by the college aid commission. An individual is eligible for the reimbursement payments plan under the program if the individual meets all of the Poiiowing conditions:

1. Is an Iowa resident student enrolled at an accredited private institution as defined in section 261.9, subsection 5 or at an institution under the control of the state board of regents.

2. Has filed an application for the loan with the college aid commission, using the procedures specified in section 261.16.

3. Meets the requirements for a tuition grant.

Sec. 702. NEW SECTION. 261.65 FORGIVABLE LOAN ADMINISTRATION.

The college aid commission shall administer the forgivable loan program in the same manner as specified in section 261.15 for the tuition grant program. The maximum loan that a student is eligible to receive is an amount equal to the maximum tuition grant awarded by the commission for the same fiscal year. A student is eligible to receive both a tuition grant and a forgivable loan.. The interest rate for the forgivable loan shall be equal to the interest rate being collected by an eligible lender under the Iowa guaranteed student loan program for the year in which the forgivable loan is made.

Sec. 703. NEW SECTION. 261.66 INTEREST AND PRINCIPAL PAYMENT.

A student receiving a forgivable loan under section 261.64 shall begin paying the annual cost of interest immediately following graduation on an annual basis for five years. If the student remains an Iowa resident and is employed in a teaching position in an area in which a teaching shortage exists, as determined by the department of public instruction, for five years immediately following graduation, the student is not responsible for payment of the principal amount of the loan and shall not pay interest on the loan. If the commission determines that the student does not meet the criteria for elimination of the principal and interest payments, the commission shall establish by rule a plan for repayment of the principai and interest over a ten-year period. If a student who is required to make the repayment does not make the required payments, the commission shall provide for collecting the payments.

There is created a forgivable loan repayment fund for deposit of payments made by the recipients. Payments made by the recipients of the loans shall be credited Lo the fund and may be used to make additional loans under the program.

Moneys in the fund shall not revert to the general fund of the state at the close of a fiscal year.

Sec. 704. This Act, being deemed of immediate importance, takes effect from and after its publication in The Clinton Herald, a newspaper published in Clinton, Iowa, and in The Altoona Herald-Mitchellville Index, a newspaper published in Altoona, Iowa.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 225, Seventy-first General Assembly.

JOSEPH O. HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

OFFICE OF THE GOVERNOR
STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

TERRY E. BRANSTAD
GOVERNOR

April 18, 1985

The Honorable Donald D. Avenson
Speaker of the House
State Capitol Building
LOCAL

Dear Speaker Avenson:

I hereby transmit House File 225, an act relating to economic development by creating a five-year state lottery, providing penalties, and providing revenues from the state lottery to be used for certain economic development programs and activities; providing for set-asides in state procurement contracts for small minority businesses: providing for the reorganization of state economic development programs and activities with the Iowa Development Commission acting as the interim coordinating agency for economic development until the new Department of Economic Development is created: creating an Iowa partnership for economic progress advisory committee to advise the Iowa Development Commission and the General Assembly on economic development matters and the uses to be made of the revenues from the state lottery; creating an Iowa World Trade Center selection advisory committee to accept proposals from private groups on the construction of the Iowa World Trade Center, to select from those proposals one proposal under which the state will purchase space in the Iowa World Trade Center, and to become part of the nonprofit corporation formed to operate, manage and lease this state-owned space; establishing a primary research and marketing center for business and international trade and satellite centers: creating a forgivable loan program for loans to students who remain residents of Iowa and are employed as a teacher under certain circumstances; making appropriations for economic development programs and activities; and providing an effective date.

House File 225 is approved April 18, 1985, with the following exception which I hereby disapprove.

I am unable to approve Division IV, Section 401, Section 402, a portion of Section 403 beginning on Pine 5, which I Rave designated on the bill, Section 404, Section 405, Section 406, Section 407, Section 408, and Section 409.

Division IV of House File 225 requires the Governor to submit to the General Assembly a proposal for the reorganization and coordination of all state economic development programs, I recognize the need to provide a better focus and coordination of our economic development effort in the state and I am hereby approving that portion of this Division which requires the development of a reorganization plan.

However, I believe that the Executive Branch should be given maximum flexibility in the development of such a plan. The above designated portions of Division IV which are item vetoed detail the areas to be included in an economic development reorganization plan and prescribe the process to be used in the development of this plan.

I believe the legislature has an appropriate role to provide advice to the Governor on the reorganization of the Executive Branch and to approve any statutory changes that may be required. However, I believe that the chief executive should be given the flexibility to develop a plan that best suits the needs of the state. I plan to do just that and to submit that plan to the legislature on December 1 of this year, as required in House File 225.

In addition, this action will give this office the opportunity to review studies that are now being conducted on the organization of economic development efforts in the state. In fact, the Legislative Council has commissioned such a study by Garfield Swartz Associates, Inc. and I plan to review carefully the results of that study as I develop a plan.

The other disapproved portions of Division IV of House File 225 establish an advisory committee on economic development in Iowa. Several sections delineate the make-up of the advisory committee and the specific responsibilities of that committee.

After discussions with the legislative leaders, it is apparent that this advisory committee was designed to act as the Iowa Partnership for Economic Progress which I announced in my State of the State Message.

Over the past several months I have been developing this Partnership, consistent with the recommendations made by the Committee on Iowa's Future Growth. I plan to appoint such a Partnership in the near future and charge that group with developing a long-tern strategy for Iowa's economic development. Since the organization of the Iowa Partnership is' nearly complete, it is unnecessary for the legislature to statutorily create such a committee.

While I generally plan to follow the suggestions of the General Assembly in the composition of the Partnership Committee, I believe that the Executive Branch should have greater flexibility in the appointment and the direction of this committee. The Partnership Committee must forge a broad based consensus among those interested in economic development in Iowa and provide the framework in which we can analyze and implement needed economic development initiatives. The Partnership Committee I will soon appoint will do just that.

In short, I agree with the legislature's desire to provide better focus and reorganization to economic development efforts in the state. I plan to develop a reorganization plan which will accomplish those objectives and submit that plan to the General Assembly. I believe that the Executive Branch requires maxiinum flexibility to the development of that plan,

I also believe that this office requires flexiblity in appointing and directing the Iowa Partnership for Economic Progress in order to develop a consensus and a strategy for economic development issues in the state of Iowa.

For the above reasons, I respectfully disapprove of these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of House File 225 are hereby approved as of this date.

Very truly yours,

Terry E. Branstad

Terry- E. Branstad
Governor

TEB/ps

cc: Secretary of the State
Secretary of the Senate
Chief Clerk of the House

HOUSE FILE 451

AN ACT

RELATING TO CHILD PROTECTION AND PROVIDING PENALTIES.

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

Section 1. NEW SECTION. 144.13A REGISTRATION FEE.

The local registrar and state registrar shall charge the parent a ten dollar fee for the registration of a certificate of birth. If the person responsible for the filing of the certificate of birth under section 144.13 is not the parent, the person shall collect the fee from the parent. The fee shall be remitted to the appropriate registrar. If the expenses of the birth are reimbursed under the medical assistance program established by chapter 249A or paid for under the statewide indigent patient care program established by chapter 249A or paid for under the statewide indigent patient care program established by chapter 255, or if the parent is indigent and unable to pay the expenses of the birth and no other means of payment is available to the parent, the registration fee is waived. If the person responsible for the filing of the certificate is not the parent, the person is discharged from the duty to collect and remit the fee under this section if the person has made a good faith effort to collect the fee from the parent. The fees collected by the local registrar and state registrar shall be remitted to the treasurer of state for deposit in the general fund of the state. It is the intent of the general assembly that the

funds generated from the registration fees be appropriated and used for primary and secondary child abuse prevention programs.

Sec. 2. Section 232.68, subsection 6, paragraph c, Code 1985, is amended to read as follows:

c. An employee or agent of any public or private facility providing care for a child, including an institution, hospital, health care facility. group home, mental health center, residential treatment center, shelter care facility, detention center, or child care facility.

Sec. 3. Section 232.69, subsection 1, paragraph b, Code 1985 is amended to read as follows:

b. Every self-employed social worker, every social worker under the jurisdiction of the department of human services, any social worker employed by a public or private agency or institution, public or private health care facility as defined in section 135C.1, certified psychologist, certificated school employee, employee or operator of a licensed child care center or registered group day care home or registered family day care home, individual licensee under chapter 237, member of the staff of a mental health center, or peace officer, who, in the course of employment or in providing child foster care, examines, attends, counsels or treats a child and reasonably believes a child has suffered abuse. ~~If a person is required to report under this section as a member of the staff of a public or private institution, agency or facility, that person shall immediately notify the person in charge of the institution, agency or facility, or that person's designated agent, and the person in charge of the institution, agency, or facility, or the designated agent shall make the report.~~

Sec. 4. Section 232.69, subsection 1, paragraph a, Code 1985, is amended to read as follows:

a. Every health practitioner who examines, attends, or treats a child and who reasonably believes the child has been abused. ~~If, however, the health practitioner examines, attends, or treats the child as a member of the staff of a~~

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~~hospital-or-similar-institution,-the-examining-health practitioner-shall-immediately-notify-and-give-complete information-to-the-person-in-charge-of-the-institution-or-the health-practitioner's-designated-agent-and-the-person-in charge-of-the-institution-or-designated-agent-shall-make-the report.~~

Sec. 5. Section 232.69, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 3. A person required to make a report under subsection 1, other than a physician whose professional practice does not regularly involve providing primary health care to children, shall complete two hours of training relating to the identification and reporting of child abuse within one year of initial employment or self-employment involving the examination, attending, counseling, or treatment of children on a regular basis. The person shall complete at least two hours of additional child abuse identification and reporting traininy every five years. If the person is an employee of a hospital or similar institution, or of a public or private institution, agency, or facility, the employer shall be responsible for providing the child abuse identification and reporting training. If the person is self-employed, the person shall be responsible for obtaining the child abuse identification and reporting training. The person may complete the initial or additional training as part of a continuing education program required under chapter 258A or may complete the training as part of a training program offered by the department of human services, the department of public instruction, an area education agency, a school district, the Iowa law enforcement academy, or a similar public agency.

Sec. 6. Section 232.11, subsection 2, paragraph e, Code 1985, is amended by striking the paragraph.

Sec. 7. Section 232.71, subsection 3, Code 1985, is amended to read as follows:

3. The investigation may with the consent of the parent or guardian include a visit to the home of the child or with the consent of the administrator of a facility include a visit to the facility providing care to the child named in the report and examination of ~~each~~ the child. If permission to enter the home or facility and to examine the child is refused, the juvenile court or district court upon a showing of probable cause may authorize the persan making the investigation to enter the home or facility and examine the child. The department may utilize a multidisciplinary team in investigations of child abuse involving employees or agents of a Facility providing care for a child.

Sec. 8. Section 232.91, Code 1985, is amended by adding the following new subsection after subsection 3 and renumbering the subsequent subsections:

NEW SUBSECTION. 4. Based on an investigation of alleged child abuse by an employee of a facility providing care to a child. the department shall notify the licensing authority for the facility, the governing body of the facility, and the administrator in charge of the facility of any of the following:

a. A violation of facility policy noted in the investigation.

b. An instance in which Cacility policy or lack of facility policy may have contributed to the alleged child abuse.

c. An instance in which general practice in the facility appears to differ from the facility's written policy.

The licensing authority, the governing body, and the administrator in charge of the facility shall take any lawful action which may be necessary or advisable to protect children residing in the Lacility.

Sec. 9. Section 232.71, subsection 6, Code 1985, is amended to read as follows:

6. The department ~~of-human-services,~~ upon completion of its investigation, shall make a preliminary report of its

investigation as required by subsection 2. A copy of this report shall be transmitted to juvenile court within ninety-six hours after the department ~~of human services~~ initially receives the abuse report unless the juvenile court grants an extension of time for good cause shown. If the preliminary report is not a complete report, a complete report shall be filed within ten working days of the receipt of the abuse report, unless the juvenile court grants an extension of time for good cause shown. The department shall notify a subject of the report of the result of the investigation, of the subject's right to correct the information pursuant to section 235A.19, and of the procedures to correct the information. The juvenile court shall notify the registry of any action it takes with respect to a suspected case of child abuse.

Sec. 10. Section 232.78, subsection 1, paragraph a, Code 1985, is amended to read as follows:

a. The parent, guardian, legal custodian, or employee of the child day care facility is absent, or though present, was asked and refused to consent to the removal of the child and was informed of an intent to apply for an order under this section, or the parent, guardian, or legal custodian has a prior instance of flight to avoid a child abuse investigation.

Sec. 11. Section 232.78, Code 1985, is amended by adding the following new subsection as subsection 4 and renumbering as necessary:

NEW SUBSECTION. 4. The juvenile court, before or after the filing of a petition under this chapter, may enter an ex parte order authorizing a physician or hospital to conduct an outpatient physical examination or authorizing a physician, a psychologist certified under section 1548.7, or a community mental health center accredited pursuant to chapter 230A to conduct an outpatient mental examination of a child if necessary to identify the nature, extent, and cause of injuries to the child as required by section 232.71, subsection 2, provided all of the following apply:

a. The parent, guardian, or legal custodian is absent, or though present, was asked and refused to provide written consent to the examination.

b. The juvenile court has entered an ex parte order directing the removal of the child from the child's home or a child day care facility under this section.

c. There is not enough time to file a petition and to hold a hearing as provided in section 232.98.

Sec. 12. Section 232.98, subsection 1, unnumbered paragraph 1, Code 1985, is amended to read as follows:

h Except as provided in section 232.78, subsection 4, a physical or mental examination of the child may be ordered only after the Piling of a petition pursuant to section 232.87 and after a hearing to determine whether an examination is necessary to determine the child's physical or mental condition.

Sec. 13. Section 232.102, Code 1985, is amended by adding the following new subsection as subsection 2 and renumbering as necessary:

NEW SUBSECTION. 2. After a dispositional hearing and upon the request of the department, the court may enter an order appointing the department as the guardian of an unaccompanied refugee minor or of a child without parent or guardian.

Sec. 14. Section 232.141, subsection 2, Code 1985, is amended to read as follows:

2. Whenever If legal custody of a minor is transferred by the court ~~or whenever~~, if the minor is placed by the court with someone other than the parents, or whenever if a minor is given physical or mental examinations or treatment under order of the court and no provision is otherwise made by law for payment for the care, examination, or treatment of the minor, the costs shall be charged upon the funds of the county in which the proceedings are held upon certification of the judge to the board of supervisors. If a minor is given physical or mental examinations or treatment with the consent of the parent, guardian, or legal custodian relating to a child abuse

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investigation and no other provision is otherwise made by law Cur payment for the examination or treatment of the minor, the costs shall be charged upon the funds of the county in which the child-resides upon certification of the department to the board of supervisors. Except where the parent-child relationship is terminated, the court may inquire into the ability of the parents to support the minor and after qiving the parents a reasonable opportunity to be heard may ordec the parents to pay in the manner and to whom the court may direct, such sums as will cover in uhole or in part the cost of care, examination, or treatment of the minor. An order entered under this section shall riot obligate a parent payiny child support under a custody decree, except that any part of such a monthly support payment may be used to satisfy the obligations imposed by an order entered under this section. If the parents fail to pay the sum without good reason, the parents may be proceeded against for contempt or the court may inform the county attorney who shall proceed against the parents to collect the unpaid sums or both. Any such sums ordered by the court shall be a judgment dgainst each of the parents and a lien as provided in section 624.23. If all or any part of the sums that the parents are ordered to pay is subsequently paid by the county, the judgment and lien shall thereafter be against each of the parents in favor of the county to the extent of such the county's payments.

Sec. 15. Section 232.149, Code 1385, is amended by adding the following new subsection:

NEW SUBSECTION. 5. This section does not prohibit a criminal justice agency from disclosing or releasing pursuant to chapter 694 Lhe identity of a missing child or information useful in the recovery of a missing child.

Sec. 16. Section 235A.15, Code 1985, is amended ti, read as follows:

235A.15 AUTHORIZED ACCESS.

1. Notwithstanding chapter 22, the confidentiality of all child abuse information shall be maintained, except as specifically provided by subsection 2 and subsection 3.

2. Access to child abuse information other than unfounded child abuse information is authorized only:

a. To a health practitioner who is examining, attending ok treating a child whom the practitioner believes or has reason to believe has been the victim of abuse.

b. To employees of the department of human services having responsibility for the investigation of a child abuse report.

c. To a law enforcement officer having responsibility for the temporary emergency removal of a child from the child's parent or other legal guardian.

d. To a juvenile court or district court upon a finding that information is necessary for the resolution of an issue arising in any phase of a case involving child abuse, except that information obtained through the registry shall not be utilized in any aspect of any criminal prosecution.

e. To an authorized person or agency having responsibility for the care or supervision of a child named in a report as a victim of abuse or a person named In a report as having abused a child, if the juvenile court or the registry deems access to child abuse information by such person or agency to be necessary.

f. To a person conducting bona fide research on child abuse, if the details identifying any subject of a child abuse report are deleted.

g. To a person who is the subject of any report as provided in section 235A.19.

h. To registry or department personnel where necessary to the performance of their official duties.

i. To a court hearing an appeal for correction or expungement of registry information as provided in section 235A.19.

j. In an individual case, to the mandatory reporter who reported the child abuse.

k. To a multidisciplinary team, if the department of human services approves the composition of the multidisciplinary team and determines that access to the team is necessary to

assist the department in the diagnosis, assessment, and disposition of a child abuse case.

1. To a licensing authority for a facility providing care for a child named in a report, if the licensing authority is notified of a relationship between facility policy and the child abuse under section 232.71, subsection 4.

3. Access to unfounded child abuse information is authorized only to those persons identified in subsection 2, paragraphs "b", "g", "h", **and "i".**

Sec. 17. Section 235A.18, subsection 2, Code 1985, is amended to read as follows:

2. Child abuse information which cannot be determined by a pceponderance of the evidence to be founded or unfounded shall be expunged one year after the receipt of the initial report of such abuse ~~if the information cannot be determined by a~~ **preponderance of the evidence to be founded or unfounded,** ~~child~~ and child abuse information which is determined by a preponderance of the evidence to be unfounded shall be expunged ~~if the information is determined to be unfounded~~ **six** months after the receipt of the initial report of abuse, as a result of any of the following:

a. The investigation of a report of suspected child abuse by the department.

b. A successful appeal as provided in section 235A.19.

c. A court **adjudication** finding by a juvenile or district court.

3. However, if a correction of child abuse information is requested under section 235A.19 and the issue is not resolved at the end of the one-year or six-month period, the information shall be retained until the issue is resolved and if the child abuse information is not determined to be founded, the information shall be expunged at the appropriate time under subsection 2.

Sec. 18. Section 235A.19, subsections 2 and 3, Code 1985, are amended to read as follows:

2. **Any** **A** person **who fifes** may file with the **registry** department within six months of the date of the notice of the results of an investigation required by section 232.71, subsection **6,** a written statement to the effect that child abuse information referring to **such** **the** person is in whole or in part erroneous, and **requests** may request a correction or **expungement** of that **information, shall be notified within sixty days by the registry, in writing, of its decision or** ~~order regarding the correction or elimination~~ or of the findings of the investigation report. ~~**All decisions and orders shall be accompanied by findings of fact, and the registry shall provide the opportunity for a fair hearing when it initially determines that the information should not be**~~ ~~corrected or expunged as requested.~~ The department shall provide the person with an opportunity for an evidentiary hearing pursuant to chapter 17A to correct the information or the findings, unless the department corrects the information or findings as requested. The department shall delay the expungement of information which is not determined to be founded until the conclusion of a proceeding to correct the information or findings. The department may defer the hearing until the conclusion of a pending juvenile or district court case relating to the information or findings.

3. The **registry's** decision **or order** resulting from the hearing may be appealed to the district court of Polk county by the person requesting the correction ~~**or expungement**~~ or to the district court of the district in which **such** **the** person resides. Immediately upon **such** appeal the court shall order the registry department to file with the court a certified copy of the child abuse information. Appeal shall be taken in accordance with ~~the provisions of the Iowa administrative~~ **procedure Act** chapter 17A.

Sec. 19. Section 237A.4, Code 1985, is amended to read as follows:

237A.4 INSPECTION AND EVALUATION.

The department shall make periodic inspections of licensed centers to insure compliance with licensing requirements provided in this chapter, and the local boards of health shall may make periodic inspections of licensed centecs to insure compliance with health-related licensing requirements provided in this chapter. In those instances where no local board of health exists then the director may make periodic inspections of licensed centers as necessary to carry out the provisions of this chapter; The director may inspect records maintained by a licensed center and may inquire into matters concerning these'centers and the persons in charge. 'The director shall require that the center be inspected by the state fire marshal or a designee for compliance with rules relating to Eire safety before a license is granted or renewed. The director or a designee may periodically visit reqistrred family day care homes for the purpose of evaluation of an inquiry into matters concerning compliance with rules promulgated adopted under section 237A.12. Evaluation of family day care homes under this section may include consultative services provided pursuant to section 237A.6.

Sec. 20. Section 237A.12, unnumbered paragraph 3, Code 1485, is amended to read as follows:

Rules relating to Eire safety and-sanitation shall be promulgated adopted under this chapter by the state Eire marshal and the commissioner of public health respectively, in consultation with the departments-and-aif. Rules relating to sanitation shall be adopted by the department in consultation with the commissioner of public health. All rules shall be developed in consultation with the state day care advisory committee. The state Eire marshal shall inspect the Eacilities.

Sec. 21. Section 238.33, article II, paragraph d, Code 1985, is amended to read as follows:

d. "Placement" means the arrangement for the care of a child in a family free or boarding hona or in a child-caring agency oc institution, but not in an institution caring for

the mentally ill, mentally defective, or epileptic, in an institution primarily educational in character, or in a hospital or other medical facility.

Sec. 22. Section 238.33, article III, paragraph a, Code 1985, is amended to read as follows:

a. No A sending state agency shall noc send, bring, or cause to be sent or brought into any othee party state any a child for placement in Foster care or as a preliminary to a possible adoption unless the sending agency shall comply complies with each and every requirement set forth in this article and with the applicable laws of the receiving state governing the placement of children therein in the receiving state.

Sec. 23. Section 238.33, article VIII, paragraph a. Code 1985, is amended to read as follows:

a. The sending or bringing of a child into a receiving state by the child's parent, relative stepparent, grandparent, adult brother or sister, adult uncle or aunt, or the child's guardian and leaving the child with any such relative or nonagency guardian in the receiving state.

Sec. 24. NEW SECTION. 242.16 STANDARDS -- MULTIDISCIPLINARY TEAM REVIEW -- ADVISORY COMMITTEE.

1. The department of human services shall adopt rules pursuant to chapter 17A establishing standards for services provided by the state training school, which shall address:

a. The number, qualifications, and character of staff necessary to assure the health, safety, and welfare of children committed to the state training school.

b. Programs for education and in-service training of staff.

c. Policies for intake, assessment, admission, and discharge of children committed to the state training school.

d. Policies for involvement of the parents of children committed to the state training school.

e. The adequacy of programs available to children committed to the state training school, including activity

programs, social services, behavior management procedures, and educational programs.

f. Health, safety, and medical care policies.

2. The department shall establish an advisory committee for the state training school consisting of fifteen persons representing the local community, the juvenile court, providers of juvenile services, state agencies concerned with juvenile services, and persons with expertise in the treatment of youth. No more than five members of the advisory committee shall be state employees. The advisory committee shall meet at least three times annually, and shall review and make recommendations to the department regarding the programming and policies of the state training school.

Sec. 25. NEW SECTION. 244.15 STANDARDS -- MULTIDISCIPLINARY TEAM REVIEW -- ADVISORY COMMITTEE.

1. The department of human services shall adopt rules pursuant to chapter 17A establishing standards for services provided by the Iowa juvenile home, which shall address:

a. The number, qualifications, and character of staff necessary to assure the health, safety, and welfare of children committed to the home.

b. Programs for education and in-service training of staff.

c. Policies for intake, assessment, admission, and discharge of children committed to the home.

d. Policies for involvement of the parents of children committed to the home.

e. The adequacy of programs available to children committed to the home, including activity programs, social services, behavior management procedures, and educational programs.

f. Health, safety, and medical care policies.

2. The department shall establish an advisory committee for the home consisting of fifteen persons representing the local community, the juvenile court, providers of juvenile services, state agencies concerned with juvenile services, and

persons with expertise in the treatment of youth. No more than five members of the advisory committee shall be state employees. The advisory committee shall meet at least three times annually, and shall review and make recommendations to the department regarding the programming and policies of the home.

Sec. 26. NEW SECTION. 279.49 CHILD DAY CARE PROGRAMS.

The board of directors of a school corporation may operate or contract for the operation of a program to provide child day care to children not enrolled in school or to students enrolled in kindergarten through grade six before and after school, or to both. The person employed to be responsible for coordinating a program operated by a board shall be an appropriately certificated teacher under chapter 260 or the program operated by contract with the board shall be licensed as a child care center under chapter 237A. The board shall require the employment of adequate personnel for a program to meet the personnel standards adopted by the department of human services pursuant to section 237A.12, subsection 1.

The board shall establish a fee for the cost of participation in a program. The parent or guardian of a child participating in a program is responsible for payment of the fee and for transportation of the child. The fee shall cover staffing costs and other necessary expenses as deemed appropriate by the board.

Sec. 27. NEW SECTION. 280.16 PROCEDURES FOR HANDLING CHILD ABUSE REPORTS.

The board of directors of a public school and the authorities in control of a nonpublic school shall prescribe procedures, in accordance with the guidelines contained in the model policy developed by the department of public instruction in consultation with the department of human services, and adopted by the department of public instruction pursuant to chapter 17A, for the handling of reports of child abuse, as defined in section 232.68, subsection 2, paragraph "a", "b", or "d", alleged to have been committed by an employee or agent of the public or nonpublic school.

Sec. 28. Section 321B.30, Code 1985, is amended to read as follows:

3218.30 CIVIL PENALTY -- VICTIM REPARATION FUND.

When the department revokes a person's license or operating privilege under this chapter, the department shall assess the person a civil penalty of one hundred dollars. The money collected by the department under this section shall be transmitted to the treasurer of state who shall deposit the money in a separate fund dedicated to and used for the purposes of chapter 912, and for the operation of a missing person clearinghouse and domestic abuse registry by the department of public safety. A temporary restricted license shall not be issued or a license or privilege to drive reinstated until the civil penalty has been paid.

Sec. 29. NEW SECTION. 694.10 MISSING PERSON INFORMATION CLEARINGHOUSE.

1. As used in this section:.

a. "Missing person" means a missing person as defined in 694.1 whose temporary or permanent residence is in Iowa, or is believed to be in Iowa, whose location has not been determined, and who has been reported as missing to a law enforcement agency.

b. "Missing person report" is a report prepared on a form designed by the department of public safety for use by private citizens and law enforcement agencies to report missing person information to the missing person information clearinghouse.

2. The department of public safety shall establish a statewide missing person information clearinghouse. In connection with the clearinghouse, the department shall:

a. Collect, process, maintain, and disseminate information concerning missing persons in Iowa.

b. Develop training programs for local law enforcement personnel concerning appropriate procedures to report missing persons to the clearinghouse and to comply with legal procedures relating to missing person cases.

c. Provide specialized training to law enforcement officers, In conjunction with the law enforcement academy, to enable the officers to more efficiently handle the tracking of missing persons and unidentified bodies on the local level.

d. Develop training programs to assist parents in avoiding child kidnapping.

e. Cooperate with other states and the national crime information center in efforts to locate missing persons.

f. Maintain a toll-free telephone line, available twenty-four hours a day, seven days a week, to receive and disseminate information related to missing persons.

g. Distribute monthly bulletins to all local law enforcement agencies and to media outlets which request missing person information, containing the names, photos, and descriptions of missing persons, Information related to the events surrounding the disappearance of the missing persons, the law enforcement agency or person to contact if missing persons are located or if other relevant information is discovered relating to missing persons, and the names of persons reported missing whose locations have been determined and confirmed.

h. Produce, update at least weekly, and distribute public service announcements to media outlets which request missing person information, containing the same or similar information as contained in the monthly bulletins.

i. Encourage and seek both financial and in-kind support from private individuals and organizations in the production and distribution of clearinghouse bulletins and public service announcements under paragraphs "g" and "h".

j. Maintain a registry of approved prevention and education materials and programs regarding missing and runaway children.

k. Coordinate public and private programs for missing and runaway children.

3. A law enforcement agency shall submit all missing person reports compiled pursuant to section 694.3 and updated information relating to the reports to the clearinghouse.

4. Subsequent to the filing of a complaint of a missing person with a law enforcement agency pursuant to section 694.2, the person filing the complaint may submit information regarding the missing person to the clearinghouse. If the person reported missing is an unemancipated minor, any person may submit information regarding the missing unemancipated minor to the clearinghouse.

5. A person who has filed a missing person complaint with a law enforcement agency shall immediately notify that law enforcement agency when the location of the missing person has been determined.

6. After the location of a person reported missing to the clearinghouse has been determined and confirmed, the clearinghouse shall only release information described in subsection 2, paragraphs "g" and "h" concerning the located person. After the location of a missing person has been determined and confirmed, other information concerning the history of the missing person case shall be disclosed only to law enforcement officers of this state and other jurisdictions when necessary for the discharge of their official duties and to the juvenile court in the county of a formerly missing child's residence. All information relating to a missing person in the clearinghouse shall be purged when the person's location has been determined and confirmed, except that information relating to a missing child shall be purged when the child reaches eighteen years of age and the child's location has been determined and confirmed.

Sec. 30. The Code editor shall transfer sections 238.33 through 238.41 to chapter 232 as a new division before or after division VII.

Sec. 31. The amendments to sections 232.71, subsection 6 and 235A.19, subsection 2 in this Act apply to information entered in the central registry for child abuse information on or after the effective date of this Act.

Sec. 32. EFFECTIVE DATE. Section 27 Of this Act takes effect January 1, 1987.

Sec. 33. PROSPECTIVE REPEAL. Sections 242.16 and 244.15 contained in sections 24 and 25 of this Act are repealed July 1, 1988. The advisory committees established in those sections shall report to the general assembly by January 1, 1988 their recommendations relating to the prospective repeal of sections 242.16 and 244.15.

Sec. 34. The Iowa merit employment department shall conduct a study to develop a model state employment policy for state employees who are parents of young children to be implemented no later than July 1, 1986. The study shall include an assessment of the costs and benefits of the implementation of the model state employment policy. The study shall draw on the experiences of other governmental units and private entities and shall review individual state employment policy components including but not limited to flexible working hours, use of sick time for necessary child care, on-site child day care, flexible benefit options, and use of employer and employee economic incentives for the provision of child day care. In developing a realistic model state employment policy, the study shall attempt to combine individual components into an innovative benefit package for state employees who are parents of young children. The study shall include a recommendation concerning the costs and benefits of on-site child day care located at the state capitol complex in Des Moines and other appropriate sites around the state. The Iowa merit employment department shall complete the study and report its findings and recommendations to the legislative council and the general assembly by December 1, 1985.

Sec. 35. MODEL POLICY FOR THE HANDLING OF CHILD ABUSE REPORTS.

The department of public instruction, in consultation with the department of human services, shall develop a model policy for public and nonpublic schools, as defined in section 280.2, for the handling of reports of child abuse, as defined in section 232.68, subsection 2, paragraph "a", "b", or "d", alleged to have been committed by employees or agents of

public or nonpublic schools. The departments shall jointly report the model policy to the general assembly by January 1, 1986. The department of public instruction shall adopt rules pursuant to chapter 17A to implement the model policy, and the rules shall be effective by January 1, 1987. The department of public instruction shall distribute the model policy to the public and nonpublic schools.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 451, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

HOUSE FILE 476

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO VARIOUS DEPARTMENTS, BOARDS, AGENCIES, AND COMMISSIONS OF THE STATE RELATING TO AGRICULTURAL AFFAIRS, ENERGY, AND NATURAL RESOURCES MANAGEMENT.

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

Section 1. DEPARTMENT OF AGRICULTURE. There is appropriated from the general fund of the state and the trust funds indicated to the department of agriculture for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. GENERAL ADMINISTRATION	
a. From the general fund for salaries, support, maintenance, and miscellaneous purposes	$ 1,460,016
b. From the fertilizer fund to be transferred to the administration division	$ 43,296
c. From the dairy trade practice fund to be transferred to the administration division	$ 73,368
d. From the commercial feed fund to be transferred to the administration division	$ 43,296

e. The department of agriculture shall establish annual subscription fees for the regular and periodic publications of the department. Fees collected from subscribers shall be deposited in the general fund of the state.

It is the intent of the general assembly that the department of agriculture continue the agricultural diversification program.

2. REGULATORY DIVISION

From the general fund for salaries, support, maintenance, and miscellaneous purposes ..... $ 3,318,858

It is a condition of the funds appropriated by this subsection that the department of agriculture is required to inspect a food service establishment only once a year, notwithstanding the provisions of section 170A.3 requiring an inspection twice a year.

3. LABORATORY DIVISION

a. From the general fund for salaries, support, maintenance, and miscellaneous purposes	$ 632,924
b. From the commercial feed fund to be transferred to the laboratory division	$ 734,610
c. From the pesticide fund to be transferred to the laboratory division	$ 450,323
d. From the fertilizer fund to be transferred to the laboratory division	$ 776,305

Sec. 2. MULTIFLORA ROSE ERADICATION COST REIMBURSEMENT.

1. There is appropriated from the general fund of the state to the state department of 'agriculture for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the sum of seventy-five thousand (75,000) dollars, or as much thereof as may be necessary, to be used for the purpose of partially reimbursing agricultural landowners or tenants for the cost of herbicide for controlling or eradicating the multiflora rose which has severely infested their agricultural land. Not more than five percent of the funds appropriated under this subsection shall be used for administrative expenses.

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2. A county board of supervisors desiring a share of the appropriation shall, in conjunction with the county weed commissioner and the county soil conservation district commissioners, develop a plan to combat severe infestations of multiflora rose on privately-owned land within the county. The plan shall be based upon partial reimbursement of individual landowner's costs for the purchase of herbicide from both state and county appropriations, however the share of costs reimbursed by state funds shall not exceed one fourth. The plan shall be submitted to the secretary of agriculture for approval or recommendations for modification.

3. A landowner or tenant whose agricultural land is severely infested by multiflora roses may apply to the soil conservation district commissioners of the county for partial reimbursement according to the approved plan, of the cost of herbicide for controlling or eradicating the multiflora rose on the agricultural land. The county weed commissioner shall assist the soil conservation district commissioners in investigating the application and determining if the infestation is severe. The soil conservation district commissioners shall review and approve each application for partial cost reimbursement if the infestation is severe on the applicant's agricultural land. If the soil conservation district commissioners find the amount of reimbursement claimed to be excessive, the district commissioners may approve a lesser amount. The reasons for disapproval of an application or reduction of the amount of reimbursement shall be sent in writing to the applicant. The amount of reimbursement certified by the secretary shall be paid by warrant issued by the state comptroller.

4. Federal lands and federal land tenants are not eligible for reimbursement under this section.

Sec. 3. STATE CONSERVATION COMMISSION. There is appropriated from the general fund of the state and the funds indicated to the state conservation commission and its

divisions for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1985-1986 Fiscal Year
1. DIVISION OF LANDS AND WATERS	
For deposit in the state conservation fund from the general fund of the state for salaries, support, maintenance, equipment, and miscellaneous purposes and for maintenance of state parks, waters, and forests, and including not more than one million five hundred forty-one thousand one hundred seventy-five (1,541,175) dollars during the fiscal year beginning July 1, 1985 which shall be available for the administration fund from the state conservation fund in compliance with the provisions of section 107.17	$ 6,222,644
2. DIVISION OF FISH AND GAME	
a. From the state fish and game protection fund for salaries, support, maintenance, equipment, and miscellaneous purposes including not more than two million sixty-five thousand four hundred fifteen (2,065,415) dollars during the fiscal year beginning on July 1, 1985 which shall be available from the state fish and game protection fund for the administration fund in compliance with the provisions of section 107.17	$13,211,122
b. From the fees deposited under section 321G.7 to the fish and game	

In light of its success, this program should be retained to complement the forgivable loan program established in House File 225. The forgivable loan program provides assistance to Iowa residents who attend higher education institutions in Iowa. However, that new program does not provide teaching incentives for Iowa residents who attended out-of-state institutions,. or for residents of other states who attended Iowa colleges. The guaranteed loan payment program provides incentives for these teachers, and no cost accrues to the Iowa taxpayers until the teacher has actually taught here for one year. Thus the guaranteed loan payment program is a valuable complement to the new forgivable loan. It should be retained.

For the above reasons, I hereby respectfully disapprove of these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 747 are hereby approved as of this date.

Very truly yours,

Terry E. Branstad
Governor

TEB:wm

cc: Secretary of the Senate
Chief Clerk of the House
Secretary of the State

protection fund for enforcement of snow-
mobile laws as part of the state snow-
mobile program ..... $ 67,000

c. From the fees deposited under
section 106.52 to the fish and game
protection fund for administration and
enforcement of navigation laws and water
safety ..... $ 905,600

d. Funds remaining in the fish and game protection fund during fiscal year 1985-1986 which are not specifically appropriated by section 3 of this Act are appropriated and may be used for capital projects and contingencies arising during the fiscal year beginning July 1, 1985. A contingency shall not include any purpose or project which was presented to the general assembly by way of a bill or a proposed bill and which failed to be enacted into law. For the purpose of this subsection, a necessity of additional operating funds may be construed as a contingency. Before any of the Eunds authorized to be expended by this subsection are allocated for contingencies, it shall be determined by the executive council that a contingency exists and that the contingency was not existent while the general assembly was in session and that the proposed allocation shall be for the best interests of the state. If a contingency arises or could reasonably be foreseen during the time the general assembly is in session, expenditures for the contingency must be authorized by the general assembly.

3. STATE ADVISORY BOARD FOH PRESERVES

From the general fund of the state for
salaries, support, maintenance, and mis-
cellaneous purpose:; for carrying out the
duties of the board ..... $ 51,484

4. GREEN THUMB PHOCHAM

From the general fund for deposit in
the green thumb fund for the employment

of persons under the green thumb program
established pursuant to chapter 601H ..... $ 145,742

Sec. 4. MARINE FUEL TAX FUND. There is appropriated from the marine fuel tax fund to the state conservation commission and its divisions for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as is necessary, to be used for the following purposes:

	1985-1986 Fiscal Year
1. For deposit in the state conservation fund for maintenance and development of boating facilities and access to public waters	$ 364.730
2. For deposit in the state fish and game protection fund for the administration and enforcement of navigation laws and boat safety	$ 100,000

The balance of the amount computed as provided in section 324.84 for the fiscal year beginning July 1, 1985 and ending June 30, 1986 is appropriated for the purposes provided in section 324.79, subsections 1, 2, 3 and 5. The unencumbered or unobligated balances of funds specifically allocated for such projects for the fiscal year ending June 30, 1986. shall revert to the fund from which appropriated June 30, 1988.

Sec. 5. ADMINIS'PRATION FUND.

1. The transfer of funds from the state conservation fund and the state fish and game protection fund to the administration funds shall not exceed the amounts specified in subsections 1 and 2 of section.3 of this Act.

2. All receipts and refunds and reimbursements related to activities funded by the administration fund are appropriated to the administration fund. All refunds and reimbursements relating to activities of the state fish and game protection fund shall be credited to the state fish and game protection fund.

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3. The state conservation commission shall establish a priority list of watersheds above publicly-owned lakes and areas within those watersheds which are of highest importance based on soil loss to be used for the allocation of funds set aside in subsection 3 of section 11 of this Act for permanent soil conservation practices on watersheds above publicly-owned lakes.

Sec. 6. OPEN SPACES SCHOOL TAX PAYMENT. There is appropriated from the general fund of the state to the state conservation commission the amount of forty-one thousand one hundred sixty (41,160) dollars to pay school taxes for the fiscal year beginning July 1, 1985 on the lands acquired under the open spaces acquisition program, commenced in Acts of the Sixty-Eifth General Assembly, 1973 Session, chapter 74, which would otherwise be subject to the levy of school taxes. The assessed value of the open spaces land shall be that determined pursuant to section 427.1, subsection 31, and the commission may protest the assessed value in the manner provided by law for any property owner to protest an assessment. For the purposes of chapter 442, the assessed value of the open spaces land shall be included in the valuation base of the school district and the payments made pursuant to this section shall be considered as property tax revenues and not as miscellaneous income. The county treasurer shall certify the taxes due to the commission. If the total amount of taxes due certified to the commission exceeds the amount appropriated, the taxes due shall be reduced proportionately so that the total amount equals the amount appropriated.

Sec. 7. ENERGY POLICY COUNCIL. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986, to the energy policy council the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1985-1986

Fiscal Year

ENERGY POLICY COUNCIL

1. OPERATIONS

For salaries, support, maintenance, and for miscellaneous purposes ..... $ 373,500

2. INSTITUTIONAL CONSERVATION PROGRAM

For salaries, support, maintenance, and for miscellaneous purposes ..... $ 98,054

3. STATE BUILDINGS ENERGY MANAGEMENT PROGRAM

For salaries, support, maintenance, and for miscellaneous purposes ..... $ 450,000

By January 2, 1986 the energy policy council shall file with the chief clerk of the house of representatives and the secretary of the senate a report of the expenditures made under the institutional conservation program and the state buildings energy management program during the fiscal year beginning July 1, 1983 and ending June 30, 1984 and the energy savings realized by virtue of those expenditures during that fiscal year.

Sec. 8. GEOLOGICAL SURVEY. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986 to the Iowa geological survey the amounts specified, or so much thereof as is necessary, to be used for the following purposes:

1985-1986

Fiscal Year

1. For salaries, support, maintenance, and for miscellaneous purposes for the general office ..... $ 1,217,663

2. For reimbursement to federal agencies for cooperative contracts ..... $ 257,576

Sec. 9. HERBERT HOOVER BIRTHPLACE FOUNDATION. There is appropriated from the general fund of the state to the Herbert

Hoover birthplace foundation for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amount, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
For assistance with capital improvements	$ 1,350

Sec. 10. MISSISSIPPI RIVER PARKWAY COMMISSION. There is appropriated from the general fund of the state to the Mississippi river parkway commission for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
For support, maintenance, and miscellaneous purposes	$ 15,702

Sec. 11. DEPARTMENT OF SOIL CONSERVATION. There is appropriated from the general fund of the state to the department of soil conservation for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. For salaries, support, maintenance, assistance to soil conservation districts, and for miscellaneous purposes	$ 3,854,553

It is the intent of the general assembly that if full-time equivalent positions must be reduced, the department shall first consider staff reductions in the central office.

2. For soil conservation grants which shall be allocated by the state soil conservation committee as follows:

a. To conduct soil surveys in con-

junction with federal, state, and local agencies in Iowa ..... $ 328,633

b. To finance the state share of the small watershed program known as the Pub. L. 566 program ..... $ 23,814

c. For transfer to the conservation practices revolving loan fund ..... $ 100,000

d. To provide financial incentives for soil conservation practices in accordance with the provisions of subsection 3 of this section ..... $ 8,978,521

3. The following requirements apply to the funds appropriated by subsection 2, paragraph "d":

a. Not more than five percent may be allocated for cost sharing to abate complaints filed under sections 4678.47 and 467A.40.

b. Not more than ten percent may be allocated for financial incentives not exceeding seventy-five percent of the approved cost of permanent soil conservation practices under chapter 467A on watersheds above publicly-owned lakes in accordance with the priority list required in subsection 3 of section 5 of this Act.

c. The committee may allocate funds to conduct research and demonstration projects to promote conservation tillage and nonpoint sources pollution control practices.

d. Not more than ten percent of a district's allocation may be allocated by the soil conservation district commissioners for one-time incentive payments on the per acre basis, but not exceeding ten dollars per acre, to encourage no-till planting methods on Iowa land that is row cropped.

e. Except for the allocation subject to paragraphs "a" and "b", the financial incentives for voluntary permanent soil conservation practices shall not exceed fifty percent of the approved cost and priority shall be given to family-operated farms.

f. Not more than twenty thousand (20,000) dollars may be used for reimbursement of out-of-pocket expenses of fencing authorized by House File 266 if enacted by the Seventy-first General Assembly, 1985 Session.

g. The financial incentive payments may be used in combination with state conservation commission funds.

4. The provisions of section 8.33 shall not apply to the funds appropriated by subsection 2. Unencumbered or unobligated funds remaining on June 30, 1989 from funds appropriated for the fiscal year beginning July 1, 1985 shall revert to the general fund on September 30, 1989.

Sec. 12. DEPARTMENT OF WATER, AIR AND WASTE MANAGEMENT. There is appropriated from the general fund of the state for the fiscal yedr beginning July 1, 1985 and ending June 30, 1986, to the department of water, air and waste management the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. For salaries, support, maintenance, and for miscellaneous purposes	$ 2,652,978
2. For salaries, support, maintenance and for miscellaneous purposes for the river coordinator	$ 41,106
3. For the state's contributioii Lo the AIDEX superfund	$ 250,000

Notwithstanding section 8.33 funds appropriated for the state's contribution to the AIDEX superfund by 1984 Iowa Acts, chapter 1303, section 18, subsection 3, which are unexpended or unencumbered shall carry forward into the 1985-1986 fiscal year for the same purpose as originally appropriated. During the fiscal year for which funds are appropriated by this section the department of water, air and waste management shall not require the installation or use of equipment to control the emission of dust or other particulate matter on

facilities for the storage of grain which are located within the ambient air quality attainment areas for suspended particulates.

4. For payments to the governing bodies responsible for publicly-owned sewage treatment facilities which are eligible for grants under section 202 of the federal Water Pollution Control Act, 33 U.S.C. 466 et seq., as amended by the federal Clean Water Act of 1977, Pub. L. 95-217, in an amount equal to five percent of the amount approved as the eligible cost of the project by the water, air and waste management commission .... $ 1,960,000

Notwithstanding the provisions of unnumbered paragraph 1, of this subsection, not more than ten thousand (10,000) dollars of the funds appropriated by this subsectiqn may be used For payments to governing bodies of local governments to reimburse up to fifty percent of expenses incurred since January 1, 1985 for alternative solid waste disposal projects.

The provisions of section 8.33 shall not apply to the funds appropriated by this subsection. Unencumbered or unobligated funds remaining on June 30, 1989 from funds appropriated for the fiscal year beginning July 1, 1985, shall revert to the general fund on September 30, 1989.

5. It is the intention of the general assembly in adopting the appropriation under subsection 1 and this subsection to cease funding for the department's implementation of the federal Resource Conservation and Recovery Act permit program for hazardous waste facilities in this state. Section 4550.411, subsections 5, 8 and 9, section 4550.412, subsections 2 through 4, and sections 4558.413 through 4558.421 are suspended and do not apply as they pertain to that permit program, but are not suspended and do apply as they pertain to abandoned and uncontrolled sites, used oil and

site licensing under chapter 455B, division IV, part 6. The suspension provided by this subsection begins July 1, 1985 and ends July 1, 1987.

Sec. 13. There is appropriated from the general fund of the state to the Iowa state water resources research institute for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the sum of one hundred thirty-five thousand (135,000) dollars, or so much thereof as is necessary, for research approved by the panel created in 1984 Iowa Acts, chapter 1303, section 20.

Sec. 14. The amount of the funds appropriated under section 1, subsection 1, paragraph "a", subsection 2, and subsection 3, paragraph "a" of this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of this Act.

The amount of the funds appropriated under section 3, subsection 1, and subsections 3 and 4 of this Act for the fiscal year beginning on July 1, 1985 and ending June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of this Act.

The amount of the funds appropriated under sections 2, 6, 7, 8, 9, 10, 11, 12, and 13 of this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of this Act.

Sec. 15. Total appropriations specified in this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall not be exceeded in the fiscal year beginning July 1, 1986 and ending June 30, 1987 unless revenue growth as estimated by the legislative fiscal bureau in its December 31, 1985 quarterly report exceeds four and one-half percent.

Sec. 16. All federal grants to and the federal receipts, not otherwise appropriated, of the agencies appropriated funds under this Act are appropriated for the purposes set forth in the federal grants or receipts, unless otherwise provided by the general assembly.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 476, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

HF 476

HOUSE FILE 549

AN ACT

RELATING TO DOMESTIC ABUSE COUNSELING; TO THE COMMENCEMENT OF A DOMESTIC ABUSE ACTION; TO COORDINATION OF CERTAIN DOMESTIC ABUSE PHOGRAMS BY THE DEPARTMENT OF HUMAN SERVICES; TO COMPILATION AND DISSEMINATION OF DOMESTIC ABUSE INFORMATION BY THE DEPARTMENT OF PUBLIC SAFETY; TO WARRANTLESS ARRESTS OF PERSONS COMMITTING DOMESTIC ABUSE, AND PROVIDING PENALTIES; AND TO THE ESTABLISHMENT OF A COURT FEE FOR THE ENTERING OF A FINAL DECREE OF DISSOLUTION OF MARRIAGE.

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

Section 1. Section 22.7, subsection 2, Code 1985, is amended to read as follows:

2. Hospital records, medical records, and professional counselor records of the condition, diagnosis, care, or treatment of a patient or former patient or a counselee or former counselee, including outpatient. However, confidential communications between a victim of sexual assault or domestic violence and the victim's sexual assault or domestic violence counselor are not subject to disclosure except as provided in section 236.17.

Sec. 2. Section 236.2, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 3. "Emergency shelter services" include, but are not limited to, secure crisis shelters or housing for victims of domestic abuse.

NEW SUBSECTION. 4. "Support services" include, but are not limited to, legal services, counseling services, transportation services, child care services, and advocacy services.

NEW SUBSECTION. 5. "Department" means the department of human services.

NEW SUBSECTION. 6. "Commissioner" means the commissioner of human services.

Sec. 3. Section 236.3, unnumbered paragraph 2, Code 1985, is amended to read as follows:

If the plaintiff files an affidavit stating that the plaintiff does not have sufficient funds available to pay the cost of filing and service, the petition shall be filed and service shall be made without payment of costs. If a petition is filed and service is made without payment of costs, the court shall determine at the hearing if the ~~plaintiff is~~ indigent payment of costs would prejudice the person's financial ability to provide economic necessities for the plaintiff or the plaintiff's dependents. If the court finds that the ~~plaintiff is not indigent~~ payment of costs would not prejudice the person's financial ability to provide economic necessities for the plaintiff or the plaintiff's dependents, the court may order the plaintiff to pay the costs of filing and service. However, in making the determinations, the court shall not consider funds no longer available to the plaintiff as a result of the commencement of the action.

Sec. 4. Section 236.9, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

236.9 DOMESTIC ABUSE INFORMATION.

Criminal justice agencies, as defined in section 692.1, shall collect and maintain information on incidents involving domestic abuse and shall provide the information to the department of public safety in the manner prescribed by the department of public safety. The department of public safety shall receive and maintain the information, including information on the personal characteristics and identities of perpetrators and victims of domestic abuse. The department of public safety shall maintain the confidentiality of information which individually identifies perpetrators or victims of domestic abuse, except that the department of public safety may disseminate the identifying information to a criminal justice agency if necessary for the performance of the official duties of the agency.

The department of public safety may compile statistics and issue reports on domestic abuse in Iowa, provided individual identifying details of the domestic abuse are deleted. The statistics and reports may include nonidentifying information on the personal characteristics of perpetrators and victims. The department of public safety may request the cooperation of the department of human services in Compiling the statistics and issuing the reports. The department of public safety may provide nonidentifying information on individual incidents of domestic abuse to persons conducting bona fide research, including but not limited to personnel of the department of human services.

Sec. 5. Section 236.12, subsection 2, Code 1985, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. d. Arrest the abusing party pursuant to section 804.7, subsection 5.

Sec. 6. NEW SECTION. 236.13 APPLICATION FOR DESIGNATION AND FUNDING AS A PROVIDER OF SERVICES FOR VICTIMS OF DOMESTIC ABUSE.

Upon receipt of state or federal funding designated for victims of domestic abuse by the department. a public or private nonprofit organization may apply to the commissioner for designation and funding as a provider of emergency shelter services and support services to victims of domestic abuse. The application shall be submitted on a form prescribed by the department and shall include, but not be limited to, information regarding services to be provided, budqet, and security measures.

Sec. 7. NEW SECTION. 236.14 DEPARTMENT POWERS AND DUTIES.

1. The commissioner shall:

a. Designate and award grants for existing and pilot programs pursuant to this chapter to provide emergency shelter services and support services to victims of domestic abuse.

b. Design and implement a uniform method of collecting data from domestic abuse organizations funded under this chapter.

2. The department shall consult and cooperate with all public and private agencies which may provide services to victims of domestic abuse, including but not limited to, legal services, social services, prospective employment opportunities, and unemployment benefits.

3. The commissioner may accept, use, and dispose of contributions of money, services, and property made available by an agency or department of the state or federal government, or a private agency or individual.

Sec. 8. NEW SECTION. 236.15 ADVISORY BOARD -- MEHBERSHIP.

1. The domestic abuse advisory board is created. The board consists of five members appointed by the governor. Appointments shall be made of persons with knowledge in the fields of health, law enforcement, social services, domestic abuse, and victim services. Members of the board shall serve at the pleasure of the governor.

Members of the board must be electors of the state of Iowa. No more than three members shall belong to the same gender or the same political party. Three members are a quorum. Members shall select a chairperson and other officers as necessary.

2. The board shall meet at the call of the governor, the board chairperson, or three board members. The members shall be paid their actual and necessary expenses.

Sec. 9. NEW SECTION. 236.16 DUTIES OF THE BOARD.

The domestic abuse advisory board shall:

1. Advise the commissioner in the administration and coordination of programs awarded grants under section 236.11.

2. Review and comment on applications received by the commissioner for designation and awarding of grants under section 236.14.

3. Advise the commissioner regarding the adoption of rules relating to domestic abuse programs.

Sec. 10. NEW SECTION. 236.17 VICTIM COUNSELOR PRIVILEGE.

1. As used in this section:

a. "Victim" means a person who consults a victim counselor for the purpose of securing advice, counseling, or assistance concerning a mental, physical, or emotional condition caused by a sexual assault or domestic violence.

b. "Victim counselor" means a person who is engaged in a sexual assault center or domestic violence center, is certified as a counselor by the sexual assault or domestic violence center, and is under the control of a direct services supervisor of a sexual assault or domestic violence center, whose primary purpose is the rendering of advice, counseling, and assistance to the victims of sexual assault or domestic violence. To qualify as a "victim counselor" under this section, the person must also have completed at least twenty hours of training provided by the center in which the person is engaged, by the Iowa coalition against sexual abuse, or by the Iowa coalition against domestic violence, which shall include but not be limited to, the dynamics of victimization, substantive laws relating to sexual assault and domestic violence, crisis intervention techniques, communication skills, working with diverse populations, an overview of the state criminal justice system, information regarding pertinent hospital procedures, and information regarding state and community resources for victims of sexual assault or domestic violence.

c. "Sexual assault center" means any office, institution, agency, or crisis center offering assistance to victims of sexual assault and their families through crisis intervention, accompaniment during medical and legal proceedings, and follow-up counseling.

d. "Sexual assault" means any act of sexual abuse or other unlawful sexual conduct under chapter 709, 726 or 728.

e. "Domestic violence center" means any office, institution, shelter, host home, agency or crisis center offering assistance to victims of domestic violence through crisis intervention, referral to or provision of emergency shelter, and assistance and advocacy regarding medical and legal proceedings.

f. "Domestic violence" means any act of domestic abuse, as defined in section 236.2, subsection 1, and includes those acts commonly referred to as spouse abuse.

g. "Confidential communication" means information transmitted between a victim of sexual assault or domestic violence and a victim counselor in the course of the counseling relationship and in confidence by a means which, so far as the victim is aware, does not disclose the information to a third person other than any who is present to further the interests of the victim in the consultation or to whom disclosure is reasonably necessary for the transmission of the information or for accomplishment of the purposes for which the counselor is consulted, and includes all information received and any advice, report, or working paper given or prepared by the counselor in the course of the relationship with the victim.

2. A victim counselor shall not be examined or required to give evidence in any civil or criminal proceeding as to any confidential communication made by a victim to the counselor, nor shall a clerk, secretary, stenographer, or any other employee who types or otherwise prepares or manages the confidential reports or working papers of a sexual assault or domestic violence counselor be required to produce evidence of any such confidential communication, unless the victim waives this privilege in writing or disclosure of the information is compelled by a court pursuant to subsection 7. Under no circumstances shall the location of a domestic violence center or the identity of the victim counselor be disclosed in any civil or criminal proceeding.

3. If a victim is deceased or has been declared to be incompetent, this privilege specified in subsection 2 may be waived by the guardian of the victim or by the executor or administrator of the victim's estate.

4. A minor may waive the privilege under this section unless, in the opinion of the court, the minor is incapable of knowingly and intelligently waiving the privilege, in which

case the parent or guardian of the minor may waive the privilege on the minor's behalf if the parent or guardian is not the defendant and does not have such a relationship with tha defendant that the parent or guardian has an interest in the outcome of the proceeding being favorable to the defendant.

5. The privilege under this section does not apply in matters of proof concerning the chain of custody of evidence, in matters of proof concerning the physical appearance of the victim at the time of the injury or the counselor's first contact with the victim after the injury, or where the counselor has reason to believe that the victim has given perjured testimony and the defendant or the state has made an offer of proof that perjury may have been committed.

6. The failure of a counselor to testify due to this section shall not give rise to an inference unfavorable to the cause of the state or the cause of the defendant.

7. Upon the motion of a party, accompanied by a written offer of proof, a court may compel disclosure of certain information if the court determines that all of the following conditions arc met:

a. The infocination sought is relevant and material evidence of the facts and circumstances involved in an alleged act of sexual assault or domestic violence which is the subject of a criminal proceeding.

b. The probative value of the information outweighs the harmful effect, if any, of disclosure on the victim, the counseling relationship, and the treatment services.

c. The information cannot be obtained hy reasonable means from any other source.

8. In ruling on a motion under subsection 7, the court, or a different judge, if the motion was filed in a criminal proceeding to be tried to the court, shall adhere to the following procedure:

a. The court may require the counselor from whom disclosure is sought or the victim claiming the privilege, or

both, to disclose the information in chambers out of the presence and hearing of all persons except the victim and any other persons the victim is willing to have present.

b. If the court determines that the information is privileged and not subject to compelled disclosure, the information shall not be disclosed by any person without the consent of the victim.

c. If the court determines that certain Information may be subject to disclosure, as provided in subsection 7, the court shall so inform the party seeking the information and shall order a subsequent hearing out of the presence of the jury, if any, at which the parties shall be allowed to examine the counselor regarding the information which the court has determined may be subject to disclosure. The court may accept other evidence at that time.

d. At the conclusion of a hearing under paragraph "c", the court shall determine which information, if any, shall be disclosed and may enter an order describing the evidence which may be introduced by the moving party and prescribing the line of questioning which may be permitted. The moving party may then offer evidence pursuant to the court order. However, no victim counselor is subject to exclusion under Iowa rule of evidence 615.

9. This section does not relate to the admission of evidence of the victim's past sexual behavior which is strictly subject to Iowa rule of evidence 412.

Sec. 11. Section 602.8105, subsection 1, Code 1985. is amended by adding the following new paragraph following paragraph k and renumbering the following paragraphs:

NEW PARAGRAPH. 1. For entering a final decree of dissolution of marriage, fifteen dollars. The fees shall be deposited in the general fund of the state. It is the intent of the general assembly that the funds generated from the dissolution fees be appropriated and used for sexual assault and domestic violence centers.

Sec. 12. Section 804.7, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 5. If the peace officer has reasonable grounds for believing that domestic abuse, as defined in section 236.2, has occurred and has reasonable grounds for believing that the person to be arrested has committed it.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 549, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

H.F. 549

HOUSE FILE 570

AN ACT

RELATING TO HEALTH COVERAGES AND MUTUAL SERVICE CORPORATIONS OPERATING UNDER CHAPTER 514 INCLUDING THE TAXATION THEREOF AND ESTABLISHING PROCEDURES FOR THE MUTUALIZATION THEREOF AND THE AUTHORITY OF INSURANCE COMPANIES, MAKING AN APPROPRIATION FOR THE EXTENSION OF THE MEDICALLY NEEDY PROGRAM, AND PROVIDING FOR A STUDY.

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

Section 1. NEW SECTION. 432.2 MUTUAL SERVICE CORPORATIONS.

Notwithstanding section 432.1, a hospital service corporation, medical service corporation, pharmaceutical service corporation, optometric service corporation and any other service corporation operating under chapter 514 shall pay as taxes to the director of revenue an amount equal to two percent of the gross amount of payments received during the preceding calendar year for subscriber contracts covering residents in this state after deducting the amounts returned to subscribers upon canceled subscriber contracts and rejected applications. Section 432.1, subsections 3 and 4, apply to the tax imposed by this section.

Sec. 2. Section 508.29, Code 1985, is amended to read as follows:

508.29 AUTHORITY TO WRITE OTHER INSURANCE.

Any life insurance company organized on the stock or mutual plan and authorized by its charter or articles of incorporation so to do, may in addition to such life

insurance, insure, either individually or on the group plan, the health of persons and against personal injuries, disablement or death, resulting from traveling or general accidents by land or water, and insure employers against loss in consequence of accidents or casualties of any kind to employees ok other persons, ok to property resulting from any act of the employee or any accident or casualty to persons or property, or both, occurring in or connected with the transaction of their business, or from the operation of any machinery connected therewith, but nothing herein contained shall be construed to authorize any life insurance company to insure against loss or injury to person, or property, or both, growing out of explosion or rupture of steam boilers. An insurer may contract with health care service providers and offer different levels of benefits to policyholders based upon the provider contracts.

Sec. 3. Section 514.15, Code 1985, is amended to read as follows:

514.15 NONEXEMPT FROU TAXATION -- RATE OF TAX ON CONTRACTS.

Every corporation organized under the provisions of this chapter is hereby declared to be a charitable and benevolent institution but its property and funds, including subscribers' contracts, shall not be exempt from taxation. ~~The tax on subscriber contracts shall be at the rate of fifteen cents for each subscriber contract issued in the preceding calendar year and shall be paid to the commissioner of insurance at the time of filing of each corporation's annual statement.~~ For purposes of this section, the term "subscriber contract' shall mean only those benefit contracts issued or delivered in Iowa by corporations subject to this chapter, including certificates issued under such contracts, and which provide coverage to residents of Iowa on a risk basis.

Sec. 4. NEW SECTION. 514.23 MUTUALIZATION PLAN.

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A corporation organized and governed by this chapter may become a mutual insurer under a plan which is approved by the commissioner of insurance. The plan shall state whether the insurer will be organized as a for-profit corporation pursuant to chapter 491 or 496A or a nonprofit corporation pursuant to chapter 504A. Upon consummation of the plan, the corporation shall thereafter fully comply with the requirements of the law that apply to a mutual insurance company. If the insurer is to be organized under chapter 504A, then at least seventy-five percent of the initial board of directors of the mutual insurer so formed shall be policyholders who are also nonproviders of health care. All directors comprising this initial board of directors shall be selected by an independent committee appointed by the state commissioner of insurance. This independent committee shall consist of seven to eleven persons who are current policyholders, who are nonproviders of health care, and who are not directors of any corporation subject to this chapter. For purposes of this subsection, a "nonprovider of health care" is an individual who is not any of the following:

a. A "provider" as defined in section 514B.1, subsection 5.

b. A person who has material financial or fiduciary interest in the delivery of health care services or a related industry.

c. An employee of an institution which provides health care services.

d. A spouse or a member of the immediate family of a person described in paragraphs "a" through "c".

Sec. 5. Section 515.1, Code 1985, is amended to read as follows:

515.1 INCORPORATION.

Corporations formed for the purpose of insurance, other thdn life insurance, shall be governed by the provisions of chapter 491 or chapter 504A, except as modified by the provisions of this chapter.

Sec. 6. Section 515.48, subsection 5, paragraph a, Code 1985, is amended to read as follows:

a. Insure any person, his the person's family or dependents, against bodily injury or death by accident, or against disability on account of sickness, or accident, including the granting of hospital, medical, surgical and sick care benefits, but such benefits shall not include the furnishing or replacing in kind of whole human blood or blood products of any kind; however, this provision shall not prohibit payments of indemnity for human blood or blood products. An insurer may contract with health care services providers and offer different levels of benefits to policyholders based upon the provider contracts.

Sec. 7. There is appropriated to the department of human services for the fiscal year commencing July 1, 1985, and ending June 30, 1986, three million (3,000,000) dollars, or so much thereof as is necessary, to provide for extension and operation of the medically needy program under the medical assistance program to supplemental security income-related groups. This appropriation is in addition to other Lunds provided to the department, and shall be matched with available federal funds.

Sec. 8. For each fiscal year beginning July 1, 1985, except for the amount appropriated in section 7 of this Ace, the entire increase, as determined by the commissioner of insurance and certified to the comptroller of state, or taxes paid under chapter 432 on premiums and payments on individual and group accident and health insurance policies and certificates and individual and group subscriber contracts under chapter 514 shall be set aside in a separate account within the general fund and reserved solely for the purposes of implementing the programs to be studied as provided in section 9 of this Act. The balance of the account shall be considered part of the balance of the general fund of the state except for purposes of determining the annual inflation

factor under section 422.4, subsection 17. The funds within the account shall not be expended except as otherwise provided by the general assembly.

Sec. 9. The legislative council shall create a study committee composed of members of the senate committee on commerce and the house committee on small business and commerce representing both political parties, citizen members from the insurance industry having expertise in insurance matters, and such other persons as may be deemed appropriate. The committee shall study the manner in which states presently administer guaranty fund laws which provide for the indemnification of losses of policyholders of insolvent life and health insurance companies as well as the manner in which states administer risk-sharing pools which provide accident and health insurance to persons who are uninsurable. The study committee shall review the funding mechanisms of such laws and develop recommendations which specifically address the manner in which the funds deposited in the general fund pursuant to section 8 of this Act shall be used and administered. Included within the study shall be considerations relating to the administration of the cash flow and funding of the insurance programs, including the collection and deposit of funds, assessments, creation of a permanent state funding mechanism, granting of credits which recognize expenditures to finance guaranty fund and risk-sharing pools, granting of credits which recognize losses attributable to providing comprehensive health coverage to the unemployed or uninsurable public or individuals whose group health coverage is terminated because membership in the group is terminated, and such other considerations as may assist in providing adequate and protective insurance for the public.

The results of the study accompanied by bill drafts designed to carry out recommendations of the committee, shall be submitted to the legislative council, the senate committee on commerce, the house committee on small business and

commerce, and to the members of the general assembly prior to convening of the second session of the Seventy-first General Assembly.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House Pile 570, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

H.F 570

HOOSE FILE 571

AN ACT

RELATING TO THE FUNDING OF STATE AGENCIES FOR DESIGNATED SERVICE PROGRAMS INCLUDING HEALTH PROGRAMS, CIVIL RIGHTS, CITIZENS' AIDE, WOMEN, VETERANS' SERVICES, VOCATIONAL REMABILKTATION, SUBSTANCE ABUSE, AND PROGRAMS FOR MINORITY, ELDERLY, AND DISADVANTAGED PERSONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1985 AND ENDING JUNE 30, 1986.

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

Section l. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985, and ending June 30, 1986, the following amounts, or so much thereof as is necessary, to be used by the following agencies for the purposes designated:

	1985-1986 Fiscal Year
1. COMMISSION ON THE AGING	
a. For salaries and support of not more than twenty-nine and five-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes	$ 260,117
b. For the administration of area agencies on aging	$ 120,023
c. For the senior citizen employment program	$ 110,166
d. For the older Iowans legislature	$ 13,608
e. For elderly services programs	$ 816.480

All funds appropriated under this paragrdph shall be received and disbursed by the commission in accordance with

sections 2498.15 through 2498.21, shall not be used €or administrative purposes, and shall be used for citizens of Iowa over sixty-five years of age for chore, telephone reassurance, adult day care, and home repair services, including the winterizing of homes, and for the construction of entrance ramps which meet the requirements of section 104A.4 and make residences accessible to the physically handicapped. Funds appropriated under this paragraph may be used to supplement federal funds under federal regulations.

2. IOWA COMMISSION FOR THE BLIND	
For salaries and support of not more than one hundred five and three-one hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes	$ 1,080,534
3. OFFICE OF CITIZENS' AIDE	
For salaries and support of not more than eight and three-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes	$ 244,715
4. IOWA STATE CIVIL RIGHTS COMMISSION	
For salaries and support of not more than twenty-five full-time equivalent positions annually, maintenance, and miscellaneous purposes	$ 776,260
5. SPANISH-SPEAKING PEOPLES COMMISSION	
For salaries and support of not more than one full-time equivalent position annually, maintenance, and miscellaneous	

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purposes ..... $ 45,506

6. COHMITIEE ON EMPLOY-
HENT OF THE HANDICAPPED

For salaries and support of not more than four full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 128,051

7. COMMISSION ON THE STATUS
OF WOMEN

For salaries and support of not more than three full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 98,685

8. VOCATIONAL REHABILITA-
TION DIVISION OF THE DEPARTMENT
OF PUBLIC INSTRUCTION

For salaries and support of not more than Lhree hundred twenty-six and five-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 2,723,317

Sec. 2. There is appropriated Crom the general fund of the state to the state department of health for the fiscal year beginning July 1, 1985, and ending June 30, 1986, the following amounls, or so much thereof as is necessary, to te used foc the purposes designated:

1985-1906
Fiscal Year

1. CENTRAL ADMINISTRATION
DIVISION

For salaries and support of not more than sixty four and three-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 940,503

2. HEALTH FACILITIES
DIVISION

For salaries and support of not more than fifty-five full-time equivalent positions annually. maintenance. and miscellaneous purposes ..... $ 728,895

Notwithstanding Division VII of chapter 135, the department of health shall not begin the hospice licensure procedure until July 1, 1987.

3. HEALTH PLANNING AND
DEVELOPMENT DIVISION

For salaries and support of not more than sixteen and seventy-five hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 255,951

4. DISEASE PREVENTION
DIVISION

For salaries and support of not more than Pifty-six and six-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 1,197,589

5. PROFESSIONAL LICENSURE

For salaries and support of not more than seventeen full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 601,108

Professional licensure shall prepare estimates of projected receipts Lo be generated by the licensing, certification, and examination fees of each board as well as a projection of the

fairly apportioned administrative costs and rental expenses attributable to each board. Each board shall annually review and adjust its schedule of fees so that, as nearly as possible, projected receipts equal projected costs.

6. PERSONAL AND FAMILY HEALTH DIVISION

a. For salaries and support of not more than fifty full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 1,311,431

The department shall allocate from the funds appropriated under this paragraph at least six hundred nine thousand seven hundred sixty-seven (609,767) dollars for the fiscal year beginning July 1, 1985, and ending June 30, 1986, for the birth defects and genetics counseling program and of these funds, forty thousand **(40,000)** dollars shall be allocated for a central Iowa birth defects registry pilot program.

Of the funds appropriated in this paragraph, the following amounts shall be allocated to the university of Iowa hospitals and clinics under the control of the state board of regents for the following programs under the Iowa specialized child health care services:

(1) Mobile and regional child health specialty clinics ..... $ 324,000

(2) Muscular dystrophy and related genetic disease programs ..... $ 131,657

(3) Statewide perinatal program ..... $ 43,740

The birth defects and genetic counseling service shall apply a sliding fee scale to determine the amount a person receiving the services is required to pay for the services. These fees shall be considered repayment receipts and used for the program.

Of the funds allocated to the mobile and regional child health speciality clinics under subparagraph one of this

paragraph, seventy-two thousand (72,000) dollars shall be used for a specialized medical home care program providing care planning and coordination of community support services for children who require technical medical care in the home.

The university of Iowa hospitals and clinics shall receive an allocation for indirect costs of no more than eight percent from the funds for each program.

b. Sexual abuse investigations.

For medical procedures required by section 709.10 ..... $ 57,795

c. Sudden infant death syndrome autopsies.

For reimbursing counties for expenses resulting from autopsies of suspected victims of sudden infant death syndrome required under section 331.802, subsection 3, paragraph "j" ..... $ 15,000

7. COMMUNITY HEALTH DIVISION

a. For salaries and support of not more than thirty-eight and twenty-five hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 1,841,897

The department shall allocate from the funds appropriated under this lettered paragraph nine hundred forty thousand nine hundred sixteen (940,916) dollars for the fiscal year beginning July 1, 1985, for the chronic renal disease program. The types of assistance to eligible recipients under the program may include hospital and medical expenses, home dialysis supplies, insurance premiums, travel expenses, prescription and nonprescription drugs, and lodging expenses for persons in training. The program expenditures shall not exceed these allocations. If projected expenditures will

exceed the allocations, the department shall establish by administrative rule a mechanism to reduce financial assistance under the renal disease program in order to keep expenditures within the allocations.

b. For grants to local boards of health for the public health nursing prograni ..... $ 2,207,472

Funds appropriated under this paragraph shall be used to maintain and expand the existing public health nursing program for elderly and low-income persons with the objective of preventing or reducing inappropriate institutionalization. The funds shall not be used for any other purpose. As used in this paragraph, "elderly person" means a person who is sixty years of age or older and "low-income person" means a person whose income and resources arc below the guidelines established by Lhc department.

One fourth of Lhe total amount to be allocated shall be divided so that an equal amount is available for use in each county in the state. Three fourths of the total amount to be allocated shall be divided so that the share available for use in each county is proportionate to the number of elderly and low-income persons living in that county in relation to the total number of elderly and low-income persons 1iving in the state.

In order to receive allocations under this paragraph, the local board of health having jurisdiction shal1 prepare a proposal for the use of the allocated funds available for that jurisdiction that will provide the maximum benefits of expanded public health nursing care to elderly and low-income persons in the jurisdiction. After approval of the proposal by the department, the department shall enter into a contract with the locdl board of health. The local board of health shall subcontract with a nonprofit nurses' association, an independent nonprofiI agency, or a suitable local governmental body to use the allocated funds to provide public health nursing care. Local boards of health shall make an effort to

subcontract with agencies that are currently providing services to prevent duplication of services.

If by July 30 of each year of the biennium, the department is unable to conclude contracts For use of the allocated funds in a county, the department shall consider the unused funds appropriated under this paragraph an unallocated pool. If the unallocated pool is fifty thousand dollars or more it shall be reallocated to the counties in substantially the same manner as the original allocations. The reallocated funds are available for use in those counties during the period beqinninq January 1 and ending June 30 of each fiscal year of the biennium. If the unallocated pool is less than fifty thousand dollars, the department may allocate it to counties with demonstrated special needs for public health nursing.

The department shall maintain rules governing the expenditure of funds appropriated by paragraph "b". The rules require each local agency receiving funds to establish and use a sliding fee scale for those persons able to pay for all or a portion of the cost of the care.

The department shall annually evaluate the success of the public health nursing program. The evaluation shall include the extent to which the program reduced or prevented inappropriate institutionalization, the extent to which the program increased the availability of public health nursing care to elderly and low-income persons, and the extent of public health nursing care provided to elderly and low-income persons. The department shall submit a report of each annual evaluation to the governor and the general assembly.

c. For grants to county boards of supervisors for the homemaker-home health aide program ..... $ 7,389,200

Funds appropriated under this paragraph shall be used to provide homemaker-home health dide services with emphasis on service:; to elderly and low-income persons and children and adults in need of protective services with the objective of preventing or reducing inappropriate institutionalization. In

addition, up to fifteen percent of the funds appropriated under this paragraph may be used to provide chore services. The funds shall not be used for any other purposes. As used in this paragraph:

(1) "Chore services" means services provided to individuals or families, who, due to absence, incapacity, or illness, are unable to perform certain home maintenance functions. The services include but are not limited to yard work such as mowing lawns, raking leaves, and shoveling walks; window and door maintenance such as hanging'screen windows and doors, replacing window panes, and washing windows; and minor repairs to walls, Eloors, stairs, railings, and handles. It also includes heavy house cleaning which includes cleaning attics or basements to remove fire hazards, moving heavy furniture, extensive wall washing, floor care or painting, and trash removal.

(2) "Elderly person" means a person who is sixty years of age or older.

(3) "Homemaker-home health aide services" means services intended to enhance the capacity of household members to attain or maintain the independence of the household members and provided by trained and supervised workers to individuals or families, who, due to the absence, incapacity, or limitations of the usual homemaker, are experiencing stress or crisis. The services include but are not limited to essential shopping, housekeeping, meal preparation, child care, respite care, money management and consumer education, family management, personal services, transportation and providing information, assistance, household management and learning experiences.

(4) "Low-income person" means a person whose income and resources are below the guidelines established by the department.

(5) "Protective services" means those homemaker-home health aide services intended to stabilize a child's or an adult's residential environment and relationships with

relatives, caretakers, and other persons or household members in order to alleviate a situation involving abuse or neglect or to otherwise protect the child or adult from a threat of abuse or neglect.

(a) The department shall initiate the following allocation process unless determined unfeasible. In that event, the department shall utilize the allocation process in subparagraph (b). The amount appropriated under this paragraph shall be allocated for use in the counties of the state. Fifteen percent of the amount shall be divided so that an equal amount is available for use in each county in the state. The following percentages of the remaining amount shall be allocated to each county according to that county's proportion of residents with the following demographic characteristics compared to all state residents with the same demographic characteristics: sixty percent according to the number of elderly persons living in the county; twenty percent according to the number of low-income persons living in the county; and twenty percent according to the number of substantiated cases of child abuse in the county during the three most recent fiscal years for which data is available.

(b) In the event subparagraph (a) is determined unfeasible, the amount appropriated under this paragraph shall be allocated for use in the counties of the state. The entire amount shall be allocated based on a range determined from the formula based on subparagraph (a). However a county shall not receive less than ninety-four point seventy-eight percent nor more than one hundred three percent of the funding allocated to the county in the previous fiscal year. If a county is calculated to receive less than the determined range, the department shall increase the level of funding to the lowest level of the determined range by using no more than forty percent of the funds from counties calculated to receive more than two thousand dollars above the highest level of the determined range.

In order to receive allocations under this paragraph, the county board of supervisors, after consultation with the local boards of health, county board of social welfare, area agency on aging advisory council, local office of the department of human services, and other in-home health care provider agencies in the jurisdiction, shall prepare a proposal for the use of the allocated funds available for that jurisdiction that will provide the maximum benefits of expanded homemaker-home health aide services to elderly and low-income persons and children and adults in need of protective services in the jurisdiction. The proposal may provide that a maximum of fifteen percent of the allocated funds will be used to provide chore services. The proposal shall include a statement assuring that children and adults in need of protective services are given priority for homemaker-hone health aide services and that the appropriate local agencies have participated in the formulation of the proposal. After approval of the proposal by the department, the department shall enter into a contract with the county board of supervisors or a governmental body designated by the county board of supervisors. The county board of supervisors or its designee Shall subcontract with a nonprofit nurses' association, an independent nonprofit agcncy. the department of human services, or a suitable local governmental body to u5e the allocated funds Lo provide homemaker-home health aide services and chore services providing that the subcontract requires any service provided away from the home to bc documented in a report available for review by the department.

If by July 30 of each year of the biennium, the department is unable to conclude contracts for use of the allocated funds in a county, the department shall consider the unused funds appropriated under this paragraph an unallocated pool. The department shall also identify any allocated funds which the counties do not anticipate spending during each fiscal year of the biennium. If the anticipated excess funds to any county are substantial, the department and the county may agree to

return those excess funds, if the funds are other than program revenues, to the department, and if returned, the department shall consider the returned Eunds a part of the unallocated pool. The department shall prior to February 15 of each fiscal year of the biennium, reallocate the funds in the unallocated pool among the counties in which the department has concluded contracts under this paragraph. The department shall also review the Pirst ten months' expenditures for each county in May of each year, to determine if any counties have contracted Eunds which they do not anticipate spending. If such Eunds are identified and the county agrees to release the funds, the released funds will be considered a new reallocation pool. The department may. prior to June 1 of each yeae, reallocate Eunds from this new reallocation pool to those counties which have experienced a high utilization of protective service hours for children and dependent adults.

The department shall maintain rules governing the expenditure of funds appropriated by this paragraph. The rules require each local agency receiving funds to establish and use a sliding fee scale for those persons able to pay for all or a portion of the cost of the services and shall require the payments to be applied to the cost of the services. The department shall also maintain rules for standards regarding training, supervision, recordkeeping, appeals, program evaluation, cost analysis, and financial audits, and rules specifying reportiny requirements.

The department shall annually evaluate the success of the homemaker-home health aide program. The evaluation shall include a description of the program and its implementation, the extent of local participation, the extent to which the program reduced or prevented inappropriate institutionalization, the extent to which ttie program provided or increased the availability of homemaker-home health aide services to elderly and low-income persons and children and adults in need of protective services, any problems and recommendations concerning the program, and an analysis of the

costs of services across the state. The department shall submit a report of the annual evaluation to the governor and the general assembly.

d. For the development and maintenance of well-elderly clinics in the state ..... $ 216,367

Sec. 3. There is appropriated from the general fund of the state to the Iowa department of veterans affairs for the fiscal year beginning July 1, 1985, and ending June 30, 1986, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. For salaries and support of not more than five full-time equivalent positions annually, maintenance, and miscellaneous purposes	$ 114,866
2. For the war orphans educational aid Pund	$ 15,000
3. For a chemical exposure reporting program	$ 34,593

It is the intent of the general assembly that for the fiscal year beginning July 1, 1986, and every fiscal year thereafter, this additional funding for a chemical exposure reporting program shall not be appropriated.

Sec. 4. There is appropriated from the general fund of the state to the Iowa department of substance abuse for the fiscal year beginning July 1, 1985, and ending June 30, 1986, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. For salaries and support of not more than twenty and five-tenths full-time equivalent positions annually funded from both state and federal funds, maintenance, and miscellaneous purposes	$ 385,129
2. For program grants	$ 7,348,958

Sec. 5. The licensing boards for which general fund appropriations have been provided for in section 2, subsection 5 of this Act may expend additional funds, if those additional expenditures are directly the cause of actual examination expenses exceeding funds budgeted for examinations. Before a licensing board included in section 2, subsection 5 of this Act expends or encumbers an amount in excess of the funds budgeted for examinations, the state comptroller shall approve the expenditure or encumbrance. Before approval is given, the state comptroller shall determine that the examination expenses exceed the funds budgeted by the general assembly to the board and the board does not have other funds from which examination expenses can be paid. Upon approval of the state comptroller the licensing board may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected as fees from additional examination applicants and shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 6. The amount of the funds appropriated under sections 1, 2, 3, and 4 of this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of this Act. However, the funds appropriated in section 1, subsections 3, 4, and 8 and section 4 shall not be so reduced.

Sec. 7. All Pederal grants to and federal receipts of the agencies appropriated funds under this Act are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly. Full-time equivalent positions funded entirely with federal funds are

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exempt from the limits on the number of full-time equivalent positions provided in this Act, except for the department of substance abuse pursuant to section 4 of this Act, but are approved only for the period of time for which the federal funds are available €or the position.

Sec. 8. Total appropriations specified in this Act €or the **fiscal** year beginning July I, 1985 and ending June 30, 1986 shall not be exceeded in the fiscal year beginning July 1, 1986 and ending June 30, 1987 unless revenue growth as estimated by the legislative fiscal bureau in its December 31, 1985 quarterly report exceeds four and one-half percent.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 571, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

HOUSE FILE 589

AN ACT

RELATING TO FEES COLLECTED BY COUNTY OFFICERS.

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

Section 1. Section 331.507, Subsection 2, paragraph b, Code 1985, is amended to read as follows:

b. For indexing a change of name for each parcel of real estate owned in the county, three five dollars.

Sec. 2. Section 331.605, subsections 5, 6, and 7, Code 1985, are amended by striking the subsections.

Sec. 3. Section 523A.2, subsection 1, paragraphs d and e, Code 1985, are amended to read as follows:

d. The seller under an agreement referred to in section 523A.1 shall *give* file notice to with the county recorder for the county in which the trust agreement is filed of each receipt of funds held in trust under section 523A.1. This notice shall be given filed on forms furnished by the seller, and shall be given filed not later than March 1 of each year. Each notice shall contain the required information for all receipts of the seller during the previous calendar year.

e. A financial institution referred to in paragraph "a" of this subsection shall give file notice to with the county recorder for the county in which the trust agreement is filed of all funds deposited under the trust agreement. This notice shall be on forms furnished by the seller and shall be given filed not later than March 1 of each year. Each notice shall contain the required information for all deposits made during the previous calendar year. The seller shall furnish the financial institution with the appropriate forms.

Sec. 4. Section 547.3, Code 1985, is amended to read as follows:

547.3 FEE FOR RECORDING.

The county recorder shall be-entitfed-to charge and receive a fee of-three-doffatr in the amount specifled in section

331.604 for each verified statement filed under the-provisions of this chapter.

Sec. 5. Section 554.9405, subsection 2, unnumbered paragraph 2, Code 1985, is amended by striking the unnumbered paragraph and inserting the following:

For financing statements covering fixture filings, changes in the filings, and termination of the filings, an additional fee shall be charged for recording in an amount specified in section 331.604.

Sec. 6. Section 557.24, Code 1985, is amended to read as follows:

557.24 PEE.

Any A person having the name of the person's fara recorded as provided in section 557.22 shall first pay to the county recorder a fee of-three-dollars in the amount specified in section 331.604, which fee shall be paid to the county treasurer as other fees are paid to the county treasurer by such the recorder.

Sec. 7. Section 557.26, Code 1985, is amended to read as follows:

557.26 CANCELLATION -- PEE.

When-any If the owner of a registered farm desires to cancel the registered name thereof of the farm, the owner shall state-on-the-margin-of-the-record-of-the-register-of such-name-the-following:--"This-name-is-canceled-and-I-hereby release-all-rights-thereunder",-which-shall-be-signed-by-the person-canceling-such-name-and-attested-by-the-county-recorder acknowledge cancellation of the name by execution of an instrument in writing referring to the farm name, and shall record the instrument. For such the latter service the county recorder shall charge a fee of-fifty-cents in the amount specified in section 331.604, which shall be paid to the county treasurer as other fees are paid to the county treasurer by the recorder.

Sec. 8. Section 558.57, unnumbered paragraph 2, Code 1985, is amended to read as follows:

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Entered upon transfer books and for taxation this ..... day of ....., 19 ..... My fee one-dollar $..... paid by recorder.

.....
Auditor.

Sec. 9. Section 558.66, Code 1985, is amended to read as follows:

558.66 TITLE DECREE -- ENTRY ON TRANSFER BOOKS.

Upon receipt of a certificate from the clerk of the district court or an appellate court that the title to real estate has been finally established In any named person by judgment or decree or by will, the auditor shall enter the same information in the certificate upon the transfer books, upon payment of a Lee of-one-dollar in the amount specified in section 331.507, subsection 2, paragraph "a", which fee shall be taxed a5 court costs in-the-cause, collected by the clerk, and paid to the auditor at-the-time-of-filing-such-certificate by the recorder as provided in section 558.58, subsection 1.

Sec. 10. section 598.21, subsection *8*, unnumbered paragraph 2, Code 1985, is amended to read as follows:

If the court ordera a transfer of title to real property. the clerk of court shall issue a certificate under chapter *558* relative to each parcel of real estate affected by the order and immediately deliver the certificate for recording to the county recorder and-the-county-auditor of the county in which the real estate is located. Any fees assessed shall be included as part of the court costs, however. the certificates shall be recorded whether the cost6 are paid or not. The county recorder shall deliver the certificates and appropriate fees to the county auditor as provided in section 558.58, subsection 1.

Sec. 11. Section 655.5, Code 1985, is amended to read as follows:

655.5 INSTRUMENT OF SATISFACTION.

When the judgment is dully paid and satisfied upon the judgment docket of such the court, the clerk sha 1 file with the recorder an instrument in writing, referring to the

mortgage and duly acknowledging a satisfaction of such the mortgage,-and-for-such-service-the-sum-of-twenty-five-cents will-be-allowed-to-be-taxed-as-part-of-the-costs-of-the-case. The instrument shall be filed wlthout fee.

Sec. 12. Section 674.14, Code 1985, is amended to read as follows:

674.14 INDEXING IN REAL PROPERTY RECORD.

The county recorder and county auditor *of* each county wherein In which the petitioner owns real property *ray* shall charge one-dollar fees in the amounts specified in sections 331.604 an8 331.507, subsection 2, paragraph "b", for indexing a change of name for each parcel of real estate.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House Pile 589, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

HOUSE FILE 640

AN ACT
RELATING TO THE COUPUTATION OF INTEREST PENALTIES ON DELINQUENT PHOPERTY TAXES.

BE IT ENACTED BY THE GENERAL ASSEHDLY OF THE STATE OF IOWA:

Section 1. Section 445.39, Code 1985, is amended to read as follows:

445.39 INTEREST AS PENALTY.

If the first installment of taxes is not paid by the delinquent date specified in section 445.37, the installment shall become due and draw interest, as a penalty, of one percent per month until paid, from the delinquent date following the levy; and if the last half is not paid by April 1 following the levy, the same interest shall be charged from the date the last half became delinquent. However, after April 1 in a Ciscal year when late certification of the tax list results in a penalty date later than October 1 for the first installment, penalties on delinquent first installments shall accrue as if certification were made on the previous June 30. The interest penalty imposed under this section

shall be computed to the nearest whole dollar and the amount of interest shall not be less than one dollar.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House Pile 640, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

H.F 640

HOUSE FILE 642

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF BANKING, STATE COMPTROLLER, DEPARTMENT OF GENERAL SERVICES, THE IOWA LOTTERY AGENCY, THE IOWA DEVELOPMENT COMMISSION, AND OFFICE OF DISASTER SERVICES AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. There is appropriated from the general fund of the state to the department of banking for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the sum of forty-one thousand three hundred eighty (41,380) dollars, or so much thereof as may be necessary, to supplement funds appropriated by 1984 Iowa Acts, chapter 1304, section 2, subsection 2.

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Sec. 2. There is appropriated from the general fund of the state to the state comptroller for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amounts, or so much thereof as may be necessary, to supplement funds appropriated by 1984 Iowa Acts, chapter 1304, section 2, subsection 7, paragraphs "a" and "b":

1. General office ..... $ 196,434
2. Division of data processing ..... $ 1,771,336

Notwithstanding 1984 Iowa Acts, chapter 1304, section 2, subsection 7, unnumbered paragraph 2, only thirty-four thousand two hundred eighty-two (34,282) dollars and two hundred twenty-eight thousand six hundred sixty-four (228,664) dollars may be transferred by the state comptroller to the state comptroller from the savings resulting from implementing recommendations for the purposes provided in subsections 1 and 2 of this section, respectively.

Sec. 3. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the sum of one hundred twenty thousand one hundred twenty-two (120,122) dollars, or so much thereof as may be necessary, to supplement funds appropriated by 1984 Iowa Acts, chapter 1301, section 3, subsection 1.

Notwithstanding 1984 Iowa Acts, chapter 1301, section 3, subsection 1, unnumbered paragraph 1, only seventy-nine thousand eight hundred seventy-eight (79,878) dollars may be transferred by the state comptroller to the department of general services from savings for the purposes provided in this section.

Sec. 4. Notwithstanding 1984 Iowa Acts, chapter 1304, section 2, subsection 7, unnumbered paragraph 2, the comptroller shall reduce quarterly allocations of funds appropriated to other agencies to reflect savings made as a result of implementing recommendations of the governor's task force on efficiencies and cost effectiveness. To the extent that the reductions exceed the transfers authorized by this Act, those funds shall revert to the general fund of the state.

Sec. 5. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the sum of three hundred forty-five thousand (345,000) dollars, or so much thereof as may be necessary to supplement funds appropriated by 1984 Iowa Acts, chapter 1315, section 32, subsection 2, paragraphs "a", "c", and "i". Notwithstanding section 8.33, unobligated or unencumbered funds appropriated under this subsection shall remain available for expenditure during the fiscal year beginning July 1, 1985 and those funds remaining as of June 30, 1986 shall revert to the general fund of the state on September 30, 1986.

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Sec. 6. There is appropriated from the general fundbf the state to the office of disaster services for the fiscal year beginning July 1, 1984 ana enaing June 30, 1985 the sum of one hundred ninety-one thousand five hundred eighty-six (191,586) dollars, or so much thereof as may be necessary, to provide the state match of ten percent for federal financial assistance relating to the presidential disaster declaration on July 13, 1984 in Fremont and Pottawattamie counties.

Sec. 7. Notwithstanding section 8.33, funds appropriated by 1984 Iowa Acts, chapter 1304, section 2, subsection 17, paragraph "b", for the editing and printing of the Iowa official register which are unobligated on June 30, 1985 shall not revert but shall be used until June 30, 1986 and shall be used for the postage expense of distribution.

Sec. 8. There is appropriated from the general fund of the state to the Iowa lottery agency for the fiscal period beginning on the effective date of this Act and ending June 30, 1986 the sum of three million one hundred fifty-nine thousand seven hundred (3,159,700) dollars, or so much thereof as is necessary, for salaries, support, maintenance and other operational purposes of the Iowa lottery agency. All proposals for the operations of the Iowa lottery agency shall be reviewed by the legislative council. The Iowa lottery agency shall submit a budget to the legislative council covering the period beginning August 1, 1985 and ending January 31, 1986 and a budget to the general assembly for the period beginning February 1, 1986 through June 30, 1986 and for the 1986-1987 fiscal year.

Sec. 9. Section 99E.10, subsection 1, unnumbered paragraph 1, 1985 Iowa Acts, House File 225, section 110, as amended by 1985 Iowa Acts, Senate File 395, section 114, is amended to read as follows:

1. Upon receipt of any revenue, the commissioner shall deposit the moneys in the lottery fund created pursuant to section 993.20. As nearly as is practicable, fifty percent of

the projected annual revenue, after deduction of the amount of the sales tax and repayment to the general fund of the loan for start-up purposes of the Iowa lottery, computed on a year-round average basis for each type of lottery game accruing from the sale of tickets or shares is appropriated for payment of prizes to the holders of winning tickets. After the payment of prizes, all of the following shall be deducted from lottery revenue prior to disbursement:

Sec. 10. 1985 Iowa Acts, House File 225, section 301, paragraph d, is amended to read as follows:

d. Before the treasurer makes the allotments under paragraphs "a", "b", and "c", the treasurer ~~shall repay to the general fund the loan for start-up purposes of the Iowa lottery,~~ shall repay to the general fund the sum of one million twenty thousand dollars which was appropriated for the fiscal year beginning July 1, 1985 from the general fund to the department of general services for capitol building restoration and major repairs, and shall repay to the general fund the sum of five million two hundred fifty thousand dollars which was appropriated for the fiscal period beginning July 1, 1985 and ending June 30, 1989 from the general fund to the department of general services for the engineering, planning and construction of a new state historical building under 1984 Iowa Acts, chapter 1316, section 4.

Sec. 11. There is appropriated from the general fund of the state to the Iowa development commission for the fiscal period beginning on the ~~effective date~~ of this Act and ending June 30, 1985 the sum of two hundred thousand (200,000) dollars, or so much thereof as is necessary, ~~for its~~ advertising and tourism budget. The Iowa development commission shall transfer from any other funds received for its advertising and tourism budget an amount up to or equal to two hundred thousand (200,000) dollars received during the fiscal year beginning July 1, 1985 and ending June 30, 1986 which funds shall be transferred to the general fund of the

3,159,700
+ 200,000
3,359,700

state not later than June 30, 1986 to replace those funds received under this section for the fiscal period beginning on the effective date of this Act and ending June 30, 1985.

Sec. 12. 1985 Iowa Acts, House File 225, section 303, is amended to read as follows:

SEC. 303. For each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989, the Iowa ~~partnership-for-economic-progress-advisory-committee established-under-division-IV-of-this-Act~~ development commission shall submit to the general assembly by March 1 preceding the beginning of the fiscal year planned expenditures from the allotment to be made for that fiscal year to the community economic betterment account, the jobs now account, and the education and agriculture research and development account to each of the funds, agencies, boards or commissions for the purposes specified in subsections 2, 3, and 4 of section 302 of this Act. The Iowa partnership-far economic-progress development commission shall include a description of planned expenditures to be made of the moneys in the surplus account.

Plans may provide for increased or decreased expenditures if the allotment available for those appropriations is greater than or less than the allotment specified in Subsection 1 of section 302 of this Act. In order to enable the Iowa ~~partnership-for-economic-progress~~ development commission to prepare its plans for future expenditures, it has authority to review applications and uses of the moneys appropriated from each allotment. However, this authorized review does not authorize the Iowa ~~partnership-for-economic-progress~~ development commission to veto or deny any application or use and such review shall not cause any delay in the approval of an application or use.

Sec. 13. 1985 Iowa Acts, House File 225, section 602, subsection 2, unnumbered paragraph 1, is amended to read as follows:

To aid in fulfilling the purpose of the primary research and marketing center for business and international trade, the commission may provide grants to establish satellite centers throughout the state. To facilitate establishment of satellite centers, the state is divided up into fifteen regional economic delivery areas which have the same area boundaries as merged areas, as defined in section 280A.2, in existence on the effective date of this section. Each regional delivery area wishing to receive a grant from the commission to establish a satellite center in its area shall create a regional coordinating council which shall develop a plan for the area to coordinate all federal, state, and local economic development services within the area. After developing this plan, the council may seek a grant for a satellite center by submitting the coordinating plan and an application for a grant to the Iowa development commission. A grant shall not be awarded within the regional economic delivery area without the approval of the regional coordinating plan by the fawn-partnership-for-economic ~~progress-created-in-division-IV-of-this-Act~~ development commission. The Iowa ~~partnership-for-economic-progress~~ development commission may rescind its approval of a regional coordinating plan upon thirty days notice, if the Iowa partnership-for-economic-progress development commisulon determines that the stated purpose of the plan is not being carried out. The Iowa ~~partnership-for-economic-progress~~ development commission may then accept an alternative proposal for a regional coordinating plan. If a regional coordinating council is awarded a grant for a satellite center, it shall employ a center director at the satellite center. The center director's duties and responsibilities include the following:

Sec. 14. 1985 Iowa Acts, House File 225, section 106, is amended to read as follows:

SEC. 106. NEW SECTION. 99E.6 BOARD QUALIFICATIONS.

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Board members shall be residents of this state. At Except for the initial appointees, at least one member of the board shall be a person who has been a law enforcement officer for not less than five years, one member shall be an attorney admitted to the practice of law in Iowa for not less than five years, and one member shall be a certified public accountant who has practiced accountancy in Iowa for not less than five years.

Sec. 15. This Act, being deemed of immediate importance, takes effect from and after its publication in the Solon Economist, a newspaper published in Solon, Iowa, and in the Oskaloosa Daily Herald, a newspaper published in Oskaloosa, Iowa.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 642, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

HOUSE FILE 643

AN ACT

RELATING TO THE AUTHORITY OF THE DEPARTMENT OF WATER, AIR AND WASTE MANAGEMENT OVER UNDERGROUND TANKS FOR STORAGE OF REGULATED SUBSTANCES AND PETROLEUM PRODUCTS, AND SUBJECTING VIOLATORS TO CIVIL AND CRIMINAL PENALTIES.

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

Section 1. NEW SECTION. 4558.461 DEFINITIONS.

As used in this part unless the context otherwise requires:

1. "Nonoperational storage tank" means an underground storage tank in which regulated substances will not be deposited or from which regulated substances will not be dispensed after July 1, 1985.

2. "Operator" means a person in control of, or having responsibility for, the daily operation of the underground storage tank.

3. "Owner" means:

a. In the case of an underground storage tank in use on or after July 1, 1985, a person who owns the underground storage tank used for the storage, use, or dispensing of regulated substances.

b. In the case of an underground storage tank in use before July 1, 1985, but no longer in use on that date, a person who owned the tank immediately before the discontinuation of its use.

4. "Regulated substance" means an element, compound, mixture, solution or substance which, when released into the environment, may present substantial danger to the public health or welfare or the environment. Regulated substance includes substances designated in 40 C.F.R., Parts 61 and 116, and section 401.15, and petroleum including crude oil or any fraction of crude oil which is liquid at standard conditions of temperature and pressure (sixty degrees Fahrenheit and

fourteen and seven-tenths pounds per square inch absolute). However, regulated substance does not include a substance regulated as a hazardous waste under the Resource Conservation and Recovery Act of 1976. Substances may be added or deleted as regulated substances by rule of the commission pursuant to 4558.464.

5. "Release" means spilling, leaking, emitting, discharging, escaping, leaching, or disposing from an underground storage tank into groundwater, surface water, or subsurface soils.

6. "Underground storage tank" means one or a combination of tanks, including underground pipes connected to the tanks which are used to contain dn accumulation of regulated substances and the volume of which, including the volume of the underground pipes, is ten percent or more beneath the surface of the ground. Underground storage tank does not include:

a. Farm or residential tanks of one thousand one hundred gallons or less capacity used for storing motor fuel for noncommercial purposes.

b. Tanks used for storing heating oil for consumptive use on the premises where stored.

c. Residential septic tanks.

d. Pipeline facilities regulated under the Natural Gas Pipeline Safety Act of 1968, as amended to January 1, 1985 (49 U.S.C. § 1671 et seq.), the Hazardous Liquid Pipeline Safety Act of 1979, as amended to January 1, 1985 (49 U.S.C. § 2001 et seq.), or an intrastate pipeline facility regulated under chapter 479.

e. A surface impoundment. pit, pond, or lagoon.

f. A storm water or wastewater collection system.

g. A Elow-through process tank.

h. A liquid trap or associated gathering lines directly related to oil or gas production and gathering opecations.

i. A storage tank situated in an underground area including, but not limited to, a basement, cellar, mineworking, drift, shalt, or tunnel if the storage tank is

situated upon or above the surface of the floor. Underground storage tank does not include pipes connected to a tank described in paragraphs "a" to "i".

7. "Tank site" means a tank or grouping of tanks within close proximity of each other located on the facility for the purpose of storing cegulated substances.

Sec. 2. NEW SECTION. 4558.462 DECLARATION OF POLICY.

The general assembly finds that the release of regulated substances from underground storage tanks constitutes a threat to the public health and safety and to the natural resources of the state, and that existing regulatory programs of the department and other agencies do not adequately or appropriately address this suhstantial public concern.

Sec. 3. NEW SECTION. 4558.463 REPORT OF EXISTING TANKS.

1. Except as provided in subsection 2, the owner or operator of an underground storage tank existing on or before July 1, 1985, shall notify the department in writing by May 1, 1986, of the existence of each tank and specify the age, size, type, location and uses of the tank.

2. The owner of an underground storage tank taken out of operation between January 1, 1974 and July 1, 1965, shall notify the department in writing by July 1, 1986, of the existence of the tank unless the owner knows the tank has been removed from the ground. The notice shall specify to the extent known to the owner, the date the tank was taken out of operation, the age of the tank on the date taken out of operation, the size, type and location of the tank, and the type and quantity of substances left stored in the tank on the date that it was taken out of operation.

3. An owner or operator which brings into use an underground storage tank after July 1, 1985, shall notify the department in writinq within thirty days of the existence of the tank and specify the age, size, type, location and uses of the tank.

4. The notice of the owner or operator to the department under subsections 1 through 3 shall be accompanied by a fee of five dollars for each tank included in the notice. A separate

fund is created in the state treasury, the receipts of which are appropriated to pay the administrative expenses of the department incurred under this part. All fees collected by the department under this subsection shall be credited to the fund. The unobligated or unencumbered balance in the fund as of June 30 of each year shall be transferred to the hazardous waste remedial fund.

5. Subsections 1 to 3 do not apply to an underground storage tank for which notice was given pursuant to section 103, subsection c, of the Comprehensive Environmental Response, Compensation and Liabilities Act of 1980.

6. A person who deposits a regulated substance in an underground storage tank shall notify the owner or operator in writing of their notificdtion requirements pursuant to this section.

7. A person who sells a tank intended to be used as an underground storage tank shall notify the purchaser of the tank in writing of the owner's notification requirements pursuant to this section.

Sec. 4. NEW SECTION. 4558.164 POWERS AND DUTIES OF COMMISSION.

The commission shall adopt rules pursuant to chapter 17A relating to:

1. Release detection, prevention, and correction as may be necessary to protect human health and the environment, applicable to all owners and operators of underground storage tanks. The rules shall include, hut are not limited to, requirements for:

a. Maintaining a leak detection system, an inventory control system with a tank testing, or a comparable system or method designed to identify releases in a manner consistent with the protection of human health and the environment.

b. Maintaining records of any monitoring or leak detection system, inventory control system, or tank testing or comparable system.

c. Reporting of any releases and corrective action taken in response to a release from an underground storage tank.

d. Taking corrective action in response to a release or threatened release from an Underground storage tank including appropriate testing of drinking water which may be contaminated by the release.

e. The closure of tanks to prevent any future release of a regulated substance into the environment.

f. Specifying an adequate monitoring system to detect the presence of a leaking underground storage tank and to provide for protection of the groundwater resources for regulated tanks installed prior to May 1, 1986. The commission shall adopt these rules not later than April 1, 1986, however, the effective date of the rules adopted shall be May 1, 1988. In the event that federal regulations are adopted by the United States environmental protection agency after the commission has adopted state standards pursuant to this subsection, the commission shall immediately proceed to adopt rules consistent with those federal regulations adopted.

In adopting the rules under this subsection, the commission may distinguish between types, classes, and ages of underground storage tanks. In making the distinctions, the commission may take into consideration factors including, but not limited to, location of the tanks, compatibility of a tank material with the soil and climate conditions, uses of the tanks, history of maintenance, age of the tanks, current industry recommended practices, national consensus codes, hydrogeology, water table, size of the tanks, quantity of regulated substances periodically deposited in or dispensed from the tank, the degree of risk presented by the regulated substance, the technical and managerial capability of the owners and operators, and the compatibility of the regulated substance and the materials of which the underground storage tank is fabricated.

2. The maintenance of evidence of financial responsibility as the executive director determines to be feasible and necessary for taking corrective action and for compensating third parties for bodily injury and property damage caused by release of a regulated substance from an underground storage tank.

a. Financial responsibility required by this subsection may be established in accordance with rules adopted by the commission by any one, or any combination, of the following methods: insurance, guarantee, surety bond, letter of credit, or qualification as a self-insurer. In adopting requirements under this subsection, the commission may specify policy or other contractual terms, conditions, or defenses which are necessary or are unacceptable in establishing the evidence of financial responsibility.

b. If the owner or operator is in bankruptcy, reorganization, or arrangement pursuant to the federal bankruptcy law or if jurisdiction in any state court or federal court cannot be obtained over an owner or operator likely to be solvent at the time of judgment, any claim arising from conduct for which evidence of financial responsibility must be provided under this subsection may be asserted directly against the guarantor providing the evidence of financial responsibility. In the case of action pursuant to this paragraph, the guarantor is entitled to invoke all rights and defenses which would have been available to the owner or operator if an action had been brought against the owner or operator by the claimant and which would have been available to the guarantor if an action had been brought against the guarantor by the owner or operator.

c. The total liability of a guarantor shall be limited to the aggregate amount which the guarantor has provided as evidence of financial responsibility to the owner or operator under this subsection. This subsection does not limit any Other state or federal statutory, contractual, or common law liability of a guarantor to its owner or operator including, but not limited to, the liability of the guarantor for bad faith in negotiating or in failing to negotiate the settlement of any claim. This subsection does not diminish the liability of any person under section 107 or 111 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or other applicable law.

d. For the purpose of this subsection, the term "guarantor" means any person, other than the owner or operator, who provides evidence of financial responsibility for an owner or operator under this subsection.

3. Standards of performance for new underground storage tanks which shall include, but are not limited to, design, construction, installation, release detection, and compatibility standards. Until the effective date of the standards adopted by the commission and after January 1, 1986, a person shall not install an underground storage tank for the purpose of storing regulated substances unless the tank (whether of single or double wall construction) meets all the Eollowing conditions:

a. The tank will prevent release due to corrosion or structural failure for the operational life of the tank.

b. The tank is cathodically protected against corrosion, constructed of noncorrosive material, steel clad with a noncorrosive material, or designed in a manner to prevent the release or threatened release of any stored substance.

c. The material used in the construction or lining of the tank is compatible with the substance to be stored. If soil tests conducted in accordance with A.S.T.H.. standdrd G 57-78 or another standard approved by the commission show that soil resistivity in an installation location is twelve thousand ohm/cm or more (unless a more stringent soil resistivity standard is adopted by rule of the commission). a storage tank without corrosion protection may be installed in that location until the effective date of the standdrds adopted by Lhr commission and after January 1, 1986.

d. Rules adopted by the commission shall specify adequate monitoring systems to detect the presence of a leaking underground storage tank and to provide for protection of the groundwater resources from regulated tanks installed after May 1, 1986. The coinmission shall adopt these rules not later than Janudry 1, 1986, however, the effective date of the rules adopted shall be Mdy 1, 1986. In the event that federal regulations are adopted by the United States environmental

protection agency after the commission has adopted state standards pursuant to this subsection, the commission shall immediately proceed to adopt rules consistent with those federal regulations adopted.

4. The form and content of the written notices required by section 4550.463.

5. The duties of owners or operators of underground storage tanks to locate and abate the source of release of regulated substances, when in the judgment of the executive director, the local hydrology. geology and other relevant factors reasonably include a tank as a potential source.

6. Reporting requirements necessary to enable the department to maintain an accurate inventory of underground storage tanks.

7. Designation of regulated substances subject to this part, consistent with section 4550.461, subsection 4. The rules shall be at least as stringent as the regulations of the federal government pursuant to section 311, subsection b, paragraph 2, subparagraph A of the Federal Water Pollution Control Act [33 U.S.C. § 1321(b)(2)(A)], pursuant to section 102 of the Comprehensive Environmental Response, Compensation, and Liability Act [42 U.S.C. § 9602], pursuant to section 307, subsection a of the federal Water Pollution Control Act [33 U.S.C. § 1317(a)], pursuant to section 112 of the Clean Air Act [42 U.S.C. § 7412], or pursuant to section 7 of the Toxic Substances Control Act [15 U.S.C. § 26061.

The rules adopted by the commission under this section shall be consistent with and shall not exceed the requirements of federal regulations relating to the regulation of underground storage tanks except as provided in subsection 1, paragraph "f" and subsection 3, paragraph "d". It is the intent of the general assembly that state rules adopted pursuant to subsection 1, paragraph "f" and subsection 3, paragraph "d" be consistent with and not more restrictive than federal regulations adopted by the United States environmental protection agency when those rules arc adopted.

Sec. 5. NEW SECTION. 4558.465 POWERS AND DUTIES OF THE EXECUTIVE DIRECTOR.

The executive director shall:

1. Inspect and investigate the facilities and records of owners and operators of underground storage tanks as may be necessary to determine compliance with this part and the rules adopted pursuant to this part. An inspection or investigation shall be concluded subject to section 4558.103, subsection 8. For purposes of developing a rule, maintaining an accurate inventory or enforcing this part, the department may:

a. Enter at reasonable times any establishment or other place where an underground storage tank is located.

b. Inspect and obtain samples from any person of a regulated substance and conduct monitoring or testing of the tanks, associated equipment, contents or surrounding soils, air, surface water and groundwater. Each inspection shall be commenced and completed with reasonable promptness.

(1) If the executive director obtains a sample, prior to leaving the premises, the executive director shall give the owner, operator, or agent in charge a receipt describing the sample obtained and if requested a portion of each sample equal in volume or weight to the portion retained. If the sample is analyzed, a copy of the results of the analysis shall be furnished promptly to the owner, operator, or agent in charge.

(2) Documents or information obtained from a person under this subsection shall be available to the public except as provided in this subparagraph. Upon a showing satisfactory to the executive director by a person that public disclosure of documents or information, or a particular part of the documents or information to which the executive director has access under this subsection would divulge commercial or financial information entitled to protection as a trade secret, the executive director shall consider the documents or information or the particular portion of the documents or information confidential. However, the document or information may be disclosed to officers, employees or

authorized representatives of the United States charged with implementing the federal Solid Waste Disposal Act, to employees of the state of Iowa or of other states when the document or information is relevant to the discharge of their official duties, and when relevant in any proceeding under the federal Solid Waste Disposal Act or this part.

2. Maintain an accurate inventory of underground storage tanks.

3. Take any action alloued by law which, in the executive director's judgment, is necessary to entorce or secure compliance with this part or any rule adopted under this part.

Sec. 6. NEW SECTION. 4550.466 VIOLATIONS.

1. If there is substantial evidence that a person has violated or is violating a provision of this part or a rule adopted under this part the executive director may issue an order directing the person to desist in the practice which constitutes the violation, and to take corrective action as necessary to ensure that the violation will cease, and may impose appropriate administrative penalties pursuant to section 4558.109. The person to whom the order is issued may appeal the order to the commission as provided in chapter 17A. On appeal, the commission may affirm, modify or vacate the order of the executive director.

2. However, if it is determined by the executive director that an emergency exists respecting any matter affecting or likely to affect the public health, the executive director may issue any order necessary to terminate the emergency without notice and without hearing. The order is binding and effective immediately and until the order is modified or vacated at a hearing before the commission or by a district court.

3. The executive director, with the approval of the commission, may request the attorney general to institute legal proceedings pursuant to section 4558.467.

Sec. 7. NEW SECTION. 4558.567 PENALTIES -- BURDEN OF PROOF.

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1. A person who violates a provision of this part or a rule or order issued under this part is subject to a civil penalty not to exceed five thousand dollars for each day during which the violation continues. The civil penalty is an alternative to a criminal penalty provided under this part.

2. A person who knowingly fails to notify or makes a false statement, representation, or certification in a record, report, plan or other document filed or required to be maintained under this part or who falsifies, tampers with or knowingly renders inaccurate a monitoring device or method required to be maintained under this pact or by a rule or order issued under this pact, is guilty of an aggravated misdemeanor.

3. The attorney general, at the request of the executive director with approval of the commission, shall institute any legal proceedings, includiny an action for an injunction, necessary to enforce the penalty provisions of this part or to obtain compliance with the provisions of this part or rules adopted or order issued under Chis pact. In any action, previous findings of fact of the executive director or the commission after notice and hearing are conclusive if supported by substantial evidence in the record when the record is viewed as a whole.

4. In all proceedings with respect to an alleged violation of a provision of this part or a rule adopted or order issued by the commission, the burden of proof is upon the commission or the department.

5. If the attorney general has instituted legal proceedings in accordance with this section, all related issues which could otherwise be raised by the alleged violator in a proceeding for judicial review under section 455B.468 shall be raised in the legal proceedings instituted in accordance with this section.

Sec. 8. NEW SECTION. 455B.468 JUDICIAL REVIEW.

Except as provided in section 4550.467, subsection 5, judicial review of an order or other action of the commission or the executive director may be sought in accordance with

chapter 17A. Notwithstanding chapter 17A, the Iowa administrative procedure Act, petitions for judicial review may be filed in the district court of the county in which the alleged offense was committed or the final order was entered.

Sec. 9. Sections 1 through 8 of this Act shall be codified as a new part of chapter 4558, division IV.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is knovn as House Pile 643, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Cover:nor

HOUSE FILE 747

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO AGENCIES, INSTITUTIONS, COMMISSIONS, DEPARTMENTS, AND BOARDS RESPONSIBLE FOR EDUCATION, ARTISTIC, AND HISTORICAL PROGRAMS OF THIS STATE.

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

Section 1. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986, to the following named agencies the Eollowing amounts, or so much thereof as necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. IOWA STATE ARTS COUNCIL	
For salaries, support, maintenance, and miscellaneous purposes including funds to match federal grants	$ 528,114

It is the intent of the general assembly that the Iowa state arts council expend, from funds appropriated in this subsection, moneys to support community arts council development.

2. IOWA STATE HISTORICAL DEPARTMENT	
a. For salaries, support, maintenance, and miscellaneous purposes	$ 1,409,957
b. For the state historical board for per diem and expenses	$ 6,690
3. IOWA LIBRARY DEPARTMENT	
a. For the state library	

for salaries, support, maintenance, and miscellaneous purposes	$ 1,201,448
b. For the regional library system for state aid	$ 1,549,535
4. IOWA DEPARTMENT OF PUBLIC BROADCASTING	
For salaries, support, maintenance, and miscellaneous purposes	$ 6,196,900

Sec. 2. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following amounts. or so much thereof as may be necessary, to be used for the funding of the following programs for the purposes designated:

	1985-1986 Fiscal Year
1. IOWA COLLEGE AID COMMISSION	
For salaries, support, maintenance, and miscellaneous purposes	$ 443,601
2. TUITION GRANT PROGRAM	
To supplement the appropriation provided in subsection 1 of section 261.25 for tuition grants to full-time resident students attending accredited private institutions of higher education in Iowa under sections 261.9 to 261.16	$ 973,000

Sec. 3.

H.F. 747

1. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beyinning July 1, 1985 and ending June 30, 1986, the sum of eight hundred sixty-seven thousand one hundred thirty-two (867,132) dollars, or so much thereof as may be necessary, to be paid to the college of osteopathic medicine and surgery for the subvention program created pursuant to sections 261.18 arid 261.19. Notwithstandiny section 261.19, for the fiscal year beginning July 1, 1985, the subvention shall he used for the admission and education of students enrolled in each of the four years of classes in the college of osteopathic medicine and surgery.

2. In addition to the requirements of sections 261.18 and 261.19, the availability of funds appropriated by this section is subject to the condition that one half of the funds appropriated fur fiscal year 1985-1956 shall not be released until delivery to the legislative fiscal bureau of the June 30, 1985, financial audits, conducted by an independent third party, of the college of osteopathic medicine and surgery.

Sec. 4. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the sum of twenty-one thousand eight hundred seventy (21,870) dollars, or so much thereof as may be necessary, to provide for a national guard education program. Funds shall only he expended for Iowa residents who are enlisted members in good standing in the Iowa national guard who dre enrolled as undergraduates in Iowa postsecondary educational institutions. Funds expended on behalf of each full-time undergraduate student shall not exceed two hundred fifty (250) dollars per year. Funds expended on behalf of each half-time undergraduate student shall not exceed one hundred twenty-five (125) dollars per year.

Sec. 5. There is appropriated from the general fund of the state to the Iowa college did cummissiun for the fiscal year

beginning July 1, 1985 and ending June 30, 1986, the sum of fifteen thousand (15,000) dollars, or as much thereof as may be necessary, to make reimbursement payments to teachers under the guaranteed student loan payment program established in section 261.45.

Sec. 6. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986, to the department of public instruction the following amounts, or so much thereof as may be necessary, to be used in the manner designated:

	1985-1986 Fiscal Year
1. GENERAL OFFICE ADMINISTRATION	
a. For salaries. support, maintenance, and miscellaneous purposes	$ 4,135,062

It is the intent of the general assembly that the department of public instruction expend, from funds appropriated in this paragraph, up to one hundred thousand (100,000) dollars for development of subject matter committees and committees that cross subject matter lines for coordination of curriculum at all education levels. It is also the intent of the general assembly that the department of public instruction expend, from funds appropriated in this paragraph, up to two hundred fifty thousand (250,000) dollars to establish a new system of certification for teachers, including, a pilot project for testing graduates of teacher education programs in basic competency, professional competency, and subject matter competency areas.

b. Fire service education	$ 200,000

c. As a condition of the appropriation made in paragraph "a", the depdrtment of public instruction shall expend at least twenty-five thousand (25,000) dollars of the moneys appropriated in paragraph "a" to provide increased

compensation for individuals employed by the department in consultant positions in order to bring their compensation up to a level that is more competitive with compensation received by individuals employed in other professional positions that have similar educational requirements.

2. VOCATIONAL EDUCATION ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes ..... $ 878,320

3. VOCATIONAL EOUCATION AID

For vocational education aid to secondary schools ..... $ 3,760,668

Funds appropriated by this paragraph are to be used for aid to school districts for development and the conduct of both continuing and new vocational programs, services and activities of vocational education through secondary schools, and for aid to existing jointly administered secondary vocational education programs, in accordance with chapter 258 and chapter 280.4, and to purchase instructional equipment for vdcational and technical courses of instruction in such schools.

4. PROFESSIONAL TEACHING PRACTICES COMMISSION

For the use of the professional teaching practices commission to carry out chapter 272A ..... $ 57,915

5. VOCATIONAL YOUTH ORGANIZATION FUND

To carry out section 258.14 ..... $ 9,720

6. SCHOOL FOOD SERVICE

For the purpose of providing assistance to students enrolled in public school districts and nonpublic schools

of the state for breakfasts, lunches and minimal equipment programs with the funds being used as state matching funds for federal programs and which shall be disbursed according to Eederal regulations ..... $ 3,207,600

7. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

To provide funds for costs of providing textbooks to each resident pupil who attends a nonpublic school or authorized by section 301.1. Such funding is limited to ten dollars per pupil and shall not exceed the comparable services offered to resident public school pupils ..... $ 350,000

8. SCHOOL BUDGET REVIEW COMMITTEE ..... $ 15,000

9. NON-ENGLISH SPEAKING

To provide funding to public schools and for nonpublic school students for special instruction for non-English speaking students as provided in section 280.4 ..... $ 194,400

10. COMPUTER SOFTWARE CLEARINGHOUSE

To carry out the provisions of section 257.41 ..... S 100,000

It is the intent of the general assembly that moneys be appropriated to carry out the provisions of section 257.41 only for the fiscal years commencing July 1, 1985, July 1, 1986, and July 1, 1987.

11. MERGED AREA SCHOOLS

a. For general state financial aid to merged areas as defined in section 280A.2 ..... $ 43,992,818

b. As a condition of the appropriation made in paragraph "a", it is the intent of the general assembly that the department of public instruction shall allocate the moneys appropriated in paragraph "a" for general aid purposes and to achieve greater equity in the allocation of general state financial aid to merged areas. The department of public instruction shall allocate moneys appropriated in paragraph "a" to each merged area school by adding together all of the following:

(1) An amount equal to ninety-nine percent of the amount appropriated to the area school in 1984 Iowa Acts, chapter 1302, section 6, subsection 12, paragraph "a".

(2) Seventy-five percent of ninety-nine percent of the amount appropriated to the area school in 1983 Iowa Acts, chapter 205, section 14, subsection 1, paragraph "a".

(3) An amount for each area school in which the total of general state aid received under 1983 Iowa Acts, chapter 197, section 8, subsection 12, paragraph "a"; vocational state aid received under 1983 Iowa Acts, chapter 197, section 8, subsection 12, paragraph "b"; and general property tax revenues received from the levy in section 280A.17; per student reimbursable contact hour for the fiscal year beginning July 1, 1983, is below the average for those revenues for all merged area schools per student reimbursable contact hour for the fiscal year beginning July 1, 1983. The amount received by an area school under this paragraph shall be determined by dividing the reimbursable contact hour differential for the fiscal year beginning July 1, 1983 for each area school below the average for all area schools by the total reimbursable contact hour differential for the fiscal

year beginning July 1, 1983 for all area schools below the average and multiplying the result by the amount of the remaining funds appropriated in paragraph "a" after amounts in subparagraphs (1) and (2) have been allocated.

For the pucpose of this paragraph, the reimbursable contact hour differential is determined for an area school by subtracting the area school's general state aid per reimbursable contact hour from the average general state aid per reimbursable contact hour for all area schools.

c. As a further condition of the appropriation made in paragraph "a", it is the intent of the general assembly that the state board of public instruction shall submit to the general assembly recommendations for the appropriation of general state financial aid for the mecged area schools for future fiscal years that will provide that existing inequities in funding of merged area schools, including funds for existing merged area school public radio stations, will cease by the fiscal year beginning July 1, 1989. The recommendations shall take into account the existing general state financial aid for each area school, the extent of the inequity existing for each area school whose total state aid is below the average total state aid for all area schools, and the need for salary and support improvements at each area school. Prior to December 1, 1985, the state board shall present its cecommendations for area school funding for the fiscal year beginning July 1, 1986. The recommendations shall include recommendations for interim action if it appears that full funding requests cannot be met.

d. To provide funds for vocational education programs in merged area schools in accordance with chapter 258 and chapter 280A, and to purchase instructional equipment. for vocational and

technical courses of
instruction in such schools ..... $ 8,456,400

12. EDUCATIONAL
EXCELLENCE INCENTIVE AWARDS
For educational excellence
incentive awards granted under
section 260A.4 ..... $ 150,000

Sec. 7.

1. There is appropriated Erom the general Eund of the state to the department of public instruction for the fiscal year beginning July 1, 1986 and ending June 30, 1987, for general state financial aid to merged areas the amount of fourteen million three hundred ninety-seven thousand, six hundred six (14,397,606) dollars, to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1985 and ending June 30, 1986, to be allocated to each area school by adding together the following:

a. An amount equal to the amount appropriated to the area school in 1983 Iowa Acts, chapter 1302, section 7, subsection 1.

b. Twenty-five percent of the amount appropriated to the area school in 1983 Iowa Acts, chapter 205, section 14, subsection 1, paragraph "a".

2. Funds appropriated by this section shall be allocated pursuant to this section and paid on or about August 15, 1986.

Sec. 8. General state aid paid to area schools under section 6, subsection 11, paragraph "a" of this Act., for expenditures incurred during the fiscal year beginning July 1, 1985 and ending June 30, 1986, shall be paid by the state comptroller in installments due on or about November 15, February 15, and May 15 of that fiscal year. The payment received by area schools on or about August 15 under section 7 of this Act is an account receivable for the previous fiscal year. The installments shall be as nearly equal as possible

as determined by the state comptroller, taking into consideration the relative budget and cash position of the state resources.

Sec. 9. It is the intent of the general assembly that the department of public instruction conduct a study during the fiscal year beginning July 1, 1985 to determine the amounts of reimbursement received by the parents or guardians of nonpublic school pupils furnishing transportation for their children and receiving reimbursement calculated under section 285.1, subsection 3, and section 285.2 and to determine whether parents and guardians of nonpublic school pupils are receiving reimbursement payments for transporting both elementary and high school pupils. The department shall report the results of its study to the general assembly not later than February 15, 1986.

Sec. 10. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following amounts, or so much thereof as may be necessary, for use for the following designated purposes, however, as a condition for the appropriation of these funds, the state board of regents, for purposes of implementing and administering collective bdrgaining pursuant to chapter 20, shall act as the exclusive representative of the state of Iowa with respect to its faculty, scientific, and other professional staff.

1985-1986
Fiscal Year

1. OFFICE OF STATE BOARD
OF REGENTS

a. For salaries, support, maintenance, equipment, and miscellaneous purposes, including state board of regents members receiving a per diem not to exceed forty

dollars per day ..... $ 459,5111

b. For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa in amounts as may be necessary to reimburse the institutions for deficiencies in their operating Punds resulting from the pledging of tuitions, student Pees and charges and institutional income to finance the cost of providing academic arid administrative buildings and facilities and utility services at the institutions ..... $ 18,165,066

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory.

For salaries, support, maintenance, equipment, and miscellaneous purposes and for the pediatric department of the college of medicine to continue to fund the program of research at the current level in the cause, course, treatment, cure, and management of diabetes mellitus $123,817,028

It is the intent of the general assembly that funds appropriated in this paragraph not be used to pay for efforts of the prisoner assistance clinic at the university of Iowa law school to solicit participation in the clinic by inmates at state correctional facilities.

It is the intent of the general assembly that three hundred twelve thousand five hundred (312,500) dollars of the funds appropriated in this paragraph be used for the purchase of research and instructional equipment.

b. University hospitals

(1) For salaries, support, maintenance, equipment, and miscellaneous purposes; for medical and surgical treatment of indigent patients as provided in chapter 255 ..... $ 25,917,965

(2) For allocation by the dean of the college of medicine. with approval of the advisory hoard, to qualified participants, to carry out chapter 148C for the family practice program ..... $ 1,428,333

(3) For specialized child health care services, including childhood cancer diagnostic and treatment network programs; rural comprehensive care for hemophilia patients; and Iowa high risk infant follow-up program ..... $ 292,848

c. As a condition of the appropriation made in paragraph "b", subparagraph (1), the county quotas for indigent patients for the fiscal year commencing July 1, 1985 shall not be lower

than the county quotas for the fiscal year commencing July 1, 1984. Patients eligible for reimbursement under the medically-needy program shall be certified for medicaid reimbursement and shall not be counted under the county indigent patient quotas.

It is the intent of the general assembly Chat university hospitals shall not perform heart, liver, artificial heart, or heart/lung transplantations on indigent patients referred under chapter 255 unless the expenses of such procedures are defrayed by moneys other than state appropriations.

Prior to consideration of the appropriations requests for the fiscal year beginning July 1, 1986, from the state board of regents €or the university hospitals indigent patient care program, the joint education appropriations subcommittee shall monitor the heart, liver, and heart/lung transplantation experience at the university hospitals, shall review the report and recommendations of the governor's advisory committee on organ transplants made in December 1984, and shall make recommendations to the legislative council and the general assembly regarding state funding for heart, liver, and heart/lung transplantations for indigent patients.

d. As a condition of the appropriation made in paragraph "b", subparagraph (1), funds appropriated in that subparagraph shall not be allocated to the university hospitals until the superintendent has filed with the state comptroller and the legislative fiscal bureau a quarterly report containing the account required in section 255.24. The report shall include the information required in sect-ion 255.24 for patients by the type of service provided.

e. As a condition of the appropriation made in paragraph "b", funds appropriated in Chis section shall not be used to perform abortions except. medically necessary abortions, and shall not be used to operate the early terminat ion of pregnancy clinic except for the performance of medically necessary abortions. For the purpose of this paragraph, an

abortion is the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus. and a medically necessary abortion is one performed under one of the following conditions:

(1) The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

(2) The attending physician certifies that the Eetus is physically deformed, mentally deficient, ok afflicted with a congenital illness.

(3) The pregnancy is the result of a rape which is reported within forty-five days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(4) The pregnancy is the result of incest which is reported within one hundred fifty days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(5) The abortion is a spontaneous abortion, commonly known as a miscarriage, wherein not all of the products of conception are expelled.

f. Psychiatric hospital

For salaries, support, maintenance, equipment, and miscellaneous purposes and for the care, treatment and maintenance of committed and voluntary public patients ..... $ 5,590,156

g. State hygienic laboratory

For salaries, support, maintenance, equipment, and miscellaneous purposes ..... $ 2,204,443

h. Hospital school

For salaries, support,

H.F.747

maintenance, equipment,
and miscellaneous purposes ..... $ 4,070,497

i. Oakdale campus

For salaries, support,
maintenance, equipment,
and miscellaneous purposes ..... $ 2,394,094

3. IOWA STATE UNIVERSITY
OF SCIENCE AND TECHNOLOGY

a. General university

For salaries, support,
maintenance, equipment,
arid miscellaneous purposes $100,963,618

It is Lhe intent of the general assembly that three hundred twelve thousand five hundred (312,500) dollars of the funds appropriated in this paragraph be used for the purchase of research and instructional equipment.

b. Agricultural experiment station

For salaries, support,
maintenance, equipment,
and miscellaneous purposes ..... $ 11,558,141

c. Cooperative extension service in agriculture and home economics

For salaries, support,
maintenance, and miscellaneous purposes ..... $ 10,981,792

d. Center for industrial research and service

For funding Che small business development centers to provide assistance to small businesses and business groups in Iowa ..... $ 700,000

4. UNIVERSITY OF

NORTHERN IOWA

For salaries, support,
maintenance, equipment,
and miscellaneous purposes ..... $ 39,786,901

5. STATE SCHOOL FOR
THE DEAF

Foe salaries, support,
maintenance, and miscellaneous purposes ..... $ 4,809,547

6. IOWA BRAILLE AND
SIGHT-SAVING SCHOOL

For salaries, support,
maintenance, and miscellaneous purposes ..... $ 2,631,378

Sec. 11. There is appropriated from the general fund of the state to the commission on the aging for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the sum of one hundred thousand (100,000) dollars, or so much thereof as is necessary. to deliver legal services to the elderly. The conirnission shall use the funds to utilize law school clinical programs located in this state which provide legal services for the elderly.

Sec. 12. It is the intent of the general assembly that WOI-TV, a self-supporting department of Iowa state university of science and Lechnology, continue to provide services consistent with the university's stated missions of teaching, research, and service; but that it also increase its efforts to enhance the return on investment for the best interests of the taxpayers of Iowa and to promote economic development in Iowa and explore the feasibility of transferring the license to operate WOI-TV to a foundation or organization affiliated with Iowa state university, and that representatives of Iowa state university and WOI-TV report on those efforts to the joint education appropriations subcommittee during the 1986 legislative session.

Sec. 13. Upon the request of the Iowa department of public broadcasting, the executive council shall sell the property and building located at 2801 Bell avenue in Des Moines, Iowa, and used by the Iowa department of public broadcasting. The proceeds from the sale of the property and building are appropriated to the Iowa department of public broadcasting to pay a portion of the costs of construction of a new building for the Iowa department of public broadcasting. However, the executive council may direct that the building and property located at 2801 Bell avenue in Des Moines, Iowa, be used for another state purpose. The executive council shall determine by independent appraisal the fair market value of the building and property and, in that case, an appropriatioh equal to appraised value of the building and property may be considered by the general assemhly to pay a portion of the costs of construction of a new building for the Iowa department of public broadcasting.

Sec. 14. NEW SECTION. REVENUE FROM CONTRACTS.

The board shall retain for its use revenues generated through contracts with nonprofit organizations or their affiliated organizations from the use of the educational radio and television facility and other educational communications services.

Sec. 15. NEW SECTION. 257.44 FOREIGN LANGUAGE PROGRAMS.

There is appropriated from the general fund of the state to the department of public instruction for the fiscal year beginning July 1, 1985 and each succeeding fiscal year the sum of one hundred fifty thousand (150,000) dollars, or as much thereof as is necessary, to be used to provide assistance to school districts in offering foreign language courses. The department may use the money in the following areas:

1. To provide grants to school districts to develop and implement foreign language programs for elementary school pupils.

2. For administrative costs of the department in assisting school districts to develop programs under subsection 1 and in coordinating and developing other foreign language programs.

Sec. 16. Section 261.12, subsection 1, paragraph b, Code 1985, is amended to read as follows:

b. For the fiscal year beginning July 1, ~~1983~~ 1984, two thousand ~~one~~ two hundred fifty dollars, and for the fiscal year beginning July 1, ~~1984~~ 1985 and for each following fiscal year, two thousand ~~two~~ three hundred fifty dollars.

Sec. 17. Section 261.25, subsection 1, Code 1985, is amended to read as follows:

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~nineteen-million-one-hundred-sixty-six-thousand-six-hundred~~ twenty million six hundred thousand (20,600,000) dollars for tuition grants.

Sec. 18. Section 261.45, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 6. Received reimbursement payments under this section during the fiscal year beginning July 1, 1984.

Sec. 19. Section 261.45, unnumbered paragraph 3, Code 1985, is amended by striking the unnumbered paragraph.

Sec. 20. Section 261.51, Code 1985, is amended to read as follows:

261.51 SCIENCE AND MATHEMATICS LOAN PROGRAM.

The Iowa science and mathematics loan program is established to be administered by the commission. The purpose of the loan program is to assist ~~teachers to~~ individuals possessing a baccalaureate degree or higher to either obtain ~~or to upgrade their~~ teaching ~~authorization~~ ~~certificates~~ in the areas of science or mathematics; or both, or if the individuals are already certificated teachers under chapter 260, to obtain or upgrade their approvals to teach in the areas of science or mathematics., or both. The commission shall adopt rules under chapter 17A, in consultation with the

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board of educational exdminers, to administer the program. The rules shall provide that loans not be granted to teachers for the purpose of improving their knowledge of subject content or teaching skills in order to teach courses in subject matter areas for which they possess approval granted by the board of educational examiners. ~~The rules shall also provide that priority for loans be given to teachers possessing minimal qualifications for teaching science or mathematics.~~

Sec. 21. Section 261.52, unnumbered paragraph 1, Code 1985, is amended to read as follows:

Loans may be granted onty to a-peryen an individual possessing a baccalaureate degree or higher or to an individual possessing a valid teacher's certificate issued under chapter 260. The annual amount of a loan to a-tearher an applicant enrolled as a full-time student shall not exceed ~~one thousand dollars for the fiscal year beginning July 1, 1983 and~~ one thousand five hundred dollars fur each succeeding fiscal year, or tire total amount of tuition and fees, whichever is less, and loans shall be granted for not more than the equivalent of two years. The annual amount of a loan to ~~a teacher enrolled on at least a half-time basis shall not exceed five hundred dollars for the fiscal year beginning July 1, 1983 and seven hundred fifty dollars for each succeeding fiscal year, or~~ an individual enrolled on less than a full-time basis shall be reduced proportionally and shall not exceed the total amount of tuition and fees ~~whichever is less.~~ Loans for a part-time student shall be granted for not more than five years. Loans may be made for courses in programs offered in this state and approved by the board of educational examiners. The board of educational examiners shall adopt rules pursuant to chapter 17A for' approval of programs. The rules shall require that the programs provide training in both subject content and teaching methodology for mathematics and science teaching.

Sec. 22. Section 261.53, Code 1985, is amended to read as Eollows:

261.53 APPROPRIATIONS.

There is appropriated from the qeneral fund of the state to the Iowa college aid commission for the fiscal ~~years~~ year beginning July 1, ~~1983 and July 1, 1984, the sum of forty thousand dollars, or as much thereof as is necessary,~~ 1985 and for each succeeding fiscal year, the sum of enc-hundred-Corky seventy thousand dollars, or as much thereof as is necessary, to make loans under sections 261.51 and 261.52.

Sec. 23. Section 261.54, unnumbered paragraph 1, Code 1985, is amended to read as follows:

Repayment of the loan shall begin one year after the ~~teacher~~ recipient completes the educational proqram for which tuition and fees arc received except as otherwise provided in this section. If a teacher recipient submits evidence to the commission that the teacher recipient was employed as a teacher of one or more science or mathematics courses or as an elementary teacher teaching science and mathematics in a public school district or nonpublic school in this state or at the Iowa braille and sight-savinq school or the Iowa school for the deaf during that year, fifty percent of the amount of the loan is canceled. If the teecher recipient continues employment as a teacher of science or mathematics courses or as an elementary teacher teaching science and mathematics during the next succeeding school year and submits evidence to the commission of the continuation of teaching employment, the teaehrr recipient is not required to commence repayment during that school year and at the end of that school year the remaining fifty percent of the loan is canceled.

Sec. 24. Section 261.61, unnumbered paragraph 1, Code 1985, is amended to read as follows:

A person who graduates from a public or nonpublic high school in this state after January 1, ~~1984~~ 1986 who has successfully completed at least seven eight units of science

and mathematics courses, and at least **three** four of the **seven** *eight* units include sequential mathematics courses at the advanced algebra level or higher, chemistry, advanced chemistry, physics, or advanced physics courses, and who attends an eligible institution is eligible for a supplemental grant provided in this chapter.

Sec. 25. Section 261.63, Code 1985, is amended to read as follows:

261.63 APPROPRIATION.

Commencing July 1, 1984, there is appropriated from the general fund of the state to the commission for each fiscal year the sum of one million **five-hundred-theasand** dollars for supplemental grants.

Sec. 26. Section 442.44, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The state comptroller shall pay to each school district in this state an amount equal to fifty dollars times the sum of the number of pupils ~~enrolled-for-the-entire-school-year-on-a full-time-equivalent-basis-in~~ who successfully complete a year long course in Latin, German, French or Spanish at the third or fourth year level and for the number of pupils who successfully complete a year long course in another foreign language ~~courses~~ at the ~~first-year-level-and-twenty-five dollars-times-the-sum-of-the-number-of-pupils-enrolled-for-the entire-school-year-on-a-full-time-equivalent-basis-in sequential-mathematics-courses-at-the-advanced-algebra-level and-above-and-in-chemistry,-advanced-chemistry,-physics-and advanced-physics-courses~~ First or second year level.

Sec. 27. Section 442.44, unnumbered paragraph 4, Code 1985, is amended to read as follows:

For the school year beginning July 1, ~~1984~~ 1985 ahd each succeeding school year, there is appropriated from the general fund of the state to the state comptroller the sum of ~~two million-one~~ five hundred thousand dollars, or so much thereof as is necessary, to make the payments to school districts

required by this section. **If** the funds appropriated are insufficient to make the payments required under this section, the state comptroller shall prorate the payments to school districts. Moneys received by a school district under this section are miscellaneous income. Moneys received by **a** school district for pupils enrolled in **science-and-mathematies** foreign language courses shall be used only for purchase of equipment, **and** supplies, and services that benefit the foreign language program of the school district.

Sec. 28. Chapter 286A and section 257.42, Code 1985, are repealed.

Sec. **29.** The amount of the funds appropriated under sections 1 through 6 and 10 and 11 of this Act for the fiscal year beginning July 1, 1985 and ending June *30*, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of this Act.

Sec. 30. Section 24 of this Act takes effect January 1, 1986.

Sec. 31. The state comptroller shall recover one hundred ninety-seven thousand five hundred twenty-five (197,525) dollars Prom the amounts budgeted for new car purchases under section 10 of this Act. From the amount appropriated under section 10, subsection 2, paragraph "a" of this Act, the state comptroller shall recover one hundred thousand seven hundred twenty-five (100,725) dollars. From the amount appropriated under section 10, subsection 3, paragraph "a" of this Act, the state comptroller shall recover seventy-one thousand three hundred (71,300) dollars. From the amount appropriated under section 10, subsection 4 of this Act, the state comptroller shall recover twenty-five thousand five hundred (25,500) dollars.

Sec. 32. Total appropriations specified in this Act for the fiscal year beginning July 1, 1985 and ending June **30**, 1986 shall not be exceeded in the fiscal year beginning July

1, 1986 and ending June 30, 1987 unless revenue growth as estimated by the legislative fiscal bureau in its December 31, 1985 quarterly report exceeds four and one-half percent.

Sec. 33. All federal grants to and the federal receipts of agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants or receipts.

Sec. 34. Moneys appropriated by this Act shall not be used for capital improvements.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 747, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR
STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

May 3, 1985

The Honorable Donald Avenson
Speaker
House of Representatives
State Capitol Building
LOCAL

Dear Mr. Speaker:

I hereby transmit House File 747, an act relating to and making appropriations to agencies, institutions, commissions, departments, and boards responsible for education, artistic, and historical programs of this state.

House File 747 is approved May 3, 1985, with the following exceptions which I hereby disapprove.

I am unable to approve of the item designated as Section 6, Subsection 1(c), which reads as follows:

> c. As a condition of the appropriation made in paragraph "a", the department of public instruction shall expend at least twenty-five thousand (25,000) dollars of the moneys appropriated in paragraph "a" to provide increased compensation for individuals employed by the department in consultant positions in order to bring their compensation up to a level that is more competitive with compensation received by individuals employed in other professional. positions that have similar educational requirements.

The state of Iowa is currently in the process of implementing a state-wide comparable worth policy. The system is based on comprehensive evaluations of the "worth" of the tasks done by employees in all state classifications, and in all state agencies.

The Department of Public Instruction's consultant pay classifications were evaluated as part of the comparable worth study. Now, even as comparable worth is just being implemented on a state-wide basis, this section would go outside the comparable worth system to make adjustments to the salaries of a few employees in one department. These arbitrarily-chosen adjustments are inappropriate at this time and would not be in the interests of developing a sound comparable worth system for the state as a whole.

I am also unable to approve Sections 5p 18, and 19, which read as follows:

> Sec. 5. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1985, and ending June 30, 1986, the sum of fifteen thousand (15,000) dollars, or as much thereof as may be necessary, to make reimbursement payments to teachers under the guaranteed student loan payment program established in section 261.45.
>
> Sec. 18. Sec. 261.45, Code 1985, is amended by adding the following new subsection:
>
> NEW SUBSECTION. 6. Received reimbursement payments under this section during the fiscal year beginning July 1, 1984.
>
> Sec. 19. Sec. 261.45, unnumbered paragraph 3, Code 1985, is amended by striking the unnumbered paragraph.

Taken together, these three sections effectively eliminate the guaranteed loan payment program established in 1983. This program encourages college students to become certified and teach advanced mathematics and advanced science courses in Iowa. Individuals who graduated from college in 1983 or later, and who teach qualifying subjects, are reimbursed by this program for up to $1,000 of their guaranteed student loan payments for each year they teach. Teachers may receive up to $6,000 in reimbursements under this program.

Many studies have indicated that there is an impending shortage of qualified teachers in the advanced math and science areas. This program encourages graduates in these shortage areas to teach in Iowa.

In its two years of existence, this program has provided incentives to 30 new Iowa teachers. These are all teachers who are providing instruction in Iowa schools in these high demand areas, and who graduated from college since 1983. The program is clearly a success at encouraging math and science instruction for a minimal cost to the state.

HOUSE FILE 750

AN ACT

IMPOSING A TONNAGE FEE ON SOLID WASTE DEPOSITED IN SANITARY LANDFILLS TO ESTABLISH A GROUNDWATER FUND FOR ADMINISTERING A GROUNDWATER MONITORING PROGRAM, THE DEVELOPMENT OF GROUNDWATER QUALITY STANDARDS, ALTERNATIVE METHODS OF SOLID WASTE DISPOSAL, AND EMERGENCY LANDFILL CLEANUP PROGRAMS, AND SUBJECTING VIOLATORS TO A PENALTY.

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

Section 1. Section 4558.301, subsection 4, Code 1985, is amended to read as follows:

4. "Solid waste" means garbage, refuse, rubbish, and other similar discarded solid or semisolid materials, including but not limited to such materials resulting from industrial, commercial, agricultural, and domestic activities. Solid waste may include vehicles, as defined by section 321.1, subsection 1. ~~Nothing herein shall be construed as prohibiting~~ However, this division does not prohibit the use of dirt, stone, brick, or similar inorganic inaterial for fill, landscaping, excavation or grading at places other than a sanitary disposal. Solid waste does not include hazardous waste as defined in section 4558.411 or source, special nuclear, or by-product material as defined in the Atomic Energy Act of 1954, as amended to January 1, 1979.

Sec. 2. Section 4558.301, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. "Sanitary landfill" means a landfill associated with a sanitary disposal project to facilitate the final disposition of solid waste.

Sec. 3. NEW SECTION. 4550.309 GROUNDWATER FUND.

1. A groundwater fund is created in the state treasury. Moneys received from the tonnage fee and from other sources

designated for purposes related to groundwater monitoring and groundwater quality standards shall be deposited in the state treasury to the credit of the fund. Any unexpended balance in the groundwater fund at the end of each fiscal year shall be retained in the fund.

2. The department may use the fund for any of the following purposes:

a. The administration of a groundwater monitoring program.

b. The development of groundwater quality standards.

c. Research in alternative methods of solid waste disposal including recycling programs.

d. Abatement and cleanup of threats to the public safety and environment resulting from a sanitary landfill when an owner or operator of the facility is unable to effectuate the abatement or cleanup. However, not more than ten percent of the fund may be used for this purpose in any given year without legislative authorization for that purpose.

Sec. 4. NEW SECTION. 4558.310 TONNAGE FEE IMPOSED.

1. Except as provided in subsection 3, the operator of a sanitary landfill shall pay to the department a tonnage fee for each ton or equivalent volume of solid waste received and disposed of at the sanitary landfill during the preceding reporting period. The department shall determine by rule the volume which is equivalent to a ton of waste.

2. The tonnage fee is twenty-five cents per ton of solid waste.

3. Solid waste disposal facilities with special provisions which limit the site to the disposal of construction and demolition waste and solid waste materials approved by the department for lining or capping or for construction berms dikes or roads in a sanitary disposal project or sanitary landfill are exempt from the tonnage fees imposed undec this section.

4. All tonnage fees received by the department under this section shall be paid to a groundwater fund created under section 4558.309.

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5. Fees imposed by this section shall be paid to the department on an annual basis. Fees are due on April 15 for the previous calendar year. The payment shall be accompanied by a return in the form prescribed by the department,

6. A person required to pay fees by this section who fails or refuses to pay the fees imposed by this section shall be assessed a penalty of fifteen percent of the fee due. The penalty shall be paid in.addition to the fee due.

Sec. 5. This Act takes effect April 1, 1986.

DONALD D. AVENSON
Speaker of the Mouse

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 750, Seventy-first General Assembly.

JOSEPH O'BERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

HOUSE FILE 761

AN ACT

RELATING TO THE STATE INHERITANCE AND FIDUCIARY INCOME TAX BY PROVIDING FOR AN IOWA QUALIFIED TERMINABLE INTEREST PROPERTY ELECTION, FOR A SIX-MONTH AUDIT PERIOD AFTER RECEIPT OF A FEDERAL AUDIT, FOR THE TAXATION OF THE POSSESSION OF A GENERAL POWER OF APPOINTMENT, AND FOR NOTICE TO THE DEPARTMENT OF REVENUE PRIOR TO THE DISCHARGE OF THE PERSONAL REPRESENTATIVE OF AN ESTATE OR TRUST AND PROVIDING EFFECTIVE DATE PROVISIONS.

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

Section 1. Section 422.27, subsection 1, Code 1985, is amended to read as follows:

1. He A final account of ~~an executor, administrator, or trustee~~ a personal representative shall not be allowed by any court until thirty days after written notice is given to the department of the proposed discharge of the personal representative and unless such the account shows, and the judge of said the court finds, that all taxes imposed by the ~~provisions of~~ this division upon the ~~executor, administrator, or trustee~~ personal representative, which have become payable, have been paid, and that all taxes which may become due are secured by bond, deposit or otherwise. The certificate of the director and the receipt for the amount of the tax therein certified shall be conclusive as to the payment of the tax to the extent of ~~said~~ the certificate.

Sec. 2. Section 450.3, subsection 4, Code 1985, is amended to read as follows:

4. ~~Under power of appointment hereafter exercised~~ To the extent of any property with respect to which the decedent has at the time of death a general power of appointment, or with respect to which the decedent has within three years of death exercised or released a general power of appointment by a disposition which is of a nature that if it were a transfer of property owned by the decedent, the property would be includable in the decedent's gross estate under this section whether the general power was created before or after the taking effect of this chapter. Any A transfer involving creation of a general power of appointment shall be treated as a transfer of a fee or equivalent interest in the property subject thereto to the donee of the power. Any transfer involving creation of any other power of appointment shall be treated, except when an election is made under subsection 2 as the transfer of a life estate or term of years in the property subject thereto to the donee of the power and as the transfer of the remainder interests therein to those who would take if the power is not exercised.

Sec. 3. Section 450.3, Code 1985, is amended by adding the following new subsection 7:

NEW SUBSECTION. 7. Which qualifies as a qualified terminable interest property as defined in section 2056(b)(7)(B) of the Internal Revenue Code of 1954 as defined in section 422.3, shall, if an election is made, be treated and considered as passing in fee, or its equivalent, to the surviving spouse in the estate of the donor-grantor. Property on which the election is made shall be included in the gross estate of the surviving spouse and shall be deemed to have passed in fee from the surviving spouse to the persons succeeding to the remainder interest, unless the property was sold, distributed, or otherwise disposed of prior to the death of the surviving spouse. A sale, disposition, or disposal of the property prior to the death of the surviving spouse shall void the election, and shall subject the property disposed of,

less amounts received or retained by the surviving spouse, to tax in the donor-grantor's estate in the same manner as if the tax had been deferred under sections 450.44 through 450.49.

Unless the will or trust instrument provides otherwise, the estate of the surviving spouse shall have the right to recover from the persons succeeding to the remainder interests, the additional tax imposed, if any, without interest, on the surviving spouse by reason of the election being made. The amount of tax recovered, if any, shall be a credit in the donee's estate against the tax imposed on the qualified terminable interest property.

An election under this subsection can only be made if an election in relation to the qualified terminable interest property is also made for federal estate tax purposes.

The director of revenue shall adopt and promulgate all rules necessary for the enforcement and administration of this subsection including the form and manner of making the election.

Sec. 4. Section 450.58, Code 1985, is amended to read as follows:

450.58 FINAL SETTLEMENT TO SHOW PAYMENT.

The final settlement of the account of a personal representative shall not be accepted or allowed until thirty days after written notice is given to the department of the proposed discharge of the personal representative and unless it shows, and the court finds, that all taxes imposed by this chapter upon any property or interest in property that is made payable by the personal representative and to be settled by the account, has been paid, and that the receipt of the department of revenue for the tax has been obtained as provided in section 450.64. Any order contravening this section is void.

Sec. 5. Section 450.94, subsection 5, Code 1905, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. In addition to the applicable periods of limitations for examination and determination specified in paragraphs "a" and "b", the department may make an examination and determination at any time within six months from the date of receipt by the department of written notice from the taxpayer of the final disposition of any matter between the taxpayer and the internal revenue service with respect to the federal estate, gift, or generation skipping transfer tax. In order to begin the running of the six months assessment period, the notice shall be in writing in form sufficient to inform the department of the final disposition of any matter with respect to the federal estate, gift, or generation skipping transfer tax, and a copy of the federal document showing the final disposition or final federal adjustments shall be attached to the notice.

Sec. 6. Section 633.554, 1985 Iowa Acts, Senate File 531, section 2, is amended to read as follows:

633.554 NOTICE TO PROPOSED WARD.

If the proposed ward is an adult, notice of the filing of the petition shall be served upon the proposed ward in the manner of an original notice and the content of the notice is governed by the rules of civil procedure governing original notice. If the proposed ward is a minor or if the proposed ward la an adult under a standby order petition and the court determines, pursuant to section 633.561, subsection 1, that the proposed ward is entitled to representation, notice in the manner of original notice, or another form of notice ordered by the court, given to the attorney appointed to represent the ward is notice to the proposed ward.

Sec. 7. Section 633.561, subsection 1, 1985 Iowa Acts, Senate File 531, section 3, is amended to read as Collows:

1. In a proceeding for the appointment of a guardian, if the proposed ward is an adult and is not the petitioner, the proposed ward is entitled to representation. In a proceeding for the appointment of a guardian, if the proposed ward is a

minor or if the proposed ward is an adult under a standby order petition, the court shall determine whether, under the circumstances of the case, the proposed ward is entitled to representation. The determination regarding representation shall be niade only after notice to the proposed ward is made as the court deems necessary.

Sec. 8. Section 633.568, 1985 Iowa Acts, Senate File 531, section 5, is amended to read as follows:

633.568 NOTICE ~~ON~~ TO PROPOSED WARD.

If the proposed ward is an adult, notice of the filing of the petition shall be served upon the proposed ward in the manner of an original notice and the content of the notice is governed by the rules of civil procedure governing original notice. If the proposed ward is a minor and the court determines, pursuant to section ~~633.561~~ 633.575, subsection 1, that the proposed ward is entitled to representation, notice in the manner of original notice, or another form of notice ordered by the court, given to the attorney appointed to represent the ward is notice to the proposed ward.

Sec. 9. Section 633.575, subsections 3, 4 and 5, 1985 Iowa Acts, Senate File 531, section 6 are amended to read as follows:

3. If the proposed ward is entitled to representation and is indigent or incapable of requesting counsel, the court shall appoint an attorney to represent the proposed ward. The cost of court appointed counsel for indigents shall be assessed agsinst the county in which the proceedings are pending. For the purposes of this subsection, the court may find a person is indigent if the person's income and resources do not exceed one hundred fifty percent of the federal poverty level or the person would be unable to pay such costs without prejudicing the person's financial ability to provide economic necessities for the person or the person's dependents.

4. An attorney appointed pursuant to this section, to the extent possible, shall:

a. Ensure that the proposed ward has been properly advised of the nature of the proceeding and its purpose.

b. Ensure that the proposed ward has been properly advised of the ward's rights in a conservatorship proceeding.

c. Personally interview the proposed ward.

d. File a written report stating whether there is a return on file showing that proper service on the proposed ward has been made and also stating that specific compliance with paragraphs "a" through "c" has been made or stating the inability to comply by reason of the proposed ward's condition.

~~d~~ e. Represent the proposed ward.

~~e~~ f. Ensure that the conservatorship procedures conform to the statutory and due process requirements of Iowa law.

5. In the event that an order of appointment is entered, the attorney appointed pursuant to this section, to the extent possible, shall:

~~f~~ a. Inform the proposed ward of the effects of ~~any order entered by the court, including the effects of an~~ the order entered for appointment of conservator.

~~g~~ b. Advise the ~~ward, if an order for appointment of conservator is entered,~~ of the ward's rights to petition for modification or termination of conservatorship.

~~h~~ c. Advise the ~~ward, if a conservator is appointed,~~ of the rights retained by the ward.

~~5. An attorney appointed pursuant to this section shall file an answer stating whether there is a return on file showing that proper service on the proposed ward has been made. The answer shall also state that specific compliance with subsection 4 has been made by the attorney or stating the inability to comply with subsection 4 by reason of the proposed ward's condition.~~

Sec. 10. This Act is effective July 1 following enactment subject to the following: Sections 1 and 4 are effective for final reports of personal representatives filed on or after

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the effective date; section 2 is effective for estates of decedents dying on or after January 1, 1988; section 3 is effective for estates of decedents dying on or after the effective date; and section 5 is effective for audit and assessment limitation periods expiring on or after the effective date.

DONALD D. AVENSON
Speaker of the Mouse

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 761, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 349

AN ACT

RELATING TO THE TYPE OF FEDERAL TAX-EXEMPT PERSONS OR ORGANIZATIONS ELIGIBLE TO BECOME LICENSEES TO CONDUCT GAMES OF SKILL, GAMES OF CHANCE, AND RAFFLES.

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

Section 1. Section 998.7, subsection 1, paragraph m, Code 1985, is amended to read as follows:

m. The person or organization conducting the game can show to the satisfaction of the department that the person or organization is eligible for exemption from federal income taxation under either section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(10) or 501(c)(19) of the Internal Revenue Code of 1954, as defined in section 422.3. However, this paragraph does not apply to a political party as defined in

section 43.2, to a nonparty political organization that has qualified to place a candidate as its nominee for statewide office pursuant to chapter 44, or to a candidate committee as defined in section 56.2.

Sec. 2. Section 99B.7, subsection 1, paragraph o, Code 1985, is amended to read as follows:

o. A Except as provided in subsection 6, paragraph "a", a person shall not conduct, promote, administer, or assist in the conducting, promoting or administering of a bingo occasion, unless the person regularly participates in activities of the qualified organization other than conducting bingo occasions or participates in an educational, civic, public, charitable, patriotic, or religious organization to which the net receipts are dedicated by the qualified organization.

Sec. 3. Section 998.7. subsection 6, paragraph a, Code 1985, is amended to read as follows:

a. A Except as provided in this paragraph, a person shall not be compensated for services rendered in connection with a game of skill, game of chance, or raffle conducted under this section. This section forbids payment of compensation to persons including, but not limited to, managers, callers, cashiers, floor workers, janitorial personnel, accountants and bookkeepers. The privilege of selling merchandise on the premises during a bingo occasion is deemed to be compensation. However, not more than four persons per one hundred players, participating in the bingo occasion may be employed. An employee under this paragraph need not be a member of the qualified organization or a regular participant in the activities of the qualified organization or in an educational, civic, public, charitable, patriotic, or religious organization to which the net receipts are dedicated by the qualified organization. The wages of an employee shall not exceed the federal minimum wage. This section does not prohibit the employment of one or more individuals to serve as

security officers. A person who knowingly pays or receives compensation in violation of this section commits a fraudulent practice.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 349, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 387

AN ACT

ALLOWING A PERSON TO WHOM OWNERSHIP OF A VEHICLE HAS BEEN TRANSFERRED BY A SPOUSE, PARENT OR CHILD OF THE PERSON, OR BY OPERATION OF LAW UPON INHERITANCE, DEVISE OR BEQUEST, FROM THE PERSON'S SPOUSE, PARENT OR CHILD, OR BY A FORMER SPOUSE PURSUANT TO A DECREE OF DISSOLUTION OF MARRIAGE, A CREDIT TO BE APPLIED TO THE REGISTRATION FEE OF THE TRANSFERRED VEHICLE, REQUIRING RULES TO BE ADOPTED TO PROVIDE FOR THE ASSIGNMENT OF REGISTRATION PLATES TO THE PERSON, REQUIRING CERTAIN COUNTIES TO SEND A STATEMENT RELATING TO DUE REGISTRATION FEES TO OWNERS OF MOTOR VEHICLES AND ALLOWING A REFUND OF UNEXPIRED REGISTRATION FEES FOR CERTAIN VEHICLES.

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

Section 1. Section 321.34, subsection 1, Code 1985, is amended to read as follows:

1. PLATES ISSUED. The county treasurer upon receiving application, accompanied by proper fee, for registration of a vehicle shall issue to the owner one registration plate for a

motorcycle, motorized bicycle, truck tractor, trailer, or semitrailer and two registration plates for every other motor vehicle. The registration plates, including special registration plates, shall be assigned to the owner of a vehicle. Whenever **When** the owner of a registered vehicle transfers or assigns ownership of ~~such~~ **the** vehicle to another person, the owner shall remove the registration plates from the vehicle. The owner shall forward the plates to the county treasurer where the vehicle is registered or the owner may have the plates assigned to another vehicle within thirty days after transfer, upon payment of the fees required by law. The owner shall immediately affix registration plates retained by the owner to another vehicle owned or acquired by such-petsen the owner, providing the owner complies with section 321.46. The department shall adopt rules providing for the assignment of registration plates to the transferee of a vehicle for which a credit is allowed under section 321.46, subsection 6.

Sec. 2. Section 321.40, Code 1985, is amended by adding the following new unnumbered paragraph immediately following unnumbered paragraph 1:

NEW UNNUMBERED PARAGRAPH. On or before the fifteenth day of the month of expiration of a vehicle's registration the county treasurer shall send a statement by mail of fees due to the appropriate owner of record. The statement shall be mailed to the most current address of record, showing information sufficient to identify the vehicle and a listing of the various fees as appropriate. Failure to receive a statement shall have no effect upon the accrual of penalty at the appropriate date. This paragraph applies to counties with a population of one hundred thousand or more. This paragraph applies to any county with a population of less than one hundred thousand at the discretion of the county treasurer.

Sec. 3. Section 321.46, Code 1985, is amended by adding the following new subsection:

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NEW SUBSECTION. 6. An applicant for a neo registration for a vehicle transferred to the applicant by a spouse, parent or child of the applicant, or by operation of law upon inheritance, devise or bequest, from the applicant's spouse, parent or child, or by a former spouse pursuant to a decree of dissolution of marriage, is entitled to a credit to be applied to the registration fee for the transferred vehicle. A credit shall not be allowed unless the vehicle to which the credit applies is registered within the time specified under subsection 1. The credit shall be computed on the basis of the number of unexpired months remaining in the registration year of the former owner computed from the date the vehicle was transferred, computed to the nearest whole dollar. The credit shall not exceed the amount of the registration fee for the transferred vehicle. Hhen the amount of the credit is computed to be an amount of less than five dollars, the credit shall be disallowed. The credit shall not be sold, transferred, or assigned to any other person.

Sec. 4. Section 321.126, unnumbered paragraph 1, Code 1985, is amended to read as follows:

Refunds of current unexpired vehicle registration fees paid for-the-registration-of-motor-vehicles shall be allowed in accordance with this section, except that no refund shall be allowed arid paid if the unused portion of the fee is less than five dollars. Subsections 1 and 2 ahatf do not apply to motor vehicles registered by the county treasurer. The refunds shall be made as follows:

Sec. 5. Section 321.126, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. If a vehicle is sold or junked within thirty days after a replacement vehicle has been purchased and the title and registration for the replacement vehicle issued, the owner in whose name the vehicle was registered may within thirty days after the date of sale or junking make claim to the department for a refund of the sold or junked vehicle's registration fee subject to the following limitations:

a. The refund shalt be computed on the basis of the number of unexpired months remaining in the registration year at the time the vehicle was sold or junked and shall be rounded to the nearest whole dollar. Section 321.127, subsection 1, does not apply.

b. The refund shall not exceed the amount of the registration fee for the replacement vehicle and shall only be allowed if the replacement vehicle was registered within the time specified for registration under section 321.46, subsection 1.

c. The refund shall only be allowed if the owner provides the credit copy of the registration receipt for the vehicle sold or junked and a photocopy of the registration receipt for the replacement vehicle.

d. This subsection does not apply to vehicles registered under chapter 326.

Sec. 6. Section 321.127, Code 1985, is amended to read as follows:

321.125 AMOUNT PAYMENT OF REFUND.

1. The refund of the registratlon fee for motor vehicles shall be computed on the basis of one-fourth-of-the-annual registration-fee-multiplied-by the number of remaining quarters-of unexpired months remaining in the registration year from date of filing of the claim for refund with the county treasurer, computed to the nearest quarter dollar.

2. The department, unless reasonable grounds exist for delay, shall make refund on or before the fifteenth last day of the quarter month following the quarter month in which the claim is filed with the department.

3. For trailers or semitrailers issued a multiyear registration plate a refund shall be paid equal to the annual fee for twelve months times the remaining number of complete registration years.

4. Refunds for motor vehicles registered for prorate under chapter 326 shall be paid on the basis of unexpired complete

calendar months remaining in the registration year from the date the claim is filed with the department.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 387, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

HOUSE FILE 768

AN ACT

RELATING TO TOWNSHIPS PROVIDING FIRE PROTECTION AND AMBULANCE SERVICE, ESTABLISHING EMERGENCY WARNING SYSTEHS AND LEVYING TAXES FOR THOSE PURPOSES.

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

Section 1. Section 359.42, Code 1985, is amended to read as follows:

359.42 TOWNSHIP FIRE PROTECTION SERVICE, EMERGENCY WARNING SYSTEM, AND AMBULANCE SERVICE.

The trustees of each township shall provide fire protection service for the township, exclusive of any part of the township within a benefited fire district and. in counties not providing ambulance services, may provide ambulance service. The trustees may purchase, own, rent or maintain fire protection service or ambulance service apparatus or equipment or both kinds of apparatus or equipment and provide housing for the equipment. The trustees of a township which has-a common-boundaty-with-a-city is located within a county having a population of one three hundred eighty thousand or more may also establish and maintain an emergency warning system within the township. The trustees may contract with any a public or private agency under chapter 28E for the purpose of providing any service or system required or authorized under this section.

Sec. 2. Section 359.43, subsection 1, Code 1985, is amended to read as follows:

1. The township trustees may levy an annual tax not exceeding Corty and one-half cents per thousand dollars of assessed value of the taxable property in the township, excluding *any* property within a benefited fire district or within the corporate limits of a city, €or the purpose of exercising the powers and duties specified in section 359.42. However, in any a township having a fire protection service or

ambulance service agreement or both service agreements with a special charter city having a paid fire department, the township trustees may levy an annual tax not exceeding fifty-four cents per thousand dollars of the assessed value of the taxable property for the services authorized or required under section 359.42 and in any a township which has-a-common boundary-with-8-city is located within a county having a population of one three hundred eighty thousand or more, the township trustees may levy an annual tax not exceeding sixty-seven and one-half cents per thousand dollars of assessed value of taxable property for the services authorized or required under section 359.42.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House Pile 768, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

H.F. 768

HOUSE FILE 771

AN ACT

RELATING TO THE ADMINISTRATION AND FINANCING OF SERVICES AND PROGRAMS UNDER THE JURISDICTION OF THE DEPARTMENT OF HUMAN SERVICES, THE STATE DEPARTMENP OF HEALTH, THE FOSTER CARE REVIEW BOARD, AND THE COMMISSION ON CHILDREN, YOUTH, AND FAMILIES FOR THE FISCAL YEAR BEGINNING JULY 1, 1985, AND ENDING JUNE 30, 1986.

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

Section 1. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985, and ending June 30, 1986, to the department of human services for general administration, including salaries and support of not more than four hundred sixteen and three-quarters full-time equivalent positions annually, maintenance, and miscellaneous purposes, the following amount, or so much thereof as is necessary:

	1985-1986 Fiscal Year
	$ 7,860,000

As a condition of the appropriation made by this section, the department, after consultation with provider and consumer organizations, shall adopt rules pursuant to chapter 17A to approve by April 1, 1986 community, supervised apartment living arrangements for per diem or per hour purchase-of-service reimbursements or for grants. For the fiscal year beginning July 1, 1985, and ending June 30, 1986, the department shall continue to reimburse on a per diem basis those providers of community, supervised apartment living arrangements which were reimbursed on a per diem basis during the fiscal year ending June 30, 1985.

Sec. 2. FIELD OPERATIONS AND VOLUNTEERS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985, and ending June 30, 1986, to the department of human services, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. For field operations, including salaries and support of not more than two thousand two hundred thirty-six full-time equivalent positions annually, maintenance; and miscellaneous purposes	$ 22,500,000

The state comptroller shall expedite the process for hiring protective service workers authorized under this section.

2. For development and coordination of volunteer services	$ 72,000

Sec. 3. SPECIAL PROGRAMS. There is appropriated From the general fund of the state for the fiscal year beginning July 1, 1985, and ending June 30, 1986, to the department of human services, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. For aid to families with dependent children	$ 63,850,000

a. As a condition of the appropriation, effective January 1, 1986, the department shall establish the schedule of basic needs for one person at one hundred sixty-three dollars, for two persons at three hundred twenty-two dollars, for three persons at three hundred eighty-one dollars, for four persons at four hundred forty-three dollars, for five persons at Lour

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hundred ninety dollars, €or six persons at five hundred forty-five dollars, €or seven persons at five hundred ninety-nine dollars, for eight persons at six hundred fifty-three dollars, for nine persons at seven hundred seven dollars, for ten persons at seven hundred seventy-three dollars, and for each additional person dt seventy-seven dollars.

b. The department shall study the recipient classifications under the aid to families with dependent children program and the federal-state food stamp program which are subject to the monthly reporting and retrospective budgeting requirements to determine if the classifications are appropriate and if the costs associated with the classifications are justified. The department shall report its findings from the study to the general assembly by January 1, 1986.

c. Effective July 1, 1985, the department. shall eliminate the twenty percent copayment for school expenses under the special needs program of the aid to families wi lh dependent children program.

2. For medical assistance, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessdry. Medically necessary abortions are those performed under any of the following conditions:

a. The attending physician certifies Lhat continuing the pregnancy would endanger the life of the pregnant woman.

b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

c. The pregnancy is the result of a rape which is reported within forty-five days of the incident Lo a law enforcement ayency or public or private health agency which may include a famil1y physician.

d. The pregnancy it; the result of incest which is reported within one hundred fifty days of the incident to d law

enforcement agency or public or private health agency which may include a family physician.

e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled $120,600,000

Of the funds appropriated by this subsection, not more than two hundred thousand (200,000) dollars may be transferred on or before December 31, 1985, to the state department of health for contingency state assistance for the federal women, infants, and children program in order to allow the state department of health to fully use available federal funds under the program. The state department of health shall notify the commissioner of human services and the state comptroller when a portion of the Funds identified by this subsection are needed for the federal women, infants, and children program.

The department shall conduct ex parte reviews of the cases of those persons whose aid to families with dependent children, supplemental security income, or medical assistance benefits have been terminated, in order to determine if the persons are eligible for medical assistance benefits under the medically needy program.

The department shall explore means to make full use of veterans' benefits for those medical assistance recipients in intcrmediate care facilities whose current eligibility €or veterans' benefits has not been established.

The department shall seek to reduce the utilization of surgical procedures with high coefficients of variation under Lhe medical assistance program. The department may develop special utilization review efforts, physician education programs, or may mandate second opinions €or selected surgical procedures in order to reduce utilization rates. Subject to the limitation cf funds available €or this purpose, the

department shall collect information on the effectiveness of its efforts to reduce utilization for common surgical procedures with high coefficients of variation and shall report to the general assembly on the effectiveness of its efforts, with a preliminary report due February 1, 1986, and a revised report due January 1, 1987.

The department shall study the feasibility of implementing a comprehensive perinatal services and obstetrical access program under the medical assistance program similar to the program established in the state of California and shall review the cost-effectiveness of implementing a bidding system for providing comprehensive medical coverage for medical assistance recipients under a case-management program. The department shall report to the general assembly by February 1, 1986, on the feasibility and cost-effectiveness of establishing the programs. However, the department may apply for a waiver from the federal government to implement the comprehensive perinatal services and obstetrical access program. if the department determines the program will result in cost savings to the state and provide equivalent or improved levels of care and access for the populations the program would serve. The department may continue to seek a waiver under the authority of 1984 Iowa Acts, chapter 1310, section 3, subsection 2, unnumbered paragraph 2.

In addition, the department, the university of Iowa hospitals and clinics, representatives of health provider organizations, the state department of health, and the Iowa state association of counties shall cooperate in a study of the applicability of the state of Colorado's medically indigent program to the state of Iowa. The study shall include consideration of all potential funding sources to defray the costs of a comprehensive perinatal services and obstetrical access program if such a program is proven to be economically feasible for the state of Iowa. The department shall present the results of the study to the chairpersons of

the general assembly's human services and education appropriations subcommittees by January 15, 1986.

If the department receives approval for a program of home and community-based services pursuant to a waiver under Title XIX of the federal Social Security Act, the program shall be funded with the appropriation made by this subsection. A county shall reimburse the department for the cost of services under the program, which is not paid from federal funds, to mentally retarded or mentally ill persons with legal settlement in the county at the same percentage which the county is required to reimburse the state for mentally retarded or mentally ill persons receiving services at state institutions.

3. For medical contracts ..... $ 1,970,000

The department shall study the reimbursement methodologies under the medical assistance program and the related systems of delivering services, with the objective of developing more equitable and less inflationary systems of delivering services and reimbursing providers for the services. The study shall include an examination of health maintenance organizations, preferred provider organizations, and other forms of capitation payments.

The department shall study new reimbursement methodologies under the medical assistance program which would establish a differential payment system for heavy care residents of intermediate care facilities. The department shall develop a heavy care reimbursement methodology for implementation by July 1, 1986.

4. For child support recoveries, including salary and support of not more than one hundred eight full-time equivalent positions annually, maintenance, and miscellaneous purposes ..... $ 1,000,000

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The commissioner of human services, within the limitations of the funds appropriated in this subsection or funds transferred from the aid to families with dependent childr'en program for this purpose, may establish new positions and add additional employees to the child support recovery unit when the commissioner deteimines that both the current and additional employees together can reasonably be expected to recover for the aid to families with dependent children program and the nonpublic assistance support recovery program more than twice the amount of money required to pay the salaries and support for both the current and additional employees. The department shall demonstrate the cost effectiveness of the current arid additional employees by reporting to the human services appropriations subcommittee the ratio of the total amount of administrative costs for child support recoveries lo the total amount of the child support recoveries.

5. For stale supplementary assistance, including state supplementary assistance for the blind ..... $ 9,850,000

6. For aid to Indians under section 252.43 ..... $ 17,000

The tribal council shall not use more than ten percent of the funds for administrative expenses.

7. For home-based services ..... $ 5,350,000

a. Of the funds appropriated by this suhseclion, seven hundred three thousand (703,000) dollars, or so much thereof as is necessary, is allocated for subsidized adoptions, including the purchase of services tor severely handicapped children and children in large sibling groups.

b. Of the funds appropriated by this subsection, two hundred thousand (200,000) dollars, or so much thereof as is necessary, is allocated for family planning.

c. Of the funds appropriated by this subsection, four million four hundred forty-seven thousand (4,447,000) dollars, or so much thereof as is necessary, is allocated for family centered services.

8. For foster care ..... $ 25,250,000

a. The department may transfer a portion of the funds appropriated by this subsection for use in providing subsidized adoption services, if funds allocated under subsection 7 are insufficient to provide necessary subsidized adoption services.

b. No more than thirty-five percent of all children in foster care funded under Title IV, part E of the federal Social Security Act shall be in foster care for more than twenty-four months.

c. OE the funds appropriated by this subsection, thirty-six thousand (36,000) dollars, or so much thereof as is necessary, is allocated for foster parent training.

9. For community-based programs ..... $ 2,485,000

a. Of the funds appropriated by this subsection, one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary, is allocated for displaced homemakers.

b. Of the funds appropriated by this subsection, four hundred fifty thousand (450,000) dollars, or so much thereof as is necessary, is allocated for child care center financial assistance.

Notwithstanding section 237A.13, subsection 4, funds unencumbered as of April 30, 1986, shall not be reallocated unless the unencumbered funds reclaimed exceed two thousand dollars.

c. Of the funds appropriated by this subsection, one hundred eighty thousand (180,000) dollars, or so much thereof as is necessary, is allocated for the child abuse prevention grant program.

d. Of the funds appropriated by this subsection, one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary is allocated for domestic abuse program grants.

e. The commissioner of human services shall pay from funds appropriated by this subsection, as the entitled aid from the state under section 232.142, subsection 4, one half of one percent of the total cost of the establishment, improvements, operation, and maintenance of approved county or multicounty juvenile homes.

f. Of the funds appropriated by this subsection, two hundred fifty-five thousand (255,000) dollars, or so much thereof as is necessary, is allocated for community-based juvenile services. These funds shall be used to reduce the need for long-term juvenile institutional and group foster care placements, and to encourage home-based treatment programs as alternatives to juvenile institutional care and group foster care. The department shall only approve grants for residential community-based services when such projects are designed to directly reduce the state juvenile institutional population or the number of children being placed in group foster care outside the state.

g. Of the funds appropriated by this subsection, five hundred twenty thousand (520,000) dollars, or so much thereof as is necessary, is allocated for state cases.

h. Of the funds appropriated by this subsection, eight hundred twenty thousand (820,000) dollars, or so much thereof as is necessary, is allocated for protective day care.

10. For county-based juvenile justice reimbursement under section 232.141, subsection 4 ..... $ 2,400,000

Sec. 4. ADDITIONAL CHILD AND DOMESTIC ABUSE GRANT APPROPRIATIONS. In addition to the funds appropriated by section 3, subsection 9 of this Act, there is appropriated from the general fund of the state for the fiscal year beginning

July 1, 1985, and ending June 30, 1986, one hundred fifty thousand (150,000) dollars, or so much thereof as is necessary, for child abuse prevention grants, and one hundred thousand (100,000) dollars, or so much thereof as is necessary, for domestic abuse program grants. In addition to the funds appropriated and the full-time equivalent positions authorized by section 2, subsection 1 of this Act, there is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985, and ending June 30, 1986, one hundred thousand (100,000) dollars, or so much thereof as is necessary, for additional protective service workers. However, appropriation of the additional amounts for child abuse prevention grants and additional protective service workers is contingent upon enactment of 1985 Iowa Acts, House File 451, or other legislation imposing a fee of at least ten dollars for the registration of a certificate of birth. Appropriation of the additional amount for domestic abuse program grants is Contingent upon enactment of 1985 Iowa Acts, House File 549, or other legislation imposing a fee of at least fifteen dollars for entering a final decree of dissolution of marriage.

Sec. 5. JUVENILE AND VETERANS INSTITUTIONS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985, and ending June 30, 1986, to the department of human services, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. For the operation of the state training school and the Iowa juvenile home, including salaries and support of not more than two hundred six and one-half	

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Cull-time equivalent positions at the state training school and of not more than one hundred eighteen full-time equivalent positions at the Iowa juvenile home, maintenance, and miscellaneous purposes ..... S 8,080,000

Within the limitation of funds appropriated by this subsection, the department shall establish at the state training school and the Iowa juvenile home a chemical dependency program in cooperation with existing community programs.

One full-time equivalent position shall be established at the Iowa juvenile home to provide career education to meet the needs of older delinquent females.

2. For operation of the Iowa veterans hone, including salaries and support of not more than seven hundred seventy-five full-time equivalrnl positions annually, maintenance, and miscellaneous purposes ..... $ 19,330,000

With the funds appropriated by Lhis subsection, and in addition to the seven hundred seventy-five full-time equivalent positions authorized as of July 1, 1985 by this subsection, the department may create and staff thirty-thrrc full-time equivalent positions after January 1, 1986 in a unit to care for residents with Alzheimer's disease.

The department may use the gifts accepted by the commissioner of human services pursuant to section 218.96 and other resources available to the department for use at the Iowa veterans home for purposes identified by the department.

. Sec. 6. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state for the fiscal year

beginning July 1, 1985, and ending June 30, 1986, to the department of human services, for the state mental health institutes, the following amount, or so much thereof as is necessary:

1985-1986
Fiscal Year

1. For salaries and support, of not more than four hundred thirty-seven and three-tenths full-time equivalent positions annually at Cherokee. not more Lhan two hundred eleven and eighty-five hundredths full-time equivalent positions annually at Clarinda, not more than four hundred forty-three and one-half full-time equivalent positions annually at Independence, and not more than two hundred twenty and fifty-three hundredths full-time equivalent positions annually at Muunt Pleasant, maintenance, and miscellaneous purposes ..... $ 33,100,000

2. All funds received from client participation shall be deposited in the general fund of the state.

3. The superintendents of the state mental health institutes at Cherokee and Independence, in discharging the duties imposed by section 230.20, shall not include the costs of the psychiatric residency and chaplain intern programs maintained at those institutes in computing the institutes' respective daily charges to patients.

4. A state mental health institute shall not accept physical custody of a child alleged to be a child in need of assistance, on guest status or otherwise, for mote than thirty

days. A child found to be a child in need of assistance shall not be placed in a state mental health institute or other appropriate secure facility unless the juvenile court finds that the standard for voluntary admission or involuntary commitment in chapter 229 has been met. The finding may be made by the court under section 232.103 at any time prior to the expiration of a dispositional order.

5. The department shall pursue all reasonable courses of action necessary to expand the recruitment and retention of psychiatrists at the state mental health institutions. The department shall aggressively recruit psychiatrists, when necessary by sending department representatives to events and locations where psychiatrists are likely to be recruited and by taking other similar actions which have the likelihood of contributing to the recruitment of psychiatrists. The department shall continue to explore and implement, if necessary, alternative approaches to retaining psychiatrists in the state hospital system, such as special contractual arrangements, expanded staff privileges, or improved educational opportunities for the medical staff.

6. As long as there is a demonstrated need, the department of human services shall continue to operate a geriatric program at the state mental health institute at Mount Pleasant. A reduction in the patient population at the institute necessary as a result of the correctional addition at the institute shall not be achieved by eliminating a specific program, unless the institute's citizens' advisory board or the general assembly determines that there is no longer a demonstrable need for the specific program. If the department decides to reduce the catchment area for Mount Pleasant mental health institute, they shall consider the reduction temporary until further population trends are clarified.

Sec. 7. HOSPITAL-SCHOOLS. There is appropriated from the general fund of the state for the fiscal year beginning July

1, 1985, and ending June 30, 1986. to the department of human services, for the state hospital-schools, the following amount, or so much thereof as is necessary:

	1985-1986 Fiscal Year
1. For salaries and support, of not more than one thousand two hundred sixty and seven-tenths full-time equivalent positions annually at Glenwood and not more than one thousand fifty-six and sixty-two hundredths full-time equivalent positions at Woodward, maintenance, and miscellaneous purposes	$ 50,000,000

2. All funds received from client participation shall be deposited in the general fund of the state.

3. The state hospital-schools' per-patient-per-day cost as determined pursuant to section 222.73 shall be billed at eighty percent for the fiscal year, except as otherwise provided by subsection 4.

4. If more than twenty percent of the cost of a patient's care is initially paid from any source other than state-appropriated funds. the amount so paid shall be subtracted from the per-patient-per-day cost of that patient's care computed pursuant to section 222.73 and the patient's county of legal settlement shall be billed for the full balance of the cost so computed.

5. In the calculation of per diem rates, charges assessed to the county shall be credited with one hundred percent of client participation for eligible medical assistance patients at the state hospital-schools.

Sec. 8. MENTAL HEALTH AND RETARDATION SERVICES FUND. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985, and ending June 30,

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1986, to the state community mental health and mental retardation services fund established in section 225C.7, the following amount, or so much thereof as is necessary:

	1985-1986 Fiscal Year
	$ 3,500,000

Sec. 9. BLOCK GRANT SUPPLEXENTATION. There is appropriated from the general fund of this state for the fiscal year beginning July 1, 1985, and ending June 30, 1986, to the department of human services €or supplementation of Eederal social services block grant funds and for allocation to the various counties for the purchase of local services and child day care services for eligible individuals, the following amount, or so much thereof as is necessary:

	1985-1986 Fiscal Year
	$ 3,340,000

The funds appropriated by this section shall be allocated to the counties pursuant to the rules of the departmenl in effect on January 1, 1985. The department shall increase the income guidelines for income eligible persons receiving services funded with federal social services black grant funds for the fiscal year beginning July 1, 1985 by the same percentage and at the same time as federal social security benefits are increased due to a recognized increase in the cost of living.

Of the funds appropriated by this section, two million nine hundred forty thousand (2,940,000) dollars shall be earmarked for the purchase of local services and four hundred thousand (400,000) dollars shall be earmarked for child day care services.

In determining income eligibility for purchase of local services, the department shall disregard one third of the income of a disabled survivor who is a recipient of child's insurance benefits under the federal old-age, survivors, and

disability insurance program established under Title II of the federal Social Security Act.

A county may use up to four percent of the federal social services block grant funds and the state purchase of local services Cunds for the purchase of child day care services without matching the federal and state funds with local funds.

The department shall not require counties to match the state child day care services funds with local funds but shall require that the counties allocate local funds €or child day care services in an amount at least equal to the county expenditures for child day care services in the fiscal year ending June 30, 1983. The department shall reallocate state child day care services funds from counties which do not qualify €or or do not utilize the funds to counties which do qualify for the funds.

If the department determines that funds earmarked under this section €or child day care services will not be fully expended, the department may increase the income guidelines in order to provide Lor the expenditure of all funds earmarked under this section for child day care services.

Sec. 10. REIHUURSEMENT HATES.

1. Except as provided in paragraphs "a" and "b" and except for medical assistance services provided to recipients in state mental health institutes and the veterans home, intermediate care facilities services for the mentally retarded, and the material costs of products which are reimbursed at the acquisition cost, the reimbursement arid per diem rates for medical assistance providers €or the fiscal year beginning July 1, 1985 shall be limited to the reimbursement and per diem rates for the providers in effect on June 30, 1985.

a. Deginning January 1, 1986, the basis for establishing the maximum medical assistance reimbursement rate for intermediate care facilities shall be no higher than the fifty-fifth percentile of all facility per diems as calculated

from the December 31, 1985, unaudited compilation of financial and statistical reports.

b. Medical assistance payments for all mandatory and optional services, except for hospital services, physician services, intermediate care facility services, intermediate care facility services for the mentally retarded, services provided to recipients in state mental health institutes, rural health clinics, medical transportation services other than ambulance services, and the material costs of products which are reimbursed at the acquisition cost, shall be reduced by a factor of two and one-half percent.

2. Except For licensed or approved group foster care facilities and juvenile shelter care facilities, for the fiscal year beginning July 1, 1985, the reimbursement rates for the providers of the following social services shall be increased by one percent over their reimbursement rates in effect on June 30, 1985: subsidized adoptions, family planning, Family centered services, foster family homes, state cases, protective day care, purchase of local services, and child day care services. The department shall follow its regular rate setting procedures in calculating the providers' reimbursement rates, except that the reimbursement rates for foster family homes and subsidized adoptions shall be increased on the average in such a manner as to increase the reimbursements to all foster family age categories by the same dollar amount.

Effective July 1, 1985, reimbursement rates for licensed or approved group foster care facilities and juvenile shelter care facilities shall be limited to a two percent increase over their rates in effect on June 30, 1985. However, no such facility shall be reimbursed in excess of sixty-six dollars and fifteen cents per day. The department shall follow its regular rate setting procedures in calculating a facility's rate.

3. Effective July 1, 1985, reimbursement rates for residential care facilities which participate in the state supplemental assistance program and utilize the cost related reimbursement system, shall be limited to a two percent increase over their rates in effect on June 30, 1985. However, no such facility shall be reimbursed in excess of seventeen dollars and twenty-eight cents per day. The department shall follow its regular rate setting procedures in calculating a facility's rate.

Sec. 11. PURCHASE OF SERVICE CONTRACTS.

1. The department shall adopt rules pursuant to chapter 17A establishing policies and procedures to govern the use of requests for proposals as a Cool for the selection of providers under purchase of service contracts.

2. The department may develop and implement a pilot project establishing a prospective payment system for purchase of service providers in no more than two departmental districts.

Sec. 12. EMPLOYEE DAMAGE REIMBURSEMENTS. Notwithstanding the dollar limitation in section 217.23, subsection 2, the department may reimburse an employee under that section an amount up to one hundred fifty dollars for each item damaged or destroyed.

Sec. 13. INVOLUNTARY TRANSFERS. If a skilled nursing facility or an intermediate care facility receives payments under Title XIX of the federal Social Security Act for one or more patients in the facility, the facility shall not involuntarily transfer any patient to another facility if that patient had previously been receiving medical assistance under chapter 249A for care in the facility and has been disqualified for that medical assistance because of an increase in income, but agrees to pay all of the patient's income and resources not exempt under guidelines in Title XIX of the federal Social Security Act for continued care in the facility and that payment equals or exceeds the medical assistance reimbursement rate for the particular facility.

Sec. 14. SEVERELY DISABLED POPULATION STUDY. The departnrent shall study, in consultation with all relevant state agencies and with organizations representing the severely disabled population, and with the assistance of state agencies currently serving the severely disabled population, the feasibility of establishing a central registry or information system relating to the severely disabled population in need of services. The study shall address data collection, data usage, and confidentiality of data, and shall include a review of alternative strategies for establishing and implementing a central registry or information system and estimate of the costs of the alternative strategies. The department shall report the results of the study Lo the general assembly by January 1, 1986.

Sec. 15. RULES. The department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", relating Lo subsidized adoption services in section 3, subsection 7, paragraph "a" of this Act, county-based juvcrrile justice reimhursements in section 3, subsection 10 of this Act, supplementation of federal social services block grant fund:; in section 9 of this Act, and reimbursements in section 10 of this Act, and the rules shall become effective immediately upon filing, unless a later effective date is specified in the rules.

Sec. 16. MATERNAL AND CHILD HEALTH FUNDING. There is appropriated from the general fund of the state fur the fiscal year beginning July 1, 1985, and ending June 30, 1986, to the state department of health for use by the personal and family health division to expand the geographical coverage of maternal health centers and child health centers statewide, the following amount, or so much thereof as is necessary:

	1985-1986 Fiscal Year
	$ 375,000

Sec. 17. FOSTER CARE REVIEW BOARD. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985, and ending June 30, 1986, to the foster care review board, the following amount, or so much thereof as is necessary:

	1985-1986 Fiscal Year
For salaries and support of not more than four full-time equivalent positions annually, maintenance, and miscellaneous purposes	$ 136,065

Sec. 18. COMMISSION ON CHILDREN, YOUTH, AND FAMILIES. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985, and ending June 30, 1986, to the commission on children, youth, and families, the following amount, or so much thereof as is necessary:

	1985-1986 Fiscal Year
For salaries and support of not more than four full-time equivalent positions annually, maintenance, and miscellaneous purposes	$ 98,002

Sec. 19. FEDERAL RECEIPTS. All federal grants to and the federal receipts of the department of human serviced, the foster care review board, arid the commission on children, youth, and families are appropriated for the purposes set forth in the federal grants or receipts. The veterans per diem payable for veterans at the veterans home and funds received under Title XIX of the federal Social Security Act by the state mental health institutes and state hospital-schools shall tie deposited in the general fund.

Sec. 2Q. CAPITAL EXPENDITURES EXCLUDED. Funds appropriated by this Act shall not be used for capital acquisi-Lions or improvements.

Sec. 21. The amount of the funds appropriated under this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provision of this Act.

Sec. 22. Total appropriations specified in this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall not be exceeded in the fiscal year beginning July 1, 1986 and ending June 30, 1987 unless revenue growth as estimated by the legislative fiscal bureau in its December 31, 1985 quarterly report exceeds four and one-half percent.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 771, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

H.F. 771

HOUSE FILE 780

AN ACT
APPROPRIATING FUNDS RELATING TO THE COMPENSATION AND BENEFITS FOR PUBLIC OFFICIALS AND EMPLOYEES.

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

Section 1.

1. There is appropriated from the general fund of the state to the salary adjustment fund provided for in section 8.43, for the fiscal years beginning July 1, 1985, and July 1, 1986, the following amounts or so much thereof as necessary, to be distributed to the various departments to supplement other funds appropriated by the general assembly:

a. For the fiscal year beginning July 1, 1985 ..... $ 12,091,500

b. For the fiscal year beginning July 1, 1986 ..... $ 48,004,900

2. There is appropriated from the road use tax fund of the state to the state department of transportation, for the fiscal years beginning July 1, 1985, and July 1, 1986, the

following amounts or so much thereof as necessary, to be distributed to supplement other funds appropriated by the general assembly:

a. For the fiscal year beginning July 1, 1985 ..... $ 212,900

b. For the fiscal year beginning July 1, 1986 ..... $ 807,300

3. Notwithstanding section 321.145, there is transferred from the road use tax fund to the general fund of the state for the fiscal years beginning July 1, 1985 and July 1, 1986, the following amounts or so much thereof as necessary which funds shall be appropriated to the department of public safety for the division of highway patrol and uniformed force:

a. For the fiscal year beginning July 1, 1985 ..... $ 619,000

b. For the fiscal year beginning July 1, 1986 ..... $ 1,103,700

4. There is appropriated from the primary road fund to the state department of transportation, for the fiscal years beginning July 1, 1985, and July 1, 1986, the following amounts or so much thereof as necessary, to be distributed to supplement other funds appropriated by the general assembly:

a. For the fiscal year beginning July 1, 1985 ..... $ 1,320,900

b. For the fiscal year beginning July 1, 1986 ..... $ 5,666,800

5. Except as otherwise provided in this Act, the amounts appropriated in subsections 1, 2, 3, and 4 shall be used to fund the annual pay adjustments, expense reimbursement, and benefits not in conflict with the Code for public officials and employees as authorized in Senate File 578, enacted by the Seventy-first General Assembly, 1985 Session.

Sec. 2. There is appropriated from the general fund of the state the following amounts to the designated political subdivisions or public agencies:

	1985-1986 Fiscal Year	1986-1987 Fiscal Year
1. To the department of public instruction for allocation to merged area schools as defined in section 280A.2	$ 2,199,400	$ 3,196,400

Of the funds appropriated under this subsection for each fiscal year, two million (2,000,000) dollars shall be used for pay adjustments for full-time nonadministrative certificated employees in addition to any agreement negotiated under chapter 20 or other salary adjustments or agreements. The allocation shall be distributed in the same proportion as each school's full-time nonadministrative cectificated employees are to the total number of Cull-tire nonadministrative certificated employees at all merged area schools.

The state board of public instruction shall formulate an auditable student counting system that uniformly reports and accounts €or student credit hours in all merged area schools. This student counting system should provide the basis for allocating future state general aid, state vocational aid and federal vocational aid on an equitable basis for the fiscal year beginning July 1, 1986.

2. To the judicial district departments of correctional services as defined in section 905.1	$ 50,000	$ 300,200
3. To the seven regional libraries of the regional library system as defined in section 3036.2	$ 5,800	$ 34,500
4. To the substance abuse treatment facilities receiving substance abuse program grants 3s provided in section 125.25	$ 26,500	$ 158,700
5. To local boards of health receiving in-home health care grants	$ 7,700	$ 46,400
6. Local homemaker/chore service program	$ 25,900	$ 155,200

The state comptroller shall allocate and distribute each of the amounts specified in this section to the programs indicated for that fiscal year. Moneys received by local programs under this subsection shall be used to pay the state's share of the authorized salary increases for the local program employees for the designated fiscal years.

Sec. 3. Funds appropriated from the general Eund of the state in this Act relate only to salaries supported from general Cund appropriations of the state.

Sec. 4. To departmental revolving, trust, or special funds, except €or the primary road fund or the road use tax Cund, Ros which the general assembly has established an operating budget, a supplemental authorization is provided for those Cunds, unless otherwise provided, in an amount necessary to fund salary adjustments provided in Senate File 578, enacted by the Seventy-first General Assembly, 1985 Session.

Sec. 5. 1985 Iowa Acts, Senate File 434, section 14, is amended to read as follows:

SEC. 14. The amount of the funds appropriated under section 1, except section 1, subsection 4 and subsection 8, paragraph "b", and sections 2, 5, 7, and 8 and 9 of this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of this Act.

Sec. 6. All federal grants to and the federal receipts of the agencies affected by this Act and Senate File 578, enacted by the Seventy-first General Assembly, 1985 Session which are received and may be expended for purposes of Senate File 578

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HOUSE FILE 780

AN ACT

APPROPRIATING FUNDS RELATING TO THE COMPENSATION AND BENEFITS FOR PUBLIC OFFICIALS AND EMPLOYEES.

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

Section 1.

1. There is appropriated from the general fund of the state to the salary adjustment fund provided for in section 8.43, for the fiscal-years beginning July 1, 1985, and July 1, 1986, the following amounts or so much thereof as necessary, to be distributed to the various departments to supplement other funds appropriated by the general assembly:

a. For the fiscal year beginning July 1, 1985 ..... $ 12,091,500

b. For the fiscal year beginning July 1, 1986 ..... $ 48,004,900

2. There is appropriated from the road use tax fund of the state to the state department of transportation, for the fiscal years beginning July 1, 1985, and July 1, 1986, the

1.) where is salary adjustment for DL program for FY86, FY87?

2.) Comp. Worth for FY86
— STATUS quo for 28,000
— DL program 179,000 is backfill

following amounts or so much thereof as necessary, to be distributed to supplement other funds appropriated by the general assembly:

a. For the fiscal year beginning July 1, 1985 ..... $ 212,900

b. For the fiscal year beginning July 1, 1986 ..... $ 807,300

3. Notwithstanding section 321.145, there is transferred from the road use tax fund to the general fund of the state for the fiscal years beginning July 1, 1985 and July 1, 1986, the following amounts or so much thereof as necessary which funds shall be appropriated to the department of public safety for the division of highway patrol and uniformed force:

a. For the fiscal year beginning July 1, 1985 ..... $ 619,000

b. For the fiscal year beginning July 1, 1986 ..... $ 1,103,700

Highway Patrol

4. There is appropriated from the primary road fund to the state department of transportation, for the fiscal years beginning July 1, 1985, and July 1, 1986, the following amounts or so much thereof as necessary, to be distributed to supplement other funds appropriated by the general assembly:

a. For the fiscal year beginning July 1, 1985 ..... $ 1,320,900

b. For the fiscal year beginning July 1, 1986 ..... $ 5,666,800

5. Except as otherwise provided in this Act, the amounts appropriated in subsections I, 2, 3, and 4 shall be used to fund the annual pay adjustments, expense reimbursement, and benefits not in conflict with the Code for public officials and employees a$ authorized in Senate File 578, enacted by the Seventy-first General Assembly, 1985 Session.

Sec. 2. There is appropriated from the general fund of the state the following amounts to the designated political subdivisions or public agencies:

H.F. 780

enacted by the Seventy-first General Assembly, 1985 Session, are appropriated for those purposes and as set forth in the federal grants of receipts.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 780, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1985

TERRY E. BRANSTAD
Governor

H.F. 780

HOUSE FILE 2347

AN ACT
RELATING TO THE APPROPRIATION OF FUNDS FOR THE CONSTRUCTION OF A NEW STATE HISTORICAL BUILDING AND PROVIDING EFFECTIVE DATES.

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

Section 1. The sum of two million five hundred thousand (2,500,000) dollars, or so much thereof as may be necessary, of the funds in the special fund created by 1982 Iowa Acts, chapter 1265, is appropriated on the effective date of this Act to the department of general services for land acquisition and site development for a new state historical building.

Sec. 2. All of the funds in the special fund created by 1982 Iowa Acts, chapter 1265, which are not otherwise nppropriated, are appropriated on July 1, 1984 to the department of general services for the engineering, planninq arid construction of 4 new state historical building.

Sec. 3. The provisions of section 8.33 relating to capital expenditures apply to the appropriations made by sections 1 and 2 of thie Act.

Sec. 4. 1983 Iowa Acts, chapter 195, section 13, is amended to read as follows:

SEC. 13. There is appropriated from the general fund of the state to the ~~state historical~~ department of general services for the fiscal ~~year~~ periods beginning July 1, 1984 nnd July 1, 1985 and ending June 30, ~~1985~~ 1988 and June 30, 1909, respectively, the following ~~amount~~ amounts, or so much thereof as necessary, to be used for the purposes designated:

	1984-~~1985~~ 1988 Fiscal ~~Year~~ Period	1985-1989 Fiscal Period
For the engineering, planning and construction of 4 new state historical building	$ ~~10,000,000~~ 4,750,000	$ 5,250,000

Funds appropriated by this section are provided as a state match of two dollars of state match for each one dollar of ~~private~~ nonstate funds actually acquired excluding the Herrick bequest. Funds appropriated by this section shall not be committed or expended without the prior written approval of the director of the department of general services.

Sec. 5. This Act, being deemed of immediate importance, takes effect from and after its publication in The Hawk Eye, a newspaper published in Burlington, Iowa, and in the Diamond Trail News, a newspaper published in Sully, Iowa.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the tlouse and is known as House File 2347. Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved March 8, 1984

TERRY E. BRANSTAD
Governor

H.F. 2347

SENATE FILE 24

AN ACT

TO IMPOSE A STATE ALTERNATIVE MINIMUM TAX TO REPLACE THE STATE MINIMUM TAX UNDER THE INDIVIDUAL INCOME TAX AND MAKING THE ACT RETROACTIVE.

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

Section 1. Section 422.5, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 15. There is imposed upon every resident and nonresident of this state, including estates and trusts, the greater of the tax determined in subsections 1 through 14 or the state alternative minimum tax equal to nine percent of the state alternative minimum taxable income of the taxpayer as computed under this subsection.

The state alternative minimum taxable income of a taxpayer is equal to the taxpayer's state taxable income, as computed with the deductions in section 422.9, with the following adjustments:

a. Add items of tax preference included in federal alternative minimum taxable income under section 57 of the Internal Revenue Code of 1954. In the case of an estate or trust, the items of tax preference shall be apportioned between the estate or trust and the beneficiaries in accordance with rules prescribed by the director. For purposes of computing the items of tax preference, the gain or loss from the forfeiture of an installment real estate contract, the transfer of real or personal property securing a debt to a creditor in cancellation of that debt or from the sale or exchange of property as a result of actual notice of foreclosure shall not be taken into account in computing net capital gain if all of the following conditions'are met:

(1) The forfeiture, transfer, or sale or exchange was done for the purpose of establishing a positive cash flow.

(2) Immediately before the forfeiture, transfer, or sale or exchange, the taxpayer's debt to asset ratio exceeded seventy-five percent as computed under generally accepted accounting practices.

(3) The taxpayer's net worth at the end of the tax year is less than seventy-five thousand dollars.

In determining a taxpayer's net worth at the end of the tax year a taxpayer shall include any asset transferred within one hundred twenty days prior to the end of the tax year without adequate and full consideration in money or money's worth. In determining the taxpayer's debt to asset ratio, the taxpayer shall include any asset transferred, within one hundred twenty days prior to such forfeiture, transfer, or sale or exchange, without adequate and full consideration in money or money's worth. For purposes of this subsection, actual notice of foreclosure includes, but is not limited to, bankruptcy or written notice from a creditor of the creditor's intent to foreclose where there is reasonable belief that the creditor can force a sale of the property.

b. Subtract the applicable exemption amount as follows:

(1) Seventeen thousand five hundred dollars for a married person who files separately or for an estate or trust.

(2) Twenty-six thousand dollars for a single person or an unmarried head of household.

(3) Thirty-Live thousand dollars for a married couple which files a joint return.

c. Subtract the amount of the net operating loss computed in section 422.9, subsection 3, Lor a tax year other than the current year which was carried back or carried Eorward to the current year under section 422.9, subsection 3, paragraph "a", "b" or "c". However, in the case of a net operating loss computed for a tax year beginning after December 31, 1982 which is carried back or carried forward to the current

taxable year, the net operating loss shall be reduced by the amount of the items of tax preference arising in such year which was taken into account in computing the net operating loss in section 422.9, subsection 3.

The state alternative minimum tax of a taxpayer whose items of tax preference include the gain or loss from the forfeiture of an installment real estate contract, the transfer of real or personal property securing a debt to a creditor in cancellation of that debt *or* from the sale or exchange of property as a result of actual notice of foreclosure where the fair market value of the taxpayer's assets exceeds the taxpayer's liabilities immediately before such forfeiture, transfer, *or* sale or exchange shall not be greater than such excess, including any asset transferred within one hundred twenty days prior to such forfeiture, transfer, or sale *or* exchange.

In the case of a resident, including a resident estate or trust, the state's apportioned share of the state alternative minimum tax is one hundred percent of the state alternative minimum tax computed in this subsection. In the case of a nonresident, including a nonresident estate or trust, or an individual, estate or trust that is domiciled in the state for less than the entire tax year, the state's apportioned share of the state alternative minimum tax is the amount of tax computed under this subsection, reduced by the applicable credits In sections 422.10, 422.11, 422.11A as enacted by 1985 Iowa Acts, Senate Pile 395, section 80 and 422.12 and this result multiplied by a fraction with a numerator of the sum of atate net income allocated to Iowa as determined in section 422.8, subsection 2, and tax preference items attributable to Iowa and with a denominator of the sum of total net income computed under section 422.7 and all tax preference items. In computing this fraction. those items excludable under paragraph "a" shall not be used in computing the tax preference items. Married taxpayers electing to file separate

returns or separately on a combined return must allocate the minimum tax computed In this subsection in the proportion that each spouse's respective preference items under section 57 of the Internal Revenue Code of 1954 bear to the combined preference iteas of both spouses.

Sec. 2. Section 422.5. Code 1985, is amended by striking unnumbered paragraph 10.

Sec. 3. Section 422.8. Code 1985, is amended by adding the following new subsections

NEW SUBSECTION. 4. The amount of minimum tax paid to another atate or foreign countcy by a resident taxpayer of this state from preference items derived from sources outside of Iowa shall be allowed as a credit against the tax computed under this division except that the credit shall not exceed what the amount of atate alternative minimum tax vould have been on the same preference items which were taxed by the other state or foreign country. fhe limitation on this credit shall be computed according to the following formula: The total of preference items earned outside of Iowa and taxed by another state or foreign country shall be divided by the total of preference items of the resident taxpayer of Iowa. In computing this quotient, those items excludable under section 422.5, subsection 15, paragraph "a" shall not be used in computing the preference items. This quotient multiplied times the net state alternative minimum tax as determined in section 422.5, subsection 15, on the total of preference Items as if entirely earned in Iowa shall be the maximum tax credit against the Iowa alternative minimum tax. However, the maximum tax credit will not be allowed to the extent that the minimum tax imposed by the other state or foreign country is less than the maximum tax credlt computed above.

Sec. 4. In computing the items of tax preference for purposes of the Iowa minimum tar *for* a tar year beginning in the 1984 calendar year, the gain or loss from the forfeiture of an installment real estate contract, the transfer of

property to a creditor in cancellation of a debt or from the sale or exchange of property as a result of actual notice of foreclosure shall not be taken into account in computing net capital gain if, immediately before such forfeiture, transfer, or sale or exchange, the taxpayer's liabilities exceed the fair market value of the taxpayer's assets and the taxpayer's net worth at the end of the tax year is less than one hundred thousand dollars. For purposes of this section, actual notice of foreclosure includes, but is not limited to, bankruptcy or written notice from a creditor of the creditor's intent to foreclose where there is reasonable belief that the creditor can force a sale of the property. In computing the Iowa minimum tax for a tax year beginning in the 1984 calendar year, the Iowa minimum tax of a taxpayer whose items of tax preference include the gain or loss from the forfeiture of an installment real estate contract, the transfer of property to a creditor in cancellation of a debt or from the sale or exchange of property as a result of actual notice of foreclosure where the fair market value of the taxpayer's assets exceeds the taxpayer's liabilities immediately before such forfeiture, transfer, or sale or exchange shall not be greater than such excess. A taxpayer who has filed a state return for such tax year may file an amended state return for such tax year with the state minimum tax calculated on the basis of what the federal minimum tax would have been if such items had not been included in the federal minimum tax calculation of net capital gain or with the state minimum tax calculated on the basis of such limitation on the amount of state minimum tax.

Sec. 5. 1985 Iowa Acts, Senate File 395, section 102 is retroactive to January 1, 1985.

Sec. 6. Except for sections 4 and 5, this Act is retroactive to January 1, 1985 for tax years beginning on or after that date. Section 4 of this Act is retroactive to January 1, 1984 for tax years beginning on or after January 1,

1984 and beginning before January 1, 1985. For taxpayers with capital gains transactions occurring between January 1, 1985 and May 1, 1985, the 1985 Iowa minimum tax may be computed under the law in effect on December 31, 1984.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 24, Seventy-first General Assembly.

K. MRIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 24

SENATE FILE 269

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO VARIOUS STATE REGULATORY AND LICENSING DEPARTMENTS, BOARDS, AND COMMISSIONS.

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

Section 1. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986 to the following boards the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1985-1986 Fiscal Year
1. BOARD OF ARCHITECTURAL EXAMINERS	
For salaries, support, maintenance, and other operational purposes	$ 39,000
2. BOARD OF LANDSCAPE ARCHITECTURAL EXAMINERS	
For salaries, support, maintenance, and other operational purposes	$ 10,000
3. BOARD OF ACCOUNTANCY	
For salaries, support, maintenance, and other operational purposes	$ 256,000
4. STATE BOARD OF ENGINEERING EXAMINERS	
For salaries, support, maintenance, and other operational purposes	$ 124.000
5. IOWA REAL ESTATE COMMISSION	

For salaries, support, maintenance, and other operational purposes	$ 323,000
6. BOARD OF MEDICAL EXAMINERS	
For salaries, support, maintenance, and miscellaneous purposes	$ 639,000
7. BOARD OF NURSE EXAMINERS	
For salaries, support, maintenance, and miscellaneous purposes	$ 558,000
8. BOARD OF PHARMACY EXAMINERS	
For salaries, support, maintenance, and miscellaneous purposes	$ 367,000
9. BOARD OF DENTAL EXAMINERS	
For salaries, support, maintenance, and miscellaneous purposes	t $ 112,000

It is the intent of the general assembly that the boards of architectural examiners, engineering examiners and landscape architectural examiners study the feasibility of combining the administrative aspects of the three boards under one administrative structure and merger of the three individual boards into one board representing all three professional licensing bodies. The study group shall present its final report with recommendations by January 15, 1986 to the regulatory and licensing appropriations subcommittee. The licensing boards for which general fund appropriations have been provided for in subsections 1, 2, 4, 6, 7, 8 and 9 may expend additional funds, if those additional expenditures are directly the cause of actual examination expenses exceeding funds budgeted for examinations. Before a licensing board included in subsection 1, 2, 4, 6, 7, 8 or 9 expends or

encumbers an amount in excess of the funds budgeted for examinations, the state comptroller shall approve the expenditure or encumbrance. Before approval is given, the state comptroller shall determine that the exanination expenses exceed the Cunds budgeted by the general assembly to the board and the board does not have other funds from which examination expenses can be paid. Upon approval of the state comptroller the licensing board may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected as fees from additional examination applicants and shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 2. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986 to the following named agencies, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. AUDITOR OF STATE	
For salaries, support, maintenance, and other operational purposes	$ 2,011,000
2. DEPARTHENT OF BANKING	
For salaries, support, maintenance, and other operational purposes	$ 3,804,000

The department of banking may expend additional funds, if those additional expenditures are actual expenses which exceed the funds budgeted for banking institution examinations and directly result from examinations of banking institutions. Before the department expends or encumbers an amount in excess of the funds budgeted for examinations, the state comptroller shall approve the expenditure or encumbrance. Before approval is given, the state comptroller shall determine that the examination expenses exceed the funds budgeted by the general

assembly to the department and that the department does not have other funds from which examination expenses can be paid. Upon approval of the state comptroller the department may expend and encumber funds for excess examination expenses. The amounts necessary to fund for excess examination expenses shall be collected from those banking institutions being examined which caused the excess expenditures and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

3. IOWA BEER AND LIQUOR CONTROL DEPARTUENT	
For salaries, support, maintenance, and other operational purposes which includes one . hundred ninety-three thousand dollars for the establishment of ministores	$19,363,000

Any amount of the one hundred ninety-three thousand dollars for the establishment of ministores that remain unobligated on. June 30, 1986 shall revert to the general fund of the state.

4. CAMPAIGN FINANCE DISCMSURE COMMISSION	
For salaries, support. maintenance, and other operational purposes	$ 137,034
5. CREDIT UNION DEPARTMENT	
For salaries, support, maintenance, and other operational purposes	$ *560,000*
6. INSURANCE DEPARTHENT OF IOWA	
For salaries, support, maintenance, and other operational purposes	$ 2,937,000

The insurance department may expend additional funds, if those additional expenditures are actual expenses which exceed the funds budgeted for insurance company examinations and

directly result from examinations of insurance companies. Before the department expends or encumbers an amount in excess of the funds budgeted for examinations, the state comptroller shall approve the expenditure or encumbrance. Before approval is given, the state comptroller shall determine that the examination expenses exceed the funds budgeted by the general assembly to the department and that the department does not have other funds from which examination expenses can be paid. Upon approval of the state comptroller the department may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those insurance companies being examined which caused the excess expenditures and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

7. BUREAU OF LABOR

For salaries, support, maintenance, and other operational purposes ..... $ 1,582,422

8. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

For salaries, support, maintenance, and other operational purposes ..... $ 49,505

9. PUBLIC EMPLOYMENT RELATIONS BOARD

For salaries, support, maintenance, and other operational purposes ..... $ 564,000

10. SECRETARY OF STATE

For salaries, support, maintenance, and other operational purposes ..... $ 1,134,000

Sec. 3. The secretary of state shall not collect a fee for providing persons with the Iowa official register. If additional copies of the Iowa official register are required for distribution, the secretary of state shall not reprint the

most expensive version of the Iowa official register but shall reprint the version that is less expensive for distribution.

Sec. 4. It is the intent of the general assembly that the funding mechanism of the Iowa racing commission be reviewed, including necessary statutory changes required to allow for direct legislative oversight of the commission's revenues and expenditures. It is further the intent of the general assembly that any changes to the commission's budgeting process be effective not later than July 1, 1987.

Sec. 5. All federal grants to and the federal receipts of the agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants or receipts unless otherwise provided by the general assembly.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 269, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 269

SENATE FILE 395

AN ACT

RELATING TO STATE AND LOCAL REVENUES BY PROVIDING FOR THE PRIVATE SALE OF WINE CONTAINING MORE THAN FIVE PERCENT BUT NOT MORE THAN SEVENTEEN PERCENT ALCOHOL BY WEIGHT. IMPOSING A TAX ON WINE TO BE SOLD, ALLOWING CITIES AND COUNTIES TO IMPOSE CERTAIN LOCAL OPTION TAXES. EXEMPTING AND PROVIDING REFUNDS UNTIL THE EXEUPTION BEGINS OF THE SALE OR LEASE OF CERTAIN FARM MACHINERY AND EQUIPMENT, INCLUDING CERTAIN REPLACEHENT PARTS. AND CERTAIN INDUSTRIAL MACHINERY. EQUIPMENT AND COMPUTERS, INCLUDING CERTAIN REPLACEMENT PARTS, PROM THE STATE SALES. SERVICES AND USE TAX, PROVIDING FOR SETTING ASIDE OF REVENUES TO PAY SUCH REFUNDS AND NOT INCLUDING CERTAIN INCREASES IN REVENUES IN COMPUTING THE STATE PERCENT OF GROWTH FOR PURPOSES OF CHAPTER 442, AMENDING THE STATE SALES, SERVICES AND USE TAX TO IMPOSE THE TAX ON THE RENDERING OR FURNISHING OF ADDITIONAL SERVICES. AND ON SALES OF CERTAIN TANGIBLE PERSONAL PROPERTY. TO ALTER CERTAIN DEFINITIONS, AND TO PROVIDE EXEMPTIONS AND LIMIT OTHERS. INCREASING THE TAX ON TOBACCO PRODUCTS AND ON CIGARETTES AND LITTLE CIGARS. IMPOSING AN INVENTORY TAX ON CIGARETTES AND LITTLE CIGARS, UNUSED TAX STAHPS AND METERED IMPRINTS AND GRANTING ONE-TIM& CREDIT PURCHASE ON CIGARETTE TAX STAMPS, PROVIDING FOR THE PHASE OUT AND REPEAL OF ALL PROPERTY TAXES ON PERSONAL PROPERTY, AND PROVIDING PENALTIES. APPROPRIATIONS AND EFFECTIVE DATES, MAKING PERMANENT THE EXEMPTION FROM PROPERTY TAXATION OF CERTAIN POLLUTION CONTROL PROPERTY, PROVIDING FOR THE SPECIAL VALUATION OF CERTAIN MACHINERY. EQUIPMENT AND COMPUTERS ACQUIRED AFTER A CERTAIN DATE AND LIMITING THE APPLICABILITY OF THE PRESENT SPECIAL VALUATION TO THAT PROPERTY ACQUIRED BEFORE A CERTAIN DATE. AMENDING THE LOTTERY LAW TO PROVIDE FOR FIFTY PERCENT OF THE PROJECTED ANNUAL REVENUE FROM THE SALES OF LOTTERY TICKETS OR SHARES BE USED FOR PAYMENT OF PRIZES. AND IMPOSING THE STATE SALES, SERVICES AND USE TAX ON THE SALE!? OF LOTTERY TICKETS AND SHARES. ELIMINATING THE PROHIBITION ON THE MANUFACTURE OF ELECTRONIC AND COMPUTERIZED GAMBLING DEVICES. PROVIDING A NEW JOBS TAX CREDIT FOR COMPUTING THE INDIVIDUAL AND CORPORATE TAX LIABILITIES OF CERTAIN BUSINESSES THAT CREATE NEW JOBS WITHIN THE STATE. PROVIDING THAT FOR PURPOSES OP PROPERTY TAXATION THE TERN "COMPUTER" DOES NOT INCLUDE POINT OF SALES EQUIPMENT AND PROVIDING PENALTIES AND APPROPRIATIONS.'

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

Section 1. Section 98.6. subsection 2 Code 1985, is amended to read as follows:

2. Notwithstanding subsection 1, there is imposed ~~beginning July 1, 1981~~ and shall be collected and paid to the department a tax on all cigarettes used or otherwise disposed of in this state for any purpose at the rate of nine mills on each cigarette for the period beginning July 1, 1981 and ending September 30. 1985 and at the rate of thirteen mills on each cigarette beginning October 1, 1985.

Sec. 2 Section 98.43, subsections 1 and 2 Code 1985, are amended to read as follows:

1. A tax is hereby imposed upon all tobacco products in this state and upon any person engaged In business as a distributor thereof. at the rate of ten fifteen percent of the wholesale sales price of ~~such~~ the tobacco products. except little cigars as defined in section 98.42. Little cigars shall be subject to the same rate of tax imposed upon

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cigarettes in section 98.6, payable at the time and in the manner provided in section 98.6; and stamps shall be affixed as provided in division I of this chapter. The tax on tobacco products, excluding little cigars, shall be imposed at the time the distributor does any of the following:

a. Brings, or causes to he brought, into thlo state from without the atate tobacco products for sale;.

b. Makes, manufactures, or fabricates tobacco products In this state tor sale In this state;-or.

c. Ships or transport. tobacco products to retailers in this state, to be sold by those retailers.

2. A tax Is hereby imposed upon the use or storage by consumers of tobacco products In this atate, and upon such the consumers, at the rate of ten fifteen percent of the cost of such the tobacco product..

The tax imposed by this aubsectlon shall not apply if the tax imposed by subsection 1 on such the tobacco products has been paid.

This tar shall not apply to the use or storage of tobacco products In quantities of:

a. Less than 25 cigars;.

b. Less than 10 oz. snuff or snuff powder;.

c. Lers than 1 lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, In the possession of any one consumer.

Sec. 3. Section 123.1, Code 1985, is amended to read as follows:

121.1 PUBLIC POLICY DECLARED.

This chapter shall be cited as the *Iowa Beer, Wine, and Liquor Control Act", and shall be deeaed an exercise of the police power of the state, for the protection of the welfare, health, peace, morale, and safety of the people of the state. and all Its provisions shall be liberally construed for the accomplishment of that purpose;-and-it. It is declared to be public policy that the traffic in alcoholic liquors is so affected with a public interest that it should be regulated to

thr extent of prohibiting all traffic in them, except as provided in this chapter.

Sec. 4. Section 123.2, Code 1985, is amended to read as follows:

123.2 GENERAL PROHIBITION.

It oh.$&-be is unlawful to manufacture tor sale, sell, offer or keep for sale, possess, or transport alcoholic llquor, wine, or beer except upon the terms, conditions, limitations, and restrictions enumerated In this chapter.

Sec. 5. Section 123.3, subsections 4, 7, 7, and 10, Code 1985, are amended to road as follows:

4. "Local authority" means the city councbl ot any Incorporated city in this atate, or tha'couney board of supervisors of any county in this state, which is empowered by this chapter to approve or deny applications for retail beer or wine permits and liquor control licenses; empowered to recommend that such permits or licenses be granted and issued by the department; and empowered to take such other actions as are reserved to them by this chapter.

7. "Wine" means any beverage contalnlng more than five percent but not more than seventeen percent of alcohol by weight obtained by the fermentation of the natural sugar contents of fruits or other agricultural products but excluding any product containing alcohol derived from malt or by the distillation process from grain, cereal, molasses or cactus.

7. "Alcoholic llquor", "alcoholic beverage' or "intoxicatlng llquor' means and-includes the varieties of liquor defined In subsections 5; and 67-and-?, beverages made as described la oubsection 9 which beverages contain more than five percent of alcohol by weight but which are not wine as defined in subsection 7, and every other liquid or solid, patented or not. containing spirits or-wine and every beverage obtained by the process described In subsection 7 containing more than seventeen percent alcohol by weight, and susceptible of being conauned by a human being, for beverage purposes.

Alcohol manufactured in this rtate for use as fuel pursuant to an experimental distilled spirits plant permit or its equivalent issued by the federal bureau of alcohol, tobacco and firearms is not an "alcoholic liquor*.

10. "Person" means any individual, association, partnership, corporation, club, hotel or motel, or municipal corporation owning or operating a bona fide airport, marina, park, coliseum, auditorium, or recreational facility In or at which the sale of alcoholic liquor, wine, or beer is only an incidental part of such the ownership or operation.

Sec. 6. Section 123.3, subsection 11, paragraph c, Code 1985, is amended to read as follows:

c. The person is not prohibited by the provisions of section 123.40 from obtaining a liquor control license or a wine or beer permit.

Sec. 7. Section 123.3, rubsections 13, 17, 19, 20, 25, 26, 27, and 31, Code 1985, are amended to read as follows:

13. *Permit* or "license" means an express written authorization issued by the department for the manufacture or sale, or both, of alcoholic liquor, wine, or beer.

17. "Distillery", "winery", and "brewery" means mean not only the premises wherein where alcohol or spirits is are distilled, or rectified wine is fermented, or beer is brewed, but In addition mean a person owning, representing, or in charge of such premises and the operations conducted thereon there, including the blending and bottling or other handling and preparation of alcoholic liquor, wine, or beer in any form.

19. "Importer" means the person transporting or ordering, authorizing, or arranging who transports or orders, authorizes, or arranges the transportation of alcoholic liquor, wine, or beer into this state whether such the person is a resident of this state or not.

20. "Import" means the transporting or ordering or arranging the transportation of alcoholic liquor, wine, or beer into this state whether by a resident of this state or not.

25. The prohlblted "sale" of alcoholic llquor, wine, or beer under this chapter Includes soliciting for sales, taking orders for sales, keeping or exposing for sale, delivery or other trafficking for a valuable consideration promised or obtained, and procuring or allowing procurement for any other person.

26. "Wholesaler' means any person, other than a vintner, brewer or bottler of beer or wine, who shall sell, barter, exchange, offer for sale, have in possession with intent to sell, deal or traffic In alcoholic liquor, wine, or beer. No A wholesaler shall be permitted to not sell for consumption upon the premises.

27. "Retailer" means any person who shall sell, barter, exchange, offer for sale, or have in possession with intent to sell any alcoholic liquor for consumption on the premises where sold, or beer or wine for consumption either on or off the premises where sold.

31. "Licensed premises" or "premises" means all rooms, enclosures, contiguous areas, or places susceptible of precise description satisfactory to the director where alcoholic beverages, wine, or beer is sold or consumed under authority of a liquor control license, wine permit, or beer permit. A single licensed premise may consist of multiple rooms, enclosures, areas or places if they are wholly within the confines of a single building or contiguous grounds.

Sec. 8. Section 123.3, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. "Retail wine permit' means a class "B" wine permit issued under this chapter.

Sec. 9. Section 123.4, Code 1985, is amended to read as f01lows:

123.4 DEPARTMENT CREATED -- PLACE OF BUSINESS.

There is hereby created an An Iowa beer and liquor control department is created to administer and enforce the laws of this state concerning beer, wine, and alcohollc liquor. The principal place of business of the department shall be

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provided tho departrent by the authority designated by law to provide euch quarters or offices to state departments or agencies.

Sec. 10. Sectlon 123.6, Code 1985, is amended to read as follows:

113.6 APPOINTMENT -- TERM -- QUALIFICATIONS -- COMPENSATION.

Appointments shall be for rive-year staggered terms beginning and ending as provided by section 69.19 end shall be made by the governor, subject to confirmation by the senate. Members of the council shall be chosen on the basis of managerial ability and experience as business executives. One meaber of the council ray be the holder of or have an interest In a permit or license to manufacture alcoholic liquor, wine, or beer or sell alcoholic llquor, wine, or beer at wholesale or retell. Members may be reappointed lor one additional term. kch member appointed shall receive compensation for the member's services of forty dollars per diem in addition to reasonable and necessary expenses while attending meetings.

Sec. 11. Sectlon 123.14, subsections 1 and 3, Code 1985, are amended to read as follows:

1. The division of beer and llquor law enforcement of the department of public safety, created pursuant to nectlon 80.25, shall be is the primary beer, wine, and llquor law enforcerent authority €or thla state.

3. The division of beer and liquor law enforcement shall be allowed have full access to a11 records, reports, audits, tax reports and a11 other documents and papers in the departrent pertaining to llquor licensees and wine and beer permittees and their business.

Sec. 12. Sectlon 123.15, Code 1985, is amended to read as follows:

123.15 HEARING BOARD ESTABLISHED.

There is hereby created a A three-member hearing board is created for the purpose of conductlng departrental hearings relating to controversies concerning the issuance, suspension,

or revocation of special llquor permits, liquor control licenses, wine permits, and beer permits authorized under this chapter. One meaber shall be appointed by the council from Its membership, which member ray be periodically replaced by appointment of another council member; one member shall be the attorney general or the attorney general's designee; and one member shall be the commissioner of public safety or the commissioner's designee. The hearing board shall establish and adopt rules and procedures for conducting departmental hearings under this chapter.

Sec. 13. Oectlon 123.16, subsection 2, paragraph b, Cod8 1985, lo amended to road as follows:

b. She granting or refusing of liquor licenser and permits, wine permits, and beer permits, and the suspension or revocation of eoeh the licenser and permits.

Sec. 14. Section 123.18, Code 1985, is amended to read as follows:

123.18 FAVORS FROM LICENSEE OR PERMITTEE.

No A person responsible for the administration or enforcerent of this chapter shall not accept or solicit donatlons, gratulties, political advertising, gifts, or other favors, directly or indirectly, from any llquor control licensee, wine permittee, or beer permittee. ~~A violation of this section shall subject the violator to the general penalties provided by this chapter.~~

Sec. 15. Sectlon 123.19, subscctlon 1, Code 1915, is amended to read as follows:

1. Any manufacturer, ~~distiller, vintner,~~ or importer of alcoholic beverages shipping, selling, or having alcoholic beverages brought into this state for resale by the state shall, as a condition precedent to the privilege of so trafficking in alcoholic liquors In thla state, annually make application for and shall hold a distiller's certificate of compliance whlch shall be issued by the dlrcctor for saeh that purpose. No brand of alcoholic llquor shall be sold by the departrent In thla state unless the manufacturer, distiller,

vintner, importer, and all other persons participating in the distribution of such that brand in this state have obtained such a certificate. Such The certificate of compliance shall expire at the end of one year Erom the date of issuance and shall be renewed for a like period upon application to the director unless otherwise suspended or revoked for cause. Each application for a certificate of compliance or renewal thereof shall be made In such a manner and upon such Corms as shaft-be prescribed by the director and shall be accompanied by a fee of fifty dollars payable to the department. However, the-provisions-of this subsection need not apply to a manufacturer, distiller, vintner, or importer who ships or sells in this state no more than eleven gallons or its case equivalent during any fiscal year as a result of "special orders' which might be placed, as defined and allowed by departmental rules adopted under this chapter.

Sec. 16. Section 123.21, subsections 6 and 10, Code 1985, are amended to read as follows:

6. Providing for the issuing issuance and distributing distribution of price lists shewing which show the price to be paid by purchasers for each brand, class, or variety of liquor kept for sale under this chapter,--Provide, providing for the filing or posting of prices charged in sales between class "A" beer and class "A" wine permit holders and retailers, as provided in this chapter, and establish establishing or control-such controlling the prices as-may-be based on minimum standards of fill, quantity, or alcoholic content for each individual sale of intoxicating liquor or beer as deemed necessary for retail or consumer protection. However, the department does not have the authority to regulate markups, prices, discounts, allowances, or other terms of sale at which wine may be purchased and sold by class "A" and retail wine permittees, or change, nullify, or vary the terms of any agreement between a holder-of a vintner certificate of compliance and a class "A" wine permittee.

10. Prescribing the time, manner, means, and method by which distillers, vintners, vendors, or others authorized under this chapter may deliver or transport alcoholic liquors and prescribing the time, manner, means, and methods by which alcoholic liquor may be lawfully conveyed, carried, or transported.

Sec. 17. Section 123.21, Code 1985, is amended by adding the following new subsectiont

NEW SUBSECTION. 12. Providing .for the issuance of combination licenses and permits with fees consistent with individual license and permit fees as may be necessary for the efficient administration of this chapter.

Sec. 18. Section 123.22, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The department shall-have has the safe-and exclusive right of importation, into the state7 of a11 forms of alcoholic liquor, except as otherwise provided in this chapter, and no a person shall so not import any-sack alcoholic liquor, except that an individual of legal age may import and have in the individual's possession an amount of alcoholic liquor not exceeding one quart or, in the case of alcoholic liquor personally obtained outside the United States, one gallon for personal consumption only in a private home or other private accommodation. No distillery shall sell any alcoholic liquor within the state to any person but only to the department, except as otherwise provided in this chapter. It is the intent of this section to vest in the department exclusive control within the state both as purchaser and vendor of all alcoholic liquor sold by distilleries within the state or imported therein, except beer and wine. and except as otherwise provided in this chapter. The department may continue to purchase vine from persons holding a vintner's certificate of compliance or a class "A" wine permit for resale in state liquor stores.

Sec. 19. Section 123.23, Code 1985, is amended to read as follows:

123.23 STATE LIQUOR STORES.

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The department shall establish and maintain in any city which the director deems advisable, a state liquor store or stores for storage and sale of alcoholic liquor and wine in accordance with this chapter. The department may, from time to time, as determined by the director, fix the prices of the different classes, varieties, or brands of alcoholic liquor and wine to be sold. Prior to a decision to establish, relocate or discontinue a state liquor store, the director shall appoint a designee to conduct a public hearing on the decision within the city affected.

Sec. 20. Section 123.27, subsection 1, Code 1985, is amended by striking the subsection.

Sec. 21. Section 123.29, subsection 4, paragraph c, Code 1985, is amended to read as follows:

c. That neither the applicant, if the applicant is an individual, nor any member of the firm or officers of the corporation, if the applicant is not an individual, has been convicted of any violation of the laws of this state with reference to the sale of alcoholic liquors, wine, or beer within the three years preceding the date of the affidavit.

Sec. 22. Section 113.30, subsection 3, paragraphs a, b, c, and d, Code 1985, are amended to read as follows:

a. CLASS "A". A class "A" liquor control license may be issued to a club and shall authorize the holder to purchase alcoholic liquors from only the department, wine from the department or class "A" wine permittees, and native wines from native vine manufacturers, and to sell such liquors, wine, and beer, to bona fide members and their guests by the individual drink for consumption on the premises only.

b. CLASS "B". A class "B" liquor control license may be issued to a hotel or motel and shall authorize the holder to purchase alcoholic liquors from only the department, wine from the department or class "A" wine permittees, and native wines from native wine manufacturers, and to sell such liquors, wine, and beer, to patrons by the individual drink for consumption on the premises only, however, beer may also be

sold for consumption off the premises. Each license shall be effective throughout the premises described in the application.

c. CLASS "C". A class "C" liquor control license may be issued to a commercial establishment but must be issued in the name of the individuals who actually own the entire business and shall authorize the holder to purchase alcoholic liquors from only the department, wine from the department or class "A" wine permittees, and native wines from native wine manufacturers, and to sell such liquors, wine, and beer, to patrons by the individual drink for consumption on the premises only, however, beer may also be sold for consumption off the premises.

A special class "C" liquor control license may be issued and shall authorize the holder ~~or holders~~ to purchase wine ~~containing not more than seventeen percent alcohol by weight~~ from the department or class "A" wine permittees only, and to sell such wine~~,~~ and beer~~,~~ to patrons by the individual drink for consumption on the premises only, however, beer may also be sold for consumption off the premises. The license issued to holders of a special class "C" license shall clearly state on its face ~~"alcoholic liquor,~~ that the license is limited to ~~wine only,"~~.

d. CLASS "D". A class "D" liquor control license may be issued to a railway corporation, to an air common carrier, and to passenger-carrying boats or ships for hire with a capacity of twenty-five persons or more operating in inland or boundary waters, and shall authorize the holder to sell or furnish alcoholic beverages, wine, and beer to passengers for consumption only on trains, watercraft as described herein in ~~this section~~, or aircraft, respectively. Each such license shall ~~be~~ is valid throughout the state ~~as a state license~~. Only one ~~such license shall be~~ is required for all trains, watercraft, or aircraft operated in the state by the licensee.

Sec. 23. Section 123.32, subsections 1, 2, and 8, Code 1985, are amended to read as follows:

1. PILING OF APPLICATION. An application for a class "A", class "B", or class "C" liquor control license, and for a retail beer permit as provided in sections 123.128 and 123.129, or for a class "B" retail wine permit as provided in section 123.176, accompanied by the required fee and bond, shall be filed with the appropriate city council if the premises for which the license or permit is sought are located within the corporate limits of a city, or with the board of supervisors if the premises for which the license or permit is sought are located outside the corporate limits of a city. An application for a class "D" liquor control license and for a class "A" beer or class "A' wine permit, accompanied by the required fee and bond, shall be filed with the department, which shall proceed in the same manner as in the case of an application approved by local authorities.

2. ACTION BY LOCAL AUTHORITIES. The local authority shall either approve or disapprove the issuance of a liquor control license, retail wine permit, or retail beer permit, and shall endorse such its approval or disapproval on the application and shall forward same the application along with the required fee and bond to the department. Upon the initial ~~issuance of~~ application for a liquor control license, retail wine permit, or retail beer permit, the fact that the local authority determines that no liquor control license, retail wine permit, or retail beer permit shall be issued shall not be held to be arbitrary, capricious, or without reasonable cause. There aha€%-be is no limit upon the number of liquor control licenses, retail wine permits, or retail beer permits which may be approved for Issuance by local authorities.

4. APPEAL TO HEARING BOARD. Any applicant for a liquor control license, wine permit, or beer permit may appeal from the director's disapproval of an application for a license or permit to the department hearing board, established pursuant to section 123.15~~, from the director's disapproval of an application for a license or permit~~. If, upon such appeal the hearing board ~~shall determine~~ determines that the local

authority acted arbitrarily, capriciously, or without reasonable cause in disapproving the application, or that, where the local authority approved the application, the director's own disapproval should be reversed, it shall order issuance of a license or permit. The same right of appeal to the hearing board shall be afforded a liquor control licensee, wine permittee, or beer permittee, whose license or permit has been suspended or revoked under this chapter, and the hearing board shall reduce the period of suspension or order reinstatement of ~~such~~ the license or permit for good cause shown.

Sec. 24. Section 123.34, Code 1985, is amended to read as follows:

1. Liquor control licenses, wine permits, and beer permits, unless sooner suspended or revoked, expire one year from date of Issuance. The director shall give sixty days' written notice of the expiration to each licensee or permittee. However, the director may issue six-month or eight-month seasonal licenses, class "B" wine permits, or class "B" beer permits for a proportionate part of the license or permit fee or may issue fourteen-day liquor licenses, wine permits, or beer permits as provided in subsection 2. No refund shall be made for seasonal licenses or permits or for fourteen-day liquor licenses, wine permits, or beer permits. No seasonal license or permit shall be renewed except after a period of two months.

2. The director may issue fourteen-day class "A", class "B", class "C", and class "D" liquor control licenses, fourteen-day class "B" wine permits, and fourteen-day class "B" beer permits. A fourteen-day license or permit, if granted, is valid for fourteen consecutive days, but the holder shall not sell on the two Sundays in the fourteen-day period unless the holder qualifies for and obtains the privilege to sell on Sundays contained in sections 123.36, subsection 6 and 123.134, subsection 5.

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3. The fee for a fourteen-dry liquor license, wine permit, or beer permit is one-quartor of the annual tee for that class of liquor llcense or beer permit. The fee for the privilege to sell on the two Sundays in the fourteen-day period is twenty percent of the price of the fourteen-day llquor license, wine permlt, or beer permlt.

Sec. 25. Section 123.35, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The director shall prescribe simplified application forms for the renewal of llquor control llcenses, wine permits, and beer permits ~~issued under the provisions of this chapter,~~ which may be filed by licensees and permittees in lieu of a detailed renewal application form uhen qualifications and qualification information have not changed since the original Issuance of the license or permit. ~~Such~~ The simplified form shall require the licensee or permittee to verify under oath that the information contained In the original application remains current, and that no reason exists for the department's refusal to renew the llcense or permit as originally Issued.

Sec. 26. Section 123.36, subsection 2, Code 1985, is amended to read ɪs follousr

2. Class "A" llquor control licenses, the sum of six hundred dollars, except that for class "A" llcenses in cities of less than two thousand population, and for clubs of Jess than two hundred fifty members, the llcense fee shall be four hundred dollars; however, the fee shall be two hundred dollars for any club which is a post, branch, or chapter of a veterans organization chartered by the Congress of the United States, if such the club does not sell or permit the consumption of alcohollc beverages, wine, or beer on the premises more than ooe day In any week, and if the application for a license states that such the club does not and will not sell or permit the consumptlon of alcoholic beverages, wine, or beer on the premises more than one day in any week.

Sec. 27. Section 123.36, subsection 5, paragraph c, Code 1985, is amended to read am follows:

c. For air common carriers, each company shall pry a base annual fee of five hundred dollars and, in addition, shall quarterly remit to the department an amount equal to seven dollars for each gallon of alcohollc liquor sold, given away, or dispensed in or over this state during the preceding calendar quarter, The class "D" llcense fee and tax for air common carriers shatf-be is in lieu of any other fee or tax collected from such the carriers In this state for the possession and sale of alcohollc llquor, wlne, and beer.

Sec. 28. Section 123.36, subsection 6, Coda 1985, Is amended to read as follows:

6. Any club, hotel, motel, or commercial establishment holding a liquor control llcense €or whom the sale of goods and services other than alcoholic liquor, wine, or beer constitutes fifty percent or more of the gross receipts from the licensed premises, subject to ~~the provisions of~~ section 123.49, subsection 2, paragraph "b", may sell and dispense alcoholic liquor and wlne to patrons on Sunday for consumptlon on the premises only, and beer for consumptlon on or off the premises betueen the hours of ten a.m. and twelve midnight on Sunday. For the privilege of selling beer, wine, and alcohollc liquor on the premises on Sunday the liquor control license fee of the applicant shall be Increased by twenty percent of the regular fee prescribed for the llcense pursuant to this section, and the privilege shall be noted on the liquor control license. M e department shall prescribe the nature and the character of the evidence ~~which shall be~~ required of the appllcant under this subsection.

Sec. 29. Section 123.36, subsection 7, unnumbered paragraph 1, Code 1985, is amended to read as follows:

~~Class~~ Special class "C" llquor control llcenses ~~which limit sales of alcoholic liquor to wine containing not more than seventeen percent alcohol by weight,~~ a sum as follows:

Sec. 30. Section 123.37, Code 1985, is amended to read as follows:

123.37 POWER TO LICENSE AND LEVY TAXES.

The power to establish licenses and permits and levy taxes as imposed in title VI of the Code is vested exclusively with the state. Unless specifically provided, no local authority shall levy a local tax on the sale of alcoholic beverages, wine, or beer, require the obtaining of a special license or permit for such sale en at any establishment, or require the obtaining of a license by any person as a condition precedent to the person's employment In the sale, serving, or handling of alcoholic beverages, wine, or beer, within an establishment operating under a license or permit.

Sec. 31. Section 123.38, unnumbered paragraphs 1 and 2, Code 1985, are amended to read as follows:

A special liquor permit, liquor control license, wine permit, or beer permit aha€%-be is a purely personal privilege and be is revocable for cause. It shaff is not constitute property nor be is it subject to attachment and execution nor be alienable nor assignable, and in-any-ease it shall cease upon the death of the permittee or licensee. However, the director may in the director's discretion allow the executor or administrator of a permittee or licensee to operate the business of the decedent for a reasonable tine not to exceed the expiration date of the permit or license. Every permit or license shall be issued in the name of the applicant and no person holding a permit or license shall allow any other person to use same it.

Any such licensee or permittee, or the licensee's or permittee's executor, or administrator, or any person duly appointed by the court to take charge of and administer'the property or assets of the licensee or permittee for the benefit of the licensee's or permittee's creditors, may voluntarily surrender such a license or permit to the department and-when-so. When a license or-permit is surrendered the department shall notify the local authority.

and the department and-saeh or the local authority, ~~or the local authority by itself in the case of a retail beer permit,~~ shall refund to the person so surrendering the license or permit, a proportionate amount of the fee ~~paid~~ received by the department or the local authority for ~~such~~ the license or permit as follows: ~~If a license or permit is~~ Surrendered during the first three months of the period for which ~~said license or permit~~ it was issued, the refund shall be three-fourths of the amount of the fee; if surrendered more than three months but not more than six months after issuance, the refund shall be one-half of the amount of the fee; if surrendered more than six months but not more than nine months after issuance, the refund shall be one-fourth of the amount of the fee. No refund shall be made, however, for any special liquor permit, nor for a liquor control license, wine permit, or beer permit surrendered more than nine months after issuance. For purposes of this paragraph, any portion of llcense or permit fees used for the purposes authorized in section 331.424, subsection 1, paragraphs "a", "b", "c", "d", "e", "f", "g", and "h", shall not be deemed received either by the department or by a local authority. No refund shall be made to any licensee or permittee, upon the surrender of the license or permit, if there is at the time of said surrender, a complaint filed with the department or local authority, charging the licensee or permittee with a violation of the provisions of this chapter, If upon a hearlng on any-sack a complaint the license or permit is not revoked or suspended, then the licensee or permittee shaft-be is eligible, upon surrender of the llcense or pernlt, to receive a refund as herefn provided. ~~But~~ in this section; but if the license or permit is revoked or suspended upon such htarlng the licensee or permittee shaff is not be eligible for the refund of any portion of the license or permit fee.

Sec. 32. Section 123.39, Code 1985, Is amended to read as follows:

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123.39 SUSPENSION OR REVOCATION OF LIQUOR LICENSE OR BEER PERMIT.

Any liquor control license, wine permit, or beer permit issued under this chapter may, after notice in writing to the license or permit holder and reasonable opportunity for hearing, and subject to section 123.50 where applicable, be suspended for a period not to exceed one year or revoked by the local authority or the director for any of the following causes:

1. Misrepresentation of any material fact in the application for such the license or permit.

2. Violation of any of the provisions of this chapter.

3. Any change in the ownership or interest in the business operated under a class "A", class "B", or class "C" liquor control license. or any wine or beer permit, which change was not previously reported to and approved by the local authoclty and the department.

4. An event which would have resulted in disqualification from receiving such the license or permit when originally issued.

5. Any sale, hypothecation, or transfer of such the license or permit.

6. The failure or refusal on the part of any licensee or permittee to render any report or remit any taxes to the depactaent under this chapter when due.

Local authorities ahaft-hare-the-parer-to may suspend any retail wine or beer permit or liquor control license for a violation of any ordinance or regulation adopted by such the local authority. Local authorities are-empowered-to may adopt ordinances or regulations for the location of the premises of retail wine or beer and liquor control licensed establishments and are-enpawered-to local authorities may adopt qrdinances, not in conflict with the-provisions-of this chapter and that do not diminish the hours during which beer, wine, or alcoholic beverages may be sold or consuaed at retail, governing any other activities or matters which may affect the

retail sale and consumption of beer, wine, and alcoholic liquor and the health, welfare and morals of the community involved.

When a liquor license or wine or beer permit is suspended after a hearing as a result of violations of the-provisions-of this chapter by the licensee. permittee or the licensee's or permittee's agents or eaployees, the premises which were licensed by such the license or permit shall not be relicensed for a new applicant until the suspension has terminated or time of suspension has elapsed, or ninety days have elapsed since the commencement of the suspension, whichever occurs first. However, nothing-in this section shall does not prohibit the premises from being relicensed to a new applicant before the suspension has terminated or before the time of suspension has elapsed or before ninety days have elapsed from the commencement of the suspension. If the premises prior to the time of the suspension had been purchased under contract, and the vendor under that contract had exercised the person's rights under chapter 656 and sold the property to a different person who is not related to the previous licensee or permittee by marriage or within the third degree of consanguinity or affinity and if the previous licensee or permittee does not have a financial interest in the business of the new applicant.

Sec. 33. Section 123.40, Code 1985, is emended to read as follows:

123.40 **EFFECT OF REVOCATION.**

Any liquor control licensee, wine permittee, or beer permittee whose license or permit ia revoked under this chapter shall not thereafter be permitted to hold a liquor control license, wine permit, or beer permit in the state of Iowa for a period of two years from the dare of such revocation. The A spouse and or business associates associate holding ten percent or more of the capital stock or ownership interest in the business of a person whose license or permit has been revoked rhall not be issued a liquor control license,

wine permit, or beer permit, and no liquor control license, wine permit, or beer permit shall be issued which covers any business in which such person has a financial interest for a period of two Years from the date of such revocation. fn-the event If a license or permit is revoked, the premises which had been covered by such the license or permit shall not be relicensed for one year.

Sec. 34. Section 123.44, Code 1985, is amended to read as follows:

123.44 GIFT OF LIQUORS PROHIBITED.

No A manufacturer or wholesaler shall not give away any alcoholic liquor of any kind or description at any time in connection with the manufacturer's or wholesaler's business except for testing or sampling purposes only. No A manufacturer, vintner, wholesaler, or importer, organized as a corporation pursuant to the laws of this state or any other state, and who deals in alcoholic liquor, wine, or beer subject to this chapter shall not offer or give anything of Value to any council member, official or employee of the department, or directly or indirectly contribute in any manner any money or thing of value to any person seeking a public or appointive office or any recognized political party or a group of persons seeking to become a recognized political party.

Sec. 35. Section 123.45, Code 1985, is amended to read as f01lows:

123.45 INTEREST IN LIQUOR BUSINESS.

Except as provided in section 123.6, a council member or department employee shall not, directly or indirectly, individually, or as a member of a partnership or shareholder in a corporation, have any interest in dealing in or in the manufacture of alcoholic liquor, wine, or beer, and shall not receive any kind of profit nor have any interest in the purchase or sale of alcoholic liquor, wine, or beer by persons so authorized under this chapter. However, this provision shaff does not prohibit any such memher or employee from lawfully purchasing and keeping alcoholic liquor, wine, or

beer in the member's or employee's possession for personal use.

No A person engaged in the business of manufacturing, bottling, or wholesaling alcoholic beverages, wine, or beer, nor or any jobber or agent of such person, shall not directly or indirectly supply, furnish, give, or pay for any furnishings, fixtures, or equipment used in the storage, handling, serving, or dispensing of alcoholic beverages, wine, beer. or food within the place of business of a licensee or permittee authorized under the-provisions-of this chapter, to sell at retail: nor shall the person directly or indirectly extend any credit for alcohollc beverages or beer or pay for any such license or permit, nor directly or indirectly be . interested in the ownership, conduct, or operation of the business of another licensee or permittee authorized under the provisions-of this chapter to sell at retail, except that a person engaged in the business of manufacturing beer may sell beer at retail for consumption on or off the premises of the manufacturing facility and, notwithstanding any other provision of this chapter or the fact that such a person may be the holder of a class 'A' beer permit, may be granted not more than one class "B" permit as defined in section 123.124 for such purpose. Any licensee or permittee who shall-permit permits or assent-or-be assents to or is a party in any way to any such violation or infringement of the-previsions-of this chapter-shaff-be-deeracd section is guilty of a violation of the-provisions-of this chapter section.

Sec. 36. Section 123.16. Code 1985, is amended to read as follows:

123.46 CONSUMPTION IN PUBLIC PLACES -- INTOXICATION.

It is unlawful for any person to use or consume alcoholic liquors, wine, or beer upon the public streets or highways, or alcoholic liquors in any public place, except premises covered by a liquor control license, or to possess or consume alcoholic liquors, wine, or beer on any public school property or while attending any public or private school related

functions, and no a person shall not be intoxicated nor simulate intoxicdtion In a public place. As used in this section, 'school' means a school or that portion thereof of a school, which provides teaching for any grade from kindergarten through grade twelve. Any person violating any provisions provision of this section shall be is guilty of a simple misdemeanor.

Sec. 37. Section 123.47, Code 1985, Is amended to read as follows:

123.47 PERSONS UNDER LEGAL AGE.

No A person shall not sell, give, or otherwise supply alcohollc liquor, wine, or beer to any person knowing or having reasonable cause to believe that person to be under legal age, and no a person or persons under legal age shall not individually or jointly have alcoholic liquor, wine, or beer in their possession or control; except in the case of liquor, wine, or bees given or dispensed to a person under legal age within a private home and with the knowledge and consent of the parent or guardian for beverage or medicinal purposes or as ddninlstered to the person by elther a physician or dentist tor medicinal purposes and except to the extent that a person under legal age ray handle alcoholic beverages, wine, and beer during the regular course of the person's employment by a liquor control licensee, ok wine or beer permittee under this chapter.

Sec. 38. Section 123.49, subsection 1, Code 1985, is amended to read as follows:

1. He A person shall not sell, dispenses or give to any intoxicated person, or one simulating intoxication, any alcohollc liquor, wine, or beer.

Sec. 39. Section 123.49, subsection 2, unnumbered paragraph 1, Code 1985, is amended to read as follows:

No A person or club holding a liquor control license or retail wlne or beer permit under this chapter, nor and the person's or club's agents or employees, shall not do any of the following:

Sec. 40. Section 113.49, subsection 2, paragraphs c through i, Code 1985, are amended to read as follows:

c. Sell alcoholic beueraqes, vine, or beer to any person on credit. except with a bona fide credit card. This provision shall does not apply to sales by a club to its members nor to sales by a hotel or motel to bona Llde registered guests.

d. Keep on premises covered by a liquor control license any alcohollc llquor In any container except the original package purchased from the department or from a native wine manufacturer, except still wines placed in dispensing or serving containers for temporary storage, and except mixed drinks or cocktails mixed on the premises for immediate consumption. This prohibition does not apply to common carriers holding a class "D" liquor control license.

e. Reuse for packaging alcoholic liquor or wine any container or receptacle used orlglnally for packaging alcoholic liquor or wine; or adulterate, by the addition of any substance, the contents or remaining contents of an original package of an alcoholic llquor or wine; or knowingly possess any original package which has been so reused or adulterated.

f. Any Employ a person under eighteen years of age shall net-be-enpfoycd in the sale or serving of alcoholic liquor, wine, or beer for consumption on the premises where sold.

g. Allow any person other than the licensee. permittee, or employees of such the llcensee or permittee, Po use or keep on the licensed premises any alcoholic liquor An any bottle or other container which is designed for the transporting of such beverages, except as permitted In section 123.95. This paragraph shall does not apply to the lodging quarters of a class "B" liquor control licensee or wine or beer permittee, or to common carriers holdlng a class "D" llquor control license.

h. Sell, glue, or otherwise Supply any alcoholic beverage, wine, or beer to any person, knowing or having reasonable

cause to believe the person to be under legal age, or perait any person, knowing or having reasonable cause to believe the person to be under legal age, to consume any alcoholic beverage, wine, or beer.

i. In the case of a retail beer or wine permittee, knowingly allow the mixing or adding of alcohol or any alcoholic beverage to beer, wine, or any other beverage In or about the permittee's place of business.

Sec. 41. Section 123.49, subsection 2, Code 1985, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. k. Sell or dispense any wine on the premises covered by the perait or permit the consumption on the premises between the hours of two a.m. and six a.m. on a weekday, and between the hours of two a.m. on Sunday and six a.m. on the following Monday, however, a holder of a wine permit authorized to sell wine on Sunday may sell or dispense wine between the hours of ten a.m. and twelve midnight on Sunday.

Sec. 42. Section 123.49, subsections 3 and 4, Code 1985, are amended to read as follows:

3. No person under legal age shall misrepresent the person's age for the purpose of purchasing or attempting to purchase any alcoholic beverage, wine, or beer from any licensee or permittee. If any person under legal age shaff misrepresent misrepresents the person's age, and the licensee or permittee establishes that the licensee or permittee made reasonable inquiry to determine whether such the prospective purchaser was over legal age, such the licensee or permittee shaff is not be guilty of selling alcoholic liquor, wine, or beer to minors.

4. No privilege of selling alcoholic liquor, wine, or beer on Sunday as provided in sections 123.36, subsection 6, and 123.134, subsection 5, shall be granted to a club or other organization which places restrictions on admission or membership in the club or organization on the basis of sex, race, religion, or national origin. However, the privilege

may be granted to a club or organization which places restrictions on membership on the basis of sex, If the club or organization has an auxiliary organization open to persons of the other sex.

Sec. 43. Section 123.50, subsections 2 and 3, Code 1985, are amended to read as follows:

2. The conviction of any liquor control licensee, wine permittee, or beer permittee for a violation of any of the provisions of section 123.49 shaff, subject to subsection 3 of this section, be is grounds for the suspension or revocation of the license or permit by the department or the local authority. However, if any liquor control licensee is convicted of any violation of subsection 2, paragraphs "a", d or "e", of such that section, or any wine or beer permittee is convicted of a violation ot paragraph "a" or "e" of that section, the liquor control license, wine permit, or beer permit shall be revoked and shall immediately be surrendered by the holder, and the bond of the license or permit holder shall be forfeited to the department.

3. If any licensee, wine permittee, beer permittee, or employee of such a licensee or permittee shall be is convicted of a violation of section 123.49, subsection 2, paragraph "h", or if a retail wine or beer permittee shall be is convicted of a violation of paragraph "i" of such that subsection, the director or local authority shall, in addition to the other penalties fixed for such violations by this section, assess a penalty as follows:

a. Upon a first conviction, the violator's liquor control license, wine permit, or beer permit shall be suspended for a period of fourteen days.

b. Upon a second conviction within a period of two years, the violator's liquor control license, wine perait, or beer permit shall be suspended for a period of thirty days.

c. Upon a third conviction within a period of five years, the violator's liquor control license, wine permit, or beer permit shall be suspended for a period of sixty days.

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d. Upon a fourth convlctlon within a period of five years, the violator's llquor control license, wine permit, or beer permit shall be revoked.

Sec. 44. Sectlon 123.51, rubsectlon 3, Code 1985, is amended to read as follows:

3. No signs or other matter advertising any brand of beer or wine rhall be erected or placed upon the outside of any premises occupled by a licensee or permittee authorized to sell beer or wine at retail. This subsectlon shall does not prohibit the use of signs or other matter inside a fence or similar enclosure which wholly or partially surrounds the licensed premises.

Sec. 45. Sectlon 123.53. subsectlon 2, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PAHAGRAPH. All aoneys recelved by the department from the issuance of vintner's certificates of compliance and wine permits shall be transferred by the state comptroller to the general fund of the state.

Sec. 46. Section 123.53, subsectlons 3 and 7, Code 1985, are amended to read as follows:

3. The treasurer of state rhall semiannually distribute a rum of money equal to at least ten percent of the gross sales made by the state llquor stores but not less than six million four hundred thousand dollars to the cltles of the state. Such amount shall be distributed to the cltles of the state In proportion to the population that each Incorporated city bears to the total population of all incorporated cltles of the state as computed by the latest federal censuo. A clty may have one special federal census taken each decade, and the population figure thus obtalned shall be used In apportioning amounts under this subsectlon beginning the calendar year following the year in which the special census is certified by the secretary of state. Such apportionment shall be made semiannually as of July 1 and January 1 of each year. Warrants for the same shall be issued by the state comptroller upon certification of the treasurer of state and mailed to the

clty clerk of each Incorporated city of the state and rhrll be made payable to such Incorporated city and shall be rubject to expenditure under tho direction of the clty council or other governing bodies of such Incorporated clty Lor any lawful municipal purpose. It shall be a lawful municipal purpose for cltles to allocate a portion of the above funds for the purpose of financing the activities of a clty commission or committee on alcoholism, such commission or committee to be appointed by the mayor or by the council or both. The commission or committee may use any funds so allocated for the treatment, rehabilitation, and education of alcoholics in Iowa.

7. The treasurer of state shall credit to the military service tar fund described in chapter 426A, a sum of money equal to at least five percent of the gross amount of sales made by the otate llquor stores in the cities of the state but not less than six million four hundred thousand dollars. Any amount thus credited rhall be allocated to the various taxing districts of the state as reimbursement for losses of revenue due to exemption or remission of property taxes which would be Imposed upon property upon which soldiers' exemptions or soldiers' tax credits are provlded under ouch terms as the general assembly aay provlde.

Sec. 47. Sectlon 123.53, Code 1985, is mended by adding the following new rubsectlon:

NEW SUBSECTION. 1. The treasurer of state shall transfer Into a special revenue account in the general fund of the rtate. a sum of money at least equal to seven percent of the gross amount of sales made by the rtate llquor stores in the cities of the state from the beer and liquor control fund on a monthly basis but not less than nine million dollars annually, and any amount. so transferred shall be used by the department of substance abuse for substance abuse treatment and prevention programs in an amount determined by the general assembly and any amounts received in excess of the amounts appropriated to the department of substance abuse shall be

considered part of the general fund balance. This section is repealed June 30, 1987.

Sec. 48. Section 123.55, subsections 8 and 9, Code 1985, are amended to read as follows:

8. The number of liquor control licenses, wine permits, and beer permits issued, by class, the number in effect on the last day included in the report, and the number which have been suspended or revoked during the period covered by the report.

9. Amount of fees paid to the department from liquor control licenses, wine permits, and beer permits, in gross, and the amount of liquor control license fees returned to local subdivisions of government as provided under this chapter.

Sec. 49. Section 123.56, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

123.56 NATIVE WINES.

1. Subject to rules of the department, manufacturers of native wines from grapes, cherries, other fruits or other fruit juices, vegetables, vegetable juices, dandelions, clover, honey, or any combination of these ingredients, holding a class "A" wine permit as required by this chapter, may sell, keep, or offer for sale and deliver the wine. Sales may be made at retail for off-premises consumption when sold on the premises of the manufacturer, or in a retail establishment operated by the manufacturer which is no closer than five miles from an existing native winery. Sales may also be made to class "A" or retail wine permittees or liquor control licensees as authorized by the class "A" wine permit. Sales of native wines by the manufacturer of the native vines are exempt from the wine gallonage tax imposed under section 123.183.

2. A manufacturer of native wines shall not sell the vines other than as permitted in this chapter and shall not allow wine sold to he consumed upon the premises of the manufacturer. However, prior to sale native wines may be

sampled on the premises where made, when no charge is made for the sampling. A person may manufacture native wine for consumption on the manufacturer's premises, when the wine or any part of it is not manufactured for sale.

3. A manufacturer of native vines may. ship wine in closed containers to individual purchasers inside and outside this state. The manufacturer shall label the package containing the wine with the words *deliver to adults only*.

4. Notwithstanding section 123.179, subsection 1, a class "A" wine permit for a native wine manufacturer shall be issued and renewed annually upon payment of a fee of twenty-five dollars which shall be in lieu of any other license fee required by this chapter. The class "A" permit shall only allow the native wine manufacturer to sell, keep, or offer for sale and deliver the manufacturer's native vines as provided under this section.

5. For the purposes of this section, *manufacturer" includes only those persons who process in Iowa the fruit, vegetables, dandelions, clover, honey, or any combination of these ingredients, by fermentation into wines.

Sec. 50. Section 123.59, Code 1985, is amended to read as follows:

123.59 BOOTLEGGING.

Any person who, acting individually, or through another acting for the person, shall keep or carry on his the person, or in a vehicle, or leave in a place for another to secure, any alcoholic liquor, vine, or beer, vith intent to sell or dispense a€-such the liquor, wine, or beer, by gift or otherwise in violation of law, or who shall, within this state, in any manner, directly or indirectly, solicit, take, or accept any order for the purchase, sale; shipment, or delivery of such alcoholic liquor, vine, or beer in violation of law, or aid in the delivery and distribution of any alcoholic liquor, vine, or beer so ordered or shipped, or who shall In any manner procure for, sell, or give any alcoholic liquor, wine, or beer to any person under legal age, for any purpoac except

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as authorized and permitted in this chapter. shall be is a bootlegger and be subject to the general penalties provided by this chapter.

Sec. 51. Section 123.60, Code 1985, is amended to read as follows:

123.60 NUISANCES.

The premises where the unlawful manufacture or sale. or keeping with intent to sell, use or give away, of alcoholic liquors, wine, or beer is carried on. and any vehicle or other means of conveyance used in transporting such liquor, wine, or beer in violation of law, and the furniture, fixtures, vessels and contents, kept or used In connectlon with such activities are nuisances and shall be abated as provided in this chapter.

Sec. 52. Sectlon 123.71, Code 1985, is amended to read as follows:

123.71 CONDITIONS.

In no case shall a A bootlegger injunction proceeding, as provided in this chapter, shall not be maintained unless it be is shown to the court that efforts in good faith have been made to discover the base of supplies or place where the defendant charged as a bootlegger conducts an unlawful business or receives or manufactures the alcoholic liquor, wine, or bear. of which the defendant is charged with bootlegging.

Sec. 53. Sectlon 123.72. Code 1985, is amended to read as follows:

123.72 ORDER OF ABATEMENT.

If the existence of a nulsance is established in a civil or criminal action, an order of abatement shall be entered a8 a part of the judgment in the case. Such The order shall direct the confiscation of all alcoholic liquor, wine, or beer by the state) the reaoval from the premises involved of all Plxtures. furniture, vessels, or movable property used in any way in conductlnq the unlawful business; tho sale of all such removed property as well ae any vehicle or other means of conveyance which hae been abated. such the sale to be conducted in the

manner provided for the sale of chattels under execution; and the effective closing of the premises against use far the purpose of manufacture, sale, or consumption of alcoholic liquor, wine, or beer for a period of one year, unless sooner released by the court.

Sec. 54. Section 123.81, Code 1985, is amended to read as follows:

123.81 FORFEITURE OF BOND.

If the owner of a property who has filed an abatement bond as provlded in this chapter falls to abate the liquor, wine, or beer nulsance on the premises covered by the bond, or fails to prevent the maintenance of any liquor, wine, or beer nuisance on said the premises at any time within a period of one year after entry of the abatement order. the cwrt shall, after a hearlng in which such fact is established, direct an entry of such the violation of 'the terms of the owner's bond7 to be made on the record and the undertaking of the owner's bond thereupon shall be forfeited.

Sec. 55. Sectlon 123.04. Code 1985, is amended to read as follows:

133.04 JUDGMENT.

If the court after a hearing find8 8 liquor, wine, or beer nuisance has been ulntalned on the premises covered by the abaterent bond and that liquor, wine, or beer has been sold or kept for male on the premises contrary to law within one year from the date of the giving of such the bond. then the court shall order the forfeiture of the bond and enter judgment tor tho full amount of such the bond against the principal and sureties thereof on the bond. and the lien on the real estate created pursuant to section 123.79 shall be decreed foreclosed and the court shall provide for a special and general execution for the enforcement of such the decree and judgment.

Sec. 56. Section 133.99, Code 1985, is amended to read as follows:

123.91 SECOND AND SUBSEQUENT CONVICTION.

Any person who has been convicted, in a criminal action, in any court of record, of a violation of ~~any-of-the-following:~~

5s--Any ~~a~~ provision ~~of this chapter:~~

~~2:--Any,~~ a provision of the prior laws of this state relating to intoxicating liquors, wine, or beer which were was in force prior to the enactment of this chapter:

~~3:--Any,~~ or a provision of the laws of the United States or of any other state relating to intoxicating liquors, vine, or beer, and who is thereafter convicted of a subsequent criminal offense against any provision of this chapter is guilty of the following offenses:

~~a~~ 1. For the second conviction, a serious misdemeanor.

b 2. For the third and each subsequent conviction, an aggravated misdemeanor.

Sec. 57. Section 123.92, unnumbered paragraph 1, Code 1985, is amended to read as follower

Every husband, wife, child, parent, guardian, employer or other personwho ~~shall-be~~ is injured in person or property or means of support by any intoxicated person or resulting from the intoxication of any such person, shaff-have has a right of action for all damages actually sustained, severally or jointly, against any licensee or permittee. vho ~~shall-sell~~ sells or give gives any beer, wine, or intoxicating liquor to ~~any-such~~ a person while the person is intoxicated, or serve any-such serves a person to a point where such the person is ~~intoxicated:-for-all-damages-actually-sustained.~~ If the injury was caused by an intoxicated person, a permittee or licensee *may* establish as an affirmative defense that the intoxication did not contribute to the injurious action of the person.

Sec. 58. Section 123.95, unnumbered paragraph 1, Code 1985, is amended to read as follows:

It is unlawful for any person to allow the dispensing or consumption of intoxicating liquor, except ~~sacramental~~ wines and beer, in any estahlishmcnt unless such the establishment is licensed under this chapter.

Sec. 59. Section 123.96, subsections 1 and 2, Code 1985, are amended to read as follows:

1. ~~Except-as-provided-by-section-123.56,-subsection-4,~~ there There is imposed on every person licensed to sell alcoholic beverages for consumption on the premises where sold, a special tax equivalent to fifteen percent of the price established by the department on all alcoholic beverages for general sale to the public. The tax shall be paid by all licensees at the point of purchase from the state on all alcoholic beverages intended or used for resale for consumption on the premises of retail establishments. The tax is in lieu of any other sales tax applied at the state store and shall be shown as a separate item on special sales slips provided by the department for purchases by licensees.

2. Except as allowed under section 123.95 andr-except-as ~~allowed-under-section-123.56,-subsection-4,~~ a licensee shall not knowingly keep on the licensed premises nor use for resale purposes any alcoholic liquor on which the special tax has not been paid to the state. The conviction of a violation of this section shall cause the license held to automatically be revoked and the license shall immediately be surrendered by the holder, and the bond of the license holder shall be forfeited to the department.

Sec. 60. Section 123.121, unnumbered paragraph 1, Code 1985, is amended to read as Eollows:

In any prosecution under this chapter for the unlawful sale of alcoholic liquor, wine, or beer, a sale of alcoholic liquor, vine, or beer vhich requires a shipment or delivery of such the liquor, wine, or beer, shall be deemed to be made in the county in which such the delivery is made by the carrier to the consignee, or the consignee's agent, or employee.

Sec. 61. Chapter 123. Code 1985, is amended by adding sections 56 through 71 of this Act as a new division.

Sec. 62. NEW SECTION. 123.171 WINE PERMIT OR LICENSE REQUIRED.

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A person shall not cause the manufacture, importation, or sale of wine in this state unless a certificate or permit as provlded in this division, or a liquor control license as provided in division I of thir chapter, is first obtained which authorizes that manufacture, Importation, or sale.

Sec. 63. NEW SECTION. 123.172 EPPECT ON LIQUOR CONTROL LICENSEES.

All applicable provisions of this division relating to class "B" wine permits apply to liquor control licensees in the purchasing, storage, handling, serving and sale of wine.

Sec. 64. NEW SECTION. 123.173 WINE PERMITS -- CLASSES.

Permits exclusively for the sale or aanufacture and sale of wine shall be divided into two classes, and shall be known as class "A" or "B" wine permits.

A clasr "A" wlne permit allows the holder to manufacture and sell, or sell at wholesale, In this state, vine as defined In section 123.3, subsection 7. The holder of a class "A" wlne permit may manufacture in this state ulne having an alcoholic content greater than seventeen percent by weight for shipment outside this state or for salt to the department. A class "B" wine permit allows the holder to sell wine at retail for consumption off the premises.

A class "A" wine permittee shall be required to deliver wine to a class "B" wine permittee, and a class "B" wine permlttee shall be required to accept delivery of wine from a class "A" wine perslttee, only at the licensed premise of the class "B" wlne permlttee. Except as specifically permitted by the department upon good cause shown, dellvery or transfer of ulne from an unlicensed premise to a licensed "B" wlne permittee's premise, or from one licensed "B" wine permittee's premise to another licensed "B" wine permittee's premise, even where there is common ownership of all of the premises by one class "B" wine permlttee, is prohibited.

Sec. 65. NEW SECTION. 123.174 ISSUANCE OP WINE PERMITS.

The director shall issue class "A" and "B" wine permits as provlded in this chapter, and may suspend or revoke a ulne permit for cause as provlded in this chapter.

Sec. 66. NEW SECTION. 123.175 CLASS "A" APPLICATION.

Except as otherwise provided in this chapter, a class "A" wine permit shall be irsued to a person who complies with all of the following:

1. Submits a written application tor the permit and states on the application under oath:

a. The naae and place of residence of the appllcant and the length of time the appllcant has lived at the place of residence.

b. That the applicant is a citizen of the state of Iowa, or If a corporation, that the appllcant is authorlred to do business In Iowa.

c. The place of birth of the applicant, and If the appllcant is a naturallted citizen, the time and place of naturalization, or If a corporation, the state of incorporation.

d. The location of the premises where the applicant intends to use the perait.

e. The name of the wner of the premises, and If that owner is not the applicant, that the applicant is the actual lessee of the prealses.

2. Establishes a11 of the following:

a. That the applicant meets the test of good moral character as provided in section 123.3, subsection 11.

b. That the premises where the applicant intends to use the permit conform to all applicable laws, health regulations, and fire regulations, and constitute a sate and proper place or building.

3. Submits a bond in the amount of five thousand dollars In the form prescribed and furnished by the department with good and sufficient sureties to be approved by the department conditioned upon compliance with this chapter.

Sec. 67. NEW SECTION. 113.176 CLASS "B" APPLICATION.

Except as otherwise provided In this chapter, a class "B" wlne permit shall be issued to a person who complies with a11 of the following:

1. Submits a written application for the permit and states on the application under oath:

a. The name and place of residence of the applicant, and the length of time the applicant has lived at the place of residence.

b. That the applicant is a citizen of the state of Iowa, or if a corporation, that the applicant is authorized to do business in Iowa.

c. The place of birth of the applicant, and if the applicant is a naturalized citizen, the time and place of naturalization, or if a corporation, the place of incorporation.

d. The location of the premises where the applicant intends to use the permit.

e. The name of the owner of the premises, and if that owner is not the applicant, that the applicant is the actual lessee of the premises.

2. Establishes all of the following:

a. That the applicant is a person of good moral character as provided in section 123.3, subsection 11.

b. That the premises where the applicant intends to use the permit conform to all applicable laws, health regulations, and fire regulations, and constitute a safe and proper place or building.

3. Submits a bond in the amount of one thousand dollars in the form prescribed and furnished by the department with good and sufficient sureties to be approved by the department conditioned upon compliance with this chapter. The bond shall be further conditioned as a part of the permit granted to the effect that the permittee and each surety shall consent to forfeiture of the principal sum of the bond in event of. suspension or revocation of the permit pursuant to this chapter.

Sec. 68. NEW SECTION. 123.177 AUTHORITY UNDER CLASS "A" PERMIT.

1. A person holding a class "A" vine permit may manufacture and sell, or sell at wholesale, wine for consuaption off the premises. Sales within the state may be made only to the department or to persons holding a class "A" or "B" wine permit and to persons holding.. class "A", "B", "C" or "D" liquor control license. A class "A" wine permittee having more than one place of business shall obtain a separate permit for each place of business where vine is to be stored, warehoused. or sold.

2. A class "A" wine permlt holder may purchase and resell only those brands of wine which are manufactured, fermented, bottled, shipped, or imported by a person holding a certificate of compliance issued pursuant to section 123.175.

Sec. 69. NEW SECTION. 123.178 AUTHORITY UNDER CLASS "B" PERMIT.

1. A person holding a class "B" wine permit nay sell wine at retail for consumption off the premises. Wine shall be sold for consumption off the premises In original containers only.

2. A class "B" wine permittee having more than one place of business where wine is sold shall obtain a separate permit for each place of business.

3. A person holding a class "B" wine permit may purchase wine for resale only from the department or from a person holding a class "A" wine permit.

Sec. 70. NEW SECTION. 123.179 PERMIT FEES.

1. The annual permit fee for a class "A" wine permit is seven hundred fifty dollars.

2. The annual permit fee for a class "B" wine permit is five hundred dollars.

Sec. 71. NEW SECTION. 123.180 VINTNER'S CERTIFICATE OF COMPLIANCE -- WHOLESALE AND RETAIL RESTRICTIONS.

1. A manufacturer, vintner, bottler, importer, or vendor of wine or an agent thereof desiring to ship, sell, or have wine brought into this state for resale by the department or for sale at wholesale by a class "A" permittee shall first

make application for and shall be issued a vintner's certificate of compliance by the director for that purpose. The vintner'. certlficate of compliance shall expire at the end of one year from tho date of issuance and shall be reneued tor a like period upon application to the director unless otherwise revoked for cause. Each application for a vlntner's certlficate of compliance or renewal of a certificate shall be accompanied by a fee of one hundred dollars payable to the department. Each holder of a vintner'. certificate of compliance shall furnish tho information required by the director in the form the director require.. A vintner or vine bottler uhose plant is located in Iowa and uho otherwise holds a class "A" vine permit to sell vine at uholesale is exempt from the fee, but not the other terms and conditions. The holder of a vintner'. certificate of compliance may also hold a class "A" vine permit.

2. At the time of applying for a vintner's certificate of compliance, each applicant shall file ulth the department a list of all class "A" vine permittees with whom it intends to do business and shall designate the geographic area In which its products are to be distributed by the permlitteas. Vintner's certificate holders may appoint more than one class "A" wine permittee to service the same geographic territory. The listing of class "A" uine permittees and geographic area am filed with the department may be amended from time to ti — by the holder of the certificate of compliance.

3. All class "A" ulne permit holder. shall sell only those brands of wine uhlch are manufactured, bottled, feraented, shipped, or Imported by a person holding a current vlntner's certificate of compliance. An employee or agent working for or representing the holder of a vintner's certificate of compliance within this state shall register the employee's or agent's name and address with the departaent. These names and addresses shall be filed with the department's copy of the certificate of compliance issued ercept that this provision docs not require tho listing of those persons uho are employed

on the premises of a bottling plant, or winery where wine is manufactured, fermented, or bottled in Iowa or to the listing of those persons uho are thereafter engaged in the transporting of the ulne.

4. It is unlawful for a holder of a vintner's certlficate of compliance or the holder's agent, or any clams "A" vine permittee or the permittee's agent, to discriminate between class "B" wine permitteem authorized to sell wine at retail.

5. It is unlawful for a holder of a vintner's certificate of compliance or the vintner's agent uho is engaged in the business of selling uine to class "A" wine permittees to discriminate betueen clams 'A" wine permittees authorized to sell vine at wholesale.

6. Regardless of any other penalties provided by this chapter, any holder ot a certificate of compliance relating to vine, class "A" or retail vine permittee or retail liquor licensee, uho violates any of the provisions of this section is subject to a civil fine not to exceed one thousand dollars or subject to suspension of the certificate of compliance, license, or permit for a period not to exceed thlrty day8 or to both civil fine and suspension.

Sec. 72. WEU SECTION. 123.181 PROHIBITED ACTS.

1. A holder of any class "B" vine permit shall not sell vine except vine uhlch is purchased from a person holding a class "A" ulne permit and on uhlch the tar imposed by section 123.183 has been paid or vine purchased from a manufacturer of native wines.

2. A class "A" uine permittee shall not sell vine on credit to a retail liquor licensee or vine permittee for a period exceeding thirty day8 from date of delivery.

3. A holder of a vintner's certiflcate of compliance or class "A" ulne permit shall not offer to any purchaser of vine at retail any rebate or coupon as an incentive to purchase vine.

Sec. 73. NEW SECTION. 123.181 LABELS -- POINT OF ORIGIN -- CONCLUSIVE EVIDENCE.

All imported bulk wines to be bottled and distributed in the state shall have the point of origin stated on the label. The print site for the point of origin shall be at least half the print size of the brand name on the label.

The label on a bottle or other container in which wine is offered for sale in this state, which label represents the alcoholic content of the wine as being in excess of seventeen per cent by weight, is conclusive evidence of the alcoholic content of that wine.

Sec. 74. NEW SECTION. 123.183 WINE GALLONAGE TAX.

In addition to the annual permit fee to be paid by each class "A" wine permittee, there shall be levied and collected from each class "A" wine permittee on all wine imported into this state for sale at wholesale and sold in this state at wholesale, a tax of one dollar and fifty cents for every wine gallon and a like rate for the fractional parts of a wine gallon. A tax shall not be levied or collected on wine manufactured in this state, or on wine sold by one class "A" wine permittee to another class "A" wine permittee. All revenue derived from the wine tax shall be deposited in the liquor control fund established by section 123.53 and shall be transferred by the state comptroller to the general fund of the state. The price of wine sold or offered for sale in state liquor stores which was not purchased by the department from a class "A" wine permittee shall include a markup over the wholesale price at least equal to the tax levied under this section.

Sec. 75. NEW SECTION. 123.184 REPORT OF GALLONAGE SALES -- PENALTY.

Each class "A" wine permit holder on or before the tenth day of each calendar month commencing on the tenth day of the calendar month following the month in which the person is issued a permit, shall make a report under oath to the department upon forms to be furnished by the department showing the exact number of gallons of wine and fractional parts of gallons, sold by that permit holder during the

preceding calendar month. The report also shall state whatever reasonable additional information the director requires. The permit holder at the time of filing this report rhall pay to the department the amount of tar due at the rate fixed in section 123.183. A penalty of ten percent of the amount of the tax shall be assessed and coilected if the report is not filed and the tax paid within the time required by this section.

Sec. 76. NEW SECTION. 123.185 RECORDS REQUIRED.

Each class "A" wine permittee shall keep books of account and records showing each sale of wine, which shall be at a11 times open to inspection by the director and agents of the department. Each class "B" wine permittee shall keep proper books of account and records showing each purchase of wine and the date and the amount of each purchase and the name of the person from whoa each purchase was made, which shall be open to inspection by the director and agents of the department during normal business hours of the permittee.

Sec. 77. NEW SECTION. 123.186 FEDERAL REGULATIONS ADOPTED AS RULES.

The department shall adopt as rules the substance of the federal regulations 27 CFR pt. 6, 27 CFR pt. 8, 27 CFR pt. 10, and 27 CFR pt. 11 as they relate to transactions between wholesalers and retailers.

Sec. 78. Section 321.40, Code 1985, is amended by adding the following new unnumbered paragraphr

NEW UNNUMBERED PARAGRAPH. The county treasurer shall refuse to renew the registration of a vehicle registered to the applicant for renewal of registration if the applicant has failed to pay any local vehicle taxes due in that county on that vehicle or any other vehicle owned or previously owned by the applicant until such local vehicle taxes are paid.

Sec. 79. Section 321.130, Code 1985, is amended to read as follows:

321.130 FEES IN LIEU OF TAXES.

Tho registration fees imposed by this chapter upon private passenger motor vehicles or semitrailers shall-be are in lieu of a11 state and local taxes, except local vehicle taxes, general-or-local, to which motor vehicles or semitrailers may be are subject, and It a motor vehicle or semitrailer shall have has been registered at any time under thir chapter it shall not thereafter be subject to a personal property tax unless such the motor vehicle or semitrailer shall-have has bren In storage continuously as an unregistered motor vehicle or semitrailer during the preceding registration year.

Sec. 80. Chapter 422, division II, Code 1985, is amended by adding the following new section:

NEW SECTION. 422.11A

The taxer imposed under this division, less credits allowed under sections 422.10, 422.11 and 422.12, shall be reduced by a new jobs tax credit. An industry which has entered into an agreement under chapter 2808 and which has Increased Lts base amployment level by at least ten percent within the time set In the agreement or, in the case of an industry without a base employment level, adds new jobs within the time set in the agreement is entitled to this new jobs tax credit Lor the tax year selected by the Industry. In determining if the Industry has Increased its base employment level by ten percent or added new jobs, only those new jobs dlrectly resulting from the project covered by the agreement and those directly related to those new jobs shall be counted. The amount of this credlt is equal to the product of six percent of the taxable wages upon which an employer is required to contribute to the state unemployment compensation fund, as defined in aection 96.19, subsection 20, times the number of new jobs existing in the tax year that directly result from the project covered by the agreement or new jobs that directly result from those new jobs. The tax year chonen by the industry shall either begin or end during the period beginning with the date of the agreement and ending with the date by which the project is to be completed under the agreerent, An individual may

claim the nov jobs tax credlt allowed a partnership, subchapter S corporation, or estate or trust electing to have the income taxed directly to the individual. The amount claimed by the Individual shall be based upon the pro rata share of the individual's earnings of a partnership, subchapter S corporation, or estate or trust. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following ten tax years or until depleted, whichever is the earlier. For purposes of this section, "agreement", 'Industry', "new job" and *project* mean the same as defined In aection 2808.2 and "base employment level. means the number of full-time jobs an industry employs at the plant site which is covered by an agreement under chapter 280B on the date of that agreement.

Sec. 81. Section 422.33, Code 1985, is mended by adding the following new subsection:

NEW SUBSECTION. 7. The taxes imposed under this division shall be reduced by a new jobs tax credit. An Industry which has entered into an agreement under chapter 280B and which has increased its base employment level by at least ten percent within the the set In the agreement or, In the case of an industry without a base eaployaent level, adds new jobs within the time set in the agreement is entitled to this new jobs tax credlt for the tax year selected by the induetry. In determining if the Industry has increased its base employment level by ten percent or added new jobs, only those new jobs dlrectly resulting from the project covered by the agreement and those dlrectly related to those new jobs shall be counted. The amount of this credlt is equal to the product of six percent of the taxable wages upon which an employer is required to contribute to the state unemployment compensation fund, as defined in aection 96.19, subsection 20, times the number of new jobs existing In the tar year that directly result from the project covered by the agreement or new jobs that directly result from those new jobs. The tax year chosen by the Industry shall either begin or end during the period

beginning with the date of the agreement and ending with the date by which the project is to be completed under the agreement. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following ten tax years or until depleted in less than the ten years. For purposes of this section, "agreement", "industry", "new job" and "project" mean the same as defined in section 280B.2 and 'base employment level' means the number of full-time jobs an industry employs at the plant site which is covered by an agreement under chapter 280B on the date of that agreement.

Sec. 02. Section 422.42, subsections 3 and 12, Code 1985, are amended to read as follovs:

3. "Retail sale" or "sale at retail" means the sale to a Consumer or to any person for any purpose, other than for processing, or for resale of tangible personal property or taxable services, or for resale of tangible personal property in connection with taxable services, and includes the sale of gas, electricity, water, and communication service to retail consumers or users, but does not include agricultural breeding livestock and domesticated foul, or commercial fertilizer, or agricultural limestone, or materials, but not tools or equipment, herbicide, pesticide, insecticide, food and medication and agricultural drain tile and installation thereof which are to be used in disease control, weed control, insect control, or health promotion of plants or livestock produced as part of agricultural production for market, or and does not include electricity, or steam or any taxable service when purchased and used in the processing of tangible personal property intended to be sold ultimately at retail. Tangible personal property is sold for processing within the meaning of this subsection only when it is intended that aaeh the property shall will, by means of fabrication, compounding, manufacturing, or germination become an integral part of other tangible personal property intended to be sold ultimately at retail. or shaff will be consumed as fuel in creating heat,

power, or steam for processing including grain drying, for providing heat or cooling for livestock buildings or for generating electric current, or consumed in self-propelled implements of husbandry engaged in agricultural production, or such the property is a chemical, solvent, sorbent, or reagent, which is directly used and is consumed, dissipated, or depleted, in processing personal property which is intended to be sold ultimately at retail, and which may not become a component or integral part of the finished product. The distribution to the public of free'newspapers or shoppers guides shall be deemed is a retail sale for purposes of the processing exemption.

Notwithstanding the foregoing provisions of this subsection, the sale of newsprint and ink delivered after April 1, 1978 to any person, firm or corporation to be incorporated in or used in the printing of any newspaper, free newspaper or shoppers guide for publication in this state shall be considered as a sale at retail and such person, firm or corporation shall be deemed to be the consumer of such newsprint and ink and subject to the payment of sales tax.

12. "Casual sales" means:

a. Sales or the rendering, furnishing or performing of a nonrecurring nature of tangible personal property or services by the owner, If the seller, at the time of the sale, is not engaged for profit in the business of selling tangible personal property or services taxed under section 422.43.

b. The sale of all or substantially all of the tangible personal property or services held or used by a retailer in the course of the retailer's trade or business for which the retailer is required to hold a sales tax permit when the retailer sells or otherwise transfers the trade or business to another person who shall engage in a similar trade or business.

Sec. 03. Section 422.43, subsections 2 and 11, Code 1985, are amended to read as follows:

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2. There is imposed a tax of four percent upon the gross receipts derived from the operation of all forms of amusement devices and games of skill, games of chance, raffles and bingo games as defined In chapter 99B, operated or conducted within the state of Iowa, the tax to be collected from the operator In the same arnner as Is provided for the collection of taxes upon the gross receipts of tlckete or admission as provided in this section. The tax shall also be imposed upon the gross receipts derived from the sale of lottery tickets or shares pursuant to chapter 99E. The tax on the lottery tlckete or shares shall be included in the sales price and distributed to the general fund as provided in section 99E.10.

11. The following enumerated services are subject to the tax imposed on gross taxable services: Alteration and garment repair; armored car; automobile repair; battery, tire and allied; investment counseling, excluding Investment services of trurt departments; bank service charges; barber and beauty; boat repair; car wash and wax; carpentry; roof, ahlngle, and glass repair; dunce schools and dance studios; dry cleaning, pressing, dyeing, and launderlng; electrical and electronic repair and installation; rental of tangible personal property; excavating and grading; farm implement repalr of a11 kinds; flying aervlce, except agricultural aerial appllcatlon services and aerial commercial and charter transportation services; Curnlture, rug, upholstery repalr and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; house and building moving; household appliance, television, and radio repair: jewelry and watch repair; machine operator; machine repalr of all kinds; motor repalr; motorcycle, scooter, and bicycle repair; oilers and lubricators; office end business machine repalr; painting, papering, and interior decorating; parking facilities; plpe fitting and plumbing; wood preparation; licensed executive search agencies; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located

outuide of the state; sewing and stitching; shoe repair and shoeshine; storage warehousing of raw agricultural products; telephone answering service; test laboratories, except tests on humans; termite, bug, roach, and pest eradicators; tin and sheet metal repair; turklsh baths, massage, and reducing salons; weighing; welding; well drlllln; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl and vegetables; wrecking service; wrecker and toving; cable television; campgrounds; carpet and upholstery cleaning; gun and camera repalr; janitorial and building malntenancr or cleaning; lawn care, landscaping and tree trimming and removal; lobbying service; pet grooming; reflexology; security and detective services; tanning bede or salons; and water conditioning and softening. For purposes of this subsection, gross taxable services from rental Includes rents, royalties, and copyright and license fees. For purposes of this rubsectlon, "lobbying service" means the rendering, furnishing or performing, for a fee, salary or other compensation, activities which are intended or used for the purpose of encouraging the passage, defeat, or modification of legislation or for influencing the decision of the members of a legislative committee or subcommittee or the representing, for a fee, salary or other compensation, on a regular basis an organization which has as one of its purposes the encouragement of the passage, defeat or modification of legislation or the influencing of the decision of the members of a legislative committee or a subcommittee. "Lobbying service" does not include the activities of a federal, state, or local government official or employee acting vithin the course of the official's or employee's duties or a representative of the nevs media engaged only in the reporting and dissemination of news and editorials.

Sec. 84. Section 422.45, subsactlone 2, 12 and 20, Coda 1905, are amended to read a0 follows:

2 The gross receipts from the sales, furnishing or service of transportation service except the rental of

recreational vehicles, recreational boats, or motor vehicles subject to registration which are registered for a gross weight of thirteen tons or less.

12. Gross receipts from the sale of all foods for huaan consumption which are eligible for purchase with food coupons issued by the United States department of agriculture pursuant to regulations in effect on July 1, 1974, regardless of whether the retailer froa which the foods are purchased is participating in the food stamp program. However, as used in this subsection, *"foods"* does not include ~~meals prepared for immediate consumption on or off the premises of the retailer and does not include foods sold through vending machines~~ candy, candy-coated items, and other candy products; beverages, excluding tea and coffee, and all mixes and ingredients used to produce such beverages, which do not contain a primary dairy product or dairy ingredient base or which contain less than fifteen percent natural fruit or vegetable juice; foods prepared on or off the premises of the retailer which are consumed on the premises of the retailer; foods sold by caterers and hot or cold foods prepared for immediate consumption off the premises of the retailer. "Foods prepared for immediate consumption" include any food product upon vhich an act of preparation, including but not limited to, cooking, mixing, sandvich making, blending, heating or pouring, has been performed by the retailer so the food product may be immediately consumed by the purchaser.

20. The gross receipts from sales or services rendered, furnished or performed by a county or city. This exemption does not apply to the tax specifically imposed under section 422.43 on the gross receipts from the sales, furnishing or service of gas, electricity, water, heat and communication service to the public by a municipal corporation in its proprietary capacity and does not apply to fees paid to cities and counties for the privilege of participating in any athletic sports.

Sec. 85. Section 422.45, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. The gross receipts from the sale or rental, on or after July 1, 1987, of farm machinery and equipment, including replacement parts which are depreciable for state and federal income tax purposes, if the following conditions are met:

a. The farm machinery and equipment shall be directly and primarily used in production of agricultural products.

b. The farm machinery and equipment shall constitute self-propelled implements or implements customarily drawn or attached to self-propelled implements or the farm machinery or equipment is a grain dryer.

Vehicles subject to registration, as defined in section 423.1. or replacement parts for such vehicles, shall not be eligible for this exemption.

NEW SUBSECTION. The gross receipts from the sale or rental, on or after July 1, 1987 or on or after July 1, 1985, in the case of an industry which has entered into an agreement under chapter 280B prior to the sale or lease. of Industrial machinery, equipment and computers, including replacement parts which are depreciable for state and federal income tax purposes, if the following conditions are met:

a. The industrial machinery, equipment and computers shall be directly and primarily used in the manner described in section 428.20 in processing tangible personal property or in research and development of new products or processes of manufacturing, refining, purifying, combining of different materials or packing of meats to be used for the purpose of adding value to products, or in processing or storage of data or information by an insurance company, financial institution or commercial enterprise. As used in this paragraph:

(1) "Insurance company" means an insurer organized under chapters 508, 515, 518, 519, 520 or authorized to do business in Iowa as an insurer and having fifty or more persons employed in this state excluding licensed insurance agents.

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(2) "Financial institutions" means as defined in section 527.2, rubrectlon 4.

(3) "Commercial enterprise" includes businesses and manufacturers conducted for profit and includes centers Lor data processing services to Insurance companies, financial institutions, businesses and manufacturers but excludes professions and occupatlons and nonprofit organlratlons.

b. The Industrial machinery, equipment and computers must be real property vlthln the scope of section 427A.1, subsection 1, paragraphs "e" or "j", and rust be subject to taxatlon as real property.

However, the provisions of chapters 404 and 427B which result in the exemption from taxation of property *for* property tax purposes do not preclude the property from receiving this exemption if the property otherwise qualifies.

The gross receipts from the sale or rental of hand tools are not exempt. The gross recelpts from the sale or rental of pollutlon control equipment qualifying under paragraph "a" shall be exempt.

The gross receipts from the sale *or* rental of industrial machinery, equlpment, and computers, lncludlng pollution control equipment, within the scope of section 427A.1, subsection 1, paragraphs "h" and "i", shall not be exempt.

Sec. 86. Section 422.45, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. The gross receipts from the rendering, furnishing *or* performing of the following service: deslgn and installation of new industrial machinery or equlpment, Including electrical and electronkc installation.

NEW SUBSECTION. The gross receipts from the sale of wood chips *or* sawdust used in the production of agricultural livestock or foul.

NEW SUBSECTION. The gross receipts from the rendering, furnishing or performing of additional services taxed by this Act pursuant to a written services contract in effect on April 1, 1985. Thle exemption is repealed June 30, 1986.

Sec. 87. Chapter 423, division IV, Code 1985, is amended by adding the following nOW sections:

NEW SECTION. 422.47A

1. sales, services, and use taxer paid on the purchase or rental of lndustrlal machinery, equlpment and computers, including replacement part8 which are depreciable for state and federal income tax purposes, shall be refunded to the purchaser or renter provlded all of the following conditions are met:

a. The purchase or rental was made during the perlod beginning July 1, 1985 and ending June 30, 1987.

b. The tax was paid to the retailer or timely paid to the department by the user if sectlon 423.14, is applicable.

c. The claim is filed on forms provided by the department and is filed during the three months following the fiscal year in which the purchase or rental was made.

d. The lndustrlal machinery and equlpment and computers shall be directly and primarily used In the manner described In eectlon 421.20 In processing tangible personal property ok in research and development of new products ok processes of manufacturing, refining, purifying, combining of different materials or packing of meats to be used for the purpose of adding value to products, *or* In processing or storage of data or information by an Insurance company, financial lnstltution or commercial enterprise. As used in this paragraph:

(1) 'Insurance company" means an insurer organized under chapters 508, 515, 518, 519, 520 or authorized to do business In Iowa as an Insurer and having fifty or more persons employed In this state excluding licensed Insurance agents.

(2) "Financial institutions" means as defined in sectlon 521.2, subsection 4.

(3) "Commercial enterprise" Include. businesses and manufacturers conducted for profit and Includes centers for data processing services to Insurance companies, financial institutions, businesses and manufacturers but excludes professions and occupations and nonprofit organizations.

e. The Industrial machinery, equipment or any computer must be real property within the scope of section 427A.1, subsection one, paragraph "e" or "j", and must be subject to taxation as real property.

However, the provisions of chapters 404 and 427B which result in the exemption from taxation of property for property tax purposes shall not preclude the property from receiving this refund if the property otherwise qualifies.

Any tax paid on hand tools shall not be eligible for a refund. Any tax paid on pollution control equipment qualifying under paragraphs "a" through "d" of this Subsection shall be eligible for a refund. Any tax paid on industrial machinery, equipment or computers, including pollution control equipment, within the scope of section 427A.1, subsection 1, paragraphs "h" and "i", shall not be eligible for refund.

2. A claim for refund timely filed under subsection 1 shall be paid by the department within ninety days after receipt of the claim. A claimant who makes an erroneous application for refund shall be liable for payment of any refund paid plus interest at the rate in effect under section 421.7. In addition, a claimant who willfully makes a false application for refund is guilty of a simple misdemeanor and is liable for a penalty equal to fifty percent of the refund claimed. Refunds, penalties, and interest due under this section may be enforced and collected in the same manner as the tax Imposed by this division.

NEW SECTION. 422.478

1. Sales, services, and use taxes paid on the purchase or rental of farm machinery and equipment, including replacement parts which are depreciable for state and federal income tax purposes, shall be refunded to the purchaser or renter provided all of the following conditions are met:

a. The purchase or rental was made during the period beginning July 1, 1985 and ending June 30, 1987.

b. The tax was paid to the retailer or timely paid to the department by the user if section 423.14, is applicable.

c. The claim is filed on forms provided by the department and is filed during the three months following the fiscal year in which the purchase or rental was made.

d. The farm machinery and equipment shall be directly and primarily used In production of agricultural products.

e. The farm machinery and equipment shall constitute self-propelled implements or implements customarily drawn or attached to self-propelled implements or the farm machinery or equipment is a grain dryer.

Vehicles subject to registration, as defined in section 423.1, or replacement parts for such vehicles, shall not be eligible for the refund for farm machinery and equipment.

2. A claim for refund timely filed under subsection 1 shall be paid by the department within ninety days after receipt. of the claim. A claimant who makes an erroneous application for refund shall be liable for payment of any refund paid plus interest at the rate in effect under section 421.7. In addltlon, a claimant who willfully makes a false appllcation for refund is guilty of a simple misdemeanor and is liable for a penalty equal to fifty percent of the refund claimed. Refunds, penalties, and interest due under this section may be enforced and collected in the same manner as the tax imposed by this division.

Sec. 88. Section 422.69, Code 1985, is amended by adding the following new subsection;

NEW SUBSECTION. 3. Of the taxes, Interests and penalties collected under division IV which are credited to the general fund, an amount equal to the amount estimated by the department, adjusted as the department deems necessary, shall be set aside lnto a separate "machinery and equipment refund account" to be used to pay the refunds entitled to under sections 422.47A and 422.47B. The moneys in this separate account shall not be considered part of the state general fund for purposes of the Iowa economic emergency fund under section 8.55. This subsection is repealed April 1, 1988.

Sec. 89. NEW SECTION. 4228.1 AUTHORIZATION -- ELECTION -- IMPOSITION AND REPEAL.

1. A clty or a county may impose by ordinance of the city council or the board of supervisors local option taxes authorized by sections 4228.1 through 4228.11, subject to this section.

2. A local option tax shall be imposed only after an election at which a majority of those voting on the question favors imposition and shall then be imposed until repealed as provided in subsection 7, paragraph "a". If the tax is a local earnings tax imposed by a clty, it shall only apply within the corporate boundaries of that clty and it imposed by a county, It shall only apply to unincorporated areas of that county. If the tax is a local vehicle tax imposed by a county, it shall apply to a11 Incorporated and unincorporated areas of the county. If the tax is a local males and services tax imposed by a county, it shall only apply to those incorporated areas and the unlncorporated area of that county in which a majority of those voting in the ares on the tax favor its imposition. For purposes of the local sales and services tax, a11 cities contiguous to each other shall be treated as part of one Incorporated area and the tax would be imposed in each of those contlguous cities only if the majority of those votlng in the total area covered by the contiguous cities favor its imposition.

3. Upon its own motion or upon receipt of a petition signed by eligible electors of the clty equal In number to five percent of the persons of the city who voted in the last preceding state general election requeotlng imposition of a local earnings tax, the clty council shall direct wlthln thirty days of its motion or. receipt of the petition the county commissioner of elections to submit the queatlon of the imposition to the qualified electors of the city.

4. Upon its own motion or upon receipt of a petition signed by eligible electors of the unlncorporated area of the county equal in number to five percent of tho persons of the

unincorporated area of thr county who voted at the last preceding state general election requestlng imposition of a local earnings tax, the county board of supervisors shall direct within thirty days of its motion or receipt of the petition the county commissioner of elections to submit the question of the imposition to the qualified electors of the unincorporated area of the county.

5. a. A county board of supervisors shall direct within thirty days the county commissioner of elections to submit the question of imposition of a local vehicle tax or a local sales and services tax to the qualified electors of the incorporated and unincorporated areas of the county upon receipt of a petition, requesting imposition of a local vehicle tax or a local sales and services tax, signed by eligible electors of the whole county equal In number to five percent of the persons in the whole county who voted at the last preceding state general election. In the case of a local vehicle tax, the petition requesting imposition ahall specify the rate of tax and the classes, If any, that are to be exempt. If more than one valid petition is received, the earliest received petition shall be used.

b. The question of the imposition of a local sales and services tax ahall be subaitted to tho qualified electors of the incorporated and unincorporated areas of the county upon receipt by the county commissioner of elections of the motion or motions, requesting such submission, adopted by the governlng body or bodies of the city or cities located wlthln the county or of the county, for the unlncorporated areas of the county, representing at least one half of the population of the county. Upon adoptlon of such motion, the governing body of the city or county, for the unincorporated areas, shall submit the motion to the county commissioner of elections and in the case of the governing body of the city ahall notify the board of supervisors of the adoption of the motion. The county commissioner of elections shall keep a file on ell the motions received and, upon reaching the

population requirements, shall publish notice of the ballot proposition concerning the imposition of the local sales and services tax. A motion ceases to be valid at the time of the holding of the regular election Lor the election of members of the governing body which adopted the motion. The county commissioner Of elections shall eliminate from the file any motion that ceases to be valid. The manner provided under this paragraph for the submission of the question of imposition of a local sales and services tax is an alternative to the manner provided in paragraph "a".

6. The county commissioner of elections shall submit the question of imposition of a local option tax at a state general election or at a special election held at the time of a city regular election in the case of a tax imposed by a county or at a state general election or city regular election in the case of a tax imposed by a city which may not be held sooner than sixty days after publication of notice of the ballot proposition. The ballot proposition shall specify the type and rate of tax and in the case of a vehicle tax the classes that will be exempt and in the case of a local sales and services tax the date it will be imposed. The ballot proposition shall also specify the approximate amount of local option tax revenues that will be used for property tax relief and shall contain a statement as to the specific purpose or purposes Lor which the revenues shall otherwise be expended. The rate of a local earnings tax shall be in increments of one percent but not in excess of four percent as set by the governing body of the city or county seeking to impose the tax. The rate of the vehicle tax shall be in increments of one dollar per vehicle as set by the petition seeking to impose the tax, The rate of a local sales and services tax shall not be more than one percent as set by the governing body. The state commissioner of elections shall establish by rule the Lorm for the ballot proposition which form shall be uniform throughout the state,

7. a. If a majority of those voting on the question of imposition of a local option tax favor imposition of a local option tax, the governing body of that city or that county, as applicable, shall impose the tax at the rate specified for an unliaited period. However, in the case of a local sales and services tax, the county shall not impose the tax in any incorporated area or the unincorporated area if the majority of those voting on the tax in that area did not favor its imposition. For purposes of the local sales and services tax, all cities contiguous to each other'shall be treated as part of one incorporated area and the tax would be imposed in each of those contiguous cities only if the majority of those voting in the total area covered by the contiguous cities favor its imposition. The local option tax may be repealed or the rate increased or decreased only after an election at which a majority of those voting on the question of repeal or rate change favor the repeal or rate change. The election at which the question of repeal or rate change is offered shall be called and held in the same manner and under the same conditions as provided in subsections 3, 4, 5, and 6 for the election on the imposition of the local option tax. However, in the case of a local sales and services tax where the tax has not been imposed countywide, the question of repeal or Imposition shall be voted on only by the qualified electors of the areas of the county where the tax has been imposed or has not been imposed, as appropriate.

b. Within ten days of the election at which a majority of those voting on the question favors the imposition, repeal, or change in the rate of a local option tax, the governing body shall give written notice to the director of revenue or, in the case of a local vehicle tax, to the director of the department of transportation, of the result of the election.

8. More than one of the authorized local option taxes may be submitted at a single election and the different taxes shall be separately Implemented as provided in this section.

9. Local optlon taxer authorized to be imposed as provided in sections 4228.1 through 1228.11 are a local earnings tax, a local sales and services tax, and a local vehicle tax. The rate of the taxes rhall be up to four percent in increments of one percent for the earnings tax, and in increments of one dollar per vehicle for a vehicle tax all as set by the governing body of the city or county seeking to impose the earnings tax or as set on the petition seeking to impose the vehicle tax. The rate of a local sales and services tax shall not be more than one percent as set by the governing body.

Sec. 90. NEW SECTION. 4226.2 LOCAL VEHICLE TAX.

An annual local vehicle tax at the rate per vehicle specified on the ballot proposition may be imposed by a county on every vehicle which is required to be registered by the state and is registered with the county treasurer to a person residing within the county where the tax Is imposed at the time of the renewal of the registration of tho vehicle. The local vehicle tax shall be imposed only on the renewals of registrations and shall be payable during the registration renewal periods provided under section 321.40.

The county imposing the tax shall provide for the exemptio of each class, if any, of vehicles for which an exemption was listed on the ballot proposition.

For the purpose of the tax authorized by this section, "person" and "registration year" mean the saae as defined in section 311.1, "vehicle" means motor vehicle as defined in section 321.1 which is subject to registration under section 321.18, and which is registered with the county treasurer.

Sec. 91. NEW SECTION. 4218.3 ADMINISTRATION.

A local vehicle tax or change in the rate shall be imposed January 1 immediately following a favorable election for registration years beginning on or after that date and the repeal of the tax shall be as of December 31 tollowing a favorable election for registration years beginning after that date.

Local officials rhall confer with the director of the department of transportation lor assistance in drdfting the ordinance imposing a local vehicle tax. A certified copy of the ordinance shall be filed with the director as soon as possible after passage. The director shall inform the appropriate county treasurers and provide aaslstance to then for the collection of all local vehicle taxes and any penalties, crediting local vehicle tax receipts excluding penalties to a "local vehicle tax fund" established in the office of the county treasurer. From the local vehicle tax fund, the treasurer shall remit monthly, by direct deposit in the same manner as provided in section 304.11, to each city in the county the amount collected from residents of the city durlng the preceding calendar month and to the county the amount collected from the residents of the unincorporated area during the preceding calendar month. Moneys received by a city or county from this fund shall be credited to the general fund of the city or county to be used solely for public transit or shall be credited to the street construction fund of that city or the racondary road fund of that county to be used for the purposes specified in section 312.6. Any penalties collected shall be credited to the county general fund to be used to defray the cost to the county of administering tho local vehicle tax.

Sec. 92. NEW SECTION. 4228.4 PAYMENT.

Taxpayers shall pay a local vehicle tax to the county treasurer at the tire of application for the renewal of the registration of the vehicle under chapter 321 €or the reglstratlon year. The county treasurer shall require a person applying €or the renewal of the reglstratlon of a vehicle to state the person's residence and shall not renew a registratdon certificate of • vehicle on which a local vehicle tax is due untll the locdl vehlcle tax is paid.

Payment of a local vehicle tax rhall be evidenced by a notation on the state registration certificate. The director of the department of transportation rhall prescribe by rule

the type of notation. A local vehicle tax shall not be refunded even when state registration fees are refunded.

Penalties for late payment which are comparable to tne penalties for late payment of state registration fees rhall be imposed by the ordinance imposing a local vehicle tax. Willful violation of a local vehicle tax ordinance is a simple misdemeanor.

Sec. 93. NEW SECTION. 422B.5 LOCAL EARNINGS TAX.

1. A city or county may impose an annual earnings tax at the rate on the ballot proposition on the adjusted gross income from wages, salaries, commissions, and other compensation specified in paragraph "a" received or earned by resident and nonresident individuals, except individuals who are state or county employees:

a. Adjusted gross income from vages, salaries, commissions, and other compensation of resident and nonresident individuals, except individuals who are state or county employees, derived from work performed or services rendered within the city or unincorporated area of the county imposing the tax.

2. Pot purposes of the local earnings tax "resident individual" means an individual taxpayer whose principal place of residence at the end of the taxpayer's tax year is located in the city or unincorporated area of the county where the tax is imposed, "nonresident individual' means an individual who is not a resident Individual and "adjusted gross income from wages, salaries, commissions, and other compensation* means the gross income from such compensation less those deductions allowable for state and federal tax purposes which are attributable to the earning of such compensation. The department of revenue shall adopt rules for determining the adjusted gross income of such compensation. If the compensation received for vork performed or services rendered is for vork performed or services rendered both within and without the area where the tax is imposed, the amount of compensation of an individual derived from work performed or

services rendered that is subject to the local earnings tax shall be reasonably apportioned to the city or unincorporated area of the county, as applicable, by means of rules adopted by the department of revenue. The department shall also provide rules for allocation of other types of income on which the earnings tax is imposed.

3. Returns for the local earnings tax shall be in the form as the director of revenue may prescribe, and shall be filed with the department on or before the last day of the fourth month after the expiration of the tax year. All local earnings tax returns ahall cover a calendar year. Each taxpayer required to file a return shall show on the return the city of residence on the last day of the tax year, if applicable, and shall show the county of residence on the last day of the tax year.

4. a. Every withholding agent and every employer as defined in chapter 422 and further defined in the Internal Revenue Code of 1954 as defined in chapter 422, with respect to income tax collected at source, making payment of wages to either a resident employee or employees, or a nonresident employee or employees, working in the city or unincorporated area of the county, ahall deduct and withhold from the wages an amount which will approximate the employees' annual tax liability on a calendar year basis, calculated on tables provided by the department of revenue.

b. A withholding agent required to deduct and withhold tax under paragraph "a" shall deposit for each calendar quarterly period, on or before the last day of the month following the close of the quarterly period, on forms prescribed by the director, the tax required to be withheld under paragraph "a".

5. Every resident and nonresident of the city or county Imposing a local earnings tax shall make and sign a return if the individual ha8 income of five hundred dollars or more which is subject to the earnings tax.

Sec. 94. NEW SECTION. 4228.6 ADUINISTRATION.

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A local earnings tax or change In the rate shall be Imposed January 1 following the favorable election for tax years beginning on or after January 1 and repeal of the tax shall be as of December 31 following the favorable election for tax yearr beglnnlng after December 31.

Tho director of revenue shall administer the provlslons of a local earnings tax as nearly as possible in conjunction with the admlnistratlon of state income tax laws. The dlrector shall provlde appropriate forms, or provide on the regular etate tax forms, for reporting local earnlngs tax.

An ordlnance imposing a local earnings tax shall adopt by reference the applicable provisions of the appropriate sections of chapter 422, division II. All powers and requirements of the director In administering the state income tax law apply to the administration of a local earnlngs tax, including but not limited to, the provisions of sections 422.4, 422.16, 422.20, 422.21, 422.22 to 422.31, 422.60. and 412.71 to 412.75. Local officials shall confer with the dlrector of revenue and obtain the director's assistance In drafting the ordlnance imposing a local earnings tax. A certified copy of the ordlnance shall be filed with the dlrector as soon as possible after passage.

The dlrector, in consultation with local officials, shall collect and account for a local earnlngs tax and any Interest and penalties. The dlrector shall credit local earnlngs tax receipts and any Interest and penalties collected from returns filed on or before November 1 of the calendar year following the tax year for which the local earnlngs tax Is imposed to a "local earnings tax fund" established In the office of the treasurer of state. A11 local earnings tax receipts and any Interest and penalties received or refunded from returns filed after November 1 of tho calendar year following the tax year for which the local earnlngs tax Is Imposed shall be deposited In or withdrawn from the state general fund and shall be considered part of the coct of administering the local earnlngs tar.

Sec. 95. NEW SECTION. 422B.7 PAYMENT TO LOCAL GOVERNMENT -- USE OP RECEIPTS.

1. On or before January 15, the dlrector of revenue shall make an accounting of the local errnlngs tax receipts and any Interest and penalties collected from returns filed on or before November 1 of the preceding year and shall certify to the treasurer of state this amount collected. The treasurer of state shall remit within fifteen days of the certification by the director of revenue to each city an3 county which has laposed a local earnings tax the amount in the local earnings tax fund collected as a result of Its tax.

2. Local earnings tax moneys received by a city or county may be expended for any lawful purpose of the clty or county which laposed the tax.

Sec. 96. NEW SECTION, 4220.8 LOCAL SALES AND SERVICES TAX.

A local sales and servlces tax at the rate of not w r e than one percent may be Imposed by a county on the gross receipts taxed by the state under chapter 412, division IV. A local sales and servlces tax shall be imposed on the same basis as the state sales and services tax and may not be Imposed on the sale of any property or on any service not taxed by the state. However, notwithstanding that the gross receipts from the sale or rental of the tangible personal property described In section 85 of this Act are taxable during the period beginning July 1, 1985 and ending June 30, 1987, a local sales and services tax shall not be Imposed on the sale or rental of such property. A local sales and services tax is applicable Lo transactions within those Incorporated and unincorporated areas of the county where It is laposed and shall be collected by a11 persons required to collect state gross receipts taxes. A11 cities contlguous to each other shall be treated as part of one Incorporated area and the tar would be laposed in each of those contiguous cities only if the majority of those voting in the total area covered by the contiguous cities Cavor Its imposition.

The amount of the sale, for purposes of determining the amount of the local sales and services tax, does not include the amount of any state gross receipts taxes.

A tax permit other than the state tax permit required under section 422.53 shall not be required by local authorities.

Sec. 97. NEW SECTION. 422B.9 ADMINISTRATION.

A local sales and services tax shall be imposed either January 1, April 1, July 1 or October 1 following the notification of the director of revenue.

A local sales and services tax shall be repealed only on March 31, June 30, September 30, or December 31. At least forty days before the imposition or repeal of the tax, a county shall provide notice of the action by certified mail to the director of revenue.

The director of revenue shall administer a local sales and services tax as nearly as possible in conjunction with the administration of state gross receipts tax laws. The director shall provide appropriate forms or provide on the regular state tax forms for reporting local sales and services tax liability.

The ordinance of a county board of supervisors imposing a local sales and services tax shall adopt by reference the applicable provisions of the appropriate sections of chapter 422, division IV. All powers and requirements of the director to administer the state gross receipts tax law are applicable to the administration of a local sales and services tax law, including but not limited to, the provisions of sections 422.25, subsection 4, 422.30, 422.48 to 422.52, 422.54 to 422.58, 422.67, 422.68, 422.69, subsection 1, and 422.70 to 422.75. Local officials shall confer with the director of revenue for assistance in drafting the ordinance imposing a local sales and services tax. A certified copy of the ordinance shall be filed with the director as soon as possible after passage.

The director, in consultation with local officials, shall collect and account for a local sales and services tax. The

director shall certify each quarter the amount of local sales and services tar receipts and any interest and penalties to be credited to the "local sales and services tax fund" established in the office of the treasurer of state.

All local tax moneys and interest and penalties received or refunded one hundred eighty days or more after the date on which the county repeals its local sales and services tax shall be deposited in or withdrawn from the state general fund.

Sec. 98. NEW SECTION. 422B.10 PAYMENT TO LOCAL GOVERNMENTS.

1. The treasurer of state shall credit the local sales and services tax receipts and interest and penalties from a county to the county's account in the local sales and services tax fund.

2. The treasurer of state, pursuant to rules of the directnr of revenue, shall remit at least quarterly to the board of supervisors, if the tax was imposed in the unincorporated areas, and each city where the tax was imposed its share of the county's account in the local sales and services tax fund as computed under subsections 3 and 4.

3. Seventy-five percent of each county's account shall be remitted on the basis of the county's population residing in the unincorporated area where the tax was imposed and thoee incorporated areas where the tax was imposed as follows:

a. To the board of supervisors a pro rata share based upon the percentage of the above population of the county residing in the unincorporated area of the county where the tax was imposed according to the most recent certified federal census.

b. To each city in the county where the tax was imposed a pro rata share based upon the percentage of the city's population residing in the county to the above population of the county according to the aost recent certified federal census.

4. Twenty-five percent of each county's account shall be remitted based on the sum of property tax dollars levied by

the board of mupervisors if the taw was imposed In the unincorporated areas and each city In the county where the taw was Imposed during the three-year period beginning July 1, 1982 and ending June 30, 1985 as follows:

a. To the board of supervisors a pro rata share based upon the percentage of the total property tax dollars levied by the board of mupervisors during the above three-year period.

b. To each city council where the tax was Imposed a pro rata share based upon the percentage of property tax dollars levled by the city during the above three-year period of the above total property tax dollars levled by the board of supervisors and each city where the tax was imposed during the above three-year period.

5. Local sales and services tax moneys received by a clty or county may be expended for any lawful purpose of the clty or county.

Sec. 99. NEW SECTION. 422B.11 ADDITIONAL REAL PROPERTY TAX.

An addltlonal real property tax ray be Imposed by a city or county on a11 taxable property located within the Incorporated area of the city or the unincorporated area of the county, as applicable. The additional real property tax shall be imposed for the tax year in which the favorable election was held to be paid during the fiscal year beginning July 1 following the favorable election and the tax shall be continued for each mubrequent tax year until repealed. The rate of the tax shall be the rate specified on the ballot proposition.

Sec. 100. Section 78.4, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 8. The state shall retrain for a job of comparable value, without effecting further layoffs, any state employee displaced as a result of either the private uholesale or retail sale of wine.

Sec. 101. Section 423.1, subsection 1, unnumbered paragraph 2, Code 1985, is amended by striking the paragraph.

Sec. 102. Section 427.1, subsection 33, unnumbered paragraphs 1 and 2, Code 1985, are amended to read a0 follows:

Pollution-control property as defined in this subsection shall be exempt from taxation ~~for the periods and~~ to the extent provided In this subsection, upon compliance with the provisions of this subsection.

This exemption shall apply to new installations of pollution-control property ~~for a period of ten years~~ beginning on January A after the construction or installation of the property is completed. This exemption shall apply ~~for a period of ten years~~ beginning on January 1, 1975, to existing pollution-control property if its construction or Installation was completed after September 23, 1970.' ~~This exemption shall apply with respect to each of the ten annual assessments within the ten year exemption period and the property taxes payable on the basis of each of such ten annual assessments. This exemption for existing pollution control property shall begin with respect to the assessment as of January 1, 1975, and the taxes payable on the basis of this assessment during the fiscal year beginning July 1, 1976.~~

Sec. 103. section 427A.1, subsection I, paragraph j, subparagraph (1), Code 1985, is amended to read a8 follows:

(1) COMPUTERS. As used in this paragraph, "computer" means stored program processing equipment and a11 devices fastened to the computer by means of signal cables or communication media that serve the function of signal cables, but does not Include point of sales equipment.

Sec. 104. Section 427A.9, unnumbered paragraphs 2 and 3, Code 1985, are amended to read as follows:

The amount of the additional personal property tax credit shall be a fixed amount for each tax year. The amount of the additional personal property tax credit shall be Increased for the extended tax year beginning January 1, 1974, and ending June 30, 1975, and shall be Increased for each tax year immediately following a tax year in which the growth of state general fund revenues, adjusted for changes in rate or basis,

exceeds five and one-half percent, except that the amount of the additional personal property tax credit for taxes payable in each year of the fiscal period beginning July 1, 1977 and ending June 30, 1979 shall not exceed the amount of the additional personal property tax credit allowed for taxes payable in the fiscal year beginning July 1, 1976 and ending June 30, 1977, and the amount of the additional personal property tax credit for taxes payable in the fiscal year beginning July 1, 1980 and ending June 30, 1981 shall not exceed the amount of the additional personal property tax credit allowed for taxes payable in the fiscal year beginning July 1, 1979 and ending June 30, 1980, and the amount of the additional personal property tax credit for taxes payable in the fiscal year beginning July 1, 1986 and ending June 30, 1987 shall not exceed the amount of the additional personal property tax credit allowed for taxes payable in the fiscal year beginning July 1, 1985 and ending June 30, 1986. An Increase in the additional personal property tax credit, once granted, shall continue for each succeeding tax year. For the purposes of this chapter the state comptroller may estimate the state percent of growth if necessary to avoid delay in the collection of taxes. After-nine-saeh-increases-have-been made,-all All taxes on personal property shall be repealed as provided in the following section. The director of revenue and the state comptroller, jointly, shall determine the amount of the credit for each such tax year. Such amount shall be the maximum amount, rounded to the nearest ten dollars, which will permit complete funding of the replacement obligation under this division, including the replacement obligation for the tax credit granted pursuant to sections 427A.1 to 427A.5, out of the appropriation provided in this chapter.

Notwithstanding the provisions of this section which require an increase in general fund revenues in excess of five and one-half percent, sdjusted for changes In rate or basis. to increase the personal property tax credit, the amount of the personal property tax credit, to be allowed for taxes

payable in the fiscal year beginning July I, 1982 and ending June 30, 1983 and in the fiscal Year beginning July 1, 1985 and ending June 30, 1986 shall be increased as provided in this section.

Sec. 105. Section 427A.10, Code 1985, is amended to read as follows:

427A.10 PHASE OUT OF TAX.

Effective on July 1 after-the-tax-year-in-which-the-ninth increase-in-the-additional-personal-property-tax-credit becomes-effective, 1987, all taxes on personal property as defined in Section 427A.1 are repealed. For assessment years beginning on or after January 1, 1986 personal property shall not thereafter be listed or assessed. This section shall prevail over all inconsistent statutes.

Sec. 106. Section 427A.12, subsection 6, Code 1985, is amended to read as follovs:

6. For each state fiscal year beginning on or after the year-in-which-the-ninth-increase-in-the-additional-personal property-tax-credit-under-this-division-becomes-effective July 1, 1987, each taxing district shall be reimbursed from the personal property tax replacement fund in an amount equal to its personal property tax replacement base.

Sec. 107. Section 427A.13, Code 1985, is amended to read as follows:

427A.13 APPROPRIATION.

There is hereby appropriated from the general fund of the state of-Iowa to the personal property tax replacement fund the following suns, or so much thereof as may be necessary, to carry out the provisions of this chapter as amended by this division. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, there is appropriated the sum of thirty-one million nine hundred thousand dollars. For the fiscal year beginning July 1, 1974, and endlng June 30, 1975, and each succeeding fiscal year, there is appropriated the sum of thirty-five million seven hundred thousand dollars. For each year of the fiscal period beginning July 1, 1977 and ending

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June 10, 1979 the total approprlatlon shall be thirty-eight million six hundred thousand dollars. For the fiscal year beginning July 1, 1913 and endlng June 30, 1984, the total appropriatlon shall be forty-six million two hundred thousand dollars. For the fiscal year beglnnlng July 1, 1984 and endlng June 30, 1985. the total appropriatlon ahall be twenty-three million one hundred thousand dollars. For the fiscal year beginning July 1, 1985 and endlng June 30, 1986, and each succeedlng flscal year, the total appropriation ahall be an amount equal to the amount paid on May 15 of tne preceding fiscal year plus one-half of the amount needed to Cund the additional personal property tax credit payable in that fiscal year. In each fiscal year for whlch an Increase in the additional personal property tax credit becomes effective as provlded In thla divlrlon, the approprlatlon under this section shall be increased by three million eight hundred thousand dollars, and such this increased approprlatlon shall continue for each succeedlng fiscal year. For the flscal year for-which-the-ninth-increase-in-the-additional-personal property-tax-credit-becomes-effective-as-provided-in-this division beglnnlng July 1, 1987 the total appropriation shall be fifty-nine million dollars. For the flscal year beginning July 1, 1988, and for each succeedlng flscal year, the total appropriation shall be sixty-eight million dollars per year.

Sec. 108. Section 4278.10, unnumberad paragraph 1, Code 1985, is amended to read as follows:

For property defined in rectlon 427A.1, subsection 1, paragraphs "e" and "j" acqulred or initially leased after Deceaber 31, 1981 and on or before January 1, 1985, the taxpayer'. valuation shall be limited to thirty percent of the net acquisition cost of the property. For purposes of this aectlon, "net acquisition cost" means the acqulred cost of the property including all foundations and installation cost less any excess cost adjustment.

Sec. 109. Chapter 427B, Code 1985, is amended by adding as a new division the following new aectlon:

NEW SECTION. PROPERTY SUBJECT TO SPECIAL VALUATION.

For property defined in section 427A.1, subsection 1, paragraphs "e" and "j" acqulred or initially leased after January 1, 1985 the taxpayer's valuation rhall be limited to thirty percent of the net acquisition cost of the property. For purposes of thla aectlon, "net acquisition cost" means the acqulred cost of the property including all foundations and installation cost less any excess coat adjustment.

For purposes of thla aectlon:

1. Property assessed by the department of revenue pursuant to sections 421.24 to 421.19. or chapter8 433, 434 and 436 to 438 shall not receive the benefits of this section.

2. Property acqulred on or before January 1, 1985 which was owned or used on or before January 1, 1985 by a related person shall not receive the benefits of thls section.

3. Property acqulred after January 1, 1985 whlch was owned and used by a related person ahall not receive any additional benefits under thls sectlon.

4. Property whlch was owned or used on or before January 1, 1985 and subsequently acqulred by an exchange of like property shall not recelve the benefits of thla section.

5. Property uhlch war acqulred after January 1 1985 and subsequently exchanged for like property ahall not recelve any addltlonal benefits under thla sectlon.

6. Property acqulred on or before January 1, 1985 whlch is aubaequently leased to a taxpayer or related peraon uho previously owned the property ahall not recelve the benefits of this rectlon.

7. Property acquired after January 1, 1985 uhlch is aubsequently leased to a taxpayer or related peraon who previously owned the property shall not receive any additional benefits under thla aectlon.

For purposes of thla aectlon, "related person' means a peraon who owns or control. the taxpayer's business and another business entity from whlch property is acqulred or leased or to whlch property is sold or leased. Business entities are owned or controlled by the same person if the

same parson directly or indirectly owns or controls fifty percent or more of the assets or any class of stock or who directly or indirectly has an interest of fifty percent or more in the ownership or profits.

Property assessed pursuant to this section shall not be eligible to receive a partial exemption under sections 427B.1 to 427B.6.

Sec. 110. Section 442.7, subsection 1, paragraph a, Code 1985, is amended by adding the following unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, for computing the state percent of growth to be used for the school year beginning July 1, 1987, the revenues received as a result of the increase in taxes in this Act or as a result of the inclusion of additional items subject to tax in this Act shall not be considered revenues received for the state general fund for purposes of determining the percentages under subparagraph (1) or (2).

Sec. 111. Section 455C.1, subsection 1, Code 1985, is amended to read as follows:

1. "Beverage" means wine as defined in section 123.3, subsection 7, alcoholic liquor as defined in section 123.3, subsection 0, beer as defined in section 123.3, Subsection 9, mineral water, soda water and similar carbonated soft drinks in liquid form and Intended for human consumption.

Sec. 112. Section 455C.4, Code 1985, is amended by adding the following new Subsection:

NEW SUBSECTION. 3. A dealer, other than a state liquor store, or a distributor may refuse to accept and to pay the refund value of an empty wine container which is marked to Indicate that it was sold by a state liquor store. A state liquor store may refuse to accept and to pay the refund value of an empty wine container which is not marked to indicate that it was sold by a state liquor store.

Sec. 113. Section 455C.5, subsection 1, Code 1985, is amended to read as follows:

1. Each beverage container sold or offered for sale in this state by a dealer shall clearly Indicate by embossing or by a stamp. label or other method securely affixed to the container, the refund value of the container. The department shall specify, by rule, the minimum size of the refund value indication on the beverage containers. Each beverage container containing wine which is sold or offered for sale in a state liquor store shall also be marked by embossing or by stamp, label, or other method securely affixed to the container to indicate that it was sold in a state liquor store.

Sec. 114. Section 99E.10, subsection 1, unnumbered paragraph 1, 1985 Acts, House File 225, sectlon 110, if division I of House File 225 becomes law is amended to read as follovn:

1. Upon receipt of any revenue, the commissioner shall deposit the moneys in the lottery fund created pursuant to section 99E.20. As nearly as is practicable, forty-five fifty percent of the projected annual revenue, after deduction of the amount of the sales tax, computed on a year-round average basis for each type of lottery game accruing from the sale of tickets or shares is appropriated for payment of prizes to the holders of winning tickets. After the payment of prizes, all of the following shall be deducted from lottery revenue prior to disbursement:

Sec. 115. Sectlon 99E.10, subsection 1, 1985 Acts, House File 225, section 110, if division I of House File 225 becomes law is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. An amount equal to four percent of the gross sales price of each ticket or share sold shall be deducted as the sales tax on the sale of that ticket or share, remitted to the treasurer of state and deposited into the state general fund.

Sec. 116. Section 422.45, subsection 22, 1985 Acts, House File 225, section 122, If division I of House File 225 becomes law is amended by striking the nubsection.

Sec. 117. NEW SECTION. 99A.10 MANUFACTURE OF ELECTRONIC GAMBLING DEVICES PERMITTED.

A person may manufacture electronic or computerized gambling devices. This chapter does not prohibit such manufacturing activities.

Sec. 110. Section 725.9, Code 1985, is aaended by adding the following new subsection:

NEW SUBSECTION. 5. This chapter does not prohibit the manufacture of electronic or computerized gambling devices.

Sec. 119.

1. All persons required to be licensed under eection 98.13 as distributors having In their possession prior to delivery for resale as of the close of business on September 30, 1985 cigarettes *or* little cigars upon which the tax under section 90.6 or 90.43 has been paid, unused cigarette tax stamps which have bocn paid for under section 98.8, or unused metered imprints which have been paid for under section 98.12 shall be subject to an inventory tax on such items as provided in this sootion.

2. Persons mubject to the inventory tax imposed under this section shall take an inventory as of the close of business on September 30, 1985 of those items subject to the lnventory tax lor the purpose of determining the tax due. These persons shall report the tax on Corms provldrd by the department of revenue and remit the tax due with tho forms by October 31, 1985. The department of revenue shall adopt rules as are necessary to carry out this meotlon.

3. The rate of the lnventory tax on each item subject to tho tax as specified in subsection 1 is equal to the difference between the amount paid on each item under section 91.6, 98.8, 98.12, or 98.43 prior to October 1, 1985 and the amount that is to be pald on each similar item under section 98.6, 98.8, 98.12, or 90.43 on or after October I, 1985 except that in computing the rate of the Inventory tax rny discount allowed or allowable under rectlon 98.8 shall not be considered.

Sec. 120. Notwithstanding any provision of section 98.8 or of other provisions of chapter 98, during the period beginning October 1, 1985 and ondlng November 15, 1985, a holder of a state distributor's permit issued under chapter 98 may at the permit holder's option purchase cigarette tax stamps on credit for a period of Corty-five days following such purohase. At the end *of* the forty-five day period the permit holder shall remit tho amount due. As a condition lor this credit-purchase, the purchase must be made from the department of revenue office In Des Mines, and tho permit holder shall provide, at the time of such purchase, a bond to the departrent of revenue to insure the payment of the face value *of* the tax stamps at the end of the forty-five day period. A permit holder Is entitled to make only one oredlt purchase under this section.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 395, Seventy-first General Assembly.

a. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 409

AN ACT

RELATING TO LEGISLATIVE AGENCIES UNDER THE DIRECTION AND CONTROL OF THE LEGISLATIVE COUNCIL BY CREATING A COMPUTER SUPPORT BUREAU, BY PROVIDING BUDGETING PROCEDURES FOR STATUTORY LEGISLATIVE AGENCIES, MAKING STANDING APPROPRIATIONS AND MAKING THE ACT EFFECTIVE UPON PUBLICATION.

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

Section 1. Section 2.12, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. There is appropriated out of any funds in the state treasury not otherwise appropriated such sums as may be necessary for the fiscal year budgets of the legislative service bureau, the legislative fiscal bureau, the citizens' aide office and the computer support bureau for salaries, support, maintenance, and miscellaneous purposes to carry out their statutory responsibilities. The legislative service bureau, the legislative fiscal bureau, the citizens' aide office and the computer support bureau shall submit their proposed budgets to the legislative council not later than September 1 of each year. The legislative council shall review and approve the proposed budgets not later than December 1 of each year. The budget approved by the legislative council for each of its statutory legislative agencies shall be transmitted by the legislative council to the state comptroller on or before December 1 of each year for the fiscal year beginning July 1 of the following year. The state comptroller shall submit the approved budgets received from the legislative council to the governor for inclusion in the governor's proposed budget for the succeeding fiscal year. The approved budgets shall also be submitted to the chairpersons of the committees on appropriations. The

committees on appropriations may allocate from the funds appropriated by this section the funds contained in the approved budgets, or such other amounts as specified, pursuant to a concurrent resolution to be approved by both houses of the general assembly. The state comptroller shall issue warrants for salaries, support, maintenance, and miscellaneous purposes upon requisition by the administrative head of each statutory legislative agency. If the legislative council elects to change the approved budget for a legislative agency prior to July 1, the legislative council shall transmit the amount of the budget revision to the state comptroller prior to July 1 of the fiscal year, however, if the general assembly approved the budget it cannot be changed except pursuant to a concurrent resolution approved by the general assembly.

Sec. 2. Section 2.42, subsection 14, Code 1985, is amended to read as follows:

14. To hear and act upon appeals of aggrieved employees of the legislative service bureau, legislative fiscal bureau, computer support bureau, and the office of the citizens' aide pursuant to such rules of procedure as maybe established by the council.

Sec. 3. Section 2.42, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 17. To establish policies for the operation of the computer support bureau.

NEW SUBSECTION. 18. To appoint the director of the computer support bureau for a term of office set by the council.

Sec. 4. Section 2.55, Code 1985, is amended by striking subsection 4.

Sec. 5. NEW SECTION. 2.100 COMPUTER SUPPORT BUREAU.

A computer support bureau is established under the direction and control of the legislative council. The administrative head of the computer support bureau is the director of the bureau. The computer support bureau shall

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serve the general assembly and the legislative council. The computer support bureau shall also provide services and support for the computer systems used by the legislative staff, the legislative service bureau, the public information office, the Code editor's office, the office of the citizens' aide and the legislative fiscal bureau.

Sec. 6. NEW SECTION. 2.101 DIRECTOR.

The director of the computer support bureau shall serve on a full-time basis, and shall:

1. Employ and supervise all employees of the computer support bureau in positions and at salaries authorized by the legislative council.

2. Supervise all expenditures of the computer support bureau with the approval of the legislative council.

3. Advise the legislative council on matters relating to computer services and computer needs and uses of the legislative computer system.

4' Cooperate with legislative agencies under the control of the legislative council and the secretary of the senate and the chief clerk of the house in developing and maintaining computer services required by the legislative council and the general assembly.

Sec. 7. NEW SECTION. 2.102 DIRECTOR -- SALARY.

The salary of the director of the computer support bureau shall be set by the legislative council.

Sec. 8. NEW SECTION. 2.103 POWERS AND DUTIES.

The computer support bureau is responsible for the operation and maintenance of the legislative computer system. The bureau shall also advise the legislative council and legislative agencies under its control on uses and expanded capabilities of the legislative computer system.

Sec. 9. NEW SECTION. 2.104 BUDGET.

Expenses of Lhe computer support bureau shall be paid upon approval of the director of Lhe bureau. The budget of Lhe computer support bureau for each Ciscal year shall be prepared by the director and submitted to the legislative council.

Sec. 10. Notwithstanding section 1 of this Act, for the fiscal year beginning July 1, 1985 and ending June 30, 1986, there is appropriated out of any funds in the state treasury not otherwise appropriated such sums as *may* be necessary for the fiscal year budgets of the legislative service bureau, the legislative fiscal bureau, the citizens' aide office and the computer support bureau for salaries, support, maintenance and miscellaneous purposes to carry out their statutory responsibilities. The legislative council shall review the proposed budgets of the legislative service bureau, the legislative fiscal bureau, the citizens' aide office and the computer support bureau as submitted to the state comptroller on or about September 1, 1984 for the fiscal year beginning July 1, 1985 and ending June 30, 1986. The legislative council shall review and approve the proposed budgets not later than June 1, 1985. The budget approved by the legislative council for each of Its statutory legislative agencies shall be transmitted by the legislative council to the state comptroller on or before June 1, 1985 for the fiscal. year beginning July 1, 1985 and ending June 30, 1986. The state comptroller shall issue warrants for salaries, support, maintenance and miscellaneous purposes upon requisition by the administrative head of each statutory legislative agency. If the legislative council elects to adjust the approved budget for a legislative agency prior to July 1, 1985. the legislative council shall notify Lhe state comptroller of the amount of the budget revision prior to July 1, 1985.

Sec. 11. If this Act is enacted and becomes law and the provisions of Senate File 434, section 6, subsections 1 and 2, appropriating funds to the legislative service bureau and the legislative fiscal bureau for the fiscal year beginning July 1, 1385 and ending June 30, 1986, and House Pile 571, section 1, subsection 3, appropriating funds to the office of citizens' aide for the fiscal year beginning July 1, 1985 and ending June 30, 1986 are enacted and become law, the

provisions of Senate File 434, section 6, subsections 1 and 2, and House File 571, section 1, subsection 3, are void and section 10 of this Act shall govern budget procedures for the budgets of the legislative service bureau, the legislative fiscal bureau, and the citizens' aide office for the fiscal year beginning July 1, 1985 and ending June 30, 1986.

Sec. 12. This Act, being deemed of immediate importance, takes effect from and after its publication in the Fort Madison Daily Democrat, a newspaper published in Fort Madison, Iowa, and in The Red Oak Express, a newspaper published in Red Oak, Iowa.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 409, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 409

SENATE FILE 434

AN ACT
RELATING TO AND MAKING APPROPRIATIONS TO VARIOUS EXECUTIVE AND LEGISLATIVE DEPARTMENTS, BUREAUS, AND AGENCIES.

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

Section 1. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986 to the following named agencies, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. OFFICE OF ADMINISTRATIVE RULES COORDINATOR	
For salaries, support, maintenance, and miscellaneous purposes of the office of the administrative rules coordinator only	$ 63,229
2. CAPITOL PLANNING COMMISSION	
For per diem of forty dollars per day and expenses of the members in carrying out their duties under chapter 18A	$ 2,756
3. STATE COMPTROLLER	
a. General Office	
For salaries, support, maintenance, and other operational purposes including the transfer of one full-time equivalent position from the data processing division to the general office and funding for an econometric forecasting model	$ 1,697,016

It is the intent of the general assembly that the individual budgets of state agencies have been reduced two million five hundred thousand (2,500,000) dollars for travel, two million (2,000,000) dollars for equipment purchases, and one million (1,000,000) dollars for motor vehicle depreciation from the governor's recommended budget.

It is the further intent of the general assembly that the state comptroller may authorize reallocations within an appropriated fund for vehicle depreciation as necessary for an agency to carry out its assigned functions.

b. Division of Data Processing	
For salaries, support, maintenance, and other operational purposes	$ 6,780,229
4. COUNCIL OF STATE GOVERNMENTS	
For support of the membership assessment	$ 46,600
5. EXECUTIVE COUNCIL	
For salaries, support, maintenance, and miscellaneous purposes	$ 42,894
6. IOWA MERIT EMPLOYMENT DEPARTMENT	
For the general office for salaries, maintenance, and miscellaneous purposes	$ 1,524,149

In addition to the funds appropriated under this subsection, there is appropriated from the state general fund from funds received from state agencies under section 19A.8,

subsection 9, to the Iowa merit employment department for the fiscal year beginning July 1, 1985, the sum of fifty lhousand *(50,000)* dollars for critical operating Cund adjustments.

7. DEPARTMENT OF PUBLIC DEFENSE

Military division

For salaries, support, maintenance, and miscellaneous purposes ..... $ 3,193,091

Notwithstanding section 29A.33, the per capita annual allowance to units will be five dollars per capita to be paid on a semiannual basis in installments of two dollars fifty cents per capita for the fiscal year beginning July 1, 1985 and ending June *30*, 1986. The per capita allowance shall be used for morale purposes and be Lor Lhe welfare of the troops and in no circumstances expended for support and maintenance.

Notwithstanding section 29A.57, the proceeds from tlie sale of the armory in Oubuque shall revert to the general fund of the state and not Lo the national guard facilities improvement fund.

It is the intent of the general assembly that the adjutant general of the Iowa national guard present Lo the members of the state government appropriations subcommittee a detailed report outlining tlie conditions under which the selective retention prograni was utilized during tlie previous year. Such report shall include but not be limited Lo the ages, ranks and years of service of the guard personnel. retained or dismissed.

8. OFFICE OF DISASTER SERVICES

a. For salaries, support, maintenance, and miscellaneous purposes ..... $ 120,676

b. For the match of federal funds for flood declarations ..... $ 170,414

3. TERRACE HILL AUTHORITY

For salaries, support, maintanance, and aiscellaneous purposes for the operation of Terrace Hill and Lor conducting public tours ..... $ 160,960

Of the funds appropriated under this subsection, one thousand five hundred (1,500) shall be used for a downspout on the northwest corner of Terrace Hill and three thousand *(3,000)* dollars shall be used for the replacement of equipment and Lor replacement parts for equipment at Terrace Hill.

10. COMHISSION ON UNIFORM STATE LAWS

For support of the commission and expenses of members ..... $ 10,393

Sec. 2. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as is necessary, Lo be used for the purposes designated:

	1985-1986 Fiscal Year
1. GENERAL OPERATIONS	
For salaries, support, maintenance. and miscellaneous purposes	$ 4,967,680
2. UTILITY COSTS	
For payment of utility costs	$ 1,954,618

The department of general services may use funds appropriated under this subsection to Cund energy conservation projects in the state capitol complex which will have a one hundred percent payback within a twelve month period.

3. RENTAL SPACE

For payment of lease or rental costs of buildings and office space at the seat of government

as provided in section 18.12, subsection 9, notwithstanding section 18.16 ..... $ 998,186

4. To implement a risk management program ..... $ 200,000

5. For capitol building restoration and major repairs ..... $ 1,020,000

Sec. 3. There is appropriated from the revolving funds designated to the department of general services for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
DEPARTMENT OF GENERAL SERVICES -- REVOLVING FUNDS	
1. From the centralized printing permanent revolving fund established by section 18.57 for salaries, support, maintenance, and miscellaneous purposes	$ 745,877
2. The remainder of the centralized printing permanent revolving fund is appropriated for the expense incurred in supplying paper stock, offset printing, copy preparation, binding, distribution costs, original payment of printing and binding claims and contingencies arising during the fiscal year beginning July 1, 1985	

which are legally payable from this fund.	
3. From the general service revolving fund established by section 18.9 for salaries, support, maintenance, and miscellaneous purposes	$ 471,050
4. The remainder of the general service revolving fund is appropriated for the payment of expenses incurred through purchases by various state departments and for contingencies arising during the fiscal year beginning July 1, 1985 which are legally payable from this fund.	
5. From the vehicle dispatcher revolving fund established by section 18.119 for salaries, support, maintenance, and miscellaneous purposes	$ 451,940
6. The remainder of the vehicle dispatcher revolying fund is appropriated for the purchase of gasoline, oil, tires, repairs and all other maintenance expenses incurred in the operation of state-owned motor vehicles and for contingencies arising during the fiscal year beginning	

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July 1, 1985 which are legally payable from this fund.

Sec. 4. There is appropriated from the general fund of the state to the office of the governor for the fiscal year commencing July 1, 1985 and ending June 30, 1986, the following amounts or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. for salaries, support, maintenance, and miscellaneous purposes of the general office of the governor	$ 702.769
2. For the governor's expenses connected with office	$ 5,832
3. For salaries, support, and miscelldneous purposes of the governor's quarters at Terrace Hill	$ 60,024
4. For the payment of expenses of ad hoc committees, councils and task forces appointed by the governor to research and analyze a particular subject area relevant to the problems and responsibilities of state and local government, including the employment of professional, technical and administrative staff and the payment of per diem, not exceeding forty dollars, and actual expenses of committee, council or task force members	$ 17,820

Sec. 5. There is appropriated from the general fund of the state to the office of the lieutenant governor for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
For salaries, support, maintenance, and miscellaneous purposes including the lieutenant governor's compensation and expenses as provided in subsection 2 of section 2.10 including service as a member of the legislative council and for per diem and expenses incurred while performing duties of the lieutenant governor when the general assembly is not in session	$ 115,660

Sec. 6. There is appropriated from the general fund of the state to the following named agencies for the fiscal year commencing July 1, 1985 and ending June 30, 1986, the following amounts or so much thereof as is necessary to be used for the purposes designated:

	1985-1986 Fiscal Year
1. LEGISLATIVE FISCAL BUREAU	
For salaries, support, maintenance, and miscellaneous purposes	$ 576,224
2. LEGISLATIVE SERVICE BUREAU	

a. For salaries, support, maintenance, and miscellaneous purposes ..... $ 1,055,432

b. For drafting, research, and Code data processing programs and services ..... $ 14,434

The legislative council shall allocate staff under its jurisdiction, and may cooperate with other agencies, in order to insure that the Code and a supplement providing for an annual update of the Code is published in a timely manner. The superintendent of printing shall cooperate with the legislative council and any additional costs incurred shall be recovered through the sale of the supplements and the Code.

3. NATIONAL CONFERENCE OF STATE LEGISLATURES

For support of the membership assessment ..... $ 51,002

4. PIONEER LAWMAKERS ..... $ --0--

Sec. 7. There is appropriated from the general fund of the state to the county government assistance fund, established in section 334A.1, for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following amount, or so much thereof as may be necessary, to be used for state assistance to counties, with distribution in accordance with section 334A.2. The state comptroller, before making such distribution, shall credit to the county finance committee on July 1, 1985 the sum of ten thousand (10,000) dollars.

	1985-1986 Fiscal Year
	$ 5,350,000

Sec. 8. There is appropriated from the general fund of the state to the municipal assistance fund, established in section 405.1, for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following amount, or so much thereof as may

be necessary, to be used for state assistance to municipalities, with distribution in accordance with section 405.1. The state comptroller, before making such distribution, shall credit to the city finance committee on July 1, 1985 the sum of ten thousand (10,000) dollars.

	1985-1986 Fiscal Year
	$ 14,650,000

Sec. 9. COMPARABLE WORTH PAY ADJUSTMENTS. There is appropriated from the general fund of the state to the salary adjustment fund established in section 8.43 for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the sum of nineteen million (19,000,000) dollars, or so much thereof as is necessary, to be distributed to the various departments to supplement other general fund moneys appropriated by the general assembly to provide salary adjustments resulting from implementing actions taken under 1984 Iowa Acts, chapter 1314, including plans developed for agencies with positions which are exempt or partially exempt from the state merit system pursuant to 1984 Iowa Acts, chapter 1314, section 8.

Sec. 10. Senate File 269, enacted by the Seventy-first General Assembly, 1985 Session, section 1, subsections 1 through 9, are amended to read as follows:

1. BOARD OF ARCHITECTURAL EXAMINERS

For salaries, support, maintenance, and other operational purposes ..... $ 39,000

2. BOARD OF LANDSCAPE ARCHITECTURAL EXAMINERS

For salaries, support, maintenance, and other operational purposes ..... $ 10,000

3. BOARD OF ACCOUNTANCY

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For salaries, support, maintenance, and other operational purposes ..... $ ~~256,000~~
251,700

4. STATE BOARD OF ENGINEERING EXAMINERS

For salaries, support, maintenance, and other operational purposes ..... $ 124,000

5. IOWA REAL ESTATE COMMISSION

For salaries, support, maintenance, and other operational purposes ..... $ ~~323,000~~
312,447

6. BOARD OF MEDICAL EXAMINERS

For salaries, support, maintenance, and miscellaneous purposes ..... $ ~~639,000~~
623,617

7. BOARD OF NURSE EXAMINERS

For salaries, support, maintenance, and miscellaneous purposes ..... $ ~~550,000~~
553,120

8. BOARD OF PHARMACY EXAMINERS

For salaries, support, maintenance, and miscellaneous purposes ..... $ ~~367,000~~
355,368

9. BOARD OF DENTAL EXAMINERS

For salaries, support, maintenance, and miscellaneous purposes ..... $ ~~112,000~~
107,253

Sec. 11. Senate File 269, enacted by the Seventy-first General Assembly; 1985 Session. section 2, subsections 1 through 10, are amended to read as follows:

1. AUDITOR OF STATE

For salaries, support, maintenance, and other operational purposes ..... $ ~~2,011,000~~
1,989,039

2. DEPARTMENT OF BANKING

For salaries, support, maintenance, and other operational purposes ..... $ ~~3,804,000~~
3,725,000

The department of banking may expend additional funds, if those additional expenditures are actual expenses which exceed the funds budgeted for banking institution examinations and directly result from examinations of banking institutions. Before the department expends or encumbers an amount in excess of the funds budgeted for examinations, the state comptroller shall approve the expenditure or encumbrance. Before approval is given, the state comptroller shall determine that the examination expenses exceed the funds budgeted by the general assembly to the department and that the department does not have other funds from which examination expenses can be paid. Upon approval of the state comptroller the department may expend and encumber funds for excess examination expenses. The amounts necessary to fund for excess examination expenses shall be collected from those banking institutions being examined which caused the excess expenditures and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

3. IOWA BEER AND LIQUOR CONTROL DEPARTMENT

For salaries, support, maintenance, and other operational purposes which includes one hundred ninety-three thousand dollars for the establishment of agency stores and ministores ..... $ ~~19,363,000~~ 18,074,000

Any amount of the one hundred ninety-three thousand dollars for the establishment of agency stores and ministores that remain unobligated on June 30, 1986 shall revert to the general fund of the state.

4. CAMPAIGN FINANCE DISCLOSURE COMMISSION

For salaries, support, maintenance, and other operational purposes ..... $ 137,034

5. CREDIT UNION DEPARTMENT

For salaries, support, maintenance, and other operational purposes ..... $ ~~560,000~~ 547,800

6. INSURANCE DEPARTMENT OF IOWA

For salaries, support, maintenance, and other operational purposes ..... $ ~~2,937,000~~ 2,897,000

The insurance department may expend additional funds, if those additional expenditures are actual expenses which exceed the funds budgeted for insurance company examinations and directly result from examinations of insurance companies. Before the department expends or encumbers an amount in excess

of the funds budgeted for examinations, the state comptroller shall approve the expenditure or encumbrance. Before approval is given, the state comptroller shall determine that the examination expenses exceed the funds budgeted by the general assembly to the department and that the department does not have other funds from which examination expenses can be paid. Upon approval of the state comptroller the department may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those insurance companies being examined which caused the excess expenditures and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

7. BUREAU OF LABOR

For salaries, support, maintenance, and other operational purposes ..... $ 1,592,422

8. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

For salaries. support, maintenance, and other operational purposes ..... $ 49,505

9. PUBLIC EMPLOYMENT RELATIONS BOARD

For salaries, support, maintenance, and other operational purposes ..... $ 564,000

in. SECRETARY OF STATE

For salaries, support, maintenance, and other operational purposes ..... $ ~~1,134,000~~ 1,133,882

Sec. 12. The amount of funds appropriated under Senate File 269, enacted by the Seventy-first General Assembly, 1985

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Session, sections 1 and 1, except section 2, subsections 3 and 7, for the fiscal year beginning July 1, 1985 and eliding June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of Senate File 269, enacted by the Seventy-first General Assembly, 1985 Session.

Sec. 13. Senate File 395, enacted by the Seventy-first General Assembly, 1985 Session, section 88, is amended Lo read as follous:

SEC. 88. Section 422.69, Code 1905, is amended by adding the Pollowing new subsection:

NEW SUBSECTION. 3. Of the taxes, interests and penalties collected under division IV which are credited to the general fund, an amount equal Lo the amount estimated by the department not Lo exceed thirty-five million dollars annually, adjusted as the department deems necessary, shall be set aside into a separate "machinery and equipment refund account" to be used to pay the refunds entitled to under sections 422.47A and 422.478. The moneys in this separate account shall not be considered part of the state general fund for purposes of the Iowa economic emergency fund under section 8.55. This subsection is repealed April 1, 1988.

Sec. 14. The amount of the funds appropriated under section 1, except section 1, subsection 4 and subsection 8, paragraph "b", and sections 2, 5, 7, and 8 of this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of this Act.

Sec. 15. Total appropriations specitied in this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall not be exceeded in the fiscal year beginning July 1, 1986 and ending June 30, 1987 unless revenue growth as estimated by the legislative fiscal bureau in its December 31, 1985 quarterly report exceeds four and one-half percent.

Sec. 16. All federal grants to and the federal receipts of the agencies appropriated funds under this Act, not otherwise appropriated, are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 434, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 465

AN ACT
RELATING TO AGRICULTURAL LIMESTONE.

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

Section 1. Section 200.8, subsection 3, Code 1985, is amended to read as follows:

3. If there is an unencumbered balance of funds in the fertilizer fund on June 30 of any fiscal year equal to or exceeding three hundred fifty thousand dollars, the secretary of agriculture shall reduce the per ton fee provided for in subsection 1 and the annual license fee established pursuant to section 201.3 for the next fiscal year in such amount as will result in an ending estimated balance for the June 30 of the next fiscal year of three hundred fifty thousand dollars.

Sec. 2. Section 201.3, Code 1985, is amended to read as follows:

201.3 FEE.

The annual license fee shall be twenty-Eire determined by the secretary but shall not exceed forty dollars.

Sec. 3, Section 201.13, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

201.13 PERIODIC REPORT AND AGLIHE FUND.

The moneys received under this chapter shall be deposited in the fertilizer fund as established pursuant to chapter 200, to be used by the department of agriculture only for the purpose of inspection, sampling, analyzing, preparing and publishing of reports, and other expenses necessary for the administration of this chapter. The secretary Shall issue an annual report showing a statement of moneys received from license and testing fees, and a biennial report which shall be made available to the public showing the certifications of the effective calcium carbonate equivalent for all agricultural

lime, limestone, or aglime certified as provided in this chapter. The report shall list the manufacturers and producers and their locations. Copies of all reports issued by the secretary pursuant to this section shall be sent to the members of the house of representatives and senate standing committees on agriculture.

ROBERT T. ANDERSON
President of the Senate

WNALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 465, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 465

SENATE FILE 473

AN ACT
RELATING TO THE RIGHTS OF A PERSON HAVING MENTAL RETARDATION, A DEVELOPMENTAL DISABILITY OR CHRONIC MENTAL ILLNESS AND PROVIDING AN EFFECTIVE DATE AND AN APPROPRIATION.

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

Section 1. Chapter 225C is amended by adding sections 2 through 5 as a new division.

Sec. 2. NEW SECTION. 225C.25 SHORT TITLE.

Sections 225C.25 through 225C.28 shall be known as "the bill of rights of persons with mental retardation, developmental disabilities, or chronic mental illness".

Sec. 3. NEW SECTION. 225C.26 SCOPE.

These rights apply to any person with mental retardation, a developmental disability, or chronic mental illness who receives services, which are funded in whole or in part by public funds or services which are permitted under Iowa law.

Sec. 4. NEW SECTION. 225C.27 PURPOSE.

Sections 225C.25 through 225C.28 shall be liberally construed and applied to promote their purposes and the stated rights. The division, in coordination with appropriate agencies, shall adopt rules to implement the purpose of sections 225C.25 through 225C.28 which include, but are not limited to the following:

1. Promotion of the human dignity and protection of the constitutional and statutory rights of persons with mental retardation, developmental disabilities, or chronic mental illness in the state.

2. Encouraging the development of the ability and potential of each person with mental retardation, developmental disabilities, or chronic mental illness in the state to the fullest extent possible.

3. Ensuring that the recipients of services shall not be deprived of any rights, benefits, or privileges guaranteed by law, the Constitution of the State of Iowa or the Constitution of the United States solely on account of the receipt of the services.

Sec. 5. NEW SECTION. 225C.28 RIGHTS.

The rights of persons described in section 225C.26 include, but are not limited to:

1. Comprehensive evaluation and diagnosis. A person suspected of being mentally retarded, developmentally disabled, or chronically mentally ill or applying for developmental disabilities services, has the right to receive a comprehensive diagnosis and evaluation adapted to the cultural background, primary language, and ethnic origin of the person.

2. Individual treatment, habilitation, and program plan. Persons with mental retardation, a developmental disability, or chronic mental illness who require services have the right to an individual treatment, habilitation, and program plan.

3. Individualized treatment, habilitation, and program services. A person with a known or suspected mental retarda-

tion, developmentally disabled, or chronic mental illness condition shall not be denied treatment, habilitation, and program services because of age, sex, ethnic origin, marital status, ability to pay, criminal record, degree of disability or illness, or mental retardation condition.

4. Periodic review of treatment, habilitation, and program. A mentally retarded, developmentally disabled, or chronically mentally ill person receiving services has the right to a periodic, but at least annual, reevaluation and review of the individual treatment, habilltation, and program plan to measure prograss, to modify objectives if necessary, and to provide guidance and remediation techniques.

5. Participation in the formulation of the plan. A person with mental retardation, a developmental disability, or chronic mental illness or the person's representative has the right to participate in planninq the person's own treatment, habilitation, and program plan and to be informed, in writing, of progress at reasonable time intervals. Each person shall be given the opportunity to make decisions and exercise options regarding the plan, consistent with the person's capabilities.

6. Least restrictive environment and age-appropriate services. A person with mental retardation, a developmental disability, or chronic mental illness has the right to live and receive age-appropriate servicas in the least restrictive setting consistent with the person's individual treatment and habilitation needs, potential, and abilities.

7. Vocational training and employment options. A person with mental retardation, a developmental disability, or chronic mental illness has the right to vocational training which contributes to the person's independence and employment potential.

8. Wage protection. A person with mental retardation, a developmental disability, or chronic mental illness enqaged in work programs shall be paid wages commensurate with the qoing rate for comparable work and productivity.

9. Insurance protection. Pursuant to section 5078.4, subsection 7, a person or designated group of persons shall not be denied insurance coverage by reason of mental retardation, a developmental disability, or chronic mental illness.

10. Due process. A person with mental retardation, a developmental disability, or chronic mental illness retains the right to citizenship in accordance with the laws of the state.

Sec. 6. NEW SECTION. 225C.29 COMPLIANCE.

Except for a violation of section 225C.28, subsection 9, the sole remedy for violation of a rule adopted by the division to enforce or implement this Act shall be by a proceeding for compliance initiated by request to the division pursuant to chapter 17A. Any decision of the division shall be in accordance with due process of law and is subject to appeal to the Iowa district court pursuant to sections 17A.19 and 17A.20 by any aggrieved party. Either the division or a party in interest may apply to the Iowa district court for an order to enforce the decision of the division. Neither this Act nor any rules adopted by the division create any right, entitlement, property or liberty right or interest, or private cause of action for damages against a municipality as defined in chapter 613A or for which such municipality would be responsible. Any violation of section 225C.28, subsection 9 shall be subject to the enforcement by the commissioner of insurance and penalties granted by chapter 507B for a violation of section 5018.4, subsection 7.

Sec. 7. The commissioner of human services shall create an advisory committee to develop a bill of rights implementation plan and process for individuals pursuant to section 225C.28. The advisory committee shall include no more than twenty members, including representatives of the association for retarded citizens of Iowa, the Iowa association of rehabilitation and residential facilities, the mental health

association of Iowa, the mental health centers association of Iowa, and the state developmental disabilities planning council, all of which shall be designated by their respective bodies; state departments and agencies affected by the bill of rights, including but not limited to, the department of public instruction, the department of health, and the university of Iowa; the Iowa state association of counties; and two state senators, one of each political party, and two state representatives, one of each political party, appointed by the legislative council. The advisoty committee shall advise the mental health and mental retardation commission and the council on human services regarding proposed rules or standards relating to implementation of the bill of rights.

The implementation plan and process shall include establishing definitions of the services system, the defining of individual assessment, a service inventory, and uniform individual assessments. The mental health and mental retardation commission shall identify specific core services to assist counties to implement services to comply with sections 225C.25 through 225C.29. The commission shall adopt minimum standards for individualized treatment, habilitation, and program services; least restrictive environment and age-appropriate services; and vocational training and employment options, pursuant to section 225C.28. The commissioner may require completion of an individual assessment Corm by known providers or caretakers for individuals covered under this Act served by the provider or caretaker since July 1, 1984 and individual assessments for clients currently entering into the delivery system. The commissioner may take appropriate action in the event of noncompliance of the requirement. Confidentiality rules pursuant to section 217.30 shall apply to this section.

The director of the division of mental health, mental retardation, and developmental disabilities is responsible for the completion of the implementation plan and process. The

director may utilize available services and publicly-funded agencies for the purpose of carrying out the uniform individual assessment process. It is the intent of the general assembly that additional expense will not be incurred when publicly funded agencies are carrying out their normal evaluation and assessment function. The director shall submit a report to the general assembly by April 1, 1986 regarding the results of the implementation plan and process, establishing the level of function and specific appropriate services of the receiving populations and selected subgroups thereof, the estimated costs' to implement the services, and required legislation.

As appropriate, the council on human services, the mental health and mental retardation commission, the department of health, and other appropriate agencies shall develop rules by January 1, 1987 to implement the services pursuant to section 225C.28. The rules may permit implementation of the services on a phased-in basis.

The legislative council shall establish a two-year interim study committee beginning during the 1985 interim to review and monitor actions taken by the commissioner of human services, department of human services, mental health and mental retardation commission, council on human services, division of mental health, mental retardation, and developmental disabilities, the advisory committee, and other agencies affected by this Act regarding the bill of rights pursuant to sections 225C.25 through 225C.28, and to review and propose alternatives to the present funding methods for the mandated services.

Sec. 8. There is appropriated from the general fund of the state to the department of human services for each fiscal year for the fiscal period beginning July 1, 1985 and ending June 30, 1987, the sum of one hundred nine thousand (109,000) dollars, or so much thereof as is necessary, for five full-time equivalent positions, to carry out the intent of this Act.

Sec. 9. This Act takes effect July 1, 1985 except section 5 which takes effect July 1, 1987, providing that legislation is enacted by the general assembly before July 1, 1987, which provides a fair and equitable funding formula for the implementation of section 5 of this Act.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 473, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 473

SENATE FILE 503

AN ACT

RELATING TO SELF-INSURANCE PLANS.

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

Section 1. Section 87.4, Code 1985, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. A self-insurance association formed under this section and an association of cities or counties which enters Into an agreement under chapter 28E for the purpose of establishing a self-insured group plan for the payment of workers' compensation and benefits are exempt from taxation under section 432.1.

NEW UNNUMBERED PARAGRAPH. A plan shall be submitted to the commissioner of insurance for review and approval prior to its implementation. The commissioner shall adopt rules for the review and approval of a self-insured group plan provided under this section. The rules shall include, but are not limited to, the following:

1. Procedures for submitting a plan for approval including the establishment of a fee schedule to cover the costs of conducting the review.

2. Establishment of minimum financial standards to ensure the ability of the plan to adequately cover the reasonably anticipated expenses.

Sec. 2. NEW SECTION. 509A.14 APPHOVAL OF SELF-INSURANCE PLANS.

The commissioner of insurance shall adopt rules for self-insurance plans for life insurance and accident and health insurance for the state, a political subdivision of the state, a school corporation, or any other public body in the state. The rules adopted shall include, but are not limited to, the following:

1. A requirement that the plan shall include all coverages and provisions that are required by law in insurance policies

for the type of risk that the self-insurance plan is intended to cover.

2. A requirement that at least once each twelve months, the governing body of the public body shall obtain from an outside consulting actuary a certification that the plan is able to cover all reasonably anticipated expenses.

3. A requirement that if the resources of the plan are inadequate to fully cover a claim under the plan, then the public body is liable for any portion of the claim that is left unpaid.

Sec. 3. Section 2 of this Act is effective on January 1, 1986. However, the commissioner of insurance shall commence rulemaking procedures in sufficient time to have the final rules adopted by January 1, 1986.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 503, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F 503

SENATE FILE 552

AN ACT

MAKING APPROPRIATIONS TO AND RELATING TO THE FINANCING OF DEPARTMENTS AND AGENCIES WHOSE RESPONSIBILITIES RELATE TO CORRECTIONS, PUBLIC SAFETY, AND THE JUSTICE SYSTEM.

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

Section 1. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986, to the deparlment of corrections the following amount, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
For operation of adult correctional institutions, including salaries and support, maintenance, and miscellaneous purposes, provided that the director of corrections, in order to keep expenditures from exceeding the amount of funds appropriated by this section, shall declare a prison overcrowding state of emergency in the state's prisons whenever the population of the prison system exceeds two thousand six hundred forty-five inmates for sixty consecutive days. Upon the declaration of a prison overcrowding state of emergency, the board of parole shall consider all inmates, except for inmates convicted of class "A" felonies, for parole who are within nine months of their tentative discharge date. If the board of parole's actions do not reduce the population of the prison system below two thousand six hundred twenty inmates within ninety days of the date of the declaration of the prison overcrowding state of emergency, the tentative discharge dates of all inmates, whose most serious offenses for which the inmates are currently incarcerated are crimes against property and who are incarcerated in state prisons on the date of the declaration, shall be reduced by ninety days by the director of corrections. However, the tentative discharge date of a prisoner sentenced under section 204.406, 204.413, 902.7, 902.8, or 906.5 shall not be reduced under this section prior to completion of the mandatory minimum sentence required by the section. The director of corrections shall terminate a prison overcrowding state of emergency in the state's prisons whenever the population of the prison	

system is reduced below two thousand six hundred twenty inmates. The department shall adopt administrative rules which identify all offenses as either crimes against pcoperty or crimes against persons. As used in this section, "prison" means a correctional facility operated by the department of corrections and funded under this section, "prison system" means the prisons of this state which are the Iowa correctional institution for women, the Iowa state men's reformatory, the Iowa state penitentiary, the Iowa medical and classification facility, the north central correctional facility, Che Mount Pleasant correctional facility, the Clarinda correctional treatment facility. the correctional release center, and the rehabilitation camps, and "tentative discharge date" means the date at which an inmate is scheduled for release including good conduct and work time currently received. However, offenders for whom the board of parole has authorized parole, but for whom the director has determined that inadequate parole plans have been formulated, may remain

within the correctional institution for a period of ten days following parole authorization or until adequate parole plans have been developed, whichever is the shorter period of time. During this period of time, the offender shall not be included in the list of names used to determine the existence of a prison overcrowding emergency. On and after July 1, 1985, the superintendent shall not admit additional inmates to the medium security facility of the men's reformatory at Anamosa if the inmate population of the men's reformatory equals or exceeds eight hundred and fifty inmates .....$ 53,387,662

Of the amount appropriated in this section, one hundred three thousand one hundred five (103,105) dollars, or so much thereof as is necessary, shall be used to hire five additional staff to be used towards compliance with the Watson v. Ray federal court order.

If the department of corrections changes the allocations to the various adult correctional institutions on which the appropriation in this section was based, the department shall notify each of the members of the justice system appropriations subcommittee regarding the changes to the allocations.

Sec. 2. There is appropriated from the general Cund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986, to the department of corrections the following amounts, or so much thereof as is necessary, for the programs as designated:

1985-1986

Fiscal Year

1. For general administration, including salaries and support, maintenance, and miscellaneous purposes ..... $ 1,786,378

2. For a legal assistance program to provide civil legal assistance to inmates in the Iowa correctional system in matters of child custody, bankruptcy, and dissolution of marriage ..... $ 35,000

The department shall determine whether an inmate applying for civil legal assistance is indigent under section 815.9, after submission by the inmate of the detailed financial statement required by that section. The inmate has an affirmative duty to provide all relevant information on the issue of the inmate's indigency to the satisfaction of the department that the inmate is indigent. The department may establish by rule a schedule of charges, on a graduated scale related to income and resources, to be paid by inmates who are not indigent for the provision of civil legal assistance.

The department may establish by rule maximum rates of reasonable compensation for attorneys providing the various categories of civil legal assistance under the program funded by this subsection.

3, For reimbursement of counties for temporary confinement of work release and parole violators, as provided in sections 247A.10, 901.7, and 906.17 ..... $ 72,000

4. For the correctional training center ..... $ 325,000

5. For federal prison

reimbursement ..... $ 375,000

The department of corrections shall use funds appropriated in the subsection to continue to contract for the services of a Muslim imam.

Sec. 3. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986, to the department of corrections the sum of seventeen million three hundred ninety thousand (17,390,000) dollars, or so much thereof as is necessary, for preinstitutional and postconviction community-based corrections, halfway houses, and parole services.

The department of corrections shall report to the general assembly not later than January 15, 1986, relating to the department's progress toward establishing a compensation range for the staff of the district departments of correctional services pursuant to section 905.4, subsection 2.

Sec. 4. 1984 Iowa Acts, chapter 1306, section 2, subsection 2, unnumbered paragraph 3, is amended to read as follows:

The department, by ~~January 15~~ July 1, 1985, shall provide the general assembly with evidence Erom independent experts of the validity and effectiveness of the inmate classification system and shall suggest changes in the system to make it more effective. If the department fails to comply with the requirements of this paragraph, the state comptroller shall withhold one percent of the funds appropriated under section ~~2, subsection~~ 1 of this Act when the funds are allocated to the department until the evidence has been presented to the general assembly. The validation study shall determine if the classification instruments accomplish the following objectives:

Sec. 5. There is appropriated from the general fund of the state to the following named agencies for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

S.F. 552

	1985-1986 Fiscal Year
1. CRIMINAL AND JUVENILE JUSTICE PLANNING AGENCY	
For salaries, support, maintenance, and miscellaneous purposes related to the operations of the criminal and juvenile justice planning agency which is a separate independent agency within the office of the governor, under the direct supervision of the governor, and responsible only to the governor or the general assembly as provided in chapter 80C:	
a. Criminal justice planning	$ 231,167
b. Juvenile justice planning	$ 55,239
c. Juvenile victim restitution program	$ 121,000
d. Jailer training and technical assistance	$ 30,769
2. DEPARTMENT OF JUSTICE	
a. For the general office of attorney general for salaries, support, maintenance, and miscellaneous purposes	$ 3,153,582

b. The dttorney yeneral shall conduct a study of the tort claims division ot the attorney general's office, and report the results to the general assembly on or before January 1, 1986. The report shall analyze tort claims made against the state, claims paid through settlement, claims tried and their results for the years 1980 to dale.

(1) The study shall examine the effect, if any, of the change in Iowa law resulting from Goetzman v. Wichern, 327 N.W.2d 742 (1982) which eliminated the doctrine of contributory negligence and replaced it with the doctrine of pure comparative negligence,

(2) The study shall further examine and report the percentage of negligence allocated against the state in each claim tried subsequent to Goetzman v. Wichern, supra.

(3) Further, the study shall analyze the effect upon the state of Iowa and its political subdivisions, if any, including savings to the state of Iowa, resulting from the enactment of 1984 Iowa Acts, chapter 1293 (comparative negligence bill), and particularly, the study shall report the savings to the state of Iowa resulting from the elimination of the doctrine of pure, joint and several liability on all cases tried after July 1, 1984.

(4) Further, tho attorney general's office shall elicit from the municipalities of the state of Iowa), including all counties, the same or similar information as listed above and make a similar analysis; and shall report that analysis and results to the general assembly on or before January 1, 1956. This analysis shall include any change in insurance premiums from 1980 to date to document whether the changes in the Iowa negligence law since 1980 have had any effect on the insurance premiums paid by Iowa governmental subdivisions.

c. In addition to the funds appropriated under paragraph "a", there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1985 and ending June 30, 1986, an amount not exceeding ninety-five thousand (95,000) dollar8 to be used for the enforcement of the Iowa competition law under chapter 553. The expenditure of the funds appropriated under this subsection is contingent upon receipt by the general fund of the state of an amount at least equal to either the expenditures from damages awarded to the state or a political

subdivi io of e sta e by a civil judgment under chapter 553, if the judgment authorizes the use of the award for enforcement purposes or costs or attorney fees awarded the state in state or federal antitrust actions.

d. In addition to the funds appropriated under paragraph "a", there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1985 and ending June 30, 1986, an amount not exceeding thirty thousand (30,000) dollars to be used for public education relating to consumer fraud. The expenditure of the funds appropriated under this paragraph is contingent upon receipt by the general fund of the state of an amount at least equal to the expenditures from damages awarded to the state or a political subdivision of the state by a civil consumer fraud judgment, if the judgment authorizes the use of the award for public education on consumer fraud. Funds received in a previous fiscal year which have not been expended shall be credited to this fiscal year.

e. Prosecuting attorney training program for salaries, support, maintenance and miscellaneous purposes which funds shall be used to attract federal and county funding ..... $ 89,211

f. Prosecuting intern program; however, counties participating in the prosecuting intern program shall match funds appropriated by this paragraph ..... $ 52,000

g. For payment of grants to dispute resolution programs under the prosecuting attorney training program ..... $ 50,000

3. IOWA LAW ENFORCEMENT

ACADEMY

For salaries, support, maintenance, and miscellaneous purposes ..... $ 768,816

4. BOARD OF PAROLE

For salaries, support, maintenance, and miscellaneous purposes ..... $ 461,804

5. STATE MEDICAL EXAMINER

For salaries, support, maintenance, and miscellaneous purposes ..... $ 30,000

It is the intent of the general assembly that the attorney general or a designee, the commissioner of public safety or a designee, and the dean of the college of medicine at university of Iowa hospital or a designee shall meet and develop recommendations and proposed changes to the Code of Iowa designed to clarify the duties of the Iowa state medical examiner and assist the performance of these duties. These recommendations shall be submitted to the justice system appropriations subcommittee on or before January 15, 1986.

Sec. 6. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986, to the judicial branch, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1985-1986
Fiscal Year

1. COURTS AND ADMINISTRATION

For salaries of supreme court justices, appellate court judges, district court judges, district associate judges, judicial magistrates and staff, court administrator, clerk of the supreme

court, district court administrators, board of law examiners and board of examiners of shorthand reporters and judicial qualifications commission, maintcnance, equipment and miscellaneous purposes, including implementation of court reorganization according to provisions of 1983 Iowa Acts, chapter 186, section 10301 ..... $ 31,500,000

It is the intent of the general assembly that the counties be aware that the state may delay the schedule of state assumption of responsibility for the fiscal year beginning July 1, 1986. If the state is unable to fully assume the 1986-1987 fiscal year component of the court system, the chairpersons of the house and senate comaittees on appropriations shall notify the supreme court and the counties of this possible delay by no later than February 15, 1986.

Sec. 7. Section 602.1301, subsection 2, Code 1985, is amended by striking the subsection and inserting in lieu thereof the following:

2. a. As early as possible, but not later than December 1, the supreme court shall submit to the legislative fiscal bureau the annual budget request and detailed supporting information for the judicial department. The submission shall be designed to assist the legislative fiscal bureau in its preparation for legislative consideration of the budget request. The information submitted shall contain and be arranged in a format substantially similar to part II of the governor's budget message as specified in section 8.22.

b. Before December 1, the supreme court shall submit to the state comptroller an estimate of the total expenditure requirements of the judicial department.

Sec. 8. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following

amounts, or so much thereof as is necessary, to be used for funding the following functions and programs for the purposes designated:

	1985-1986 Fiscal Year
DEPARTMENT OF PUBLIC SAFETY	
1. ADMINISTRATIVE FUNCTION	
a. For salaries, support, maintenance, and miscellaneous purposes of the department, criminal justice information system, and radio communications	$ 4,637,711
b. For salaries, support, maintenance, and aiscellaneous purposes of the victim compensation program	$ 43,000

When the department of transportation revokes a person's license or operating privilege under chapter 321B, the department shall assess the person a civil penalty of one hundred dollars. A separate fund is created in the state treasury. The money collected by the department under this paragraph shall be transmitted to the treasurer of state vho shall deposit the money in the fund to be used for the purposes of chapter 912. Any balance in this fund on June 30 of any fiscal year exceeding fifty thousand dollars, shall revert to the general fund of the state. A temporary restricted license shall not be issued or a license or privilege to drive reinstated until the civil penalty has been paid.

2. INSPECTION FUNCTION

For salaries, support, maintenance, and miscellaneous purposes of fire marshal's inspections, administration of the state building code, arson

investigators including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated ..... $ 1,090,409

3. SECURITY FUNCTION

For salaries, support, maintenance, and miscellaneous purposes of the capitol security division ..... $ 726,939

4. INVESTIGATION FUNCTION

a. For salaries, support, maintenance, and miscellaneous purposes, including lease or lease purchase of laboratory equipment, of the division of criminal investigation containing the bureaus of identification, drug law enforcement, and beer and liquor law enforcement, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated ..... $ 5,003,818

b. For undercover purchases by the division of criminal investigation agents and local law enforcement agents ..... $ 200,000

c. For salaries, support,

maintenance, and miscellaneous purposes for the employment of pari-mutuel law enforcement agents, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated ..... $ 232,000

It is the intent of the general assembly that the division of criminal investigation of the department of public safety shall purchase not more than five motor vehicles of the same make or model based upon specifications submitted by the department.

5. DIVISION OF HIGHWAY SAFETY AND UNIFORMED FORCE

a. For salaries, support, maintenance, and miscellaneous purposes including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated provided that the commissioner of public safety shall immediately rescind any administrative rule, policy or directive which prohibits officers of the Iowa state highway safety patrol from becoming partisan candidates or campaigning for a partisan elective public office ..... $ 18,064,000

b. In addition to the complement of not to exceed four hundred ten persons Lhere shall be eight persons who shall serve as members of the highway safety patrol for the period beginning July 1, 1985 and ending June 30, 1987. The eight additional members of the highway safety patrol shall be totally Funded through Lhe use of federal funds.

c. For various crime prevention programs sponsored within the department of public safety ..... $ 57,000

An employee of the department of public safety or the state conservation commission who retires after the effective date of this Act is eligible Lor payment of life or health insurance premiums as provided for in the collective bargaining agreement covering the public safety bargaining unit at the time of retirement if that employee previously served in a position which would have been covered by that agreement. The employee shall be given credit for the service in that prior position as though it was covered by that agreement. This section shall not operate to reduce any retirement benefits the employee may have earned under other collective bargaining agreements or retirement programs.

If the department of public safety uses funds appropriated For one purpose for other purposes within the scope of the department, as provided in section 8.39, the department shall notify, at least two weeks prior to the transfer, in addition to those persons provided in section 8.39, each of the members of the justice system appropriations subcommittee regarding the transfer.

Sec. 9. The amount of the funds appropriated under sections 1, 2, 3, 5, and 8 of this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of this Act.

Sec. 10. Total appropriations specified in this Act, except section 6 of this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall not be exceeded in the Fiscal year beginning July 1, 1986 and ending June 30, 1907 unless revenue growth as estimated by the legislative Fiscal bureau in its December 31, 1985 quarterly report exceed Four and one-half percent.

Sec. 11. All federal grants to and the federal receipts of agencies appropriated funds under this Act are appropriated For the purposes set forth in such federal grants or receipts.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 552, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

May 3, 1985

The Honorable Robert T. Anderson
Lieutenant Governor
State Capitol Building
L O C A L

Dear Governor Anderson:

I hereby transmit Senate File 552, an act making appropriations to and relating to the financing of departments and agencies whose responsibilities relate to corrections, public safety, and the justice system.

Senate File 552 is approved May 3, 1985, with the following exception which I hereby disapprove.

I am unable to approve Section 4 which reads as follows:

> Sec. 4. 1984 Iowa Acts, chapter 1306, section 2, subsection 2, unnumbered paragraph 3, is amended to read as follows:
>
> The department, by ~~January 15~~ July 1, 1985, shall provide the general assembly with evidence from independent experts of the validity and effectiveness of the inmate classification system and shall suggest changes in the system to make it more effective. If the department fails to comply with the requirements of this paragraph, the state comptroller shall withhold one percent of the funds appropriated under section 2, subsection 1 of this Act when the funds are allocated to the department until the evidence has been presented to the general assembly. The validation study shall determine if the classification instruments accomplish the following objectives:

Section 4 provides that the Department of Corrections shall be penalized one percent of the funds appropriated to the state office for general administration, if the study which is being completed by an independent Philadelphia research firm with federal grant money is not completed by July 1, 1985. In the 1984 appropriations bill for the Department of Corrections, the legislature stated that this study must be done. However, the legislature appropriated no money for the project.

The Department used $5,000 from its budget which had been appropriated for other purposes to start the study and, after considerable effort, obtained a $15,000 federal grant from the National Institute of Corrections in October of 1984 to complete the project,

Some legislators had told the Corrections officials that the project should not be done by. the Department's statisticians and should not be done using professionals from the Iowa universities. The Department solicited the work of a Philadelphia research firm which some of the legislators specifically requested. In January Of 1984, the Department reported to the appropriate subcommittee of the legislature that it had provided all requested information to the Philadelphia firm and that the Department, as well as the legislators, are now waiting for the results of the study.

If some unforeseen catastrophe occurs or some problem arises which results in the experts being unable to complete the study by July 1, 1985, the general administration of the Department should not be penalized by losing one percent of its operating budget. The Department has acted in good faith to comply with the legislators' request and should not be placed in a position of losing funding over a matter which they have little control.

It should be noted that the National Institute of Corrections and not the Department has the contract with the Philadelphia firm. Because of the lack of control the Department has over the completion of the project, the penalty provision in Section 4 is unduly harsh and also unnecessary.

The veto of Section 4 does not in any way or manner indicate that the study should not be completed. On the contrary, the Department is committed to do everything possible to encourage the experts to complete the study. The study has merit and should be completed as quickly as possible without sacrificing quality.

For the above reasons, I hereby respectfully disapprove of this item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 552 are hereby approved as of this date.

Very truly yours,

Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House
Secretary of State

SENATE FILE 561

AN ACT

RELATING TO TAXATION BY UPDATING REFERENCES TO THE INTERNAL REVENUE CODE; PROVIDING FOR A REFUND OF INDIVIDUAL INCOME TAX FOR THE 1979 TAX YEAR RESULTING FROM THE INCLUSION OF UNEMPLOYMENT BENEFITS; MAKING TECHNICAL CORRECTIONS TO THE INDIVIDUAL AND CORPORATE INCOME TAX CONCERNING THE CREDIT FOR INCREASING RESEARCU ACTIVITIES IN THE STATE; ELIMINATING THE REQUIREMENT THAT TWE ELECTION CAMPAIGN FUND AND FISH AND CAME PROTECTION FUND CHECKOFFS BE ON THE FACE OF THE RETURN IMMEDIATELY ABOVE THE SIGNATURE LINE; PROVIDING A DUE DATE OP CORPORATE INCOME TAX AND FRANCHISE TAX RETURNS UNDER CERTAIN CONDITIONS# ALLOWING FOR THE DESTRUCTION OF ALL USELESS RECORDS AND REPORTS AND OTHER PAPERS PILED BY TAX-PAYERS AFTER CERTAIN PERIODS OF TIME AFTER THE FILING OF THESE REPORTS WITH THE DEPARTMENT OF REVENUE; PROVIDING FOR A REFUND OF INDIVIDUAL INCOME TAX WHERE THE TAXPAYER DIED AFTER NOVEMBER 17, 1978 AS A RESULT OF HOUNDS OR INJURY INCURRED DUE TO MILITARY OR TERRORISTIC ACTION OUTSIDE THE UNITED STATES; MAKING TECHNICAL CORRECTIONS TO THE INHERI-TANCE TAX CONCERNING TNE TAXATION OF GIFTS MADE WITHIN THREE YEARS OF DEATH; AND PROVIDING EFFECTIVE DATES.

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

Sectlon 1. Sectlon 56.18, subsectlon 1, Code 1985, is amended to read as followar

1. Any person whose state income tax llablllty for any taxable year Is one dollar or more may direct that one dollar of such liability be pald over to the Iova election campaign fund when submitting the person's state Income tax return to the department of revenue. In the case of a joint return of husband and wife having a state income tax liability of two dollars or more, each spouse may direct that one dollar be

pald to the fund. The director of revenue shall revise draft the income tax form to provlde spaces on the-face-of the tax return and-immediately-above-the-signature-lines which the taxpayer may use to deslgnate that contributions made under this section be credited to a specified polltlcal party as defined by section 43.2, or to the Iowa election campaign fund as a contrlbutlon to be shared by all such political parties in the manner prescribed by sectlon 56.19. The form shall Inform the taxpayer of the consequences of the choices provided under this sectlon, but this information may be contained in a footnote or other suitable form if the dlrcctor of revenue finds it is not feasible to place the information immediately above the slgnature line.

Sec. 2 Sectlon 107.16, unnumbered paragraph 3, Code 1985, Is amended to read as follows:

The dlrcctor of revenue shall revise draft the Income tax form to allow the designation of contrlbutlons to the state fish and game protection fund on the-face-of the tax return and-above-the-signature-lines.

Sec. 3. Section 422.3, subsectlon 5, Code 1985, is amended to read as follows:

5. *Internal Revenue Code of 1954" means the Internal Revenue Code of 1954, as amended to and including January 1, 1984 1985.

Sec. 4. Sectlon 422.7, Code 1985, is amended by addlng the following new subsection:

NEW SUBSECTION. 20. Subtract the unemployment compensation benefits for tax years beginning on January 1, 1979 to the extent those benefits had been Included in net Income on a return filed before January 1, 1981 and were excluded from Income under Act sectlon 1075 of the Tax Reform Act of 1984. Notwithstanding the statute of limitations specified In section 422.73, subsection 2, taxpayers who would be barred from claiming a refund or credlt from an overpayment resulting from the change made by Act aectlon 1075 of the Tax Reform Act of 1984 are entitled to receive a refund or credlt

if they file a claim ulth the departacnt on or before June 30, 1986.

Sec. 5. SectLon 422.10, unnuabered paragraph 1, Code 1985, la aaended to read as follows:

The taxes imposed under thla division ahall be reduced by a state tax credlt for increasing reaearch activities in thlr atate. For indlvidualn, the credlt shall equal six and one-half percent of the state's apportloned share of the qualifying expendlturea Cor increasing research actlvltlea. The state's apportloned share of tho qualifying expenditures for increasing research activities la a percent equal to the ratio of quallfled research expenditures in thla state to total qualified research expendlturea. For purposes of this section, an lndlvldual may claim a research credlt for qualifying research expenditures Incurred by a partnership, subchapter S corporatlon, and estate or trust electing to have tho income taxed directly to the individual. The amount claimed by the individual ahall be based upon the pro rata share of the individual's earnings of a partnership, subchapter S corporatlon, or estate or trust. For purposes of thla section, "qualifying expendlturea Cor increasing research activities" means the qualifying expenditures as defined for the federal credlt for increasing research activities computed under rectlon 30 of the Internal Revenue Code of 1954, as amended to and including January 1, 1983. The research actlvltlea credit is applicable for taxable years beginning after December 31, 1985 to the same extent that the credit is applicable Lor federal income tax purposes for taxable years beginning after Deceaber 31, 1985.

Sec. 6. Sectlon 422.21, unnuabered paragraph 1, Code 1985, is amended to read as follows:

Returns ahall be in much the Cora as the dlroctor may, from time to time, prescribe, and ahall be filed with the department on or before the last day of the fourtb month after the expiration of the tar year except that co-operative associations as defined in rectlon 6072(d) of the Internal

Revenue Code of 1954 ahall file their return. on or before the fifteenth day of the nlnth month following the close of the taxable year. If, under the Internal Revenue Code of 1954, a corporation is required to file a return covering a tax period of less than twelve months, tho atate return ahall be tor the same period and ahall be due forty-five days after the due date of the federal tax return. excluding any extension of time to file. In case of sickness, absence. or other disability, or whenever if good cause exists, the director may allow further time for filing returns. Tho director shall cause to be prepared blank forms Lor said the return. and ahall cause them to be distributed throughout the state and to be furnished upon application, but failure to receive or secure the form shall does not relieve the taxpayer from tho obligations obligation of making any a return herein that is required. Tho department may as far am consistent vlth the provisions of the Code so draft income tax forms as to confora to the income tax forms of the internal revenue department of tho United States government. Each return by a taxpayer upon whoa a tax la imposed by aectlon 422.5, subsection 7, ahall show the county of the residence of the taxpayer.

Sec. 7. Section 422.31, subsection 5, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The taxes imposed under this division ahall be reduced by a state tar credlt for increasing research activities in thla atate equal to six and one-half percent of tho state's apportloned share of the qualifying oxpendlturea for increasing reaearch activities. The state's apportloned share of the qualifying expendlturea for increasing reaearch actlvltlea is a percent equal to the ratio of qualified research expendlturea in thlr atate to the total qualified research expenditures. For purposes of this subsection, "qualifying expenditures for lncreaalng research activities" means the qualifying expenditures as defined for the federal credit for lncreaslng research actlvltlea computed under section 30 of the Internal Revenue Code of 1954, as amended to

and including January 1, 1983. The research activities credit is applicable for taxable years beginning after December 31, 1985 to the same extent that the credit is applicable for federal income tax purposes for taxable years beginning after December 31, 1985.

Sec. 8. Section 422.61, subsection 2, Code 1985, is amended to read as follows:

2. "Taxable year" means the calendar year or the fiscal year ending during a calendar year, for which the tax is payable. "Fiscal year' includes a tax period of less than twelve months if, under the Internal Revenue Code of 1954, a corporation is required to file a tax return covering a tax period of less than twelve months.

Sec. 9. Section 422.63, Code 1985, is mended to read as folldws:

422.62 WHEN DUE.

The franchise tax is due and payable on the first day following the end of the taxable year of each financial institution, and is delinquent after the last day of the fourth month Lollowlng the due date or forty-five days after the due date of the federal tax return, excluding extensions of time to file, whichever is the later. Every financial institution shall file a return as prescribed by the director on or before the delinquency date. ~~The provisions of this~~ This section shaft become is effective for all taxable years ending on or after January 1, 1970. As to fiscal years ending prior to Hay 9, 1970, the time for filing a return is extended to the last day of the fourth month following such that date.

Sec. 10. Section 422.68, subsection 3, Code 1985, is amended to read as follows:

3. The director shaft have the power to may destroy any and at& useless records and all returns, reports, and communications of any taxpayer filed with or kept by the department after such those returns, records, reports, or communications shaff have been in the custody of the department for a period of not less than five three years, ~~provided, however,~~ or such time as the director prescribes by rule. However, after the accounts of any a person sheft have, been examined by the director and the amount of tax and penalty due shatt have been finally determined, then the director may order the destruction of any records previously filed by sack that taxpayer, notwithstanding the fact that such those records shall have been in the custody of the department for a period less than ~~five~~ three years. ~~Such~~ These records and documents shall be destroyed in such the manner as aha€%-be prescribed by the director.

Sec. 11. Section 422.73, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. Notwithstanding subsection 2, a claim for credit or refund of the income tax paid is considered timely if the claim is filed with the department on or before June 30, 1986, if the taxpayer's federal income tax was forgiven under section 692(c) of the Internal Revenue Code of 1954 because the taxpayer died after November 17, 1978 as a result of wounds or injury incurred due to military or terroristic action outside the United States. To the extent the federal income tax was forgiven under section 692(c) of the Internal Revenue Code of 1954 for the tax year, the Iowa income tax is also forgiven.

Sec. 12. Section 450.3, subsection 2, Code 1985, is amended to read as follows:

2. By deed, grant, sale, gift or transfer made within three years of the death of the grantor or donor, which is not a bona fide sale for an adequate and full consideration in money or money's worth and which is in excess of the annual gift tax exclusion allowable for each donee under section 2503, subsections a b and e of the Internal Revenue Code of 1954 as defined in section 422.3. If both spouses consent, a gift made by one spouse to a person who is not the other spouse is considered, for the purposes of this subsection, as made one half by each spouse under the same terms and conditions provided for in section 2513 of the Internal Revenue Code of 1954 as defined in section 422.3.

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Sec. 13. Section 3 of this Act is retroactive to January 1, 1984 for tax years beginning on or after that date.

Sec. 14. Sections 1, 2, 5, 6, 7, 8, and 9 of this Act are retroactive to January I, 1985 €or tax years beginning on or after that date.

Sec. 15. Section 12 of this Act is retroactive to July 1, 1984 for estates of persons dying on or after that date.

Sec. 16. This Act, being deemed of immediate importance, takes effect from and after its publication in the Dallas County News, a newspaper published in Adel, Iowa, and in The Lamoni Chronicle, a newspaper published in Lamoni, Iowa.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 561, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 562

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO VARIOUS STATE COMMISSIONS, DEPARTMENTS, AND AGENCIES RELATING TO BUSINESS, TRADE, AND TRANSPORTATION.

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

Section 1. There is appropriated from the general fund of the state to the following named agencies for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 Fiscal Year
1. IOWA STATE COMMERCE COMMISSION	
For salaries, support, maintenance, and other operational purposes	$ 5,885,720
2. CONSUMER ADVOCATE	
For salaries, support, maintenance, and other operational purposes	$ 909,894
3. INDUSTRIAL COMMISSIONER	
For salaries, support, maintenance, and other operational purposes	$ 994,023
4. IOWA DEPARTMENT OF JOB SERVICE AND REFUGEE CENTER	

For salaries, support, maintenance, and other operational purposes for the administration of chapter 97 and chapter 97C and section 294.15	$ 161,247
5. OFFICE FOR PLANNING AND PROGRAMMING	
a. Iowa highway safety program	
For salaries, support, maintenance, and miscellaneous purposes to provide a cost-effective traffic safety program' through the administration of federal highway safety contracts to state and local governmental agencies	$ 82.423
b. Youth services administration	
For salaries, support, maintenance, and miscellaneous purposes to develop and administer employment opportunity programs for the youth	$ 75,000
c. General operating account	
For salaries, support, maintenance, and miscellaneous purposes to provide overall direction, planning, and administrative support to local, state, and federal programs	$ 580,042
d. Economic analysis and planning assistance	
For salaries, support, maintenance, and miscellaneous pur-	

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poses ..... $ 150,000

e. Statistical analysis center

For salaries, support, maintenance, and miscellaneous purposes ..... $ 190,000

It is a condition of this appropriation that the center have a respected criminal justice authority independently validate the center's risk assessment model.

f. Iowa youth corps

For salaries, support. maintenance, and miscellaneous purposes ..... $ 874,800

g. Community development block grant administration and related federal housing and urban development community development grant administration

For salaries, support, maintenance, and miscellaneous purposes ..... $ 116,655

h. Community development loan fund

For deposit into the community development loan fund ..... $ 1,000,000

i. Cultural community grants

For the purposes of the cultural community grants program established under 1983 Iowa Acts, chapter 207, section 92 ..... $ 300,000

Notwithstanding section 8.33, the unencumbered or unobliqaled balance remaining as of June 30, 1985 of the appropriation made under 1984 Iowa Acts, chapter 1301, section 10, subsrctron 8, paragraph "j", may be used for fund grants to cities and community groups fur the development of community programs that would provide local jobs for Iowa

residents and promote a city's historical, ethnic, and cultural heritages as provided in 1984 Iowa Acts, chapter 1301, section 10, subsection 8, paragraph "j", through December 31, 1985. The unencumbered or unobligated balance of the funds appropriated under 1984 Iova Acts, chapter 1301, section 10, subsection 8, paragraph "j", which remain after December 31, 1985, shall revert to the general tund of the state on January 1, 1986.

j. Job training partnership Act: dislocated worker

For salaries, support, maintenance, and miscellaneous purposes to develop and administer the job training partnership Act ..... $ 1,063,387

k. Retired senior volunteer program

For salaries, support, maintenance, and miscellaneous purposes ..... $ 15,000

From the Eunds appropriated by subsection "k", each local program is allocated two hundred (200) dollars. with the remaining appropriation to be allocated to the local programs by the commission on aging.

1. The Governor's office for volunteers ..... $ 20,000

6. DEPARTMENT OF REVENUE

For salaries, support, maintenance, and other operational purposes ..... $ 16,329,241

7. TREASURER OF STATE

a. For salaries, support, . maintenance and other operational purposes ..... $ 512,295

b. Por tick meters for the

redemption center ..... $ 18,000

8. IOWA ACADEMY OF SCIENCE

For support and maintenance ..... $ 60,400

Sec. 2. There is appropriated from the general fund of the state to the moneys and credits replacement fund established in section 422.100 for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the sum of two million five hundred thousand (2,500,000) dollars, or so much thereof as may be necessary, to be used for payments to counties as provided in section 422.100.

Sec. 3. IOWA DEVELOPMENT COMMISSION. There is appropriated from the general Eund of the state to the Iowa development commission €or the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1985-1986 ~~Fiscal Year~~
1. ?or salaries, support, maintenance, and miscellaneous purposes	$ 3,906,425
2. For the advertising and marketing budget	$ 100,000

It is the intent of the general assembly that appropriate state agencies assist the Iowa development commission in marketing and promoting Iowa as a geographical center for the location of organizations such as the United States institute of peace and the council of state governments.

3. HIGH TECHNOLOGY COUNCIL

a. For support, maintenance, and miscellaneous purposes ..... $ 40,000

b. lor high technology research grants ..... $ 900,000

4. From funds appropriated by subsection 1 the Iowa development commission shall allocate not to exceed thirty-five thousand (35,000) dollars for the fiscal year beginning

July 1, 1985 and ending June 30, 1986 for the seven regional tourism districts, not to exceed seven thousand (7,000) dollars per district, for each district which provides on a dollar-to-dollar matching basis funds equal to the amount allocated by the Iowa development commission.

4. IOWA PRODUCT DEVELOPMENT CORPORATION FUND

For the purposes provided in section 28.89 ..... $ 300,000

Notwithstanding section 8.33, unencumbered and unobligated funds appropriated in this subsection shall not revert to the general Eund.

Sec. 4. SPATE FAIR BOARD; There is appropriated from the general fund of the state to the Iowa state fair board for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following sums, or so much thereof as is necessary, to be used €or the purposes designated:

	1985-1986 ~~Fiscal Year~~
1. For maintenance of state fair buildings and grounds	$ 20,000
2. For premiums	$ 9,000
3. For state aid to agricultural societies (local fairs)	$ 100,000

4. The appropriation contained in subsection 3 for state aid to agricultural societies is conditional upon full compliance with all other statutes which regulate and prescribe the conditions under which the aid is available. The moneys shall not be used for other than the payment of cash premiums, and a county shall not receive more than one thousand (1,000) dollars except that in a county where there are two definitely separate county extension offices, each society shall receive state aid in the amount it would be entitled to if it were the only society in the county. In counties having more than one fair entitled to state aid, the

state aid available shall be prorated to the fairs based on cash premiums paid by'the fairs. If the amount appropriated does not fund all claims, the state aid shall be reduced proportionately to equal the amount appropriated.

Sec. 5. There is appropriated fcom the motor vehicle fuel tax fund to the department of revenue for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as may be necessary, for salaries, support, maintenance. and other operational purposes for administration and enforceaient of the provisions of chapter 324 and the motor vehicle use tax program:

	1985-1986 Fiscal Year
	$ 835,000

Sec. 6. There is appropriated from the Iowa public employees' retirement system fund for the fiscal year beginning July 1, 1985 and ending June 30, 1986 to the Iowa department of job service, the following amounts, or so much thereof as is necessary, lo be used for the follouing purposes:

	1985-1986 Fiscal Year
For salaries, support, maintenance, and other operational purposes to pay the costs of administration of the Iowa public employers' retirement system	$ 1,731,342

Sec. 7. There is appropriated from the general fund of the state to the state department of transportation for the fiscal year beginning July 1, 1985 arid ending June 30, 1986 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1985-1986 Fiscal Year
STATE DEPARTMENT OF TRANSPORTATION	
1. For salaries, support, maintenance, and miscellaneous purposes	$ 4,947 392
2. Por deposlt in the public transit assistance fund	$ 1,854 600
3. For deposit in the railroad assistance fund for branch line improvement	$ 950,000

Sec. 8. There is appropriated from the road use tax fund to the state department of transportation for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1985-1986 ~~Fiscal Year~~
STATE OEPARTHENT OF TRANSPORTATION	
1. For salaries, support, maintenance, and miscellaneous purposes	$ 12,433,503
2. POT the purpose of making payments to the Iowa merit employment department for expenses incurred in administering the merit system on behalf of the state department of transportation, as required by chapter 19A	$ 16,000
3. Unemployment compensation	$ 12,250
4. For entrance to Marquisville garage	$ 150,000

Sec. 9. There is appropriated from the road use tax fund to the state comptroller for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the sum of thirty-two thousand seven hundred fifty (32,750) dollars, or so much thereof as is necessary, to be used for the purpose of paying workers'

compensation claims under chapter 85 on behalf of enployees of the state department of transportation.

Sec. 10. There is appropriated from the primary road fund to the state department of transportation for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1985-1986 Fiscal Year
STATE DEPARTMENT OF TRANSPORTATION	
1. For salaries, support, maintenance, and miscellaneous purposes	$128,873,000

It is a condition of this appropriation that a highway engineering consulting contract shall not be awarded to any individual who has been employed on a full-time basis for a period of more than six months by the state department of transportation within two years of the individual's employment termination date with the state department of transportation.

2. To be deposited in the state, department of transportation materials and equipment revolving fund established by section 307A.7 for funding the increased replacement cost of vehicles	$ 2,000,000
3. For the purpose of making payments to the Iowa merit employment department for expenses incurred in administering the merit system on behalf of the state department of transportation, as required by chapter 19A	$ 304,000
4. Unemployment compensation	$ 232,750

Sec. 11. There is appropriated from the primary road fund to the state comptroller for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the sum of six hundred twenty-two thousand two hundred fifty (622,250) dollars, or so much thereof as is necessary, for the purpose of paying workers' compensation claims under chapter 85 on behalf of the employees of the state department of transportation.

Sec. 12. There is appropriated from the state aviation fund to the state department of transportation for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1985-1986 Fiscal Year
For salaries, support, maintenance, and miscellaneous purposes	$ 329,000

Sec. 13. There is appropriated from the primary road fund to the state department of transportation for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1985-1986 Fiscal Year
STATE DEPARTMENT OF TRANSPORTATION	
1. For replacement of field facilities	$ 600,000
2. For Atlantic materials laboratory	$ 210,000

3. Any unencumbered balance remaining as of June 30, 1989 of the funds appropriated by this section shall revert to the primary road fund on September 30, 1989.

Sec. 14. There is appropriated from the road use tax fund to the general fund of the state for the fiscal year beginning July 1, 1985 and ending June 30, 1986 the sum of three million six hundred two thousand eight hundred seventy-five (3,602,875) dollars to fund the operation and administration

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of the driver's license program within the state department of transportation.

Sec. 15. Notwithstanding section 321.145, there is tcansferred from the road use tax fund to the general fund of the state the sum not to exceed eighteen million sixty-four thousand (18,064,000) dollars for the fiscal year beginning July 1, 1985 and ending June 30, 1986 which Cunds shall be appropriated to the department of public safety for the highway patrol and uniformed force for the administration and supervision of the public highuays. However, the unfunded liability of the peace officers retirement accident and disability system, as of July 1, 1985, shall not he considered a liability of the road use tax fund.

Sec. 16. Section 28.89, Code 1985, is amended to read as follous:

28.89 IOWA PHODUCT DEVELOPMENT CORPORATION FUND.

There is created an "Iowa product development corporatton fund". All funds of the corporation including the proceeds from the issuance of notes or sale of bonds under this division, any funds appropriated from the general fund to the corporation, and other income derived from the exercise of powers granted to the corporation under this division shall be paid into the Iowa product development corporation fund notwithstanding section 12.10. The money in the Ioua product. development corporation fund, except moneys held by a trustee or a depository pursuant to a bond resolution or indenture relating to the issuance of bonds or notes pursuant to sections 28.90 or 28.91, shall be paid out on the order of the person authorized by the corporation. The money In the Iowa product development corporation fund shall be used for repayment of notes and bonds issued under this division and the extension of financial aid granted by the corporation under this division, and the amount remaining may be used for the payment of the administrative acid overhead costs of the corporation to the extent required. Notwithstanding section 8.33, no part of this fund shall revert at oc after the close

of a fiscal year unless otherwise provided by the general assembly, but shall remain in the fund and appropriated for the purposes of this division. The board shall seek to repay the state for general tund appropriations by recommending to the general assembly reversions from income received from successful ventures. The board shall recommend such action at any time when the revenue available to the board is deemed sufficient to continue existing operations.

Sec. 17. Section 28.90, Code 1985, is amended to read as f0 1 lows:

28.90 PRODUCT DEVELOPHENT CORPORATION NOTES.

The corporation may issue Iowa product development corporation fund notes. the principal and interest of which shall be payable solely from the Iowa product development corporation fund established by this division. The fund notes of each issue shall be dated, shall mature at such times net exceeding-ten-years-from-their-dates-of-issue, and may be made redeemable before maturity. at-the-option-of-the-eorporetion~ at prices and under terms and conditions as determined by the corporation. The corporation shall determine the form and manner of execution of the fund notes, including any interest coupons to be attached, and shall fix the denominations and the places of payment of principal and Interest, which may be any financial institution within or without the state or any agent, including the lender. If an officer whose signature or a facsimile of whose signature appears on fund notes or coupons ceases to be that officer before the delivery of the notes or coupons, the signature or facsimile is valid and sufficient for all purposes the same as if the officer had remained in office until delivery. The fund notes may be issued in coupon or in registered form, or bath, as the corporation determines, and provision may be made for the registration of coupon fund notes as to principal alone and also as to both principal and interest, and for the conversion into coupon fund notes of any fund notes registered as to both principal and interest, and for the interchange of registered

and coupon fund notes. Fund notes shall bear interest at rates as determined by the corporation and may be sold in a manner, either at public or private sale, and for a price as the corporation determines to be best to effectuate the purposes of the Iowa product development corporation fund. The proceeds of fund notes shall be used solely for the purposes for which issued and shall be disbursed in a manner and under restrictions as provided in this division and in the resolution of the corporation providing for their issuance. The corporation may provide for the replacement of fund notes which become mutilated or are destroyed or lost.

Sec. 18. Section 28.91, subsection 1, Code 1985, is amended to read as follows:

1. The corporation may issue its negotiable bonds and notes in principal amounts as, in the opinion of the corporation, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the corporation incident to and necessary or convenient to carry out its purposes and powers. However, the corporation shall not have a total principal amount of bonds and notes outstanding at any time in excess of one ~~ten~~ million dollars~~7 or-the-value-of-the-aggregate-assets-of-the-corporation,-as certified-by-an-independent-certified-public-accountant.~~ The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code.

Sec. 19. Section 307B.23, Code 1985, is amended to read as follows:

3070.23 SPECIAL RAILROAD FACILITY FUND.

There is created in the office of the state treasurer a "special railroad facility fund". This fund shall include moneys credited to this fund under sections 307.29, 435.9, ~~324A.9,~~ and other funds which by law may be credited to the special railroad facility fund. The moneys in the special

railroad facility fund are hereby appropriated to and for the purposes of the authority as provided in this chapter. The funds in the special railroad facility fund shall not be considered as a part of the general fund of the state, shall not be subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state but shall remain in the special railroad facility fund to be used for the purposes set forth herein. The state treasurer of state shall act as custodian of the fund and disburse amounts contained in it as directed by the authority. The state treasurer of state is authorized to invest the funds deposited in the special railroad facility fund at the direction of the authority and subject to any limitations contained in the bond proceedings. The income from such investment shall be credited to and deposited in the special railroad facility fund. This fund shall be administered by the authority and may be used to purchase or upgrade railroad right-of-way and trackage facilities or to purchase general or limited partnership interests in a partnership formed to purchase, upgrade, or operate railroad right-of-way and trackage facilities, to pay or secure obligations issued by the authority, to pay obligations, judgments, or debts for which the authority becomes liable in its capacity as a general partner, or for any other use authorized under this chapter. The fund may also be used to purchase or upgrade railroad right-of-way and trackage facilities for the development of railroad passenger tourism.

Any moneys credited to the special railroad facility fund under ~~sections~~ section 435.9 ~~and-324A.9~~ shall be deposited in a separate account within the special railroad facility fund. The authority may issue obligations under this chapter which are secured solely by the moneys to be deposited in that separate account and the holders or owners of any such obligations shall have no rights to payment of bond service charges from any other funds in the special railroad facility

fund, including any moneys accruing to the authority from the lease, sale or other disposition, or use of railway facilities, or from payment of the principal of or interest on loans made, or from any other use of the proceeds of the sale of the obligations, and no such moneys may be used for the payment of bond service charges on any such obligations, except for accrued interest, capitalized interest, and reserves funded from proceeds received upon the sale of the obligations.

Sec. 20. Section 321E.1, Code 1985, is amended to read as follows:

321E.1 PERMITS BY DEPARTMENT.

The department and local authorities may in their discretion and upon application and with good cause being shown issue permits for the movement of construction machinery or asphalt repavers being temporarily moved on slreets, roads or highways and for vehicles with indivisible loads which exceed the maximum dimensions and weights specified in sections 321.452 to 321.466, but not to exceed the limitations imposed in sections 321E.1 to 3213.15 except as provided in sections 321E.29 and 321E.30. Vehicles permitted to transport indivisible loads may exceed the width and length limitations specified in section:. 321.454 and 321.457 for the purpose of picking up an indivisible load or returning from delivery of the indivisible load. Permits issued may be single-trip permits or annual permits. Permits shall be in writing and shall he carried in the cab of the vehicle for which the permit has been issued and shall be available for inspection at all times. The vehicle and load for which the permit has been issued shall be open to inspeclion by a peace officer or an authorized agent of a permit granting authority. When in the judgment of the issuing local authority in cities arid counties the movement of a vehicle with an indivisible load or construction machinery which exceeds the maximum dimensions and weights will be unduly hazardous to public safety or will cause undue damage Lo streets, avenues, boulevards,

thoroughfares, highways, curbs, sidewalks, trees, or other public or private property, the permit shall be denied and the reasons for denial endorsed on the application. Permits issued by local authorities shall designate the days when and routes upon which loads and construction machinery may be moved within the county on other than primary roads.

Sec. 21. Section 324A.2, subsection 4, Code 1985, is amended to read as follows:

4. "Railroad company. means a person responsible for the operation of a railway vehicle within this state, except where the operation of the railway vehicle is limited to operation only within the geographical confines of a manufacturing plant or facility.

Sec. 22. The amount of the funds appropriated under sections 1, 2, 3, 4, 7, 14, and 15 of this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall be reduced by one percent, rounded to the nearest whole dollar, and the provisions of this section shall prevail over any other provisions of this Act.

Sec. 23. Any public transit system which received funds from the state department of transportation pursuant to 1983 Iowa Acts, chapter 198, section 31, and which have earmarked the federal funds received for repayment of the interest-Cree loan shall repay the loan to the state department of transportation not later than December 31, 1985. This section applies to any public transit system which had these funds earmarked on April 1, 1985. Any funds received by the state department of transportation under this section shall be credited to the road use tax fund.

Sec. 24. Total appropriations specified in this Act for the fiscal year beginning July 1, 1985 and ending June 30, 1986 shall not be exceeded in the fiscal year beginning July 1, 1986 and ending June 30, 1987 unless revenue growth as estimated by the legislative fiscal bureau in its Decemhcr 31, 1985 quarterly report exceeds four and one-hall percent.

Sec. 25. All federal grants to and the federal receipts of the agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants and receipts unless otherwise provided by the general assembly.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 562, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 562

SENATE FILE 564

AN ACT

RELATING TO THE EXEMPTION OF CERTAIN NONPROFIT CORPORATIONS PROVIDING SERVICES TO DISABLED PERSONS AND ADULT DAY CARE SERVICES FROM THE SALES, SERVICES AND USE TAX, PROHIBITING THE COLLECTION FOR CERTAIN SALES, SERVICES AND USE TAX NOT PAID BY THOSE CORPORATIONS.

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

Section 1. Section 422.45, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. The gross receipts from the sale or rental of tangible personal property or Lrom services performed, rendered, or furnished to the following nonprofit corporations:

a. Residential care facilities and intermediate care facilities for the mentally retarded and residential care facilities for the mentally ill licensed by the department of health under chapter 135C.

b. Residential facilities for mentally retarded children licensed by the department of human services pursuant to chapter 237.

c. Rehabilitation facilities that provide accredited rehabilitation services to persons with disabilities which are accredited by the commission on accreditation of rehabilitation facilities or the accreditation council for services for mentally retarded and other developmentally disabled persons and adult day care services apprdved for reimbursement by *the* state department of human services.

d. Community mental health centers accredited by the department of human services pursuant to chapter 225C.

Sec. 2. Sales, services and use taxes which were payable on transactions occurring between July 1, 1980 and July 1,

1985 involving the retail sale or rental of tangible personal property or from services performed, rendered, or furnished to the nonprofit corporations described in section 1 of this Act and which have not been paid by those nonprofit corporations are no longer due and payable after July 1, 1985, and the department of revenue shall not collect these taxes, notwithstanding any other provision of law.

Sec. 3. This Act is effective July 1, 1985.

ROBERT T. ANDERSON
President of the Senate

WNALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 564, Seventy-Lirst General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 564

SENATE FILE 565

AN ACT

RELATING TO THE USE AND TAXATION FOR THE USE OF MOTOR VEHICLES, WATER VESSELS, AND MOBILE HOMES IN THE STATE BY INCREASING THE RATE OF TAX ON MOTOR FUEL AND SPECIAL FUEL, BY CREDITING HONEYS FROM THE ROAD USE TAX FUND TO THE RISE FUND, FOR USE IN ROAD OR STREET PROJECTS WHICH PROMOTE ECONOMIC DEVELOPMENT IN THE STATE, BY CREDITING MONEYS FROM THE ROAD USE TAX FUND TO THE PUBLIC TRANSIT ASSISTANCE FWND, BY PROVIDING AN EXEMPTION FROM THE USE TAX FOR CERTAIN VEHICLES REGISTERED UNDER CHAPTER 326, BY EXEMPTING FROM THE STATE USE TAX THE PORTION OF THE PURCHASE PRICE OF A MOBILE HOME WHICH IS NOT ATTRIBUTABLE TO THE COST OF THE HATERIALS USED IN MANUFACTURING THE MOBILE HONE AND EXEMPTING FROM THE STATE USE TAX THE GROSS RECEIPTS FROM THE SUBSEQUENT SALE OF A HOBILE HOME IF THE USE TAX HAD BEEN PAID IN A PREVIOUS SALE, BY EXEMPTING FROM TEE SALES, SERVICES AND USE TAX THE SALE OF SPECIAL FUEL FOR DIESEL ENGINES FOR CERTAIN SHIPS, BARGES AND WATERBORNE VESSELS, BY ALLOWING CERTAIN TRUCK TRACTORS TO BE REGISTERED AS SPECIAL TRUCKS, AND MAKING PENALTIES APPLICABLE.

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

Section 1. Section 312.2, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 16. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the revitalize Iowa's sound economy fund, created under section 315.2, the revenue accruing to the road use tax fund in the amount equal to two thirds of the revenues collected under each of the following:

a. From the excise tax on motor fuel and special fuel imposed under the tax rate of section 324.3:

(1) For the period July 1, 1985, through December 31, 1985, the amount of excise tax collected from two cents per gallon.

(2) From and after January 1, 1986, the amount of excise tax collected from three cents per gallon.

b. From the excise tax on special fuel for diesel engines:

(1) For the period July 1, 1985, through December 31, 1965, the amount of excise tax collected from one cent per gallon.

(2) For the period January 1, 1966, through December 31, 1966, the amount of excise tax collected from two cents per gallon.

(3) From and after January 1, 1967, the amount of excise tax collected from three cents per gallon.

NEW SUBSECTION. 17. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the public transit assistance fund, created under section 6013.6, an amount equal to one fortieth of the revenue credited to the road use tax fund under section 423.24.

Sec. 2. NEW SECTION. 315.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Department" means the state department of transportation.

2. "Fund" or "RISE fund" means the revitalize Iowa's sound economy fund.

Sec. 3. NEW SECTION. 315.2 REVITALIZE IOWA'S SOUND ECONOMY FUND.

A revitalize Iowa's sound economy fund is created, which includes:

1. All motor fuel and special fuel excise taxes credited by law to the RISE fund.

2. All other funds by 'law credited to the RISE fund.

Sec. 4. NEW SECTION. 315.3 USE OF FUND.

1. The fund is appropriated for and shall be used in the establishment, construction, improvement and maintenance of

roads and streets which promote economic development in the state by having any of the following affects:

a. Improving or maintaining highway access to specific development sites, including existing and future industrial locations.

b. Improving or maintaining highway access between urban centers or between urban centers and the interstate road system as defined in section 306.3.

c. Improving or maintaining highway access to economically depressed areas of the state.

d. Improving or maintaining highway access to points of shipment or processing of products.

e. Improving or maintaining highway access to trucking terminals and places of embarkation or shipment by other transportation modes.

f. Improving or maintaining highway access to scenic, recreational, historic and cultural sites or other locations identified as tourist attractions.

2. The fund is also appropriated and shall be used for the reimbursement or payment to cities or counties of all or part of the interest and principal on general obligation bonds issued by cities or counties for the purpose of financing approved road and street projects meeting the requirements of subsection 1.

Sec. 5. NEW SECTION. 315.4 ALLOCATION OF FUND.

Moneys credited to the RISE fund shall be allocated as follows:

1. Fifty percent for the use of the department on primary road projects.

2. Twenty-five percent for the use of counties on secondary road projects.

3. Twenty-five percent for the use of cities on city street projects.

Sec. 6. NEW SECTION. 315.5 ADMINISTRATION OF FUND.

Qualifying road and street projects shall be selected by the department for full or partial financing from the fund after consultation with organizations representing interests

of counties and cities. Counties and cities may make application for qualifying road and street projects with the department. In ranking applications for funds, the department shall, in addition to effects listed in section 315.3, subsection 1, consider the proportion of political subdivision matching funds to be provided, If any, the proportion of private contributions to be provided, if any, the total number of jobs to be created, the level of need, and the impact of the proposed project on the economy of the area affected. The proportion of funding shall be determined by the department or, in the case of cooperative projects, by agreement betueen the department and the city councils of participating cities, or boards of supervisors of participating counties, or other participating public agencies or private parties.

Sec. 7. NEW SECTION. 315.6 FUNDING OF PROJECTS.

Qualifying projects may be funded as follows:

1. Primary road projects may be financed entirely by the fund, or by combining money from the fund with money from the primary road fund, federal aid primary funds received by the state, or money from cities or counties raised through the sale of general obligation bonds of the cities or counties, other city or county revenues, or money from participating private parties.

2. Secondary road projects may be Cunded entirely by the fund or by combining money from the fund with money from the county's portion of road use tax funds, federal aid Secondary funds, other county revenues, or money raised through the sale of general obligation bonds of the county, or money from participating private parties.

3. City street projects may be funded entirely by the fund, or by combining money from the fund with money from the city's portion of road use tax funds, federal aid urban system funds, other municipal revenues, or money raised through the sale of general obligation bonds of the city, or money from participating private parties.

A county or city may, at its option, apply moneys allocated for use on secondary road or city street projects under

section 315.4, subsection 2 or 3, toward qualifying primary road projects.

Sec. 8. NEW SECTION. 315.7 MONTHLY CERTIFICATION OF FUNDS.

The account of the fund shall be kept by the state comptroller and the treasurer of state and shall show the amount of the fund including all credits to the fund and disbursements. The state comptroller shall report monthly to the department an account of the fund including all credits and disbursements. Upon certification by the department in accordance with rules adopted by the state comptroller, the state comptroller shall issue warrants for disbursements from the fund.

Sec. 9. NEW SECTION. 315.8 ACCOUNTS AND RECORDS REQUIRED.

The department shall keep accounts in relation to the allocation of moneys to the fund including all amounts credited to the fund and all amounts of duly and finally approved vouchers for claims chargeable to the fund. The department shall also keep accounts in relation to agreements with counties and cities for the reimbursement of interest and principal costs for general obligation bonds of counties or cities issued for the purpose of financing road or street projects under this chapter.

Sec. 10. NEW SECTION. 325.9 PROJECT DEVELOPMENT.

The department shall be responsible for the development of qualifying projects under this chapter in the same manner as prescribed for primary road system improvements under chapter 313, including surveys, plans, specifications, bids, contracts, supervision and inspection. The department may delegate responsibility *for* project development to another participating governmental unit.

Sec. 11. NEW SECTION. 315.10 RULES.

The department shall adopt rules pursuant to chapter 17A as necessary for the administration of this chapter.

Sec. 12. Section 324.2, subsection 7, Code 1985, is amended to read as Collowsr

7. "Gasohol' means motor fuel containing at least ten percent alcohol distilled from ~~agricultural products~~ cereal grains.

Sec. 13. Section 324.3, unnumbered paragraph 1, Code 1985, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of thirteen fifteen cents per gallon for the period beginning September July 1, ~~1981~~ 1985 and ending December 31, 1985, and sixteen cents per gallon beginning January 1, 1986, is imposed upon the use of all motor fuel used for any purpose except motor fuel containing at least ten percent alcohol distilled from ~~agricultural products~~ cereal grains grown in the United States for the period beginning July 1, 1978 and ending June 30, ~~1986~~ 1992 and except as otherwise provided in this division.

PARAGRAPH DIVIDED. The tax shall be paid in the first instance by the distributor upon the invoiced gallonage of all motor fuel received by the distributor in this state, within the meaning of the word 'received' as defined in this division, less the deductions authorized. Thereafter, except as otherwise provided, the per gallon amount of the tax shall be added to the selling price of every gallon of such motor fuel sold in this state and shall be collected from the purchaser so that the ultimate consumer bears the burden of the tax?-provided-that. However, the tax shall not be imposed or collected under this division with respect to the following:

Sec. 14. Section 324.3, unnumbered paragraph 3, Code 1985, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of ~~six cents per gallon for the period beginning September 1, 1981 and ending April 30, 1982, an excise tax of eight cents per gallon for the period beginning May 1, 1982 and ending June 30, 1983, an excise tax of ten cents per gallon for the period beginning July 1, 1983 and ending June 30, 1984, an excise tax of eleven cents per gallon for the period beginning July 1, 1984 and ending June 30, 1985, an~~

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excise-tax-of-twelve fourteen cents per gallon beginning July 1, 1985 and ending December 31, 1985, and fifteen cents per gallon beginning January 1, 1986 and ending June 30, 1986 1987, is imposed upon the use of gasohol used for any purpose except as otherwise provided in this division.

Sec. 15. Section 324.34, unnumbered paragraph 1, Code 1985, is amended to read as follows;

For the privilege of operating motor vehicles in this state, there is fcvfed-and imposed an excise tax on the use, (as defined herein) in section 324.33, of special fuel in any a motor vehicle. The rate-of tax rate on special (diesel engine) fuel for diesel engines is thirteen-and-one-half-cents per-gallon-beginning-September-1,-1981-and-fifteen sixteen and one-half cents per gallon for the period beginning July 1, 1982 1985 and ending December 31, 1985, is seventeen and one-halt cents per gallon for the period beginning January 1, 1986 and ending December 31, 1986, and is eighteen and one-half cents per gallon beginning January 1, 1987. On all other special fuel the per gallon rate is the same as the motor fuel tax.

PARAGRAPH DIVIDED. The tax, with respect to all special fuel delivered by a special fuel dealer for use in this state as defined by section 324.33, shall attach at the time of the delivery and shall lo collected by the dealer from the special fuel user and paid over to the department of revenue as provided in this chapter. The tax, with respect to special fuel acquired by a special fuel user in any manner other than by delivery by a special fuel dealer into a fuel supply tank of a motor vehicle or delivery into a motor vehicle special fuel holding tank by a special fuel dealer or distributor. shall-attach attaches at the time of the use, (as herein defined) in section 324.33, of the fuel and shall be paid over to the department of revenue by the user as provided in this chapter.

Sec. 16. Section 324.34, unnumbered paragraph 8, Code 1985, is amended to read as follows:

For natural gas used as a special fuel the rate of tax that is equivalent to the motor fuel tax shall be ten-and-one-hate thirteen cents per hundred cubic feet adjusted to a base temperature of sixty degrees Fahrenheit and a pressure of fourteen and seventy-three hundredths pounds per square inch absolute. The tar on natural gas shall attach at the tloe of delivery into equipment tor compressing the gas for subsequent delivery into the fuel supply tank of a motor vehicle and shall be paid over to the department of revenue by the person operating the compressing equipment under the applicable provisions for users or dealers. Natural gas used as d special fuel shall be delivered into compressing equipment through sealed meters certified for accuracy by the department of agriculture.

Sec. 17. Section 422.45, Code 1985, is amended by adding the following new subsectlon:

NEW SUBSECTION. 22. The gross receipts from the sales of special fuel for diesel engines consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in or for the transportation of property or cargo, or the conveyance of persons for hire on rivers bordering on the state if the fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such a river.

Sec. 18. Section 423.1, Code 1985. Is amended by adding the following new subsection;

NEW SUBSECTION. 14. "Mobile home" means mobile home as defined in section 321.1, subsectlon 68, paragraph "a". ,

Sec. 19. Section 423.4, Code 1985, is amended by adding the following new subsections;

NEW SUBSECTION. 10. Vehicles registered under chapter 326 and used substantially in interstate commerce, section 423.5 notwithstanding. For purposes of this subsectlon, "substantially in interstate commerce" means that a minimum of twenty-five percent of the miles operated by the vehicle accrues in states other than Iowa. This subsectlon applies only to vehicles which are registered for a gross weight of thirteen tons or more.

NEW SUBSECTION. 11. Mobile homes the use of which has previously been subject to the tax imposed under this chapter and for which that tax has been paid.

NEW SUBSECTION. 12. Mobile homes to the extent of the portion of the purchase price of the mobile home which is not attributable to the cost of the tangible personal property used in the processing of the mobile home. For purposes of this exemption, the portion of the purchase price which is not attributable to the cost of the tangible personal property used in the processing of the mobile home is forty percent.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 565, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 565

SENATE FILE 568

AN ACT

RELATING TO DRAINAGE IMPROVEMENTS BY COUNTIES AND PROVIDING FOR ASSESSIHG THE BENEFITS OF THE IMPROVEMENTS, ISSUING BONDS, AND IMPOSING RATES FOR ITS USE, BENEFIT, AND CONNECTION.

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

Section 1. Chapter 331, division IV, Code 1985, is amended by adding the following new sections as a separate part:

NEW SECTION. 331.485 DEFINITIONS.

As used in this part, unless the context otherwise requires:

1. "Drainage improvement" includes the construction, improvement, or repair of the principal structures, works, component pacts and accessories of a storm sewer, drainage conduit, channel, or levee for the collection, detention, or discharge of drainage or surface waters.

2. "Urban drainage district" or "district" means a district defined by a county and one or more cities within the county pursuant to an agreement entered into by the county and cities in accordance with chapter 28E and this part with respect to drainage improvements which the county and cities determine benefit the property located in the cities and the designated unincorporated area of the county.

3. "Cost" means the same as defined in section 384.37, subsection 6.

NEW SECTION. 331.486 ASSESSHENT OF COSTS OF DRAINAGE IMPROVEMENTS.

A county may assess to property within an urban drainage district the cost of a drainage improvement within the county and drainage facilities extending outside the county. A

county is empowered to proceed and construct and to assess the cost of a drainage improvement within a district in the same manner as a city may proceed under division IV of chapter 384 and the provisions of division IV of chapter 384 apply to counties with respect to drainage improvements, the assessment of their costs and the issuance of bonds for the improvements. A county may contract foe a drainage improvement within a district under this part pursuant to part 3 of division III of chapter 331.

NEW SECTION. 331.487 SPECIAL ASSESSMENT BONDS.

A county may issue special assessment bonds in anticipation of the collection of special assessments for the cost of drainage improvements within a district in the same manner as provided for cities under division IV of chapter 384.

NEW SECTION. 331.488 CHAPTER 28E AGREEUENT.

An agreement entered into between a city and a county in accordance with chapter 28E with respect to a drainage improvement may include among others the following provisions:

1. The sharing of the total cost of the drainage improvement between the city and the county.

2. The amount of total assessments against private property within the city and within the unincorporated area of the county included within the district.

3. The method of specially assessing and determining benefits.

4. The amount of funds, if any, to be contributed by the city and county to the project other than special assessments.

5. The rates to be established and imposed upon property within the drainage district to pay the expenses of operation and maintenance of the drainage improvements.

6. The reduction of the county's debt service tax levy rate against property within a city which is a party to the joint agreement.

NEW SECTION. 331.489 RATES AND CHARGES FOR SERVICES AND CONNECTION.

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If a county and city have entered into an agreement pursuant to chapter 28E to create an urban drainage district, the county or city or both may, to the extent and in the manner provided in the agreement, establish, impose, adjust, and provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of a drainage improvement against property within the district and establish, impose, adjust, and provide for the collection of charges for connection to a drainage improvement. Rates and charges must be established by ordinance of the governing body of the county or city imposing the rates or charges. Rates or charges for the services of and connection to the drainage improvement if not paid as provided by the ordinance of the governing body, are a lien upon the premises served or benefited by that improvement and may be certified to the county auditor and collected in the same manner as other taxes.

NEW SECTION. 331.490 CITIES SUBJECT TO DEBT SERVICE TAX LEVY'-- RATES.

If a county and city have entered into a joint agreement pursuant to chapter 28E to create a district and issue county general obligation bonds to fund the costs of a drainage improvement in that district, the county's debt service tax levy for the county general obligation bond shall not be levied against property located in any city except a city which has entered into the joint agreement.

The county and the cities entering into the joint agreement may provide in the joint agreement for a different rate of the county's debt service tax levy against property in unincorporated areas of the county and property within those cities.

NEW SECTION. 311.491 AUTHORITY.

The authority of a city or county under this part with respect to districts and the financing of drainage, improvements is in addition to any other authority of a city

or county to contract, and levy special assessments and issue bonds to fund the costs.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate Pile 568, Seventy-first General Assembly.

a. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Covernor

SENATE FILE 570

AN ACT

MAKING CORRECTIONS AND OTHER CHANGES RELATING TO COURT RE-ORGANIZATION, COURT FEES, COURT-IMPOSED FINES AND COSTS AND THE SUSPENSION OF MOTOR VEHICLE LICENSES AND THE SET-OFF OF INCOME TAX REFUNDS AND REBATES, ADMINISTRATIVE CLO-SURES UNDER CHAPTER 601A, THE ABILITY TO PAY A CHIHINAL FINE, THE JUDICIAL RETIREMENT SYSTEM, AND OTHER COURT PROCEDURES AND MAKING CERTAIN PROCEDURES RETROACTIVE.

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

Section 1. Section 2.42, subsection 16, Code 1985, is amended to read as follows:

16. Authority to review proposed and delay the effective dates of rules and forms submitted by the supreme court pursuant to section 602.4202.

Sec. 2. Section 14.21, unnumbered paragraph 2, Coda 1985, is amended to read as follows:

~~Commencing July 1, 1977, the~~ The Code editor shall cause to be compiled, indexed and published in loose-leaf form the Iowa court rules, which shall consist of all rules of civil procedure, rules of criminal procedure, rules of appellate procedure, and supreme court rules. The Code editor& consultation with the superintendent of printing, shall cause to be printed and distributed supplements to the compilation on or before the effective date of either new rules, or amendments to or the repeal of existing rules. All expenses incurred by the Code editor under this paragraph shall be defrayed under section 14.22. There shall be established a price for the compilation of rules, and a separate price for each supplement. The price of the compilation and of supplements shall represent the costs of compiling and indexing, the amounts charged for printing and distribution

and a cost for labor determined jointly by the legislative council and rules review committee in consultation with the state printer. On request a single copy of each compilation and of each supplement shall be distributed free of charge to each of the persons or agencies referred to in section 18.97, subsections 1, 2, 5, 6, 7, 8 and 16.

Sec. 3. NEW SECTION. 321.210A SUSPENSION FOR FAILURE TO PAY FINE, PENALTY, SURCHARGE, OR COURT COSTS.

The department shall suspend the motor vehicle license of a person who, upon conviction of violating a law regulating the operation of a motor vehicle, has failed to pay the criminal fine or penalty, surcharge, or court costs, as follows:

1. Upon the failure of a person to timely pay the fine, penalty, surcharge, or court costs the clerk of the district court shall notify the person that if the fine, penalty, surcharge, or court costs remain unpaid after sixty days, the clerk will notify the department of the failure for purposes of instituting suspension procedures.

2. Upon the failure of a person to pay the fine, penalty, surcharge, or court costs within sixty days of receiving notice from the clerk of the district court as provided in subsection 1, the clerk shall report the failure to the department.

3. Upon receipt of a report of a failure to pay the Line, penalty, surcharge, or court costs from the clerk of the district, court, the department shall in accordance with its rules, suspend the person's motor vehicle license until the fine, penalty, surcharge or court costs are paid, unless the person proves to the satisfaction of the clerk and the department that the person cannot pay the fine, penalty, surcharge, or court costs.

Sec. 4. Section 321.212, subsection 1, paragraph a, Code 1985, is amended to read as follows:

a. Except as provided in section 321.210A or 321.513 the department shall not suspend a license for a period of more

than one year. except that a license suspended because of incompetency to drive a motor vehicle shall be suspended until the department receives satisfactory evidence that the former holder is competent to operate a motor vehicle and a refusal to reinstate shall-constitute constitutes a denial of license within the-provisions-a€ section 321.215; upon revoking a license the department shall not grant an application for a new license until the expiration of one year after the revocation. unless aaother period is specified by law.

Sec. 5. Section 321A.17, subsection 5, Code 1985, is amended to read as follows:

5. An individual applying for a motor vehicle license following a period of suspension or revocation under the provisions-of section 321.210A, 321.216 *or* 321.513 shall is not be required to maintain proof of financial responsibility under the-provisions-of this section.

Sec. 6. Section 331.506, subsection 2, paragraph b, Code 1985, is amended to read as follows:

b. Witness Cees and mileage in trials of criminal actions prosecuted under county ordinance, as certified by the county attorney.

Sec. 7. section 331.510, subsection 2, Code 1985, is amended by striking the subsection.

Sec. 8. Section 421.17, Code 1985, is amended by adding the following new subsection after subsection 24 and renumberlng the subsequent subsection:

NEW SUBSECTION. 25. To establish and maintain a procedure to set off against a debtor's income tax refund *or* rebate any debt which is in the form of a liquidated sum due, oving, and payable to the clerk of the district court as a criminal fine, civil penalty, surcharge, or court costs. The procedure shall meet the Lolloving conditions:

a. Before setoff all outstanding tax liabilities collectible by the department shall be satisfied except that no portion ot a refund *or* rebate shall be credited against tax liabilities which are not yet due.

b. Before setoff the clerk of the district court shall obtain and forward to the department the full name dnd social security number of the debtor. The department shall cooperate in the exchange of relevant information with the clerk. However, only relevant information required by the clerk shall be provided by the department. The information shall be held in confidence and shall be used for purposes of setoff only.

c. The clerk shall, at least quarterly and monthly if practicable, submit to the department Lor setoff the debts described in this subsection, which are at least fifty dollars.

d. Upon submission of a claim the department shall notify the clerk if the debtor is entitled to a refund *or* rebate and of the amount of the refund or rebate and the debtor's address on the income tax return.

e. Upon notice of entitlement to a refund or rebate the clerk shall send written notification to the debtor of the clerk's assertion of its rights to a11 or a portion of the debtor's refund or rebate and the entitlement to recover the debt through the setoff procedure, the basis of the assertion, the opportunity to request that a joint income tax refund or rebate be divided between spouses, and the debtor's opportunity to give written notice of intent to contest the amount of the claim. The clerk shall send a copy of the notice to the department.

C, Upon the request of a debtor or a debtor's spouse to the clerk, filed within fifteen days from the mailing of the notice of entitlement to a refund or rebate, and upon receipt of the full name and social security number of the debtor's spouse, the clerk shall notify the department of the request to divide a joint income tax refund or rebate. The department shall upon receipt of the notice divide a joint income tax refund or rebate between the debtor and the debtor's spouse in proportion to each spouse's net income as determined under section 422.7.

g. The department shall, after notice has been sent to the debtor by the clerk, set off the debt against the debtor's income tax refund or rebate. The department shall transfer at least quarterly and monthly if practicable, the amount set off to the clerk. If the debtor gives timely written notice of intent to contest the amount of the claim, the department shall hold the refund or rebate until final determination of the correct amount of the claim. The clerk shall notify the debtor in writing upon completion of setoff.

Sec. 9. Section 421.17, subsection 25, Code 1985, is amended to read as follows:

~~25~~ 26. To provide that in the case of multiple claims to refunds or rebates filed under subsections 21, and 23, and 25 that priority shall be given to claims filed by the child support recovery unit or the foster care recovery unit under subsection 21, next priority shall be given to claims filed by the college aid commission under subsection 23, and-fast next priority shall be given to claims filed by the office of investigations under subsection 21, and last priority shall be given to claims filed by a clerk of the district court under subsection 25.

Sec. 10. Section 601A.16, subsection 6, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. This section does not authorize administrative closures if an investigation is warranted.

Sec. 11. section 602.1302, Code 1985, is amended by adding the following new subsection:

~~NEW SUBSECTION~~. 4. A revolving fund is created in the state treasury for the payment of jury and witness fees and mileage by the department. The department shall deposit any reimbursements to the state for the payment of jury and witness fees and mileage in the revolving fund. Notwithstanding section 8.33, unencumbered and unobligated receipts in the revolving fund at the end of a fiscal year do not revert to the general fund of the state. The department shall

on or before February 1 file a financial accounting of the moneys in the revolving fund with the legislative fiscal bureau. The accounting shall include an estimate of disbursements from the revolving fund for the remainder of the fiscal year and for the next fiscal year.

Sec. 12. Section 602.1303, subsections 7 and 8, Code 1985, are amended to read as follows:

7. A county or city shall pay the costs of its depositions and transcripts and-the-court-fees-and-costs-peovided-by-fan in criminal actions prosecuted by that county or city and shall pay the court fees and costs provided by law in criminal actions prosecuted by that county or city under county or city ordinance. A county or city shall pay witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance.

8. A county shall pay the fees and expenses allowed under sections 815.2 and 815.3~~,-and-shall-pay-the-fees-and-expenses allowed-under-sections-815.5-and-815.6-with-respect-to witnesses-for-the-prosecution.~~

Sec. 13. Section 602.4104, subsection 3, Code 1985, is amended to read as follows:

3. The supreme court shall prescribe rules to provide for the submission of cases to the entire bench or to the separate divisions. ~~These-rules-are-subject-to-section-602.4202.~~

Sec. 14. Section 602.4202, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

602.4202 RULE-MAKING PROCEDURE.

1. The supreme court shall submit a rule or form prescribed by the supreme court under section 602.4201 or pursuant to any other rule-making authority specifically made subject to this section to the legislative council and shall at the same time report the rule or form to the chairpersons and ranking members of the senate and house committees on judiciary. The legislative service bureau shall make

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recommendations: to the supreme court on the proper style and format of rules and'forms required to be submitted to the legislative council under this subsection.

2. A rule or form submitted as required under subsection 1 takes effect sixty days after submission to the legislative council, or at a later date specified by tho suprema court, unless the legislative council, within sixty days after submission and by a majority vote of its members, delays the effective date of the rule or form to a date as provided in subsection 3.

3. *The* effective date of a rule or form submitted during the period of time beginning February 15 and ending February 14 of the next calendar year may be delayed by the legislative council until May 1 of that next calendar year.

4. A rule or form submitted as required utider subsection 1 and effective on or before July 1 shall be bound with the Acts of the general assembly meeting in regular session in the calendar year in which the July 1 falls.

5. If the general assembly enacts a bill changing a rule *or* form, the general assembly's enactment supersedes a conflicting provision in the rule or Corm as submitted by the supreme court.

Sec. 15. Section ti02.6603, subsection 4, Code 1985, is amended by striking the subsection and inserting in lieu thereof the following:

4. If a regularly appointed court reporter becomes disabled, or if a vacancy occurs in a regularly appointed court reporter position, the judge may appoint a competent uncertificd shorthand reporter Cur a period of time of up to six months, upon verification by the chief judge that a diligent but unsuccessful search liar been conducted to appoint a certified shorthand reporter to the position and, in a disability case, that the regularly appointed court reporter is disabled. Art uncertified shorthand reporter shall not be reappointed to the position unless the reporter becomes a

certified shorthand reporter within the period of appointment under this subsection.

Sec. 16. Section 602.6603, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 8. If a judge dies, resigns, retires, is removed from office, becomes disabled, or fails to be retained in office and the judicial vacancy is eligible to be filled, a court reporter appointed by the judge is entitled to serve as a court reporter, as directed by the chief judge *or* Lhe chief judge's designee, until the successor judge appoints a successor court reporter. The court reporter shall be paid the reporter's regular salary during the period of time until a successor court reporter is appointed or until the currently appointed court reporter is reappointed.

Sec. 17. Section 602.8102, subsection 45, Code 1985, is amended by striking the subsection and inserting in lieu thereof the following:

45. Report monthly to the office for planning and programming the following information related to each district court conviction for, acquittal of, or dismissal of a felony, an aggravated nisderueanor, or a serious misdemeanor:

a. The name of the convicted offender or defendant.

b. The statutory citation and character of the offense of which the offender was convicted or the defendant charged.

c. The sentence imposed on the convicted offender.

Sec. 18. Section 602.8102, Code 1985, is amended by adding the following neu subsection after subsection 50:

NEW SUBSECTION. 50A. Assist the department of transportation in suspending, pursuant to section 321.210A, the motor vehicle licenses of persons who fail to timely pay criminal fines or penalties, surcharges, or court costs related to the violation of a law regulating the operation of a motor vehicle.

Sec. 19. Section 602.8162, Code 1985, is amended by adding the following new subsection after subsection 58:

NEW SUBSECTION. 58A. Assist the department of revenue in setting off against debtors' income tax refunds or rebates under section 421.17, subsection 25, debts which are due, owing, and payable to the clerk of the district court as criminal fines, civil penalties, surcharges, or court costs.

Sec. 20. Section 602.8105, subsection 1, paragraph a, Coda 1985, is amended to read as follows:

a. For filing and docketing a petition other than for modification of a dissolution decree filed within one hundred eighty days of the date of the entering of the dissolution ~~decree, or an~~ appeal, or writ of error ~~and docketing them,~~ thirty-five dollars. Four dollars of the fee shall be deposited in the court revenue distribution account established under section 602.8108, and thirty-one dollars of the fee shall be paid into the state treasury. Of the amount paid to the state treasury, one dollar shall be deposited in the judicial reticement fund established in section 602.9104 to be used to pay retirement benefits of the judicial retirement system, and the remainder shall be deposited in the general fund of the state. In counties having a population of one hundred thousand or over, an additional five dollars shall be charged and collected, to be known as the journal publication fee and used for the purposes provided for in section 618.13.

Sec. 21. Section 602.8105, subsection 1, paragraph b, Code 1985, is amended to read as follows:

b. For payment in advance of various services and docketing procedures, excluding those for small claims actions and small claims actions on appeal and simple misdemeanor actions and simple misdemeanor actions on appeal, twenty-five dollars.

Sec. 22. Section 602.8105, subsection 1, paragraph j, Code 1985, is amended to read as follows:

j. In criminal cases, the same fees for the same services as in civil cases, to be paid by the county or city

initiating, which has the duty to prosecute the criminal action, payable as provided in section 602.8109. When judgment is rendered against the defendant, costs collected from the defendant shall be paid to the county or city ~~initiating~~ which has the duty to prosecute the criminal action to the extent necessary for reimbursement for fees paid. However, the fees which are payable by the county to the clerk of the district court for services rendered in criminal actions prosecuted under state law and the court costs taxed ~~in connection~~ with the trial of those criminal actions or appeals from the judgments in those criminal actions are waived.

Sec. 23. Section 602.8105, subsection 1, Code 1985, is amended by adding the following new lettered paragraphs and relettering the subsequent paragraph:

NEW LETTERED PARAGRAPH. p. For filing and docketing a transcript of judgment from another county, two dollars.

NEW LETTERED PARAGRAPH. q. For entering a judgment by confession, two dollars.

NEW ~~LETTERED~~ PARAGRAPH. r. For the administrative costs of collecting and distributing support payments payable to the clerk of the district court under section 598.22, to be paid annually by the person obligated to pay the support and to be billed and collected by the clerk separately from, in addition to, and after both current and accrued support payments have been collected by the clerk, twenty-five dollars.

Sec. 24. Section 602.8106, subsection 1, Code 1985, is amended to read as follows:

1. Notwithstanding section 602.8105, the fee for the filing and docketing of a complaint or information for a simple misdemeanor ~~shall be eight~~ is twenty dollars, ~~provided~~ that except that the filing and docketing of a complaint or information for a nonscheduled simple misdemeanor under chapter 321 is fifteen dollars. However, a fee for filing and docketing a complaint or information shall not be collected in cases of overtime parking.

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Sec. 25. Section 602.8106, subsection 4, Code 1985, is amended to read as follows:

6. All fees and costs for the filing of a complaint or information or upon forfeiture of bail received from a maqistrate shall be distributed by the clerk as follows:

a. ~~One-half~~ Two fifths shall be remitted monthly by the clerk to the treasurer of state to be credited to the general fund of the state.

b. ~~One-fourth~~ Three tenths shall be deposited in the court revenue distribution account establiyhed under section 602.6108.

c. ~~One-fourth~~ Three tenths shall be remitted monthly by the clerk to the treasurer of state to be credited to the judicial ratirement fund established under section 602.9104.

Sec. 26. Section 602.9103, Code 1965, is amended to read as follows:

602.9103 ~~NOTICE-BY-JUDGE-IN-WRITING~~ APPLICATION.

'Phis ~~Except as provided in section 602.11115, this~~ article shaff-not-apply applies to any judge of the ~~municipal, superior, or~~ district court, including a district associate judge, or a judge of the court of appeals or of tho supreme ~~court, until the judge gives notice in writing, while serving as a judge, to the state comptroller and treasurer of state, of the judge's purpose to come within its purview. dudges of the municipal and superior courts shall at the same time give a copy of such notice to the city treasurer and county auditor within the district of such court. Such notice shall be given~~ within one year ~~after the effective date hereof or within one~~ yeat after any date on ~~which the judge takes oath of office as~~ such judges

Sec. 27. Section 602.9104, subsection 1, Code 1985, is amended to read as follows:

1. Each judge coming within the purview of this article shall, on or before retirement, pay to the court administrator for deposit with the treasurer of state to the credit of a

fund to be known as the "judicial retirement fund", hereinafter called the "fund., a sum equal to four percent of the judge's basic salary for services as such judge for the total period of service as a judge of a municipal. superior, district or supremo court, or the court of appeals, including district associate judges, before the-date-of-said-notice July 1, 1985, and on and after the-data-eE-the-notice July 1, 1985 there shall be deducted and withheld from the basic salary of each judge coming within the purview of this article a sum equal to Lour-percent the following percentages of such basic salaryr--Provided-that, to vary according to the years of service as a judge of the municipal, superior, or district court, including a district associate judge, or a judge of the court of appeals or of the supreme court, or as a judge of any combination of the courts: for lass than seven years of service, seven Percent; for seven through twelve years of service, six percent; for thirteen through eighteen years of service, five percent; and for more than eighteen years of service, four percent.

PARAGRAPH DIVIDED. However, the maximum amount which any judge shall be required to contribute for past service shall not exceed for municipal or superior or district associate judges thirty-five hundred dollars, for district judges four thousand dollars, Lor court of appeals judges four thousand five hundred dollars, and for supreme court judges five thousand dollars.

Sec. 28. Section 602.9109, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Annuities granted under this article are exempt from taxation either as income or as personal property.

Sec. 29. Section 602.11101, subsection 4, Coda 1985, is amended by adding the following new unnumbered paragraph;

NEW UNNUMBERED PARAGRAPH. Until July 1, 1985 the county shall remain responsible Lor the compensation of juvenile

court referees. Effective July 1, 1985 the state shall assume the responsibility for the compensation of juvenile court referees.

Sec. 30. Section 602.11101, subsection 5, Code 1985, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. Until July 1, 1986 the county shall remain responsible for the compensation of and operating costs for court employees not presently designated for state financing and for miscellaneous costs of the judicial department related to furnishings, supplies, and equipment purchased, leased, or maintained for the use of judicial officers, referees, and their staff. Effective July 1, 1986 the state shall assume the responsibility for the compensation of and operating costs for court employees presently designated for state financing and for miscellaneous costs of the judicial department related to furnishings, supplies, and equipment purchased, leased, or maintained for the use of judicial officers, referees, and their staff. However, the county shall at all times remain responsible for the provision of suitable courtrooms, offices, and other physical facilities pursuant to section 602.1303, subsection 1, including paint, wall covering, and fixtures in the facilities.

NEW UNNUMBERED PARAGRAPH. Until July 1, 1986 the county shall remain responsible for the compensation of and operating costs for probate referees and judicial hospitalization referees and their staffs. Effective July 1, 1986 the state shall assume the responsibility for the compensation of and operating costs for probate referees and judicial hospitalization referees and their staffs.

NEW UNNUMBERED PARAGRAPH. Until July 1, 1986 the county shall remain responsible for necessary fees and costs related to certain court reporters. Effective July 1, 1986 the state shall assume the responsibility for necessary fees and costs related to certain court reporters.

Sec. 31. Section 602.11101, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 7. The county shall remain responsible for the court-ordered costs of conciliation procedures under section 598.16.

Sec. 32. Section 602.11102, Code 1985, is amended to read as follows:

602.11102 ACCRUED EMPLOYEE RIGHTS.

1. Persons who were paid salaries by the counties or judicial districts immediately prior to becoming state employees as a result of this Act chapter shall not forfeit accrued vacation, accrued sick leave, or longevity, except as provided in this section.

2. As a part of its rule-making authority under section 602.11101, the supreme court, after consulting with the state comptroller, shall prescribe rules to provide for the following:

a. Each person referred to in subsection 1 shall have to the person's credit as a state employee commencing on the date of becoming a state employee the number of accrued vacation days that was credited to the person as a county employee as of the end of the day prior to becoming a state employee.

b. Each person referred to in subsection 1 shall have to the person's credit as a state employee commencing on the date of becoming a state employee the number of accrued days of sick leave that was credited to the person as a county employee as of the end of the day prior to becoming a state employee. However. the number of days of sick leave credited to a person under this subsection and eligible to be taken when sick or eligible to be received upon retirement shall not respectively exceed the maximum number of days, if any, or the maximum dollar amount as provided in section 79.23 that state employees generally are entitled to accrue or receive according to faws-and ruies in effect as of the date the person becomes a state employee.

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c. Commencing on the data of becoming a state employee, each person referred to in subsection 1 is entitled to claim the person's most recent continuous period of service in full-time county employment as full-time state employment for purposes of dstermining the number of days of vacation which tho person is entitled to earn each year. The actual vacation benefit, including the limitation on the maximum accumulated vacation leave, shall be determined as provided in section ~~79.1~~ according to laws and rules in effect for state employees of comparable longevity, irrespective of any greater or lesser benefit as a county employee.

d. Notwithstanding paragraphs "b" and "c", for the period beginniny July 1, 1984, and ending June 30, 1986, court reporters who become state employees as a result of this Act chapter are not subject to the sick leave and vacation accrual limitations generally applied to state employees. However, court reporters are subject to the maximum dollar limitation upon retirement as provided in section 79.23.

Sec. 33. Section 602.11103, Code 1985, is amended to read as follows:

602.11103 LIFE, AND HEALTH, AND DISABILITY INSURANCE.

Persons who were covered by county employee life insurance and accident and health insurance plans prior to becoming state employees as a result of this Act chapter shall be permitted to apply prior to becoming state emptoyces for life insurance and health and accident insurance plans that are available to state employers so that those persons do not suffer a lapse of insurance coverage as a result of this Act chapter. The supreme court, after consulting with the state comptroller, shall prescribe rules and distribute application forms and take other actions as necessary to enable those parsons to elect to have insurance coverage that is in effect on the date of becoming state employees. The actual insurance coverage available to a person shall be determined by the plans that are available to state employees, irrespective of

any greater or lesser benefits as a county or judicial district employee.

Commencing on the date of becoming a state employee, each person referred to in this section is entitled to claim the person's most recent continuous period of service in full-time county or judicial district employment as Cull-time state employment for purposes of determining disability benefits as provided in section 79.20 according to rules in effect for ~~state~~ employees of comparable longevity, irrespective of any greater or lesser benefit as a county or judicial district employee.

Sac. 34. Section 602.11108, Code 1985, is amended to read as follows:

602.11108 COLLECTIVE BARGAINING.

A person who becomes a state eaployee as a result of this Act chapter is a public employee, as defined in section 20.3, subsection 3, for purposes of chapter 20. The parson may bargain collectively on and after July 1, 1983 as provided by law for a court employee. However, if the person is subject to a collective bargaining agreeaent negotiated prior to July 1, 1983, the parson is entitled to the rights and benefits obtained by the person pursuant to that contract after July 1, 1983, until that contract expires. If the person is subject to a collective bargaining agreement negotiated by a public employer other than the stste court ddninistrator on or after July 1, 1983, the person is not entitled to any rights or benefits obtained by the person pursuant to that contract after becoming a state employee.

Commencing one year prior to each category of employees becoming state employees as a result of thle chapter, the ~~state~~ court administrator shall assume the position of public employer of those employees of that category for the sole purpose of negotiating a collective bargaining agreement with those employees to be effective upon the date those employees became state employees as a result of this chapter.

Sec. 35. Section 602.11110, Code 1985, is amended to read as follovs:

602.11110 JUDGESHIPS FOR ELECTION DISTRICTS 5A AND 5C.

As soon as practicable after January 1, 1985, the supreme court administrator shall recompute the number of judgeships to which judicial election districts 5A and 5C are entitled. Notwithstanding section 602.6201, subsection 2, the seventeen incumbent district judges in judicial election district 5A on December 31, 1984 may reside in either judicial election district 5A or 5C beginning January 1, 1985. The supreme court administrator shall apportion to judicial election district 5C those incumbent district judges who vere appointed to replace district judges residing in Polk county or who were appointed to fill newly created judgeships while residing in Polk county. The incumbent district judges residing in Polk county on January 1, 1985 who are not so apportioned to judicial election district 5C shall be apportioned to judicial election district 5A but shall be reapportioned to judicial election district SC, in the order of their seniority as district judges, as soon as the first vacancies occur in judicial election district 5C due to death, resignation, retirement, removal, or failure of retention. Such a reapportionment constitutes a vacancy in judicial election district 5A for purposes of section 602.6201. Notvithstanding section 602.6201, subsection 2, the seventeen incumbent district judges in judicial election district 5A on December 31, 1984 shall stand for retention in the judicial election district to which the district judges are apportioned or reapportioned under this section. Commencing on January 1, 1985, vacancies within judicial election districts 5A and 5C shall be determined and filled under section 602.6201, subsections 4 through 8. For purposes of the recomputations, the supreme court administrator shall determine the average case filings for the latest available three-year period by reallocating the actual case filings during the three-year

period to judicial election districts 5A and 5C as if they existed throughout the three-year period.

Sec. 36. Section 611.21, Code 1985, is amended to read as follovs:

611.21 CIVIL REMEDY NOT MERGED IN CRIME.

The right of civil remedy is not merged in a public offense and is not restricted for other violation of lav, but may in all cases be enforced independently of and in addition to the punishment of the ~~latter~~ former.

Sec. 37. Section 631.6, subsection 1, Code 1985, is amended to read as follovs:

1. The docket fee for a small claims action is ten eleven dollars. ~~Other fees imposed for small claims shall be the same as those required in regular actions in district court,~~ four ~~Five~~ dollars of the docket fee shall ~~remain~~ be deposited in the ~~county treasury for the use of the county~~ court revenue distribution account established under section 602.8108 and six dollars of the fee shall be paid into the state treasury. Of the amount paid into the state treasury, one dollar shall be deposited in the judicial retirement fund established in section 602.9104 to be used to pay retirement benefits of the judicial retirement system, and the remainder shall be deposited in the general fund of the state.

Sec. 38. Section 631.6, unnumbered paragraph 2, Code 1985, is amended to read as follows:

All fees and costs collected in small claims actions, other than the six dollars of the docket fee to be paid into the state treasury, shall be deposited in the court revenue distribution account established under section 602.8108, except that the fee specified in subsection 4 of this section shall be remitted to the secretary of state.

Sec. 39. Section 666.6, Code 1985, is amended to read as follows:

666.6 REPORT OF FORFEITED BONDS.

The clerk of the district court shall make an annual report in writing to the supreme-court-on-the-first-Monday-in treasurer of state and the state court administrator no later than January 15 of all-forfeited-recognizances-in-the-clerk's office,-of-all-fines,-penalties,-and-forfeitures-imposed-in the-district-court,-in-what-cause-or-proceeding,-when-and-for what-purpose,-against-whom-and-for-what-amount,-rendered, whether the tines, penalties. forfeitures, and recognizances which have been-paid,-remitted,-canceled,-or-otherwise satisfied,-if-so,-when,-how,-and-in-what-manner,-and-if not been paid, remitted, canceled, *or* otherwise satisfied,-what steps-have-been-taken-to-enforce-the-collection-of-the-fines, penalties,-forfeitures-and-recognizances during the previous calendar year.

The-report-shall-be-full,-true,-and-complete-with-reference to-the-matters-contained-in-the-report-and-all-things-required by-this-section-to-be-reported,-and-the-report-shall-be-under oath.--A-clerk-failing-to-make-the-report-as-required-by-this section-is-guilty-of-a-simple-misdemeanor.

Sec. 40. Section 805.6, subsection I, paragraph a, Code 1985, is amended to read as follows:

a. The commissioner ol public safety and the state conservation director, acting jointly, shall adopt a uniform, combined citation and complaint which shall be used for charging all traffic violations in Iowa under state law or local regulation *or* ordinance, and which shall be used for charging all other violations which are designated by section 805.8 to be scheduled violations. *The* court costs in parking violation cases are elght dollars Per court appearance. The court costs in scheduled violation cases where a court appearance is not required are ten dollars. The court costs in scheduled violation cases where a court appearance *is* required are fifteen dollars. This subsection does not prevent the charging of any of those violations by information, by private complaint filed under chbpter 804, *or*

by a simple notice of Cine where permitted by section 321.236, subsection 1. Each uniform citation and complaint shall be serially numbered and shall be in quintuplicate, and the officer shall deliver the original and a copy to the court where the defendant is to appear, tuo copies to the defendant, and a copy to the law enforcement agency *of* the oflicer. The court shall forward the copy of the uniform citation and complaint in accordance with section 321.207 when applicable.

PARAGRAPH DIVIDED. The uniform citation and complaint shall contain spaces for the parties' names; the address of the alleged offender; the registration number of the offender's vehicles the information required by section 805.2; a promise to appear as provlded in section 805.3 and a place where the cited person nay sign the promise to appear; a liat of the scheduled tines prescribed by section 809.8, either separately or by group, and a statement that of the court costs payable in scheduled offense violatlon cases, whether or not a court appearance is required or is demanded,-are-eight dollars; a brief explanation *of* sections 805.9 and 805.10; and a space where the defendant may sign an admission of the violation when permitted *by* section 805.9; and the uniform citation and complaint shall require that the defendant appear before a court at a specified time and place. The uniform citation and complaint also may contain a space Lor the imprint of a credit card, and may contain any other information which the commissioner of public safety and the state conservation director may determine.

Sec. 41. Section 805.6, subsection 1, paragraph c, subparagraphs (1), (2), and (3), Code 1985, are amended to read an followr:

(1) If the offense is one to which a scheduled fine is applicable. an amount equal to one and one-half times the scheduled fine plus eight-dollars court costs.

(2) If the violation charged involved of resulted in an accident or injury to property and the total damages are less

than two hundred fifty dollars, the amount of fifty dollars and-eight-doffatt plus court costs.

(3) If the violation is for any offense for which a court appearance is mandatory, the amount of one hundred dollars plus eight-doffars court costs.

Sec. 42. Section 805.9, Code 1985, is amended to read as follows:

805.9 ADMISSION OF SCHEDULED VIOLATIONS.

1. In cases of scheduled violations, the defendant, before the time specified in the citation and complaint for appearance before the court, may sign the admission of violation on the citation and complaint and deliver or mail a copy of the citation and complaint, together with the minimum fine for the violation, plus eight-doffars court costs, to a scheduled violations office in the county. The office shall, if the offense is a moving violation under chapter 321, forward a copy of the citation and complaint and admission to the department of transportation as required by section 321.207. In this case the defendant is not required to appear before the court. The admission constitutes a conviction.

2. A defendant charged with a scheduled violation by information may obtain two copies of the information from the court and, before the time the defendant is required to appear before the court, deliver or mail the copies, together with the defendant's admission, fine, and eight-dollars court costs, to the scheduled violations office in the county. The procedure, fine, and costs are the same as when the charge is by citation and complaint, with the admission and the number of the defendant's operator's or chauffeur's license placed upon the information, when the violation involves the use of a motor vehicle.

3. When section 805.8 and this section are applicable but the officer does not deem it advisable to release the defendant and no court in the county is in session:

a. If the defendant wishes to admit the violation, the officer may release the defendant upon observing the person mail the citation and complaint, admission, and minimum fine, together with eight-dotfarr court costs, to a traffic violations office in the county, in an envelope furnished by the officer. The admission constitutes a conviction and judgment in the amount of the scheduled fine plus eight dollars court costs. The officer may allow the defendant to use a credit card pursuant to rules adopted under section 805.14 by the department of public safety or to mail a check in the proper amount in lieu of cash. If the check is not paid by the drawee for any reason, the defendant may be held in contempt of court. The officer shall advise the defendant of the penalty for nonpayment of the check.

b. If the defendant does not comply with paragraph "a" of this subsection, the officer may release the defendant upon observing the defendant mail to a court in the county the citation and complaint and one and one-half times the minimum fine together with eight-dottars court costs, or in lieu of one and one-half times the fine and the court costs, a guaranteed arrest bond certificate as provided in section 321.1, subsection 70, as bail together with the following statement signed by the defendant:

"I agree that either (1) I will appear pursuant to this citation or (2) if I do not appear in person or by counsel to defend against the offense charged in this citation the court is authorized to enter a conviction and render judgment against me for the amount of one and one-half times the scheduled fine plus eight-doffars court costs."

c. If the defendant does not comply with paragraph "a" or "b", or when section 804.7 is applicable, the officer may arrest and confine the defendant if authorized by the latter section, and proceed according to chapter 804.

4. A defendant who admits a scheduled violation may appear before court. The procedure, costs, and fine, without

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suspension ot the fine, after the hearing are the same as in the traffic violations office.

5. A defendant charged with a scheduled violation vho does not fully comply with subsection 1, 2, 3, or 4 of this section before the time required to appear before the court must, at that time, appear before the court. If the defendant admits the violation, the procedure, costs, and fine, without suspension of the fine, after the hearing are the same before the court as before the traffic violations office with-eight dollars-court-costs, and are without prejudice, when applicable, to proceedings under section 321.487.

6. The eight-dollars-in court costs imposed by this section are the total costs collectible from a defendant upon either an admission of a violation without hearing, or upon a hearing pursuant to subsection 4. Fees-shall-not-be-imposed upon-or-collected-from-a-defendant-for-the-purposes-specified in-section-602.8105,-subsection-1,-paragraph-"i",-"j",-or-"t".

Sec. 43. Section 815.13, Code 1985, is amended to read as follows:

815.13 PAYMENT OF PROSECUTION COSTS.

The county or city which has the duty to prosecute a criminal action shall pay the costs of depositions taken on behalf of the prosecution, the costs of transcripts requested by the prosecution, and in criminal actions prosecuted by the county or city under county or city ordinance the fees that are 'payable to the clerk of the district court for services rendered7 and the court costs taxed in connection with the trial of the action or appeals from the judgment. The county or city shall pay witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance. These fees and costs are recoverable by the county or city from the defendant unless the defendant is found not guilty or the action is dismissed, in which case the state shall pay the witness fees and mileage in cases prosecuted under state law.

Sec. 44. Section 907.4. Code 1985, is amended to read as follows:

907.4 DEFERRED JUDGMENT DOCKET.

Any deferment of judgment under section 907.3 shall be reported promptly by the clerk of the district court to the suprcae court administrator who shall maintain a permanent record thereof of the deteraent including tho name and date of birth of the defendant, the district court docket number, the nature of the offense, and the date of the deferment. Before granting deferment in any case, tho court shall request of the supreme court administrator a search of the deferred judgment docket and shall consider any prior record of a deferment of judgment against the defendant. The permanent record provided for in this section shall-constitute is a confidential record exempted from public access under section 22.7 and shall be available only to justices of the supreme court, judges of the court of appeals, district judges, district associate judges, and judicial magistrates, and county attorneys requesting information pursuant to this section or the designee of such a justice, judge, magistrate, or county attorney.

Sec. 45. NEW SECTION. 909.7 ABILITY TO PAY PINE PRESUMED.

A defendant is presumed to be able to pay a fine. However, if the defendant proves to the satisfaction of the court that the defendant cannot pay the fine, the defendant shall not be sentenced to confinement for the failure to pay the fine.

Sec. 46. REPEALS.

1. sections 247.29 through 247.31, Code 1985, are repealed.

Sec. 47. JUDICIAL RETIREMENT ACTUARIAL VALUATION. The court administrator shall cause an actuarial valuation to be made of the assets and liabilities of the judicial retirement fund for the fiscal year beginning July 1, 1984 and for subsequent fiscal years. Following the actuarial valuation, the court administrator shall determine the condition of the

system and shall report the system's condition and the court administrator's recommendations regarding the system to the general assembly by January 15, 1986. The cost of the actuarial valuation shall be paid from the judicial retirement fund.

Sec. 48. The third new unnumbered paragraph of section 30 of this Act applies retroactively to July 1, 1983.

Sec. 49. Sections 8, 9, and 19 of this Act take effect on July 1, 1986. The state court administrator shall prescribe rules to coordinate and consolidate the offset procedures required to forward necessary offset information to the department of revenue.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 570, Seventy-first General Assembly;

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 570

TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR
STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

May 24, 1985

The Ilonorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 570, an act making corrections and other changes relating to court reorganization, court fees, court-imposed fines and costs and the suspension of motor vehicle licenses and the setoff of income tax refunds and rebates, administrative closures under chapter 601A, the ability to pay a criminal fine, the judicial retirement system, and other court procedures and making certain procedures retroactive.

Senate File 570 is approved May 24, 1985, with the exception of Section 27, which I hereby disapprove.

Senate File 570 makes a number of changes in our court system, including adjusting court fees and modifying the judicial retirement system. Specifically, this bill provides for an increase in certain court fees and fines and applies a portion of those additional revenues to the judicial retirement system.

At the present time, the judicial retirement system has an unfunded liability of over $700,000. The additional revenues derived from the fee adjustments in Senate File 570 will eliminate that liability and will make the retirement system actuarially sound. I am pleased that the General Assembly has acted to make that fund secure.

However, Senate File 570 also requires certain judges to pay a larger percentage of their salaries to the judicial retirement system. Those judges with less than seven years of experience must pay an additional three percent of their salaries into the fund; those with seven to twelve years are required to contribute two percent more; and judges with thirteen to eighteen years of experience must contribute an additional one percent of their salaries. While there may be a need in the future to increase the pension contribution rate, the increase required in Senate File 570 is unfair, unwise and untimely.

Separate legislation passed by the General Assembly froze all judicial salaries for the next fiscal year. This salary freeze, in combination with the required increase in judicial contributions to the retirement fund, will effectively cut the take-home pay of many of our judges. This is an appropriate time to limit pay increases for those on the state payroll: I recommended a salary freeze for legislators and the Governor for the next two years. But it is unfair to single out judges for a cut in pay.

This reduction would hit hardest those judges who are new to the bench. As a result, it could adversely affect our ability to attract top flight attorneys to judicial positions. I am concerned that justice would be the ultimate loser if Section 27 of Senate File 570 were to become law.

Finally, an actuarial study of the judge's pension system will be conducted this summer. The General Assembly should wait for the results of that study before makiny major changes in the retirement system. Noreover, no additional pension contributions from judges are needed at this time to make the system actuarially sound.

In short, Section 27 of Senate File 570 unfairly singles out judges for a cut in pay. Such a reduction could harm the quality of justice in Iowa and is not needed to ensure the actuarial soundness of the judicial retirement system.

For the above reasons, I respectfully disapprove of this section in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 570 are hereby approved as of this date.

Very truly yours,

Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 574

AN ACT

RELATING TO WHEN ELECTRICITY, STEAM, AND OTHER TAXABLE SERVICES USED TO PRODUCE MARKETABLE FOOD PRODUCTS FOR HUMAN CONSUMPTION ARE SOLD FOR PROCESSING FOR PURPOSES OF THE PROCESSING EXEMPTION UNDER THE STATE SALES, SERVICES AND USE TAX.

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

Section 1. Section 422.42, subsection 3, unnumbered paragraph 1, Code 1985, is amended to read as follows:

"Retail sale" or "sale at retail" means the sale to a consumer or to any person for any purpose, other than for processing or for resale of tangible personal property or taxable services, or for resale of tangible personal property in connection with taxable services, and the sale of gas, electricity, water, and communication service to retail consumers or users, but does not include commercial fertilizer or agricultural limestone or materials, but not tools or

equipment. which are to be used in disease control, weed control, insect control or health promotion of plants or livestock produced as part of agricultural production for market, or electricity or steam or any taxable service when purchased and used in the processing of tangible personal property intended to be sold ultimately at retail. When used by a manufacturer of food products, electricity, steam, and other taxable services are sold for processing when used to produce marketable food products for human consumption, including but not limited to, treatment of material to change its form, context or condition, in order to produce the food product, maintenance of quality or integrity of the food product, changing or maintenance of temperature levels necessary to avoid spoilage or to hold the food product in marketable condition, maintenance of environmental conditions necessary for the safe or efficient use of machinery and material used to produce the food product, sanitation and quality control activities, formation of packaging, placement into shipping containers, and movement of the material or food product until shipment from the building of manufacture. Tangible personal property is sold for processing within the meaning of this subsection only when it is intended that such the property shall by means of fabrication, compounding, manufacturing, or germination become an integral part of other tangible personal property intended to be sold ultimately at retail, or shall be consumed as fuel in creating heat, power, or steam for processing including grain drying or for generating electric current, or be consumed in implements of husbandry engaged in agricultural production, or such the property is a chemical, solvent, sorbent, or reagent7 which is directly used and is consumed, dissipated, or depleted, in processing personal property which is intended to be sold ultimately at retail, and which may not become a component or integral part of the finished product. The distribution to the public of free newspapers or shoppers guides shall be

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deemed is a retail sale for purposes of the processing exemption.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 574, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 575

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO STATE AGENCIES FOR CAPITAL PROJECTS AND PROVIDING THAT PART OF THE ACT TAKES EFFECT UPON PUBLICATION.

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

Section 1. There is appropriated from the general fund of the state to the following state agencies for the fiscal year beginning July 1, 1985, and ending June 30, 1986 the following amounts, or so much thereof as is necessary, to be used in the manner designated:

	1985-1986 Fiscal Year
1. DEPARTMENT OF HUMAN SERVICES	
For capital improvements, including engineering analysis and design of mechanical and electrical system improvements, at the various institutions under the control of the department	$ 1,000,000
2. IOWA STATE HISTORICAL DEPARTMENT	
a. For the purchase of property adjacent to the gravesite at Gardner cabin	$ 30,000
b. For capital improvements for the Matthew Edel blacksmith shop in Haverhill, Iowa referred to in House Concurrent Resolution 107 adopted during the 1984 Session of the Seventieth General Assembly	$ 20,000
3. DEPARTMENT OF CORRECTIONS	
For capital improvements at the various institutions under the control of the department	$ 500.000
4. STATE CONSERVATION COMMISSION	
For general maintenance capitals	$ 300,000

5. DEPARTMENT OF GENERAL SERVICES	
For renovation of the Robert Lucas building	$ 200,000
6. COMMISSION FOR THE BLIND	
For beginning the installation of a fire sprinkler system	$ 63,000

Sec. 2. There is appropriated from the general fund of the state to the state conservation commission on the effective date of this Act the sum of forty-three thousand five hundred fifty-four dollars and twenty-seven cents ($43,554.27) or so much as is necessary to pay the drainage assessment and interest for the closed tile drain work at Lake Cornelia of drainage district 14, subdistrict 3, in Wright county. An amount equal to the amount expended pursuant to this section shall be subtracted from the funds appropriated to the state conservation commission under 1985 Iowa Acts, House File 225, section 301, subsection 3, paragraph "a", and deposited in the general fund of the state by the state comptroller.

Sec. 3. Section 455.50, unnumbered paragraphs 3 and 4, Code 1985, are amended to read as follows:

When any state-owned lands under the jurisdiction of the state conservation commission are situated within a levee or drainage district, the commissioners to assess benefits shall ascertain and return in their report the amount of benefits and the apportionment of costs and expenses to such lands and the board of supervisors shall assess the same against such lands. However, the commissioners shall not assess benefits to property below the ordinary high water mark in a sovereign state-owned lake, marsh or stream under the jurisdiction of the state conservation commission.

Such The assessments against lands used-by-the-fish-and game-division under the jurisdiction of the state conservation commission shall may be paid by the state-conservation commission-from-the-state-fish-and-game-protection-fund executive council on due certification of the amount by the county treasurer to-said-commission,-and-against-lands-used-by

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Guttenberg, Iowa.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 575, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 576

AN ACT
RELATING TO THE GRANTING OF A PARTIAL REAL PROPERTY TAX CREDIT FOR NEW CONSTRUCTION OF RESEARCH-SERVICE FACILITIES.

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

Section 1. Section 427B.1, unnumbered paragraph 1, Code 1985, is amended to read as follows:

A city council, or a county board of supervisors as authorized by section 4278.2, may provide by ordinance for a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, research-service facilities, warehouses, distribution centers and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to section 427A.1, subsection 1, paragraph "e". New construction means new buildings and structures and includes new buildings and structures which are constructed as

additions to existing buildings and structures. New construction does not include reconstruction of an existing building or structure which does not constitute complete replacement of an existing building or structure or refitting of an existing building or structure, unless the reconstruction of an existing building or structure is required due to economic obsolescence and the reconstruction is necessary to implement recognized industry standards for the manufacturing and processing of specific products and the reconstruction is required for the owner of the building or structure to continue to competitively manufacture or process those products which determination shall receive prior approval from the city council of the city or the board of supervisors of the county upon the recommendation of the Iowa development commission. The exemption shall also apply to new machinery and equipment assessed as real estate pursuant to section 427A.1, subsection 1, paragraph "e", unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status. "Research-service facilities" means a building or group of buildings devoted primarily to research and development activities, including, but not limited to, the design and production or manufacture of prototype products for experimental use, and corporate-research services which do not have a primary purpose of providing on-site services to the public. Warehouse means a building or structure used as a public warehouse for the storage of goods pursuant to chapter 554, article 7, except that it does not mean a building or structure used primarily to store rav agricultural products or from which goods are sold at retail. Distribution center means a building or structure used primarily for the storage of goods which are intended for subsequent shipment to retail outlets. Distribution center does not mean a building or structure used primarily to store raw agricultural products, used primarily by a manufacturer to store goods to be used in

the manufacturing process, used primarily for the storage of petroleum products, or used for the retail sale of goods.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 576, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 580

AN ACT

EXEMPTING FROM THE STATE SALES, SERVICES, AND USE TAX THE GROSS RECEIPTS FROH THE RENTAL OF MOTION PICTURE FILMS, VIDEO AND AUDIO TAPES AND DISCS, RECORDS, PHOTOS, COPY, SCRIPTS OR OTHER MEDIA USED FOR THE PURPOSE OF TRANSMITTING THAT WHICH CAN BE SEEN, HEARD OR READ UNDER CURTAIN CONDITIONS.

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

Section 1. Section 422.45, Code 1985, is amended by addiny the following new subsection:

NEW SUBSECTION. The gross receipts from the rental of motion picture films, video and audio tapes, video and audio discs, records, photos, copy, scripts or other media used for the purpose of transmitting that which can be seen, heard or read, if either of the following conditions are met:

a. The lessee imposes a charge for the viewing or the rental of such media and the charge for the viewing or the rental is subject to taxation under this division or chapter 423.

b. The lessee broadcasts the contents of such media for public viewing or listening.

The exemption provided for in this subsection applies to all payments on or after July 1, 1984.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 580, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 580

SENATE FILE 581

AN ACT

PROVIDING FOR THE PROMOTION OF THE PORK INDUSTRY IN THIS STATE BY CREATING AN IOWA PORK PRODUCERS COUNCIL, AUTHORIZING AN ASSESSMENT ON THE SALE OF PORCINE ANIMALS, AND IMPOSING PENALTIES.

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

Section 1. NEW SECTION. 182.1 DEFINITIONS.

As used in this chapter:

1. "First purchaser" means a person who buys porcino animals from a producer in the first instance.

2. "Porcine animals" means swine raised for slaughter, feeder pigs, or swine seedstock.

3. "Producer" means a person engaged in this state in the business of producing and marketing porcine animals in the previous calendar year.

4. "Pork" means porcine animals and all parts of porcine animals.

5. "Market development" means research and education programs directed at better and more efficient production, marketing, and utilization of pork; public relations and other promotion techniques for the maintenance of existing markets for pork, including but not limited to contributions to organizations working toward the purposes of this subsection; development of new or larger markets for pork both domestic and foreign, and adoption, prevention, modification, or elimination of trade barriers which bear on the flow of pork in commercial channels.

6. "Assessment" means an excise tax on the sale of porcine animals as provided in this chapter.

7. "Secretary" means the secretary of agriculture.

8. "Iowa pork producers council' or "council" means the body established under section 182.2.

Sec. 2. NEW SECTION. 182.2 IOWA PORK PRODUCERS COUNCIL.

The Iowa pork producers council is established. The council shall consist of the immediate past president and the current president of the Iowa pork producers association, two members appointed by the Iowa pork producers association from its board of directors, and three pork producers appointed by the secretary, one from each of three districts of the state designated by the secretary. The Iowa pork producers association shall nominate three producers from each of these three districts. The secretary, the dean of the college of agriculture of Xowa state university of science and technology, and the state veterinarian, or their designees, shall serve on the council as nonvoting ex officio members.

The immediate past president of the Iowa pork producers association shall serve as chair of the council.

Sec. 3. NEW SECTION. 182.3 TERMS.

The immediate past president and the current president of the Iowa pork producers association shall serve as long as they hold those respective offices. The other voting members shall serve terms of three years, and shall not serve for more than two complete consecutive terms. On the initial council, one voting member shall serve an initial term of one year, two shall serve initial terms of two years, and two shall serve initial terms of three years.

Sec. 4. NEW SECTION. 182.4 VACANCIES.

A vacancy in the office of either the immediate past president or current president of the Iowa pork producers association shall be filled by the president-designate of the Iowa pork producers association. The council shall by appointment fill an unexpired term if a vacancy occurs in any other voting membership.

Sec. 5. NEW SECTION. 182.5 DUTIES, OBJECTS AND POWERS OF THE COUNCIL.

The council shall:

1. Aid in the promotion of the pork industry of the state.

2. Hake an annual report of its proceedings and expenditures to the secretary.

3. Elect a secretary and other officers it deems advisable.

4. Administer and enforce this chapter, and do and perform all acts and exercise all powers reasonably necessary to effectuate the purposes and requirements of this chapter.

5. Hire and discharge employees and professional counsel as necessary, prescribe their duties and powers, and fix their compensation.

6. Establish offices, incur expenses, and enter into any contracts or agreements necessary to carry out the purposes of this chapter.

7. Report alleged violations of this chapter to the attorney general or appropriate county attorney.

8. Keep accurate books, records, and accounts of all its dealings.

9. Receive, administer, disburse and account for, in addition to the funds received from the assessment provided in this chapter, other funds voluntarily contributed to the council for the purpose of promoting the pork industry.

The council may enter into arrangements with persons purchasing Iowa produced pork outside Iowa. for collection of the assessment from such buyers.

The council is a state agency only for the purposes of chapters 21 and 22. Chapter 17A does not apply to the council.

Sec. 6. NEW SUCTION. 182.6 ASSESSMENT.

The council shall make an assessment of not less than point zero zero two nor more than point zero zero three of the gross sale price of all porcine animals. The assessment shall be point zero zero two five of the gross sale price of porcine animals until consent to an assessment has been given through the initial referendum referred to in this chapter. After

approval of the initial referendum, the rate of assessment shall be determined by the council. The assessment shall be made at the time of delivery of the animals for sale, and shall be deducted by the first purchaser from the price paid to the producer. The first purchaser, at the tine of sale, shall make and deliver to the producer an invoice for each purchase showing the names and addresses of the producer and the first purchaser, the number and kind of animals sold, the date of sale, and the assessment made on the sale.

Assessments shall be paid to the Iowa pork producers council by first purchasers at a time prescribed by the council, but not later than the last day of the month following the month in which the animals were purchased.

Sec. 7. NEW SECTION. 182.7 FUND.

Assessments imposed under thls chapter paid to and collected by the Iowa pork producers council shall be deposited In the pork promotion fund which is established In the office of the treasurer of state.

From the moneys collected, the council shall first pay the costs of referendums held pursuant to this chapter. Of the funds remaining at least ten percent shall be remitted to the national livestock and meat board and the pork Industry group thereof, at least twenty-five percent shall be remitted to the national pork producers council, and at least fifteen percent shall be remitted to the Iowa pork producers association in the proportion the committee determines, for use by recipients in a manner not Inconsistent with market development as defined in section 182.1. Moneys remaining in the fund shall be spent as found necessary by the council to further carry out the provisions and purposes of this chapter.

The pork promotion fund shall be subject at all times to warrants by the state comptroller, drawn upon the written requisition of the chair of the council attested to by its secretary, for payment of expenditures of the council, which shall, at no time, exceed the amount deposited in the fund.

Sec. 8. NEW SECTION. 182.8 REFUND OF ASSESSMENT.

A producer from whom the assessment has been deducted, upon written application filed with the council within thirty days after its collection, shall have that amount refunded by the council. Application forms shall be given by the council to each first purchaser when requested and the first purchaser shall make the applications available to any producer. Each application for a refund by a producer shall have attached a proof of assessment deducted. The proof of assessment deducted shall be in the form of the original purchase invoice by the first purchaser. The council shall have thirty days from the date the application for refund is received to remit the refund to the producer.

Sec. 9. NEW SECTION. 182.9 REFERENDUM.

At a time designated by the council within eighteen months after the effective date of this Act, the secretary shall conduct a referendum under administrative procedures prescribed by the department of agriculture.

Upon signing a statement certifying to the secretary that the person is a bona fide producer as defined in this chapter, each producer is entitled to one vote in each referendum. The secretary shall determine the qualification of producers under this section.

The secretacy shall count and tabulate the ballots filed during the referendum within thirty days of the close of the referendum. If from the tabulation the secretary determines that a majority of the total number of producers voting in the referendum favors the assessment, the assessment provided for in the referendum shall be levied. The ballots cast pursuant to this section constitute complete and conclusive evidence for use in determinations made by the secretary under this chapter.

The secretary shall hold subsequent referendums on request of ten percent or more of the number of producers eligible to vote, to determine whether the producers favor the termination or suspension of the assessment. The secretary shall suspend

or terminate collection of the assessment within six months after the secretary determines that suspension or termination of the assessment is favored by a majority of the producers voting in the referendum, and shall terminate the assessment in an orderly manner as soon as practicable after the determination.

Sec. 10. NEW SECTION. 182.10 EXPENSES OF MEMBERS.

The members of the council shall receive forty dollars Lor each day spent on official business of the council, not to exceed six hundred dollars per annum, and their actual necessary expenses, while engaged in council activity.

Sec. 11. NEW SECTION. 182.11 AUDIT.

Moneys collected under authority of this chapter shall be supervised by a certified public accountant employed by the council using generally accepted accounting principles and shall be subject to audit by the auditor of state.

Sec. 12. NEW SECTION. 182.12 EXAMINATION OF BOOKS.

Persons subject to this chapter and first purchasers shall furnish any information needed to enable the council and secretary to carry out the provisions of this chapter. For the purpose of ascertaining the correctness of any information given to the council or the secretary under this chapter, the secretary may examine books, papers, records, copies of tax returns, accounts, correspondence, contracts, or other documents and memoranda the secretary deems relevant which are in the control of any person and which are not otherwise confidential as provided by law. The secretary may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas duces tecum in connection with the administration of this chapter.

Sec. 13. NEW SECTION. 182.13 MISDEMEANORS.

A person who violates or assists in the violation of any of the provisions of this chapter is guilty of a simple misdemeanor.

Sec. 14. NEW SECTION. 182.14 INFLUENCING LEGISLATION.

Neither council members nor employees of the council shall attempt in any manner to influence legislation affecting any matters pertaining to the council's activities. No portion of the pork promotion fund shall be used, directly or indirectly, to influence legislation, to support any candidate €or public office, or to support any political party.

Sec. 15. Chapter 183, **Code** 1985, is repealed.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVEMSON
Speaker of the Mouse

I hereby certify that this bill originated in the Senate and is **known as** Senate File 581, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

S.F. 581

SENATE FILE 583

AN ACT

RELATING TO THE IMPOSITION OF CERTAIN TAXES BY IMPOSING THE BARREL TAX AND THE GALLONAGE TAX TO BEER AND WINE MANUFACTURED IN IOWA AND CORRECTING REFEHENCES TO AN ADDITIONAL REAL PROPERTY TAX UNDER THE LOCAL OPTION TAX PROVISIONS OF SENATE FILE 395.

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

Section 1. Section 123.56, subsection 1, 1985 Iowa Acts, Senate File 395, section 49, is amended to read as follows:

1. Subject to rules of the department, manufacturers of native wines from grapes, cherries, other fruits or other fruit juices, vegetables, vegetable juices, dandelions, clover, honey, or any combination of these ingredients, holding a class "A" wine permit as required by this chapter, may sell, keep, or offer for sale and deliver the wine. Sales may be made at retail for off-premises consumption when sold on the premises of the manufacturer, or in a retail establishment operated by the manufacturer which is no closer than five miles from an existing native winery. Sales may also be made to class "A" or retail wine permittees or liquor control licensees as authorized by the class "A" wine permit. ~~Sales-of-native-wines-by-the-manufacturer-of-the-native-wines are-exempt-from-the-wine-gallonage-tax-imposed-under-section 123.183.~~

Sec. 2. Section 123.143, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTCON. 3. Barrel tax revenues collected on beer manufactured in this state from a class "A" permittee which owns and operates a brewery located in Iowa shall be credited to the barrel tax fund hereby created in the office of the treasurer of state.

Sec. 3. Section 123.146, Code 1985 is repealed.

Sec. 4. Section 123.183, 1985 Iowa Acts, Senate File 395, section 74, is amended to read as follows:

Sec. 5. NEW SECTION. 123.183 WINE GALLONAGE TAX.

In addition to tha annual permit fee to be paid by each class "A" wine permittee, there shall be levied and collected from each class "A" wine permittee on all vine manufactured for sale and sold in this state at wholesale and on all wine imported into this state for sale at wholesale and sold in this state at wholesale, a tax of one dollar and fifty cents for every wine gallon and a like rate for the fractional parts of a wine gallon. A tax shall not be levied or collected on ~~wine-manufactured-in-this-state,-or~~ on wine sold by one class "A" wine permittee to another class "A" wine permittee. Revenue derived from the wine tax collected on wine manufactured for sale and sold in this state shall be deposited in the gallonage tax fund hereby created in the office of the treasurer of state. All other revenue derived from the wine tax shall be deposited in the liquor control fund established by section 123.53 and shall be transferred by the state comptroller to the general fund of the state. The price of wine sold or offered for sale in state liquor stores which was not purchased by the department from a class "A" wine permittee shall include a markup over the wholesale price at least equal to the tax levied under this section.

Sec. 6. Section 4228.1, subsections 1 and 9, 1985 Iowa Acts, Senate File 395, section 89, are amended to read as follows:

1. A city or a county may impose by ordinance of the city council or the board of supervisors local option taxes authorized by ~~sections-422B.1-through-422B.11~~ this chapter, subject to this section.

9. Local option taxes authorized to be imposed as provided in ~~sections-422B.1-through-422B.11~~ this chapter are a local earnings tax, a local sales and services tax, and a local

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vehicle tax. The rate of the taxes shall be up to four percent in increments of one percent for the earnings tax, and in increments of one dollar per vehicle for a vehicle tax all as set by the governing body of the city or county seeking to impose the earnings tax or as set on the petition seeking to impose the vehicle tax. The rate of a local sales and services tax shall not be more than one percent as set by the governing body.

Sec. 7. Section 422B.11, 1985 Iowa Acts, Senate File 395, section 99, is repealed.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 583, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 585

AN ACT

APPROPRIATING FEDERAL FUNDS MADE AVAILABLE FROM FEDERAL BLOCK GRANTS, ALLOCATING PORTIONS OF FEDERAL BLOCK GRANTS, AND PROVIDING PROCEDURES IF FEDERAL FUNDS ARE MORE OR LESS THAN ANTICIPATED OR IF FEDERAL BLOCK GRANTS ARE MORE OR LESS THAN ANTICIPATED OH IF CATEGORICAL GHANTS ARE CONSOLIDATED INTO NEW OR EXISTING BLOCK GRANTS.

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

DIVISION I

Section 1. ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES APPROPRIATION.

1. There is appropriated from the fund created by section 8.41 to the department of substance abuse, two million nine hundred thirty-six thousand (2,936,000) dollars for the federal fiscal year beginning October 1, 1985. Funds appropriated by this section are the anticipated funds to be received from the federal government for the designated federal fiscal year under Pub. L. No. 97-34, Title IX,

Subtitle A, and Pub. L. No. 97-414 which provides for the alcohol and drug abuse and mental health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Seventeen and eight-tenths percent of the Funds appropriated in subsection 1 shall be transferred to the division of mental health, mental retardation, and developmental disabilities within the department of human services and allocated for community mental health centers. Of this amount, ten percent must be used to initiate new mental services for severely disturbed children and adolescents and new comprehensive community mental health programs for unserved areas or underserved populations.

3. An amount not exceeding two hundred ninety-three thousand six hundred (293,600) dollars of the funds appropriated in subsection 1 shall be used by the department of substance abuse for administrative expenses. From the funds set aside by this subsection for administrative expenses, the department of substance abuse shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the department of substance abuse tor the costs of the audit.

4. Five percent of the funds appropriated in subsection 1 shall be used to initiate and provide new alcohol and drug abuse services to women.

5. After deducting the funds allocated in subsections 2, 3, and 4 the remaining funds appropriated in subsection 1 shall be allocated according to the following percentages to supplement appropriations for the following programs within the department of substance abuse:

a. Drug abuse programs ..... 38.89 percent

b. Alcohol abuse programs ..... 38.89 percent

c. Alcohol and drug prevention programs .... 22.22 percent

Sec. 2. MATERNAL AND CHILD HEALTH SERVICES APPROPRIATIONS.

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1. There is appropriated from the fund created by section 8.41 to the stata department of health, the sum of five million four hundred sixty thousand six hundred seventy-two (5,460,672) dollats for the federal fiscal year beginning October 1, 1985. The funds appropriated by this section are the funds anticipated to be received from the federal government for the designated federal fiscal year under Pub. L. No. 97-35, Title XXI, Subtitle D, as amended, which provides for the maternal and child health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Sixty-three percent of the funds appropriated in subsection 1 shall be allocated to supplement appropriations for maternal and child health programs within the personal and family health division of the state department of health. Of these funds, forly-eight thousand seven hundred twenty (48,720) dollars shall be set aside for sudden infant death syndrome, twenty-five thousand (25,000) dollars shall be set aside for a lead poisoning prevention program, and two hundred eight thousand nine hundred fifty (208,950) dollars shall be set aside for the statewide perinatal care program.

Thirty-seven percent of the funds appropriated in subsection 1 shall be transferred to the university of Iowa hospitals and clinics under the control of the state board of regents for mobile and regional child health specialty clinics.

3. An amount not exceeding one huridred twenty-two thousand thirty (122,030) dollars of the funds allocated in subsection 2 to the state department of health shall be used by the state department of health for administrative expenses. From the funds set aside by this subsection for administrative expenses, the state department of health shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use arid administration of the state department of

health's portion Of the funds allocated in subsection 2. The auditor of state shall bill the state department of health for the costs of the audit.

It is the intent of the general assembly that the departments of health, human services, and public instruction and the university of Iowa's mobile and regional child health specialty clinics continue to pursue to the maximum extent feasible the coordination and integration of services to women and children in selected pllot areas. It is expected that these agencies prepare a progress report for the general assembly indicating objectives accomplished and barriers encountered in the pursuit of these integration efforts.

4. Those federal maternal' and child health services block grant funds transferred from the federal preventive health and health services block grant funds under section 3, subsection 4, of this Act for the federal fiscal year beginning October 1, 1986, are transferred to the division of personal and family health for maternal and child health programs and to the university of Iowa's mobile and regional child health specialty clinics according to the percentages specified in section 2, subsection 2, of this Act.

Sec. 3. PREVENTIVE HEALTH AND HEALTH SERVICES APPROPRIATIONS.

1. There 1s appropriated from the fund created by section 8.11 to the state department of health, one million forty-seven thousand four hundred ninety-five (1,047,495) dollars for the federal fiscal year beginning October 1, 1985. Punds appropriated by this section are the funds anticipated to be received from the federal government tor the designated federal fiscal year under Pub. L. No. 97-35, Title IX, Subtitle A, which provides for the preventive health and health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding one hundred thousand three hundred seventeen (100,317) dollars of the funds appropriated in subsection 1 shall be used by the state department of health for administrative expenses. From the funds set aside by this subsection for administrative expenses, the state department of health shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the state department of health for the costs of the audit.

3. Of the funds appropriated in subsection 1, the specific amount of funds required by Pub. L. No. 97-35, Title IX, Subtitle A, shall be allocated to the rape prevention program.

4. Pursuant to Pub. L. No. 97-35, Title IX, Subtitle A, as amended. seven percent of the funds appropriated in subsection 1 is transferred within the special fund in the state treasury established under section 8.41, for use by the state department of health as authorized by Pub. L. No. 97-35, Title XXI, Subtitle D, as amended, and section 2 of this Act.

5. After deducting the funds allocated and transferred in subsections 2, 3, and 4, the remaining funds appropriated in subsection 1 shall be allocated according to the following percentages to supplement appropriations for the following programs within the following divisions of the state department of health:

a. Disease prevention division for hypertension grants ..... 15.2 percent

b. Disease prevention division for risk reduction services ..... 21.0 percent

c. Community health division and disease prevention division for health incentive grants ..... 17.9 percent

d. Community health division for emergency medical services ..... 30.0 percent

e. Personal and family health division

for Pluoridation grants ..... 15.9 percent

DIVISION II

Sec. 4. COMMUNITY SERVICES APPROPRIATIONS.

1. a. There is appropriated from the fund created by section 8.41 to the office for planning and programming, the sum of three million seven hundred sixty-eight thousand six hundred (3,768,600) dollars for the federal fiscal year beginning October 1, 1985. Funds appropriated by this section are the funds anticipated to be received from the federal government for the designated federal fiscal year under Pub. L. No. 97-35, Title VI, Subtitle B, which provides for the community services block grant. The office for planning and programming shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

b. The director of the office for planning and programming shall allocate not less than ninety percent of the amount of the block grant to programs benefiting low-income persons based upon the size of the poverty-level population in the area represented by the community action areas compared to the size of the poverty-level population in the state. The director of the office for planning and programming after consultation with community action agencies shall allocate an amount not exceeding five percent of the amount of financial assistance based upon other measures of need in each community action area.

2. An amount not exceeding five percent of the funds appropriated in subsection 1 for the federal fiscal year beginning October 1, 1985 shall be used by the office for planning and programming for administrative expenses. From the funds set aside by this subsection for administrative expenses, the office for planning and programming shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state

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shall bill the office for planning and programming for the costs of the audit.

Sec. 5. COMMUNITY DEVELOPMENT APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the office for planning and programming, the sum of twenty-four million nlne hundred twenty thousand (24,920,000) dollars for the federal fiscal year beginning October 1, 1985. Punds appropriated by this section are the funds anticipated to be received from the federal government €or the deslgnated federal fiscal year under Pub. L. No. 97-35, Title 111, Subtitle A, which provides for the community development block grant. The office for planning and programming shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding nine hundred ninety-one thousand (991,000) dollars for the federal fiscal year beginning October 1, 1985 shall be used by the office for planning and programming for administrative expenses for the community development block grant. The total amount use3 for administrative expenses includes four hundred ninety-five thousand five hundred (495,500) dollars for the federal fiscal year beginning October 1, 1985 of funds appropriated in subsection 1 and a matching contribution from the state equal to four hundred ninety-five thousand five hundred (495,500) dollars from the appropriation of state Eunds for the community developnieat block grant and state appropriations for related activities of the office for planning and programming. The total administrative expenses at the state level, from both federal and state sources, shall not exceed four percent of the amount appropriated in subsection 1. Prom the funds set aside for administrative expenses by this subsection, :he office for planning and programming shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds

appropriated in subsection 1. The auditor of state shall bill the office for planning and programming for the costs of the audlt.

DIVISION III

Sec. 6. EDUCATION APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of public instruction Cor the fiscal year beginning July 1, 1985 and ending June 30, 1986, the amount received trom Pub. L. No. 97-35, Title V, Subtitle D, chapter 2, not to exceed five million nine hundred fifty thousand (5,950,000) dollars. which provides for the education block grant. The department shall expend the funds appropriated by thla section as provided In the federal law making the funds available and in conformance with chapter 17A.

2. Twenty percent of the funds appropriated in subsection 1, not to exceed one million one hundred ninety thousand (1,190,000) dollars, shall be used by the department for basic skills development, state leadership and support services, educational improvement and support services, special projects, and state administrative expenses and auditing. However, not more than two hundred twenty-five thousand (225,000) dollars shall be used by the department for state administrative expenses.

3. Eighty percent Of the funds appropriated in subsection 1 shall be allocated by the department to local educational agencies In this state, as local educational agency is defined in Pub. L. No. 97-35, Title V, Subtitle D. The amount allocated under this subsectlon shall be allocated to local educational agencies according to the following percentages and enrollments:

a. Seventy-five percent shall be allocated on the basis of enrollments in public and approved nonpublic schools.

b. Twenty percent shall be'allocated on the basis of the number of disadvantaged children In local educational agencies

whose incidence ratio for disadvantaged children is above the state average incidence ratio.

c. Five percent shall be allocated on the basis of the number of limited English speaking children whose language imposes a barrier to learning.

Sec. 7. Funds appropriated in section 6 of this Act shall not be used to aid schools or programs that illegally discriminate in employment or educational programs on the basis of sex, race, color, national origin, or disability.

DIVISION IV

Sec. 8. LOW-INCOHE HOME ENERGY ASSISTANCE APPROPRIATIONS.

1. There is appropriated from the fund crested by section 8.41 to the energy policy council, the sum of thirty-six million seven hundred nineteen thousand eight hundred (36,719,800) dollars for the fiscal year beginning Octcber 1, 1985. The funds appropriated by this section are the funds anticipated to be received from the federal government for the designated federal fiscal years under Pub. L. No. 97-35, Title XXVI, as amended by Pub. L. No. 98-558, which provides for the low-income home energy assistance block grants. The energy policy council shall expand the Eunds appropriated by this section as provided in the federal law making the Eunds available and in conformance with chapter 17A.

2. An amount not exceeding two million eight hundred ninety-two thousand (2,892,000) dollars or nine percent of the Eunds appropriated in subsection 1, whichever is less, may be used for administrative expenses, not more than two hundred ninety thousand (290,000) dollars of which shall be used for administrative expenses of the energy policy council. From the total funds set aside by this subsection for administrative expenses, an amount sufficient to pay the cost of an audit of the use and administration of the state's portion of the funds appropriated is allocated for that purpose. The auditor shall bill the energy policy council for the costs of the audit.

3. The remaining funds appropriated in this section shall be allocated to help eligible households, as defined in accordance with Pub. L. No. 97-35, as amended by Pub. L. No. 98-558, to meet the costs of home energy. After reserving a reasonable portion of the Eunds not to exceed one million (1,000,000) dollars to carry forward into the federal fiscal year beginning October 1, 1986, at least ten percent and not more than fifteen percent of the funds appropriated by this section shall be used for low-income residential Weatherization or other related home repairs for low-income households.

4. An eligible household must be willing to allow residential weatherization or other related home repairs in order to receive home energy assistance. If the eligible household resides in rental property, the unwillingness of the landlord to allow residential weatherization or other related home repairs shall not prevent the household from receiving home energy assistance.

DIVISION V

Sec. 9. SOCIAL SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of human services, the sum of thirty-three million six hundred eighty-eight thousand seventeen (33,688,017) dollars for the fiscal year beginning October 1, 1985. Funds appropriated by this subsection are the funds, other than the funds appropriated in subsection 4, anticipated to be received from the federal government for the designated federal fiscal year under Pub. L. No. 97-35, Title XXIII, Subtitle C, as codified in 42 U.S.C. sections 1397-1397f, which provides for the social services block grant. The department of human services shall expend the funds appropriated by this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Not more than one million nine hundred forty-two thousand seven hundred eight (1,942,708) dollars of the funds appropriated in subsection 1 shall be used by the department of human services for general administration for the federal fiscal year beginning October 1, 1985. From the funds set aside by this subsection for general administration, the department of human services shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the department of human services for the costs of the audit.

3. In addition to the allocation for general administration in subsection 2, the remaining funds appropriated in subsection 1 shall be allocated to supplement appropriations for the federal fiscal year beginning October 1, 1985 for the following programs within the department of human services:

	1985-1986 Federal ~~Fiscal Year~~
a. Field operations	$ 13,306,852
b. Home-based services	$ 155,791
c. Foster care	$ 4,935,799
d. Community-based services	$ 790,479
e. Local administrative costs and other local services	$ 12,421,424
f. Volunteers	$ 134,964

4. There is appropriated from the special block grant fund created by section 8.41 to the department of human services, the sum of one hundred fifty-five thousand nine hundred sixty-three (155,963) dollars, or so much thereof as is actually allotted by and available from the federal government for the fiscal year beginning October 1, 1985 for child care provider training under the social services block grant pursuant to Pub. L. No. 98-473, Title IV, section 401. The state

comptroller shall separately account for these funds. The department of human services shall expend the funds appropriated by this subsection as provided in the federal law making the funds available and in conformance with chapter 17A. Notwithstanding section 8.33, the funds appropriated by this subsection shall not revert to the special block grant fund of the state on September 30, 1986, but shall be available for expenditure by the department until September 30, 1987, after which the unencumbered or unobligated funds shall revert to the special block grant fund of the state.

Sec. 10. SOCIAL SERVICES BLOCK GRANT PLAN. The department of human services during each fiscal year shall develop a plan for the use of federal social services block grant funds for the subsequent state fiscal year.

The proposed plan shall include all programs and services at the state level which the department proposes to fund with federal social services block grant funds, and shall identify state and other funds which the department proposes to use to fund the state programs and services.

The proposed plan shall also include all local programs and services which are eligible to be funded with federal social services block grant funds, the total amount of federal social services block grant funds available for the local programs and services, and the manner of distribution of the federal social services block grant funds to the counties. The proposed plan shall identify state and local funds which will be used to fund the local programs and services.

The proposed plan shall be submitted with the department's budget requests to the governor and the general assembly.

DIVISION VI

Sec. 11. PROCEDURE FOR REDUCED FEDERAL FUNDS.

1. Except for section 6 and section 9, subsection 4 of this Act, if the funds received from the federal government for the block grants specified in this Act are less than the amounts appropriated, the funds actually received shall be

prorated by the governor for the various programs, other than for the rape prevention program under section 3, subsection 3, of this Act, for which each block grant is available according to the percentages that each program is to receive as specified in this Act. However, if the governor determines that the funds allocated by the percentages will not be sufficient to effect the purposes of a particular program, or if the appropriation is not allocated by percentage, the governor may allocate the funds in a manner which will effect to the greatest extent possible the purposes of the various programs for which the block grants are available.

2. Before the governor implements the actions provided for in subsection 1, the following procedures shall be taken:

a. The chairpersons and ranking members of the standing committees of the senate and house on appropriations, the director of the legislative fiscal bureau, and the appropriate chairpersons and rdnking members of subcommittees Of those committees shall be notified of the proposed action.

b. The notice shall include the proposed allocations, and information on the reasons why particular percentages or amounts of funds are allocated to the individual programs, the departments and programs affected, and other information deemed useful. Chairpersons notified shall be allowed at least two weeks to review and comment on the proposed action before the action is taken.

Sec. 12. PROCEDURE FOR INCREASED FEDERAL FUNDS.

1. If funds received from the federal government in the form of block grants excead the amounts appropriated in sections 1, 2, 3, and 6, subsection 3, of this Act, the excess shall be prorated to the appropriate programs according to the percentages specified in those sections, except additional funds shall not be prorated for administrative expenses.

2. If funds received from the federal government from block grants exceed the amounts appropriated in section 5 of this Act, one hundred percent of the excess is appropriated to

the community development block grant program. Not more than two percent of the excess may be used for additional administrative expenses if the amount or any portion of it is equally matched by the current state appropriation for related activities of the office for planning and programming.

3. If funds received from the Lederal government in the form of block grants exceed the amounts appropriated in section 6, subsection 2, of this Act, the excess shall be deposited in the special fund created in section 8.41 and is subject to appropriation by the general assembly.

4. If funds received from the federal government from block grants exceed the amounts appropriated in section 8 of this Act, at least ten percent and not more than fifteen percent of the excess shall be allocated to the low-income weatherization program.

5. If funds received from the federal government in the form of block grants exceed the amounts appropriated in section 1 and section 9, subsection 1 of this Act, the excess shall be prorated to the appropriate programs according to the percentages specified in those sections, except additional funds shall not be prorated for administrative expenses.

6. If funds received from the federal government from community services block grants exceed the amounts appropriated in section 4 of this Act, one hundred percent of the excess is allocated to the community services block grant program.

Sec. 13. PROCEDURE FOR CONSOLIDATED, CATEGORICAL, OR EXPANDED FEDERAL BLOCK GRANTS. Notwithstanding section 8.41, federal funds made available to the state which are authorized for the federal fiscal year beginning October I, 1905 resulting from the federal government consolidating former categorical grants into block grants, or which expand block grants included in Pub. L. No. 97-35, to include additional programs formerly funded by categorical grants, which are not otherwise appropriated by the general assembly, are

appropriated for the programs formerly receiving the categorical grants, subject to the conditions of this section. The governor shall, whenever possible, allocate from the block grant to each program in the same proportion as the amount of federal Cunds received by the program during the 1985 federal fiscal year as modified by the 1985 Session of the Seventy-first General Assembly for the fiscal year beginning July 1, 1985 compared to the total federal funds received in the 1985 federal fiscal year by all programs consolidated lnto the block grant. However, if one agency did not have categorical funds appropriated for the federal fiscal year ending September 30, 1985 but had anticipated applying for funds during the fiscal year ending September 30, 1986, the governor may allocate the funds in order to provide funding.

If the amount received in the form of a consolidated *or* expanded block grant is less than the total amount of federal funds received for the programs in the form of categorical grants for the 1985 federal fiscal year, state funds appropriated to the program by the general assembly to match the federal funds shall be reduced by the same proportion of the reduction in federal funds for the program. State funds released by the reduction shall be deposited in a special fund in the state treasury and are available for appropriation by the general assembly. The governor shall notify the chairpersons and ranking members of the senate and house committees on appropriations, the legislative fiscal director, and the appropriate chairpersons and ranking members of the subcommittees of those committees before making the allocation of federal funds or any proportional reduction of state funds under this section. The notice shall state the amount of federal funds to be allocated to each program, the amount of federal funds received by the program during the 1985 federal fiscal year, the amount by which state funds for the program will be reduced according to this section and the amount of state funds received by Che program during the 1985 fiscal

year. Chairpersons notified shall be allowed at least two weeks to review and comment on the proposed action before the action lo taken.

If the amount received in the form of a consolidated or expanded block grant is more than the total amount of federal funds received for the programs in the form of categorical grants for the 1985 federal fiscal year, the excess Cunds shall be deposited in the special fund created In section 8.41 and are subject to the provisions of that aection.

Sec. 14. 1983 Iowa Acts, chapter 194, section 16, subsection 2, is amended to read as follows:

2. If funds received from the federal government in the form of block grants exceed tho amounts appropriated in ~~sections~~ section ~~7,~~ ~~8~~ and section 9, subsection 2 of this Act, the excess shall be deposited in the special fund created in section 8.41 and is subject to appropriation by the general assembly.

Sec. IS. 1983 Iowa Acts, chapter 194, section 16, is amended by adding the following new subsection:

NEW SUBSECTION. 5. If funds rocelved from the federal government from community development block grants enceed the amounts appropriated in section 8 of this Act, one hundred percent of the excess is allocated to the community development block grant program. Not more than two percent of the excess may be used for additional administrative expenses if the amount Is equally matched by the state appropriation for related activities of the office *for* planning and programming.

Sec. 16. 1984 Iowa Acts, chapter 1311, section 1, subsections 1, 2, and 3, are amended to read as follows:

1. There is appropriated *from* the fund created by section 8.41 to the department of substance abuse, tue-riftion-two ~~hundred-ninety-two-thousand-(2,292,000)~~ two million nine hundred thirty-six thousand (2,936,000) dollars for the federal fiscal year beginning October 1, 1984, and ending

September 30, 1985. The funds appropriated by this section are the anticipated funds to be received from the federal government for federal fiscal year 1985 under Pub. L. No. 97-35, Title IX, Subtitle A, as amended, which provides for the alcohol and drug abuse and mental health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding two-hundred-seventeen-thousand ~~(217,000)~~ two hundred thirty-seven thousand (237,000) dollars of the funds appropriated in subsection 1 shall be used by the department of substance abuse for administrative expenses. From the funds set aside by this subsection for administrative expenses, the department of substance abuse shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the department of substance abuse for the costs of the audit.

3. ~~Eight-and-seventy-five-hundredths~~ Seventeen and eight-tenths percent of the funds appropriated in subsection 1 shall be transferred to the division of mental health, mental retardation, and developmental disabilities within the department of human services and allocated for community mental health centers.

Sec. 17. 1984 Iowa Acts, chapter 1311, section 10, subsection 1, is amended to read as follows:

1. There is appropriated from the fund created by section 8.41 to the department of human services, thirty-three million nine hundred forty-four thousand four hundred ninety-one (33,944,491) dollars for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985. Funds appropriated by this section are the funds, other than the funds appropriated in subsection 5, anticipated to be received from the federal government for the federal fiscal year 1985

under Pub. L. No. 97-35, Title XXIII, Subtitle C, as codified in 42 U.S.C. secs. 1397-1397F, which provides for the social services block grant. The department of human services shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

Sec. 18. 1984 Iowa Acts, chapter 1311, section 10, is amended by adding the following new subsection:

NEW SUBSECTION. 5. There is appropriated from the special block grant fund created by section 8.41 to the department of human services, one hundred fifty-five thousand nine hundred sixty-three (155,963) dollars. or so much thereof as is actually allotted by and available from the federal government for the fiscal year beginning October 1, 1904 for child care provider training under the social services block grant pursuant to Pub. L. No. 98-473, Title IV, section 401. The state comptroller shall separately account for these funds. The department of human services shall expend the funds appropriated by this subsection as provided in the federal law making the funds available and in conformance with chapter 17A. Notwithstanding section 8.33, the funds appropriated by this subsection shall not revert to the special block grant fund of the state on September 30, 1985, but shall be available for expenditure by the department until September 30, 1986, after which the encumbered or unobligated funds shall revert to the special block grant fund of the state.

Sec. 19. 1984 Iowa Acts, chapter 1311, section 12, subsection 1, is amended to read as follows:

1. Except for section 7 and section 10, subsection 5 of this Act, if the funds received from the federal government for the block grants specified in this Act are less than the amounts appropriated, the funds actually received shall be prorated by the governor for the various programs, other than for the rape prevention program under section 4, subsection 3 of this Act, for which each block grant is available according

to the percentages that each program is to receive as specified in this Act. However, if the governor determines that the funds allocated by the percentages will not be sufficient to effect the purposes of a particular program, or if the appropriation is not allocated by percentage, the governor may allocate the funds in a manner which will effect to the greatest extent possible the purposes of the various programs for which the block grants are available.

Sec. 20. 1984 Iowa Acts, chapter 1311, section 13, subsection 2, is amended to read as follows:

2. If funds received from the federal government in the form of block grants exceed the amounts appropriated in ~~sections 1, 5, 6 and~~ section 7, subsection 2 of this Act, the excess shall be deposited in the special fund created in section 8.41 and is subject to appropriation by the general assembly.

Sec. 21. 1984 Iowa Acts, chapter 1311, section 13, subsection 4, Is amended to read a5 follows:

4. If funds received from the federal government from the social services block yrant exceed the amount appropriated in section 10, subsection 1 of this Act, the excess shall be allocated for the purchase of local services and the department of human services may waive the requirement of local matching funds.

Sec. 22. 1984 Iowa Acts, chapter 1311, section 13, is amended by adding the following new subsections:

~~NEW SUBSECTION~~. 5. If funds received from the federal government from community services block grants exceed the amounts appropriated in section 5 of this Act, one hundred percent of the excess is allocated to the community services block grant program.

NEW SUBSECTION. 6. If funds received from the federal government from community development block grants exceed the amounts appropriated in section 6 of this Act, one hundred percent of the excess is allocated to the community development block grant program. Not more than two percent of the excess may be used for additional administrative expenses if the amount is equally matched by the state appropriation for related activities of the office for planning and programing.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I he eby certify th t this bill originated in the Senate and is known as Senate Pile 585, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Governor

SENATE FILE 587

AN ACT

RELATING TO AND APPROPRIATING PETROLEUM OVERCHARGE FUNDS.

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

Section 1. PETROLEUM OVERCHARGE FUND APPROPRIATION.

1. Funds are appropriated to the energy policy council from the funds in the petroleum overcharge fund as a consequence of the consent decrees with Standard Oil Company (Indiana), Nordstrom Oil Company, Belridge Oil Company and Vickers Energy Corporation. The funds appropriated to the energy policy council shall be distributed to the following agencies for the purposes designated in accordance with the following percentages:

a. To the energy policy council for the weatherization of residences of low-income persons ..... 21.0 percent

This program shall be administered in accordance with the federal department of energy weatherization laws and regulations for households with an income of one hundred fifty percent or less of the federal poverty guidelines.

b. To the department of transportation to establish a revolving loan fund for rural and community-based transit capital purchases' ..... 37.2 percent

The general assembly intends that this program enable local transit systems to borrow local match money for capital purchases. Borrowers must demonstrate the ability to repay the loan.

c. To the department of agriculture for the improvement of petroleum quality and motor fuel inspection capabilities ..... 27.7 percent

The funds appropriated by this paragraph shall be used for upgrading and modernizing the petroleum quality and fuel inspection instruments and equipment and not for training or additional staff.

d. To the energy policy council to establish a loan assistance program for energy conservation projects ..... 9.1 percent

e. To the energy policy council for the administration costs resulting from this Act and the consent decrees ..... 5.0 percent

2. The appropriations made by subsection 1, except for paragraph "b", are for the fiscal year beginning July 1, 1985 and ending June 30, 1986. The revolving loan fund established by paragraph "b" shall not revert at the conclusion of the fiscal year.

3. The energy policy council shall adopt rules to establish the loan assistance program for energy conservation projects.

4. The department of transportation shall adopt rules to establish a revolving loan fund for rural and community-based transportation systems.

5. The expenditures made with funds appropriated by this Act shall be in accordance with the plan Lor distribution of petroleum overcharge funds or any portion of it submitted by the state and approved by the United States department of energy. The energy policy council shall coordinate the reports of all agencies receiving funds under this section as to the expenditure of those funds and file a postplan report with the United States departaent of energy.

Sec. 2. Notwithstanding section 8.33, all unencumbered or unobligated money remaining from the funds which were apportioned to this state under Pub. L. No. 97-377 and which were appropriated under 1983 Iowa Acts, chapter 207, sections 3, 4, and 5, under 1983 Iowa Acts, chapter 202, section 21, and under 1984 Iowa Acts, chapter 1313, section 2, as well as any interest accrued in the petroleum overcharge fund through June 30, 1985 are appropriated to the energy policy council to continue the programs established under 1983 Iowa Acts, chapter 207, sections 3, 4, and 5, as amended by this Act and under 1983 Iowa Acts, chapter 202, section 21, during the fiscal year beginning July 1, 1985.

Sec. 3. 1983 Iowa Acts, chapter 207, section 5, subsection 1, paragraph c, is amended by striking the paragraph.

Sec. 4. 1983 Iowa Acts, chapter 207, section 5, subsection 1, paragraph e, is amended to read as follovs:

e. for grants to local governments, except hospitals and school districts, for energy conservation improvements including the installation of utility-meters to monitor

energy use in government-ovned buildings ..... 47 53 percent

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate Pile 587, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1985

TERRY E. BRANSTAD
Covernor