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**STATE OF IOWA**

**House Journal**

**MONDAY, MARCH 31, 2003**

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## JOURNAL OF THE HOUSE

Seventy-eighth Calendar Day - Fifty-fifth Session Day

Hall of the House of Representatives  
Des Moines, Iowa, Monday, March 31, 2003

The House met pursuant to adjournment at 1:00 p.m., Speaker Rants in the chair.

Prayer was offered by the Honorable Ralph Klemme, state representative from Plymouth County.

The Journal of Friday, March 28, 2003 was approved.

### PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Speaker Rants.

### ADOPTION OF [HOUSE RESOLUTION 48](#)

Dix of Butler and Foege of Linn called up for consideration [House Resolution 48](#), a resolution congratulating the 2002-2003 Wartburg College Wrestling Team, and moved its adoption.

The motion prevailed and the resolution was adopted.

### SPECIAL PRESENTATION

Dix of Butler and Foege of Linn introduced to the House the 2002-2003 Wartburg College Wrestling Team and their head coach Jim Miller who introduced his team addressed the House briefly thanking them for the honor.

The House rose and expressed its welcome.

On motion by Gipp of Winneshiek, the House was recessed at 1:12 p.m., until 2:15 p.m.

### AFTERNOON SESSION

The House reconvened at 2:18 p.m., Speaker Rants in the chair.

The House stood at ease at 2:19 p.m., until the fall of the gavel.

The House resumed session at 3:57 p.m., Speaker Rants in the chair.

## CONSIDERATION OF BILLS

### Regular Calendar

**House File 381**, a bill for an act relating to anatomical gifts including bone marrow and organ donation by state employees and grants from the anatomical gift public awareness and transplantation fund, was taken up for consideration.

Watts of Dallas offered the following amendment **H-1032** filed by him and moved its adoption:

H-1032

- 1 Amend **House File 381** as follows:
- 2 1. Page 1, line 14, by inserting after the words
- 3 "absence of" the following: "up to".
- 4 2. Page 1, line 16, by inserting after the word
- 5 "verification" the following: "from the employee's
- 6 physician or the hospital involved with the bone
- 7 marrow donation".
- 8 3. Page 1, line 18, by inserting after the words
- 9 "absence of" the following: "up to".
- 10 4. Page 1, line 20, by inserting after the word
- 11 "verification" the following: "from the employee's
- 12 physician or the hospital involved with the vascular
- 13 organ donation".
- 14 5. Page 1, line 31, by inserting after the word
- 15 "the" the following: "Iowa".
- 16 6. Page 2, by striking lines 11 through 18, and
- 17 inserting the following: "recipients, transplant
- 18 candidates, living organ donors, or to legal
- 19 representatives on behalf of transplant recipients,
- 20 transplant candidates, or living organ donors,
- 21 Transplant recipients, transplant candidates, living
- 22 organ donors, or the legal representatives of
- 23 transplant recipients, transplant candidates, or
- 24 living organ donors shall submit grant applications
- 25 with supporting documentation provided by a hospital
- 26 ~~shall submit an application on behalf of a patient~~
- 27 requiring that performs transplants, verifying that
- 28 the person by or for whom the application is submitted
- 29 requires a transplant ~~in~~ or is a living organ donor
- 30 and specifying the amount".

Amendment [H-1032](#) was adopted.

Watts of Dallas moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 381](#))

The ayes were, 98:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Bogges
Bukta	Chambers	Cohoon	Connors
Dandekar	Davitt	De Boef	Dennis
Dix	Dolecheck	Drake	Eichhorn
Elgin	Fallon	Foege	Ford
Freeman	Frevert	Gaskill	Gipp
Granzow	Greimann	Greiner	Hahn
Hansen	Hanson	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Huser	Hutter	Jacobs
Jenkins	Jochum	Jones	Klemme
Kramer	Kuhn	Kurtenbach	Lalk
Lensing	Lukan	Lykam	Maddox
Manternach	Mascher	McCarthy	Mertz
Miller	Murphy	Myers	Oldson
Olson, D.	Olson, S.	Paulsen	Petersen
Quirk	Raecker	Rasmussen	Rayhons
Reasoner	Roberts	Sands	Schickel
Shoultz	Smith	Stevens	Struyk
Swaim	Taylor, D.	Taylor, T.	Thomas
Tjepkes	Tymeson	Upmeyer	Van Engelenhoven
Van Fossen, J.K.	Van Fossen, J.R.	Watts	Wendt
Whitaker	Whitead	Wilderdyke	Winckler
Wise	Mr. Speaker		
	Rants		

The nays were, none.

Absent or not voting, 2:

Carroll                      Osterhaus

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

HOUSE FILE 147 WITHDRAWN

Watts of Dallas asked and received unanimous consent to withdraw House File 147 from further consideration by the House.

House File 454, a bill for an act relating to mandatory universal newborn and infant hearing screening, was taken up for consideration.

Boddicker of Cedar asked and received unanimous consent to withdraw amendment H-1043 filed by him and Foege of Linn on March 11, 2003.

Upmeyer of Hancock offered the following amendment H-1111 filed by Upmeyer, et al., and moved its adoption:

H-1111

- 1 Amend House File 454 as follows:
- 2 1. Page 2, by inserting after line 27, the
- 3 following:
- 4 "6A. This section shall not apply if the parent
- 5 objects to the screening. If a parent objects to the
- 6 screening, the birthing hospital, physician, or other
- 7 health care professional required to report
- 8 information to the department under this section shall
- 9 obtain a written refusal from the parent, shall
- 10 document the refusal in the newborn's or infant's
- 11 medical record, and shall report the refusal to the
- 12 department in the manner prescribed by rule of the
- 13 department."
- 14 2. By renumbering as necessary.

A non-record roll call was requested.

The ayes were 60, nays 9.

Amendment H-1111 was adopted.

Upmeyer of Hancock moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" (H.F. 454)

The ayes were, 95:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Bogges
Bukta	Chambers	Cohoon	Dandekar
Davitt	De Boef	Dennis	Dix
Dolecheck	Drake	Eichhorn	Elgin
Fallon	Foege	Ford	Freeman
Frevert	Gaskill	Gipp	Granzow
Greimann	Greiner	Hahn	Hansen
Hanson	Heaton	Heddens	Hoffman
Hogg	Hunter	Huseman	Huser
Hutter	Jacobs	Jenkins	Jochum
Jones	Klemme	Kramer	Kuhn
Kurtenbach	Lalk	Lensing	Lukan
Lykam	Maddox	Manternach	Mascher
McCarthy	Mertz	Miller	Murphy
Myers	Oldson	Olson, D.	Olson, S.
Paulsen	Petersen	Quirk	Raecker
Rasmussen	Rayhons	Reasoner	Roberts
Sands	Schickel	Shoultz	Smith
Stevens	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.R.	Watts
Wendt	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Mr. Speaker	
		Rants	

The nays were, 1:

Connors

Absent or not voting, 4:

Carroll	Horbach	Osterhaus	Van Fossen, J.K.
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The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

### HOUSE FILE 190 WITHDRAWN

Upmeyer of Hancock asked and received unanimous consent to withdraw House File 190 from further consideration by the House.

### LEAVE OF ABSENCE

Leave of absence was granted as follows:

Osterhaus of Jackson on request of T. Taylor of Linn.

### Unfinished Business Calendar

**House File 612**, a bill for an act relating to the exemption from land ownership restrictions for nonresident aliens under the new jobs and income program, was taken up for consideration.

Granzow of Hardin moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 612](#))

The ayes were, 70:

Alons	Arnold	Baudler	Boal
Boddicker	Boggess	Chambers	Dandekar
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Foege
Freeman	Gipp	Granzow	Greiner
Hahn	Hansen	Hanson	Heaton
Hoffman	Horbach	Huseman	Hutter
Jacobs	Jenkins	Jones	Klemme
Kramer	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Manternach
Mascher	Miller	Murphy	Myers
Oldson	Olson, D.	Olson, S.	Paulsen
Petersen	Quirk	Raecker	Rasmussen
Rayhons	Reasoner	Roberts	Sands
Schickel	Struyk	Thomas	Tjepkes
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wildurdyke	Winckler
Wise	Mr. Speaker		
	Rants		

The nays were, 28:

Bell	Berry	Bukta	Cphoon
Connors	Davitt	Fallon	Ford
Frevert	Gaskill	Greimann	Heddens
Hogg	Hunter	Huser	Jochum
Kuhn	McCarthy	Mertz	Shoultz
Smith	Stevens	Swaim	Taylor, D.
Taylor, T.	Wendt	Whitaker	Whitead

Absent or not voting, 2:

Carroll	Osterhaus
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The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

#### IMMEDIATE MESSAGES

Jacobs of Polk asked and received unanimous consent that the following bills be immediately messaged to the Senate: **House Files 381, 454 and 612.**

#### HOUSE FILE 372 WITHDRAWN

Granzow of Hardin asked and received unanimous consent to withdraw House File 372 from further consideration by the House.

#### Regular Calendar

**House File 641**, a bill for an act providing for changes relating to programs under the purview of the Iowa department of public health, was taken up for consideration.

Boddicker of Cedar moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" (H.F. 641)

The ayes were, 93:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Bogges
Bukta	Chambers	Cohoon	Connors
Dandekar	Davitt	De Boef	Dennis
Dix	Dolecheck	Drake	Eichhorn
Elgin	Freeman	Frevert	Gaskill
Gipp	Granzow	Greimann	Greiner
Hahn	Hansen	Hanson	Heaton
Heddens	Hoffman	Horbach	Hunter
Huseman	Hutter	Jacobs	Jenkins
Jochum	Jones	Klemme	Kramer
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Manternach
Mascher	McCarthy	Mertz	Miller
Murphy	Myers	Oldson	Olson, D.
Olson, S.	Paulsen	Petersen	Quirk
Raecker	Rasmussen	Rayhons	Reasoner



Roberts	Sands	Schickel	Shoultz
Smith	Stevens	Struyk	Swaim
Taylor, D.	Taylor, T.	Thomas	Tjepkes
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Mr. Speaker			
Rants			

The nays were, 4:

Fallon	Ford	Hogg	Huser
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Absent or not voting, 3:

Carroll	Foege	Osterhaus
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The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

[House File 634](#), a bill for an act relating to the conversion of cooperative associations originally organized as business corporations, was taken up for consideration.

Mertz of Kossuth moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question “Shall the bill pass?” ([H.F. 634](#))

The ayes were, 97:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Boggess
Bukta	Chambers	Cphoon	Connors
Dandekar	Davitt	De Boef	Dennis
Dix	Dolecheck	Drake	Eichhorn
Elgin	Fallon	Ford	Freeman
Frevert	Gaskill	Gipp	Granzow
Greimann	Greiner	Hahn	Hansen
Hanson	Heaton	Heddens	Hoffman
Hogg	Horbach	Hunter	Huseman
Huser	Hutter	Jacobs	Jenkins
Jochum	Jones	Klemme	Kramer
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Manternach
Mascher	McCarthy	Mertz	Miller
Murphy	Myers	Oldson	Olson, D.
Olson, S.	Paulsen	Petersen	Quirk

Raecker	Rasmussen	Rayhons	Reasoner
Roberts	Sands	Schickel	Shoultz
Smith	Stevens	Struyk	Swaim
Taylor, D.	Taylor, T.	Thomas	Tjepkes
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Mr. Speaker			
Rants			

The nays were, none.

Absent or not voting, 3:

Carroll	Foege	Osterhaus
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The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

**House File 602**, a bill for an act providing for the establishment of a continuous quality improvement program relating to licensed pharmacy operations, was taken up for consideration.

Greiner of Washington offered the following amendment **H-1068** filed by her and moved its adoption:

H-1068

- 1 Amend **House File 602** as follows:
- 2 1. Page 1, line 3, by inserting after the word
- 3 "implement" the following: "or participate in".

Amendment **H-1068** was adopted.

Greiner of Washington moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" (**H.F. 602**)

The ayes were, 88:

Arnold	Baudler	Bell	Berry
Boal	Boddicker	Boggess	Bukta
Carroll	Chambers	Cohoon	Connors
Dandekar	Davitt	De Boef	Dennis
Dix	Dolecheck	Drake	Elgin
Fallon	Foege	Ford	Freeman

Frevert	Gaskill	Gipp	Granzow
Greimann	Greiner	Hahn	Hansen
Hanson	Heaton	Heddens	Hoffman
Hunter	Huseman	Hutter	Jacobs
Jenkins	Jochum	Jones	Klemme
Kramer	Kuhn	Kurtenbach	Lalk
Lensing	Lukan	Lykam	Maddox
Manternach	Mascher	Miller	Murphy
Myers	Oldson	Olson, S.	Paulsen
Petersen	Quirk	Raecker	Rasmussen
Rayhons	Reasoner	Roberts	Sands
Shoultz	Smith	Stevens	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Whitaker	Whitead
Wilderdyke	Winckler	Wise	Mr. Speaker
			Rants

The nays were, 11:

Alons	Eichhorn	Hogg	Horbach
Huser	McCarthy	Mertz	Olson, D.
Schickel	Struyk	Swaim	

Absent or not voting, 1:

Osterhaus

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

#### IMMEDIATE MESSAGES

Jacobs of Polk asked and received unanimous consent that the following bills be immediately messaged to the Senate: **House Files 602, 634 and 641.**

[House File 586](#), a bill for an act relating to notice of rate increases for group health insurance coverage, was taken up for consideration.

Hansen of Pottawattamie moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 586](#))

The ayes were, 99:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Bogges
Bukta	Carroll	Chambers	Cohoon
Connors	Dandekar	Davitt	De Boef
Dennis	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Frevert	Gaskill
Gipp	Granzow	Greimann	Greiner
Hahn	Hansen	Hanson	Heaton
Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Hutter
Jacobs	Jenkins	Jochum	Jones
Klemme	Kramer	Kuhn	Kurtenbach
Lalk	Lensing	Lukan	Lykam
Maddox	Manternach	Mascher	McCarthy
Mertz	Miller	Murphy	Myers
Oldson	Olson, D.	Olson, S.	Paulsen
Petersen	Quirk	Raecker	Rasmussen
Rayhons	Reasoner	Roberts	Sands
Schickel	Shoultz	Smith	Stevens
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wendt	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Mr. Speaker	
		Rants	

The nays were, none.

Absent or not voting, 1:

Osterhaus

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

#### HOUSE FILE 444 WITHDRAWN

Hansen of Pottawattamie asked and received unanimous consent to withdraw House File 444 from further consideration by the House.

House File 647, a bill for an act relating to insurance, including various filing and information privacy requirements throughout the insurance code, calculation of assessments by the Iowa individual health benefit reinsurance association, payment of certain insurance fees, certain self-funded insurance plans by school corporations or

political subdivisions, designation of the commissioner of insurance as process agent for various entities conducting insurance business in this state, notification provisions relating to the effective date of cancellation of insurance, beneficial stock ownership filings, funding agreements, creating an insurable interest in active or retired employee lives for the benefit of an employer, providing for an interstate insurance product regulation compact, and providing for retroactive applicability and an effective date, was taken up for consideration.

Petersen of Polk offered amendment [H-1159](#) filed by her as follows:

H-1159

1 Amend [House File 647](#) as follows:  
2 1. Page 1, by inserting after line 1 the  
3 following:  
4 "Section 1. Section 29A.43, Code 2003, is amended  
5 to read as follows:  
6 29A.43 DISCRIMINATION PROHIBITED – LEAVE OF  
7 ABSENCE – CONTINUATION OF HEALTH COVERAGE.  
8 1. A person shall not discriminate against any  
9 officer or enlisted person of the national guard or  
10 organized reserves of the armed forces of the United  
11 States because of that membership. An employer, or  
12 agent of an employer, shall not discharge a person  
13 from employment because of being an officer or  
14 enlisted person of the military forces of the state,  
15 or hinder or prevent the officer or enlisted person  
16 from performing any military service the person is  
17 called upon to perform by proper authority. A member  
18 of the national guard or organized reserves of the  
19 armed forces of the United States ordered to temporary  
20 duty, as defined in section 29A.1, subsection 1, 3, or  
21 11, for any purpose is entitled to a leave of absence  
22 during the period of the duty or service, from the  
23 member's private employment, other than employment of  
24 a temporary nature, and upon completion of the duty or  
25 service the employer shall restore the person to the  
26 position held prior to the leave of absence, or employ  
27 the person in a similar position. However, the person  
28 shall give evidence to the employer of satisfactory  
29 completion of the training or duty, and that the  
30 person is still qualified to perform the duties of the  
31 position. The period of absence shall be construed as  
32 an absence with leave, and shall in no way affect the  
33 employee's rights to vacation, sick leave, bonus, or  
34 other employment benefits relating to the employee's

35 particular employment. A person violating a provision  
 36 of this section is guilty of a simple misdemeanor.  
 37 2. An officer or enlisted person of the national  
 38 guard or organized reserves of the armed forces of the  
 39 United States who has coverage under a group policy  
 40 for accident or health insurance as an employee or  
 41 member or as the spouse or covered dependent child of  
 42 an employee or member, whose coverage under the group  
 43 policy would otherwise terminate while the officer or  
 44 enlisted person was on a leave of absence during a  
 45 period of temporary duty or service, for any purpose,  
 46 as defined in section 29A.1, subsection 1, 3, or 11,  
 47 shall be considered to have been continuously insured  
 48 under the group policy for the purpose of obtaining  
 49 coverage under the group policy upon a return to  
 50 employment or to status as a full-time student who is

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1 twenty-five years of age or less. This subsection  
 2 does not apply to coverage of an injury suffered or a  
 3 disease contracted by a member of the national guard  
 4 or organized reserves of the armed forces of the  
 5 United States in the line of duty."  
 6 2. By renumbering as necessary.

Petersen of Polk offered the following amendment [H-1180](#), to  
 amendment [H-1159](#), filed by her and moved its adoption:

H-1180

1 Amend the amendment, H-1159, to [House File 647](#) as  
 2 follows:  
 3 1. By striking page 1, line 4 through page 2,  
 4 line 5, and inserting the following:  
 5 "Section 1. Section 29A.43, Code 2003, is amended  
 6 to read as follows:  
 7 29A.43 DISCRIMINATION PROHIBITED – LEAVE OF  
 8 ABSENCE – CONTINUATION OF HEALTH COVERAGE.  
 9 1. A person shall not discriminate against any  
 10 officer or enlisted person of the national guard or  
 11 organized reserves of the armed forces of the United  
 12 States because of that membership. An employer, or  
 13 agent of an employer, shall not discharge a person  
 14 from employment because of being an officer or  
 15 enlisted person of the military forces of the state,  
 16 or hinder or prevent the officer or enlisted person  
 17 from performing any military service the person is  
 18 called upon to perform by proper authority. A member  
 19 of the national guard or organized reserves of the  
 20 armed forces of the United States ordered to temporary

21 duty, as defined in section 29A.1, subsection 1, 3, or  
22 11, for any purpose is entitled to a leave of absence  
23 during the period of the duty or service, from the  
24 member's private employment, other than employment of  
25 a temporary nature, and upon completion of the duty or  
26 service the employer shall restore the person to the  
27 position held prior to the leave of absence, or employ  
28 the person in a similar position. However, the person  
29 shall give evidence to the employer of satisfactory  
30 completion of the training or duty, and that the  
31 person is still qualified to perform the duties of the  
32 position. The period of absence shall be construed as  
33 an absence with leave, and shall in no way affect the  
34 employee's rights to vacation, sick leave, bonus, or  
35 other employment benefits relating to the employee's  
36 particular employment. A person violating a provision  
37 of this section is guilty of a simple misdemeanor.  
38 2. An officer or enlisted person of the national  
39 guard or organized reserves of the armed forces of the  
40 United States who is insured as a dependent under a  
41 group policy for accident or health insurance as a  
42 full-time student less than twenty-five years of age,  
43 whose coverage under the group policy would otherwise  
44 terminate while the officer or enlisted person was on  
45 a leave of absence during a period of temporary duty  
46 or service, as defined for members of the national  
47 guard in section 29A.1, subsection 1, 3, or 11, or as  
48 a member of the organized reserves called to active  
49 duty from a reserve component status, shall be  
50 considered to have been continuously insured under the

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1 group policy for the purpose of returning to the  
2 insured dependent status as a full-time student who is  
3 less than twenty-five years of age. This subsection  
4 does not apply to coverage of an injury suffered or a  
5 disease contracted by a member of the national guard  
6 or organized reserves of the armed forces of the  
7 United States in the line of duty."

8 2. By renumbering, redesignating, and correcting  
9 internal references as necessary.

Amendment [H-1180](#) was adopted.

On motion by Petersen of Polk, amendment [H-1159](#), as amended,  
was adopted.

Hoffman of Crawford asked and received unanimous consent to  
withdraw amendment [H-1173](#) filed by him on March 26, 2003.

Hoffman of Crawford offered amendment [H-1172](#) filed by him as follows:

H-1172

1 Amend [House File 647](#) as follows:

2 1. Page 5, by inserting after line 8, the  
3 following:

4 "Sec. \_\_\_. Section 508.38, subsection 2,  
5 unnumbered paragraph 1, Code 2003, is amended by  
6 striking the unnumbered paragraph and inserting in  
7 lieu thereof the following:

8 In the case of contracts issued on or after the  
9 operative date of this section as defined in  
10 subsection 11, no contract of annuity, except as  
11 stated in subsection 1, shall be delivered or issued  
12 for delivery in this state unless it contains in  
13 substance the following provisions, or corresponding  
14 provisions that in the opinion of the commissioner are  
15 at least as favorable to the contract holder, upon  
16 cessation of payment of considerations under the  
17 contract:

18 Sec. \_\_\_. Section 508.38, subsection 2, paragraphs  
19 a and b, Code 2003, are amended by striking the  
20 paragraphs and inserting in lieu thereof the  
21 following:

22 a. That upon cessation of payment of  
23 considerations under a contract or upon the written  
24 request of the contract owner, the company shall grant  
25 a paid-up annuity benefit on a plan stipulated in the  
26 contract of such value as is specified in subsections  
27 4, 5, 6, 7, and 9.

28 b. If a contract provides for a lump sum  
29 settlement at maturity, or at any other time, that  
30 upon surrender of the contract at or prior to the  
31 commencement of any annuity payments, the company  
32 shall pay in lieu of a paid-up annuity benefit a cash  
33 surrender benefit of such amount as is specified in  
34 subsections 4, 5, 7, and 9. The company may reserve  
35 the right to defer the payment of such case surrender  
36 benefit for a period not to exceed six months after  
37 demand therefore with surrender of the contract after  
38 making written request and receiving written approval  
39 of the commissioner. The request shall address the  
40 necessity and equitability to all policyholders of the  
41 deferral.

42 Sec. \_\_\_. Section 508.38, subsections 3 and 11,  
43 Code 2003, are amended by striking the subsections and  
44 inserting in lieu thereof the following:

45 3. The minimum values as specified in subsections  
46 4, 5, 6, 7, and 9 of any paid-up annuity, cash



47 surrender, or death benefits available under an  
48 annuity contract shall be based upon minimum  
49 nonforfeiture amounts as defined in this section.  
50 a. The minimum nonforfeiture amount at any time at

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1 or prior to the commencement of any annuity payments  
2 shall be equal to an accumulation up to such time at  
3 rates of interest as indicated in paragraph "b" of the  
4 net considerations (as hereinafter defined) paid prior  
5 to such time, decreased by the sum of all of the  
6 following:

7 (1) Any prior withdrawals from or partial  
8 surrenders of the contract accumulated at rates of  
9 interest as indicated in paragraph "b".

10 (2) An annual contract charge of fifty dollars,  
11 accumulated at rates of interest as indicated in  
12 paragraph "b".

13 (3) The amount of any indebtedness to the company  
14 on the contract, including interest due and accrued.

15 The net considerations for a given contract year  
16 used to define the minimum nonforfeiture amount shall  
17 be an amount equal to eighty-seven and one-half  
18 percent of the gross considerations credited to the  
19 contract during the contract year.

20 b. The interest rate used in determining minimum  
21 nonforfeiture amounts shall be an annual rate of  
22 interest determined as the lesser of three percent per  
23 annum and all of the following, which shall be  
24 specified in the contract if the interest rate will be  
25 reset:

26 (1) The five-year constant maturity treasury rate  
27 reported by the federal reserve as of a date, or  
28 average over a period, rounded to the nearest one-  
29 twentieth of one percent, specified in the contract no  
30 longer than fifteen months prior to the contract issue  
31 date or redetermination date under subparagraph (4).

32 (2) The result of subparagraph (1) shall be  
33 reduced by one hundred twenty-five basis points.

34 (3) The resulting interest guarantee shall not be  
35 less than one percent.

36 (4) The interest rate shall apply for an initial  
37 period and may be redetermined for additional periods.  
38 The redetermination date, basis, and period, if any,  
39 shall be stated in the contract. The basis is the  
40 date or average over a specified period that produces  
41 the value of the five-year constant maturity treasury  
42 rate to be used at each redetermination date.

43 During the period or term that a contract provides  
44 substantive participation in an equity indexed  
45 benefit, it may increase the reduction described in

46 subparagraph (2), by up to an additional one hundred  
47 basis points to reflect the value of the equity index  
48 benefit. The present value at the contract issue date  
49 and at each redetermination date thereafter of the  
50 additional reduction shall not exceed the market value

Page 3

1 of the benefit. The commissioner may require a  
2 demonstration that the present value of the reduction  
3 does not exceed the market value of the benefit.  
4 Lacking such a demonstration that is acceptable to the  
5 commissioner, the commissioner may disallow or limit  
6 the additional reduction.

7 The commissioner may adopt rules to implement the  
8 provisions of subparagraph (4), and to provide for  
9 further adjustments to the calculation of minimum  
10 nonforfeiture amounts for contracts that provide  
11 substantive participation in an equity index benefit  
12 and for other contracts that the commissioner  
13 determines adjustments are justified.

14 11. After the effective date of this Act, a  
15 company may elect to apply its provisions to annuity  
16 contracts on a contract form-by-form basis before the  
17 second anniversary of the effective date of this Act.  
18 In all other instances, this section shall become  
19 operative with respect to annuity contracts issued by  
20 the company two years after the effective date of this  
21 Act."

22 2. By renumbering, redesignating, and correcting  
23 internal references as necessary.

Hoffman of Crawford offered the following amendment [H-1194](#), to  
amendment [H-1172](#), filed by him from the floor and moved its  
adoption:

H-1194

1 Amend the amendment, H-1172, to [House File 647](#), as  
2 follows:

3 1. Page 3, line 15, by striking the words "to  
4 apply its provisions" and inserting the following:  
5 "either to apply the provisions of this section as it  
6 existed prior to the effective date of this Act or to  
7 apply the provisions of this section as enacted by  
8 this Act".

9 2. By renumbering, redesignating, and correcting  
10 internal references as necessary.

Amendment [H-1194](#) was adopted.

On motion by Hoffman of Crawford, amendment [H-1172](#), as amended, was adopted.

Hoffman of Crawford offered the following amendment [H-1170](#) filed by him and moved its adoption:

H-1170

- 1 Amend [House File 647](#) as follows:
- 2 1. Page 5, by striking lines 15 through 17 and
- 3 inserting the following: "health benefit plan, upon
- 4 request, annually, but not more than three months
- 5 prior to the policy renewal date, the total amount of
- 6 actual claims identified as".
- 7 2. By renumbering, redesignating, and correcting
- 8 internal references as necessary.

Amendment [H-1170](#) was adopted.

Connors of Polk asked and received unanimous consent that amendment [H-1144](#) be deferred.

Petersen of Polk asked and received unanimous consent to withdraw amendment [H-1161](#) filed by her on March 25, 2003.

Petersen of Polk asked and received unanimous consent to withdraw amendment [H-1144](#), previously deferred, filed by her on March 24, 2003.

Hoffman of Crawford moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 647](#))

The ayes were, 99:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Boggess
Bukta	Carroll	Chambers	Cohoon
Connors	Dandekar	Davitt	De Boef
Dennis	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Frevert	Gaskill
Gipp	Granzow	Greimann	Greiner
Hahn	Hansen	Hanson	Heaton

Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Hutter
Jacobs	Jenkins	Jochum	Jones
Klemme	Kramer	Kuhn	Kurtenbach
Lalk	Lensing	Lukan	Lykam
Maddox	Manternach	Mascher	McCarthy
Mertz	Miller	Murphy	Myers
Oldson	Olson, D.	Olson, S.	Paulsen
Petersen	Quirk	Raecker	Rasmussen
Rayhons	Reasoner	Roberts	Sands
Schickel	Shoultz	Smith	Stevens
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wendt	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Mr. Speaker	
		Rants	

The nays were, none.

Absent or not voting, 1:

Osterhaus

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

**House File 599**, a bill for an act relating to property insurance, including establishment of a mandatory plan to assure fair access to insurance requirements, and providing for an effective date and retroactive applicability, was taken up for consideration.

Horbach of Tama moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 599](#))

The ayes were, 99:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Bogges
Bukta	Carroll	Chambers	Cohoon
Connors	Dandekar	Davitt	De Boef
Dennis	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Frevert	Gaskill
Gipp	Granzow	Greimann	Greiner

Hahn	Hansen	Hanson	Heaton
Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Hutter
Jacobs	Jenkins	Jochum	Jones
Klemme	Kramer	Kuhn	Kurtenbach
Lalk	Lensing	Lukan	Lykam
Maddox	Manternach	Mascher	McCarthy
Mertz	Miller	Murphy	Myers
Oldson	Olson, D.	Olson, S.	Paulsen
Petersen	Quirk	Raecker	Rasmussen
Rayhons	Reasoner	Roberts	Sands
Schickel	Shoultz	Smith	Stevens
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wendt	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Mr. Speaker	
		Rants	

The nays were, none.

Absent or not voting, 1:

Osterhaus

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

#### IMMEDIATE MESSAGES

Jacobs of Polk asked and received unanimous consent that the following bills be immediately messaged to the Senate: **House Files 586, 599 and 647.**

#### REPORT OF THE CHIEF CLERK OF THE HOUSE

MR. SPEAKER: Pursuant to House Rule 42, I report that in enrolling bills the following correction was made:

#### [House Joint Resolution 3](#)

1. Page 1, line 5 – Change Sec. 5 to SEC. 5.

MARGARET THOMSON  
Chief Clerk of the House

## EXPLANATIONS OF VOTE

I was necessarily absent from the House chamber on March 31, 2003. Had I been present, I would have voted "aye" on the House Files 381, 454, 586, 602, 612, 634 and 641.

CARROLL of Poweshiek

I was necessarily absent from the House chamber on March 27, 2003. Had I been present, I would have voted "aye" on House Files 216, 567, 576 and [Senate File 94](#).

HEATON of Henry

## BILLS SIGNED BY THE GOVERNOR

A communication was received from the Governor announcing that on March 25, 2003, he approved and transmitted to the Secretary of State the following bill:

[House File 290](#), an Act authorizing the issuance of special registration plates to owners of motor trucks.

Also: That on March 28th, 2003, he approved and transmitted to the Secretary of State the following bills.

[House File 504](#), an Act relating to fraudulent use of a credit card, scanning device, or reencoder, and providing a penalty.

[Senate File 97](#), an Act relating to highway, aviation, motor vehicle transportation and public transit, including regulation of junkyards along highways and placement of political signs, elimination of the aviation hangar revolving loan fund, applications for certificates of title by motor vehicle dealers, fees charged for driver's licenses and nonoperator's identification cards and making an appropriation, security interests in motor vehicles, charges financed in a motor vehicle retail installment transaction, confidentiality of motor vehicle accident reports, requirements for motor carrier safety rules, exemptions for certain motor vehicle operators from motor carrier safety rules and hazardous materials transportation regulations, load limits for vehicles transporting construction machinery, urban public transit funding, and tariffs charged by motor carriers of household goods, and including effective and retroactive applicability date provisions.

[Senate File 357](#), an Act relating to election or appointment of trustees of a city hospital or health care facility.

[Senate File 376](#), an Act relating to the surcharge for certain dishonored negotiable instruments.

[Senate File 424](#), an Act relating to urban renewal indebtedness reporting and providing an effective date.

#### SUBCOMMITTEE ASSIGNMENTS

##### [Senate File 375](#)

Judiciary: Boal, Chair; Berry and Schickel.

##### [Senate File 396](#)

Agriculture: Lalk, Chair Frevert and Klemme.

#### HOUSE STUDY BILL COMMITTEE ASSIGNMENTS

##### [H.S.B. 306 Ways and Means](#)

Exempting from state individual income tax the active duty pay of a member of the Iowa national guard or armed forces reserve units for service performed during Operation Iraqi Freedom and including effective and applicability date provisions.

#### RESOLUTION FILED

[HR 49](#), by Berry, Shultz and Jenkins, a resolution honoring the East Waterloo High School Boys' Basketball Team.

Laid over under **Rule 25**.

#### AMENDMENTS FILED

<a href="#">H-1195</a>	<a href="#">H.F. 662</a>	Dolecheck of Ringgold Upmeyer of Hancock
<a href="#">H-1196</a>	<a href="#">H.F. 583</a>	Raecker of Polk Mascher of Johnson Huseman of Cherokee
		Dennis of Black Hawk Bukta of Clinton McCarthy of Polk
<a href="#">H-1197</a>	<a href="#">H.F. 600</a>	Rayhons of Hancock
<a href="#">H-1198</a>	<a href="#">H.F. 594</a>	Roberts of Carroll Raecker of Polk
<a href="#">H-1199</a>	<a href="#">H.F. 594</a>	Horbach of Tama Raecker of Polk Roberts of Carroll

<u>H-1200</u>	<u>H.F.</u>	<u>573</u>	Kuhn of Floyd Mertz of Kossuth
<u>H-1201</u>	<u>H.F.</u>	<u>573</u>	Kuhn of Floyd Mertz of Kossuth
<u>H-1202</u>	<u>H.F.</u>	<u>662</u>	Whitaker of Van Buren Berry of Black Hawk Davitt of Warren Heddens of Story Lykam of Scott Miller of Webster D. Olson of Boone Struyk of Pottawattamie Thomas of Clayton Whitead of Woodbury
			Quirk of Chickasaw Dandekar of Linn Gaskill of Wapello Hogg of Linn McCarthy of Polk Oldson of Polk Reasoner of Union Swaim of Davis Wendt of Woodbury Myers of Johnson
<u>H-1203</u>	<u>S.F.</u>	<u>390</u>	Wise of Lee
<u>H-1204</u>	<u>H.F.</u>	<u>662</u>	Jenkins of Black Hawk
<u>H-1205</u>	<u>H.F.</u>	<u>587</u>	Hogg of Linn
<u>H-1206</u>	<u>S.F.</u>	<u>390</u>	Wise of Lee

On motion by Jacobs of Polk the House adjourned at 5:31 p.m., until 8:45 a.m., Tuesday, April 1, 2003.