

PROOF

STATE OF IOWA

House Journal

MONDAY, APRIL 12, 2004

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JOURNAL OF THE HOUSE

Ninety-second Calendar Day - Sixty-second Session Day

Hall of the House of Representatives
Des Moines, Iowa, Monday, April 12, 2004

The House met pursuant to adjournment at 10:03 a.m., Speaker Rants in the chair.

Prayer was offered by Reverend Mark Reasoner, pastor of Sacred Heart Catholic Church, Osage. He was the guest of Representative Mike Reasoner, also his brother, from Union County and Representative Mark Kuhn from Floyd County.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Drew Polzin, grandson of Representative Clarence Hoffman and his wife Lynn from Crawford County.

The Journal of Thursday, April 8, 2004 was approved.

PETITION FILED

The following petition was received and placed on file:

By Berry of Black Hawk from 473 constituents of the Waterloo Community School District favoring adequate funding of Iowa public schools, even if it means a tax increase and to fund minority student achievement at \$550 million dollars.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on April 8, 2004, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 2186](#), a bill for an act increasing the damages payable upon conviction of certain unlawful activities involving antlered deer.

Also: That the Senate has on April 8, 2004, passed the following bill in which the concurrence of the Senate was asked:

[House File 2357](#), a bill for an act relating to the prevention and control of certain aquatic invasive plant and animal species and providing penalties.

Also: That the Senate has on April 8, 2004, passed the following bill in which the concurrence of the Senate was asked:

[House File 2402](#), a bill for an act restricting executive branch authority to transfer appropriations between departments.

Also: That the Senate has on April 8, 2004, passed the following bill in which the concurrence of the Senate was asked:

[House File 2557](#), a bill for an act providing for the regulation of securities, providing for fees and penalties, and providing an effective date.

Also: That the Senate has on April 8, 2004, amended the House amendment, concurred in the House amendment as amended, and passed the following bill in which the concurrence of the House is asked:

[Senate File 2179](#), a bill for an act relating to ethics laws and the Iowa ethics and campaign disclosure board.

Also: That the Senate has on April 8, 2004, concurred in the House amendment and passed the following bill in which the concurrence of the Senate was asked:

[Senate File 2208](#), a bill for an act relating to the powers and duties of the department of agriculture and land stewardship, and making penalties applicable.

Also: That the Senate has on April 8, 2004, concurred in the House amendment and passed the following bill in which the concurrence of the Senate was asked:

[Senate File 2279](#), a bill for an act relating to petition requirements for establishing a satellite absentee voting station.

MICHAEL E. MARSHALL, Secretary

The House stood at ease at 10:07 a.m., until the fall of the gavel.

The House resumed session at 1:17 p.m., Speaker Rants in the chair.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on April 12, 2004, passed the following bill in which the concurrence of the Senate was asked:

[House File 2440](#), a bill for an act relating to awards of noneconomic damages against health care providers.

Also: that the Senate has on April 12, 2004, passed the following bill in which the concurrence of the Senate was asked:

[House File 2559](#), a bill for an act relating to the duties of the college student aid commission and the approval and registration of postsecondary schools by the commission, the department of education, and the secretary of state, and the establishment and collection of fees and chargeable expenses by the state board of education and the secretary of state.

Also: That the Senate has on April 12, 2004, concurred in the House amendment and passed the following bill in which the concurrence of the Senate was asked:

[Senate File 2119](#), a bill for an act relating to collateral required to be pledged by banks to the treasurer of state in order to secure the deposit of public moneys.

Also: That the Senate has on April 12, 2004, concurred in the House amendment and passed the following bill in which the concurrence of the Senate was asked:

[Senate File 2183](#), a bill for an act relating to asset disregard under the medical assistance program for the purchase of a qualified long-term care insurance policy, providing for a repeal, and providing a contingent effective date.

Also: That the Senate has on April 12, 2004, amended and passed the following bill in which the concurrence of the House is asked:

[Senate File 2299](#), a bill for an act establishing a planning group for unifying state administration of services utilized by elderly Iowans.

Also: That the Senate has on April 12, 2004, amended and adopted the following resolution in which the concurrence of the House is asked:

[Senate Concurrent Resolution 113](#), a concurrent resolution recognizing the 25th anniversary of the Iowa Natural Heritage Foundation.

MICHAEL E. MARSHALL, Secretary

SENATE MESSAGE CONSIDERED

[Senate File 2299](#), by committee on government oversight, a bill for an act establishing a planning group for unifying state administration of services utilized by elderly and disabled Iowans.

Read first time and referred to committee on **government oversight**.

QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed eighty-one members present, nineteen absent.

CONSIDERATION OF BILLS

Appropriations Calendar

[Senate File 2298](#), a bill for an act making, reducing, and transferring appropriations, providing for other properly related matters, and including effective and applicability date provisions, with report of committee recommending amendment and passage, was taken up for consideration.

Dix of Butler offered amendment [H-8365](#) filed by the committee on appropriations and requested division as follows:

[H-8365](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate as follows:

[H-8365](#) A

- 3 1. Page 28, line 15, by striking the figure
- 4 "5,784,500", and inserting the following:
- 5 "6,084,500".
- 6 2. Page 34, by striking lines 33 and 34 and
- 7 inserting the following:
- 8 "..... § 4,889,124
- 9FTEs 94.20"
- 10 3. Page 35, by striking lines 15 through 20.
- 11 4. Page 63, by inserting after line 5, the
- 12 following:
- 13 "Sec. ____ Section 256.7, Code Supplement 2003, is
- 14 amended by adding the following new subsection:
- 15 NEW SUBSECTION. 26. Adopt rules that set
- 16 standards for the approval of teacher intern
- 17 preparation programs in accordance with section
- 18 262.76. The state board shall process and respond to
- 19 an application submitted by a higher education
- 20 institution or consortium in accordance with section
- 21 262.76 within six months after the date of receipt of
- 22 the application."
- 23 5. Page 65, by inserting after line 6, the
- 24 following:
- 25 "Sec. ____ NEW SECTION. 262.76 TEACHER INTERN
- 26 PREPARATION PROGRAM.

27 The state board of regents and the colleges of
 28 education at its institutions of higher learning shall
 29 work cooperatively with other accredited postsecondary
 30 institutions with practitioner preparation programs
 31 and the department of education to ensure that at
 32 least one teacher intern preparation program is
 33 established within the state that meets the standards
 34 as provided in 281 IAC ch. 77. Not later than July 1,
 35 2005, the board shall establish the teacher intern
 36 preparation program wholly within one of its higher
 37 education institutions or through a consortium of
 38 institutions. The board may also consider cooperative
 39 arrangements with other higher education institutions,
 40 including those that do not have practitioner
 41 preparation programs, or with area education agencies
 42 provided any program established by such a cooperative
 43 arrangement meets the standards as provided in 281 IAC
 44 ch. 77."
 45 6. Page 65, line 22, by inserting after the word
 46 "contracts" the following: ", if applicable,".
 47 7. Page 161, by striking lines 2 through 12.
 48 8. Page 169, by striking lines 3 through 16.
 49 9. Page 169, line 27, by striking the words "the
 50 effective date of this Act" and inserting the

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1 following: "July 1, 2004".
 2 10. Page 170, by striking lines 1 through 17.
 3 11. Page 171, by inserting after line 30 the
 4 following:
 5 "Sec. _____. NEW SECTION. 564.9 DEPARTMENT OF
 6 NATURAL RESOURCES – ACCESS.
 7 1. The department of natural resources shall grant
 8 the owner of a parcel of land access to a public road
 9 if any of the following applies:
 10 a. It is otherwise impossible for the owner to
 11 access the public road because the parcel is
 12 surrounded by land held by the department.
 13 b. The parcel is otherwise surrounded by land with
 14 a topography that makes access unreasonable.
 15 c. Access by another way would cause degradation
 16 or destroy the integrity of the land.
 17 2. The department may grant access to the owner by
 18 the sale, exchange, or other transfer of land or by
 19 the grant of an easement.
 20 3. A person entitled to access as provided in this
 21 section may construct a road for automobile traffic
 22 from the parcel to the public road. The owner shall
 23 be responsible for constructing and maintaining any
 24 private road from the parcel to the public road which
 25 shall not be more than twenty feet in width unless

26 otherwise agreed to by the parties."
 27 12. By striking page 173, line 28, through page
 28 174, line 11.
 29 13. Page 177, line 17, by striking the word and
 30 figures "13B.4, subsection 2,".
 31 14. Page 177, by striking lines 20 through 24.
 32 15. Page 182, line 28, by striking the words
 33 "school year detailing contract settlement" and
 34 inserting the following: "contract settlement".
 35 16. Page 184, by striking lines 19 through 34.
 36 17. By striking page 184, line 35, through page
 37 185, line 9.

H-8365 B

38 18. By striking page 192, line 29, through page
 39 193, line 30, and inserting the following:
 40 "Sec.____. Section 425.1, subsection 1, unnumbered
 41 paragraph 1, Code Supplement 2003, is amended to read
 42 as follows:
 43 A homestead credit fund is created. ~~There is~~
 44 ~~appropriated annually from the general fund of the~~
 45 ~~state Notwithstanding any conflicting provisions of~~
 46 section 8.56, there is appropriated for the fiscal
 47 year beginning July 1, 2004, and ending June 30, 2005,
 48 from the cash reserve fund created in section 8.56 to
 49 the department of revenue to be credited to the
 50 homestead credit fund, an amount ~~sufficient~~ equal to

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1 one hundred two million nine hundred forty-five
 2 thousand three hundred seventy-nine dollars to
 3 implement this chapter.
 4 Sec.____. Section 425.19, Code 2003, is amended to
 5 read as follows:
 6 425.19 CLAIM AND CREDIT OR REIMBURSEMENT.
 7 Subject to the limitations provided in this
 8 division, a claimant may annually claim a credit for
 9 property taxes due during the fiscal year next
 10 following the base year or claim a reimbursement for
 11 rent constituting property taxes paid in the base
 12 year. The amount of the credit for property taxes due
 13 for a homestead shall be paid on June 15 of each year
 14 by the director to the county treasurer who shall
 15 credit the money received against the amount of the
 16 property taxes due and payable on the homestead of the
 17 claimant and the amount of the reimbursement for rent
 18 constituting property taxes paid shall be paid to the
 19 claimant ~~from by the state general fund~~ on or before
 20 December 31 ~~of each year~~ unless otherwise provided.
 21 Sec.____. Section 425.23, subsection 3, paragraph

22 a, Code Supplement 2003, is amended to read as
23 follows:
24 a. A person who is eligible to file a claim for
25 credit for property taxes due and who has a household
26 income of eight thousand five hundred dollars or less
27 and who has an unpaid special assessment levied
28 against the homestead may file a claim for a special
29 assessment credit with the county treasurer. The
30 department shall provide to the respective treasurers
31 the forms necessary for the administration of this
32 subsection. The claim shall be filed not later than
33 September 30 of each year. Upon the filing of the
34 claim, interest for late payment shall not accrue
35 against the amount of the unpaid special assessment
36 due and payable. The claim filed by the claimant
37 constitutes a claim for credit of an amount equal to
38 the actual amount due upon the unpaid special
39 assessment, plus interest, payable during the fiscal
40 year for which the claim is filed against the
41 homestead of the claimant. However, where the
42 claimant is an individual described in section 425.17,
43 subsection 2, paragraph "b", and the tentative credit
44 is determined according to the schedule in subsection
45 1, paragraph "b", subparagraph (2), of this section,
46 the claim filed constitutes a claim for credit of an
47 amount equal to one-half of the actual amount due and
48 payable during the fiscal year. The treasurer shall
49 certify to the director of revenue not later than
50 October 15 of each year the total amount of dollars

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1 due for claims allowed. The amount of reimbursement
2 due each county shall be paid by the director of
3 revenue by November 15 of each year, drawn upon
4 warrants payable to the respective treasurer. ~~There~~
5 ~~is appropriated annually from the general fund of the~~
6 ~~state to the department of revenue an amount~~
7 ~~sufficient to carry out the provisions of this~~
8 ~~subsection.~~ The treasurer shall credit any moneys
9 received from the department against the amount of the
10 unpaid special assessment due and payable on the
11 homestead of the claimant.
12 Sec.____. Section 425.39, Code Supplement 2003, is
13 amended to read as follows:
14 425.39 FUND CREATED – APPROPRIATION – PRIORITY.
15 The elderly and disabled property tax credit and
16 reimbursement fund is created. ~~There is appropriated~~
17 ~~annually from the general fund of the state~~
18 Notwithstanding any conflicting provisions of section
19 8.56, there is appropriated for the fiscal year
20 beginning July 1, 2004, and ending June 30, 2005, from

21 the cash reserve fund created in section 8.56 to the
22 department of revenue to be credited to the elderly
23 and disabled property tax credit and reimbursement
24 fund, from funds not otherwise appropriated, an amount
25 sufficient equal to nineteen million five hundred
26 forty thousand dollars to implement this division for
27 claimants described in section 425.17, subsection 2,
28 paragraph "a". If the sum of the amount of claims for
29 credit for property taxes due plus the amount of
30 claims for reimbursement for rent constituting
31 property tax paid which are to be paid during the
32 fiscal year beginning July 1, 2004, exceeds the amount
33 appropriated in this section, the director of revenue
34 shall prorate the payments for the property tax credit
35 and for reimbursement for rent constituting property
36 tax paid. In order for the director to carry out the
37 requirements of this section, notwithstanding any
38 provision to the contrary in this chapter, claims for
39 reimbursement for rent constituting property taxes
40 paid filed before May 1, 2005, shall be eligible to be
41 paid during the fiscal year ending June 30, 2005, and
42 those claims filed on or after May 1, 2005, shall be
43 eligible to be paid during the fiscal year beginning
44 July 1, 2005, and the director is not required to make
45 payments to counties for the property tax credit
46 before June 15, 2005.
47 Sec. _____. Section 425A.1, Code 2003, is amended to
48 read as follows:
49 425A.1 FAMILY FARM TAX CREDIT FUND.
50 The family farm tax credit fund is created in the

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1 office of the treasurer of state. There shall be
2 transferred annually to the fund the first ten million
3 dollars of the amount ~~annually~~ appropriated to the
4 agricultural land credit fund, provided in section
5 426.1. ~~Any balance in the fund on June 30 shall~~
6 ~~revert to the general fund.~~
7 Sec. _____. Section 426.1, Code 2003, is amended to
8 read as follows:
9 426.1 AGRICULTURAL LAND CREDIT FUND.
10 There is created as a permanent fund in the office
11 of the treasurer of state a fund to be known as the
12 agricultural land credit fund, ~~and for the purpose of~~
13 ~~establishing and maintaining this fund for each fiscal~~
14 ~~year there is appropriated thereto from funds in the~~
15 ~~general fund not otherwise appropriated the sum of~~
16 ~~thirty nine million one hundred thousand dollars.~~
17 Notwithstanding any conflicting provisions of section
18 8.56, there is appropriated for the fiscal year
19 beginning July 1, 2004, and ending June 30, 2005, from

20 the cash reserve fund created in section 8.56 to the
21 agricultural land credit fund the sum of thirty-four
22 million six hundred ten thousand one hundred eighty-
23 three dollars of which the first ten million dollars
24 shall be transferred to and deposited into the family
25 farm tax credit fund created in section 425A.1. ~~Any~~
26 ~~balance in said fund on June 30 shall revert to the~~
27 ~~general fund.~~

28 Sec.____. Section 426A.1A, Code 2003, is amended
29 by striking the section and inserting in lieu thereof
30 the following:

31 426A.1A APPROPRIATIONS.

32 Notwithstanding any conflicting provisions of
33 section 8.56, there is appropriated for the fiscal
34 year beginning July 1, 2004, and ending June 30, 2005,
35 from the cash reserve fund created in section 8.56 to
36 the department of revenue the sum of two million five
37 hundred sixty-eight thousand four hundred two dollars
38 to fund the credits provided under this chapter.

39 Sec.____. Section 426A.4, Code Supplement 2003, is
40 amended to read as follows:

41 426A.4 CERTIFICATION BY DIRECTOR OF REVENUE.

42 Sums distributable from the ~~general fund of the~~
43 state shall be allocated annually to the counties of
44 the state. On September 15 annually the director of
45 revenue shall certify and draw warrants to the
46 treasurer of each county payable from the ~~general~~
47 designated fund of the state in the amount claimed.
48 Payments shall be made to the treasurer of each county
49 not later than September 30 of each year.

50 Sec.____. Section 426A.6, Code Supplement 2003, is

Page 6

1 amended to read as follows:

2 426A.6 SETTING ASIDE ALLOWANCE.

3 If the director of revenue determines that a claim
4 for military service tax exemption has been allowed by
5 a board of supervisors which is not justifiable under
6 the law and not substantiated by proper facts, the
7 director may, at any time within thirty-six months
8 from July 1 of the year in which the claim is allowed,
9 set aside the allowance. Notice of the disallowance
10 shall be given to the county auditor of the county in
11 which the claim has been improperly granted and a
12 written notice of the disallowance shall also be
13 addressed to the claimant at the claimant's last known
14 address. The claimant or the board of supervisors may
15 appeal to the state board of tax review pursuant to
16 section 421.1, subsection 4. The claimant or the
17 board of supervisors may seek judicial review of the
18 action of the state board of tax review in accordance

19 with chapter 17A. If a claim is disallowed by the
20 director of revenue and not appealed to the state
21 board of tax review or appealed to the state board of
22 tax review and thereafter upheld upon final
23 resolution, including judicial review, the credits
24 allowed and paid ~~from the general fund of~~ by the state
25 become a lien upon the property on which the credit
26 was originally granted, if still in the hands of the
27 claimant and not in the hands of a bona fide
28 purchaser, the amount so erroneously paid shall be
29 collected by the county treasurer in the same manner
30 as other taxes, and the collections shall be returned
31 to the department of revenue and credited to the
32 ~~general fund of the state~~ fund from which the claim
33 was paid. The director of revenue may institute legal
34 proceedings against a military service tax exemption
35 claimant for the collection of payments made on
36 disallowed exemptions.

37 Sec.____. Section 426A.8, unnumbered paragraphs 1
38 and 4, Code Supplement 2003, are amended to read as
39 follows:

40 If the amount of credit apportioned to any property
41 eligible to military service tax exemption under this
42 chapter in any year shall exceed the total tax,
43 exclusive of any special assessments levied against
44 such property eligible for military service tax
45 exemption, then the excess shall be remitted by the
46 county treasurer to the department of revenue to be
47 redeposited in the ~~general fund of the state~~ from
48 which the credit was paid and reallocated the
49 following year by the department.

50 The amount of the credit shall be allocated and

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1 paid from the surplus redeposited in the ~~general~~ fund
2 of the state provided for in the first paragraph of
3 this section.

4 Sec.____. Section 426A.9, Code Supplement 2003, is
5 amended to read as follows:

6 426A.9 ERRONEOUS CREDITS.

7 If any claim is allowed, and subsequently reversed
8 on appeal, any credit shall be void, and the amount of
9 the credit shall be charged against the property in
10 question, and the director of revenue, the county
11 auditor and the county treasurer shall correct their
12 books and records. The amount of the erroneous
13 credit, when collected, shall be returned by the
14 county treasurer to the ~~general~~ fund of the state from
15 which the credit was paid.

16 Sec.____. Section 435.22, subsection 5, unnumbered
17 paragraph 6, Code Supplement 2003, is amended to read

18 as follows:

19 ~~There is appropriated annually from the general~~
 20 ~~fund of the state~~ The appropriation made in section
 21 425.39 shall be available to the department of revenue
 22 ~~an amount sufficient~~ to carry out this subsection."

H-8365 A

23 19. Page 203, by inserting after line 16 the
 24 following:
 25 "Sec. ____ . MODIFIED ADDITIONAL ALLOWABLE GROWTH.
 26 For the fiscal year beginning July 1, 2004, and ending
 27 June 30, 2005, notwithstanding anything contrary in
 28 section 257.18, subsection 2, if the board adopts a
 29 resolution, not later than April 15, 2004, to increase
 30 its participation in the instructional support program
 31 under section 257.18 and a petition is not filed or if
 32 the question is submitted to the registered voters of
 33 the school district and the question is approved, the
 34 school budget review committee shall establish
 35 modified allowable growth for the school district for
 36 the fiscal year beginning July 1, 2004, for the amount
 37 of increased spending authority. The modified
 38 allowable growth shall equal the sum of the state aid
 39 and property tax portion of the instructional support
 40 program requested by the district. The district is
 41 not eligible for state aid as determined under section
 42 257.20 due to increased participation percent."

H-8365 B

43 20. Page 204, by striking line 11 and inserting
 44 the following:
 45 "Sec. ____ . Sections 25B.7 and 266.39D, Code
 46 Supplement 2003, are".

H-8365 A

47 21. Page 204, line 19, by striking the figure "
 48 257.16,".
 49 22. Page 204, by striking lines 32 through 34 and
 50 inserting the following:

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1 " ____ . The section of this division of this Act
 2 providing modified allowable growth for school
 3 districts to participate in an instructional support
 4 program, being deemed of immediate importance, takes
 5 effect upon enactment."

[H-8365](#)

6 23. By renumbering, relettering, or redesignating
7 and correcting internal references as necessary.

Fallon of Polk offered amendment [H-8389](#), to the committee amendment [H-8365A](#), filed by him as follows:

[H-8389](#)

1 Amend the House amendment, [H-8365](#), to Senate File
2 2298, as amended, passed, and reprinted by the Senate,
3 as follows:
4 1. Page 1, by inserting after line 10 the
5 following:
6 "____. Page 49, by striking lines 1 through 18 and
7 inserting the following:
8 "..... \$147,582,047
9 The funds appropriated in this subsection shall be
10 allocated as follows:
11 a. Merged Area I..... \$ 7,193,209
12 b. Merged Area II..... \$ 8,136,366
13 c. Merged Area III..... \$ 7,600,107
14 d. Merged Area IV..... \$ 3,670,204
15 e. Merged Area V..... \$ 8,015,816
16 f. Merged Area VI..... \$ 7,142,277
17 g. Merged Area VII..... \$ 10,530,666
18 h. Merged Area IX..... \$ 13,020,106
19 i. Merged Area X..... \$ 20,883,389
20 j. Merged Area X..... \$ 21,903,444
21 k. Merged Area XII..... \$ 8,609,947
22 l. Merged Area XIII..... \$ 8,743,547
23 m. Merged Area XIV..... \$ 3,744,512
24 n. Merged Area XV..... \$ 11,726,862
25 o. Merged Area XVI..... \$ 6,661,595"
26 2. Page 1, by inserting before line 11 the
27 following:
28 "____. By striking page 52, line 2, through page
29 60, line 9, and inserting the following: "purposes,
30 and for not more than the following full-time
31 equivalent positions:
32 \$ 1,190,152
33 FTEs 16.00
34 b. For allocation by the state board of regents to
35 the state university of Iowa, the Iowa state
36 university of science and technology, and the
37 university of northern Iowa to reimburse the
38 institutions for deficiencies in their operating funds
39 resulting from the pledging of tuitions, student fees
40 and charges, and institutional income to finance the
41 cost of providing academic and administrative
42 buildings and facilities and utility services at the

43 institutions:
 44 \$ 12,701,278
 45 Notwithstanding section 8.33, funds appropriated
 46 for purposes of this lettered paragraph that remain
 47 unencumbered or unobligated on June 30, 2005, shall
 48 not revert to the general fund of the state, but shall
 49 be available for expenditure for the following fiscal
 50 year for purposes specified in this lettered

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1 paragraph.
 2 c. For funds to be allocated to the southwest Iowa
 3 graduate studies center:
 4 \$ 108,673
 5 d. For funds to be allocated to the siouxland
 6 interstate metropolitan planning council for the
 7 tristate graduate center under section 262.9,
 8 subsection 21:
 9 \$ 79,940
 10 e. For funds to be allocated to the quad-cities
 11 graduate studies center:
 12 \$ 161,173
 13 2. STATE UNIVERSITY OF IOWA
 14 a. General university, including lakeside
 15 laboratory
 16 For salaries, support, maintenance, equipment, and
 17 miscellaneous purposes, and for not more than the
 18 following full-time equivalent positions:
 19 \$276,520,093
 20 FTEs 4,055.62
 21 b. University hospitals
 22 For salaries, support, maintenance, equipment, and
 23 miscellaneous purposes and for medical and surgical
 24 treatment of indigent patients as provided in chapter
 25 255, and for medical education, and for not more than
 26 the following full-time equivalent positions:
 27 \$ 27,984,189
 28 FTEs 5,471.01
 29 c. Psychiatric hospital
 30 For salaries, support, maintenance, equipment,
 31 miscellaneous purposes, and for the care, treatment,
 32 and maintenance of committed and voluntary public
 33 patients, and for not more than the following full-
 34 time equivalent positions:
 35 \$ 7,223,647
 36 FTEs 272.11
 37 d. Center for disabilities and development
 38 For salaries, support, maintenance, and
 39 miscellaneous purposes, and for not more than the
 40 following full-time equivalent positions:
 41 \$ 6,526,426

42 FTEs 143.34
 43 e. Oakdale campus
 44 For salaries, support, maintenance, and
 45 miscellaneous purposes, and for not more than the
 46 following full-time equivalent positions:
 47 \$ 2,725,472
 48 FTEs 43.25
 49 f. State hygienic laboratory
 50 For salaries, support, maintenance, and

Page 3

1 miscellaneous purposes and for not more than the
 2 following full-time equivalent positions:
 3 \$ 3,900,021
 4 FTEs 102.49
 5 g. Family practice program
 6 For allocation by the dean of the college of
 7 medicine, with approval of the advisory board, to
 8 qualified participants, to carry out chapter 148D for
 9 the family practice program, including salaries and
 10 support, and for not more than the following full-time
 11 equivalent positions:
 12 \$ 2,129,177
 13 FTEs 192.40
 14 h. Child health care services
 15 For specialized child health care services,
 16 including childhood cancer diagnostic and treatment
 17 network programs, rural comprehensive care for
 18 hemophilia patients, and the Iowa high-risk infant
 19 follow-up program, including salaries and support, and
 20 for not more than the following full-time equivalent
 21 positions:
 22 \$ 665,709
 23 FTEs 53.46
 24 i. Statewide cancer registry
 25 For the statewide cancer registry, and for not more
 26 than the following full-time equivalent positions:
 27 \$ 183,322
 28 FTEs 2.40
 29 j. Substance abuse consortium
 30 For funds to be allocated to the Iowa consortium
 31 for substance abuse research and evaluation, and for
 32 not more than the following full-time equivalent
 33 positions:
 34 \$ 66,534
 35 FTEs 1.50
 36 k. Center for biocatalysis
 37 For the center for biocatalysis, and for not more
 38 than the following full-time equivalent positions:
 39 \$ 903,984
 40 FTEs 5.20

41 l. Primary health care initiative
 42 For the primary health care initiative in the
 43 college of medicine, and for not more than the
 44 following full-time equivalent positions:
 45 \$ 779,359
 46 FTEs 7.75
 47 m. Birth defects registry
 48 For the birth defects registry, and for not more
 49 than the following full-time equivalent positions:
 50 \$ 45,781

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1 FTEs 1.30
 2 3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY
 3 a. General university
 4 For salaries, support, maintenance, equipment, and
 5 miscellaneous purposes, and for not more than the
 6 following full-time equivalent positions:
 7 \$217,686,641
 8 FTEs 3,647.42
 9 b. Agricultural experiment station
 10 For salaries, support, maintenance, and
 11 miscellaneous purposes, and for not more than the
 12 following full-time equivalent positions:
 13 \$ 31,814,892
 14 FTEs 546.98
 15 c. Cooperative extension service in agriculture
 16 and home economics
 17 For salaries, support, maintenance, and
 18 miscellaneous purposes, and for not more than the
 19 following full-time equivalent positions:
 20 \$ 20,244,546
 21 FTEs 383.34
 22 d. Leopold center
 23 For agricultural research grants at Iowa state
 24 university under section 266.39B, and for not more
 25 than the following full-time equivalent positions:
 26 \$ 476,225
 27 FTEs 11.25
 28 e. Livestock disease research
 29 For deposit in and the use of the livestock disease
 30 research fund under section 267.8:
 31 \$ 226,367
 32 4. UNIVERSITY OF NORTHERN IOWA
 33 a. General university
 34 For salaries, support, maintenance, equipment, and
 35 miscellaneous purposes, and for not more than the
 36 following full-time equivalent positions:
 37 \$ 97,950,925
 38 FTEs 1,398.01
 39 b. Recycling and reuse center

40 For purposes of the recycling and reuse center, and
 41 for not more than the following full-time equivalent
 42 positions:
 43 \$ 217,290
 44 FTEs 3.00
 45 5. STATE SCHOOL FOR THE DEAF
 46 For salaries, support, maintenance, and
 47 miscellaneous purposes, and for not more than the
 48 following full-time equivalent positions:
 49 \$ 10,132,297
 50 FTEs 126.60

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1 6. IOWA BRAILLE AND SIGHT SAVING SCHOOL
 2 For salaries, support, maintenance, and
 3 miscellaneous purposes, and for not more than the
 4 following full-time equivalent positions:
 5 \$ 5,669,244
 6 FTEs 81.00
 7 7. TUITION AND TRANSPORTATION COSTS
 8 For payment to local school boards for the tuition
 9 and transportation costs of students residing in the
 10 Iowa braille and sight saving school and the state
 11 school for the deaf pursuant to section 262.43 and for
 12 payment of certain clothing, prescription, and
 13 transportation costs for students at these schools
 14 pursuant to section 270.5:
 15 \$ 7,500"
 16 3. Page 1, by inserting after line 22 the
 17 following:
 18 "____. Page 64, by striking lines 28 through 32
 19 and inserting the following:
 20 "1. There is appropriated from the general fund of
 21 the state to the commission for each fiscal year the
 22 sum of ~~forty-six~~ ~~forty-eight~~ million ~~four~~ ~~eight~~
 23 hundred ~~seventeen~~ ~~thirty~~ thousand ~~nine~~ ~~hundred~~ ~~sixty-~~
 24 ~~four~~ ~~seventy-five~~ dollars for."
 25 4. Page 1, by inserting after line 46 the
 26 following:
 27 "____. Page 65, by inserting after line 28 the
 28 following:
 29 "Sec.____. Section 279.51, subsection 1,
 30 unnumbered paragraph 1, Code 2003, is amended to read
 31 as follows:
 32 There is appropriated from the general fund of the
 33 state to the department of education for the fiscal
 34 year beginning July 1, 2000, and each succeeding
 35 fiscal year, the sum of ~~twelve~~ ~~fourteen~~ million five
 36 hundred sixty thousand dollars.
 37 Sec.____. Section 279.51, subsection 1, paragraph
 38 b, Code 2003, is amended to read as follows:

39 b. For the fiscal year beginning July 1, 1998, and
40 for each succeeding fiscal year, ~~eight ten~~ million
41 five hundred ten thousand dollars of the funds
42 appropriated shall be allocated to the child
43 development coordinating council established in
44 chapter 256A for the purposes set out in subsection 2
45 of this section and section 256A.3."
46 5. Page 2, by inserting after line 34 the
47 following:
48 "____. By striking page 183, line 32 through page
49 184, line 9, and inserting the following:
50 "Sec.____. Section 257.8, subsection 1, Code

Page 6

1 Supplement 2003, is amended to read as follows:
2 1. STATE PERCENT OF GROWTH. The state percent of
3 growth for the budget year beginning July 1, 2003, is
4 two percent. The state percent of growth for the
5 budget year beginning July 1, 2004, is ~~two six~~
6 percent. The state percent of growth for each
7 subsequent budget year shall be established by statute
8 which shall be enacted within thirty days of the
9 submission in the year preceding the base year of the
10 governor's budget under section 8.21. The
11 establishment of the state percent of growth for a
12 budget year shall be the only subject matter of the
13 bill which enacts the state percent of growth for a
14 budget year."
15 6. Page 2, by striking lines 35 through 37 and
16 inserting the following:
17 "____. By striking page 184, line 19, through page
18 185, line 31, and inserting the following:
19 "Sec.____. Section 257.35, subsection 2, Code
20 Supplement 2003, is amended by striking the
21 subsection."
22 7. Page 7, by striking lines 47 and 48 and
23 inserting the following:
24 "____. Page 204, by striking lines 18 and 19, and
25 inserting the following:
26 "1. The section of this division of this Act
27 amending section 257.8 is applicable for."
28 8. Page 8, by inserting after line 5 the
29 following:
30 "____. Page 205, by inserting after line 21 the
31 following:
32 "DIVISION
33 INCOME TAX
34 Sec.____. Section 422.5, subsection 1, paragraphs
35 a through i, Code Supplement 2003, are amended to read
36 as follows:
37 a. On all taxable income from zero through one

38 thousand dollars, ~~thirty-six hundredths~~ four-tenths of
39 one percent.

40 b. On all taxable income exceeding one thousand
41 dollars but not exceeding two thousand dollars,
42 ~~seventy-two hundredths~~ eight-tenths of one percent.

43 c. On all taxable income exceeding two thousand
44 dollars but not exceeding four thousand dollars, two
45 and ~~forty-three hundredths~~ seven-tenths percent.

46 d. On all taxable income exceeding four thousand
47 dollars but not exceeding nine thousand dollars, ~~four~~
48 ~~and one-half~~ five percent.

49 e. On all taxable income exceeding nine thousand
50 dollars but not exceeding fifteen thousand dollars,

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1 six and ~~twelve hundredths~~ eight-tenths percent.

2 f. On all taxable income exceeding fifteen
3 thousand dollars but not exceeding twenty thousand
4 dollars, ~~six and forty-eight hundredths~~ seven and two-
5 tenths percent.

6 g. On all taxable income exceeding twenty thousand
7 dollars but not exceeding thirty thousand dollars, ~~six~~
8 ~~and eight tenths~~ seven and fifty-five hundredths
9 percent.

10 h. On all taxable income exceeding thirty thousand
11 dollars but not exceeding forty-five thousand dollars,
12 ~~seven and ninety-two hundredths~~ eight and eight-tenths
13 percent.

14 i. On all taxable income exceeding forty-five
15 thousand dollars, ~~eight~~ nine and ninety-eight
16 hundredths percent.

17 Sec. ____ Section 422.5, subsection 1, paragraph
18 j, Code Supplement 2003, is amended to read as
19 follows:

20 j. ~~(1)~~ The tax imposed upon the taxable income of
21 a nonresident shall be computed by reducing the amount
22 determined pursuant to paragraphs "a" through "i" by
23 the amounts of nonrefundable credits under this
24 division and by multiplying this resulting amount by a
25 fraction of which the nonresident's net income
26 allocated to Iowa, as determined in section 422.8,
27 subsection 2, ~~paragraph "a"~~, is the numerator and the
28 nonresident's total net income computed under section
29 422.7 is the denominator. This provision also applies
30 to individuals who are residents of Iowa for less than
31 the entire tax year.

32 ~~(2) The tax imposed upon the taxable income of a~~
33 ~~resident shareholder in an S corporation which has in~~
34 ~~effect for the tax year an election under subchapter S~~
35 ~~of the Internal Revenue Code and carries on business~~
36 ~~within and without the state may be computed by~~

37 ~~reducing the amount determined pursuant to paragraphs~~
 38 ~~"a" through "i" by the amounts of nonrefundable~~
 39 ~~credits under this division and by multiplying this~~
 40 ~~resulting amount by a fraction of which the resident's~~
 41 ~~net income allocated to Iowa, as determined in section~~
 42 ~~422.8, subsection 2, paragraph "b", is the numerator~~
 43 ~~and the resident's total net income computed under~~
 44 ~~section 422.7 is the denominator. If a resident~~
 45 ~~shareholder has elected to take advantage of this~~
 46 ~~subparagraph, and for the next tax year elects not to~~
 47 ~~take advantage of this subparagraph, the resident~~
 48 ~~shareholder shall not reelect to take advantage of~~
 49 ~~this subparagraph for the three tax years immediately~~
 50 ~~following the first tax year for which the shareholder~~

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1 ~~elected not to take advantage of this subparagraph,~~
 2 ~~unless the director consents to the reelection. This~~
 3 ~~subparagraph also applies to individuals who are~~
 4 ~~residents of Iowa for less than the entire tax year.~~
 5 ~~This subparagraph shall not affect the amount of~~
 6 ~~the taxpayer's checkoff to the Iowa election campaign~~
 7 ~~fund under section 68A.601, the checkoff for the fish~~
 8 ~~and game fund in section 456A.16, the credits from tax~~
 9 ~~provided in sections 422.10, 422.11A, and 422.12 and~~
 10 ~~the allocation of these credits between spouses if the~~
 11 ~~taxpayers filed separate returns or separately on~~
 12 ~~combined returns.~~
 13 ~~Sec. ____.~~ Section 422.5, subsection 1, paragraph
 14 k, unnumbered paragraph 4, Code Supplement 2003, is
 15 amended to read as follows:
 16 In the case of a resident, including a resident
 17 estate or trust, the state's apportioned share of the
 18 state alternative minimum tax is one hundred percent
 19 of the state alternative minimum tax computed in this
 20 subsection. In the case of ~~a resident or part year~~
 21 ~~resident shareholder in an S corporation which has in~~
 22 ~~effect for the tax year an election under subchapter S~~
 23 ~~of the Internal Revenue Code and carries on business~~
 24 ~~within and without the state,~~ a nonresident, including
 25 a nonresident estate or trust, or an individual,
 26 estate, or trust that is domiciled in the state for
 27 less than the entire tax year, the state's apportioned
 28 share of the state alternative minimum tax is the
 29 amount of tax computed under this subsection, reduced
 30 by the applicable credits in sections 422.10 through
 31 422.12 and this result multiplied by a fraction with a
 32 numerator of the sum of state net income allocated to
 33 Iowa as determined in section 422.8, subsection 2,
 34 ~~paragraph "a" or "b" as applicable,~~ plus tax
 35 preference items, adjustments, and losses under

36 subparagraph (1) attributable to Iowa and with a
37 denominator of the sum of total net income computed
38 under section 422.7 plus all tax preference items,
39 adjustments, and losses under subparagraph (1). In
40 computing this fraction, those items excludable under
41 subparagraph (1) shall not be used in computing the
42 tax preference items. Married taxpayers electing to
43 file separate returns or separately on a combined
44 return must allocate the minimum tax computed in this
45 subsection in the proportion that each spouse's
46 respective preference items, adjustments, and losses
47 under subparagraph (1) bear to the combined preference
48 items, adjustments, and losses under subparagraph (1)
49 of both spouses.
50 Sec. ____ Section 422.7, subsection 21, Code

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1 Supplement 2003, is amended by striking the
2 subsection.
3 Sec. ____ Section 422.8, subsection 2, Code
4 Supplement 2003, is amended to read as follows:
5 2. ~~a~~ Nonresident's net income allocated to Iowa
6 is the net income, or portion of net income, which is
7 derived from a business, trade, profession, or
8 occupation carried on within this state or income from
9 any property, trust, estate, or other source within
10 Iowa. However, income derived from a business, trade,
11 profession, or occupation carried on within this state
12 and income from any property, trust, estate, or other
13 source within Iowa shall not include distributions
14 from pensions, including defined benefit or defined
15 contribution plans, annuities, individual retirement
16 accounts, and deferred compensation plans or any
17 earnings attributable thereto so long as the
18 distribution is directly related to an individual's
19 documented retirement and received while the
20 individual is a nonresident of this state. If a
21 business, trade, profession, or occupation is carried
22 on partly within and partly without the state, only
23 the portion of the net income which is fairly and
24 equitably attributable to that part of the business,
25 trade, profession, or occupation carried on within the
26 state is allocated to Iowa for purposes of section
27 422.5, subsection 1, paragraph "j", and section 422.13
28 and income from any property, trust, estate, or other
29 source partly within and partly without the state is
30 allocated to Iowa in the same manner, except that
31 annuities, interest on bank deposits and interest-
32 bearing obligations, and dividends are allocated to
33 Iowa only to the extent to which they are derived from
34 a business, trade, profession, or occupation carried

35 on within the state.
36 ~~b. A resident's income allocable to Iowa is the~~
37 ~~income determined under section 422.7 reduced by items~~
38 ~~of income and expenses from an S corporation that~~
39 ~~carries on business within and without the state when~~
40 ~~those items of income and expenses pass directly to~~
41 ~~the shareholders under provisions of the Internal~~
42 ~~Revenue Code. These items of income and expenses are~~
43 ~~increased by the greater of the following:~~
44 ~~(1) The net income or loss of the corporation~~
45 ~~which is fairly and equitably attributable to this~~
46 ~~state under section 422.33, subsections 2 and 3.~~
47 ~~(2) Any cash or the value of property~~
48 ~~distributions which are made only to the extent that~~
49 ~~they are paid from income upon which Iowa income tax~~
50 ~~has not been paid, as determined under rules of the~~

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1 ~~director, reduced by the amount of any of these~~
2 ~~distributions that are made to enable the shareholder~~
3 ~~to pay federal income tax on items of income, loss,~~
4 ~~and expenses from the corporation.~~
5 ~~Sec. ___. Section 422.8, subsection 6, Code~~
6 ~~Supplement 2003, is amended by striking the~~
7 ~~subsection.~~
8 ~~Sec. ___. Section 422.37, Code 2003, is amended by~~
9 ~~striking the section and inserting in lieu thereof the~~
10 ~~following:~~
11 ~~422.37 COMBINED RETURNS.~~
12 ~~An affiliated group of corporations shall, under~~
13 ~~rules prescribed by the director, file a combined~~
14 ~~return showing the net income of all corporations~~
15 ~~engaged in a unitary business, subject to the~~
16 ~~following:~~
17 ~~1. The affiliated group filing under this section~~
18 ~~shall meet the requirements to file a consolidated~~
19 ~~return for federal income tax purposes under the~~
20 ~~Internal Revenue Code for the same taxable year.~~
21 ~~2. All members of the affiliated group shall join~~
22 ~~in the filing of an Iowa combined return to the extent~~
23 ~~they are engaged in a unitary business.~~
24 ~~3. Members of the affiliated group exempt from~~
25 ~~taxation by section 422.34 shall not be included in a~~
26 ~~combined return.~~
27 ~~4. All members of the affiliated group shall use~~
28 ~~the statutory method of allocation and apportionment~~
29 ~~unless the director has granted permission to all~~
30 ~~members to use an alternative method of allocation and~~
31 ~~apportionment.~~
32 ~~5. The computation of federal taxable income~~
33 ~~before the net operating loss deduction on a combined~~

34 return for members of an affiliated group shall be
35 made in the same manner and under the same procedures,
36 including all intercompany adjustments and
37 eliminations, as are required for consolidating the
38 incomes of affiliated corporations for the taxable
39 year for federal income tax purposes in accordance
40 with the Internal Revenue Code.

41 6. The combined income approach reflects the
42 federal taxable income of the unitary members of the
43 Iowa affiliated group as a single economic unit, with
44 the application of the adjustments in section 422.35,
45 and the affiliated group shall only file one income
46 tax return. Any nonunitary members of the federal
47 affiliated group subject to tax imposed by section
48 422.33 must each file its own separate corporate
49 income tax return. The net income of an affiliated
50 group is determined by applying the apportionment

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1 formula against the combined income of the affiliated
2 group.

3 7. Only the sales of those corporations in the
4 affiliated group subject to the tax imposed by section
5 422.33 are included in the numerator of the
6 apportionment formula.

7 8. Only those corporations in the affiliated group
8 subject to the tax imposed by section 422.33 are
9 jointly and severally liable for the Iowa tax of the
10 combined group.

11 Sec.____. EFFECTIVE AND APPLICABILITY DATES. This
12 division of this Act, being deemed of immediate
13 importance, takes effect upon enactment and applies as
14 follows:

15 1. The section of this division amending section
16 422.5, subsection 1, paragraphs "a" through "i", apply
17 to tax years beginning on or after January 1, 2005.

18 2. The section of this division amending section
19 422.5, subsection 1, paragraphs "j" and "k", and
20 section 422.8 apply retroactively to January 1, 2004,
21 for tax years beginning on or after that date.

22 3. The section of this division amending section
23 422.7 applies retroactively to January 1, 2004, for
24 tax years beginning on or after that date.

25 4. The section of this division amending section
26 422.37 applies retroactively to January 1, 2004, for
27 tax years beginning on or after that date.

28 DIVISION

29 SALES AND USE TAXES

30 Sec.____. Section 423.3, subsection 27, as enacted
31 by 2003 Iowa Acts, First Extraordinary Session,
32 chapter 2, section 96, is amended to read as follows:

33 27. The sales price of tangible personal property
 34 sold, or of services furnished, to a nonprofit
 35 hospital licensed pursuant to chapter 135B which is
 36 located in a rural county to be used in the operation
 37 of the hospital. For purposes of this exemption,
 38 "rural county" is a county with a population of not
 39 more than fifty thousand according to the latest
 40 federal census.
 41 Sec.____. Section 423.3, subsection 45, as enacted
 42 by 2003 Iowa Acts, First Extraordinary Session,
 43 chapter 2, section 96, is amended by striking the
 44 subsection and inserting in lieu thereof the
 45 following:
 46 45. The sales price from the sales by a trade shop
 47 to a printer of lithographic-offset plates,
 48 photoengraved plates, engravings, negatives, color
 49 separations, typesetting, the end products of image
 50 modulation, or any base material used as a carrier for

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1 light-sensitive emulsions to be used by the printer to
 2 complete a finished product for sale at retail. For
 3 purposes of this subsection, "trade shop" means a
 4 business which is not normally engaged in printing and
 5 which sells supplies to printers, including but not
 6 limited to, those supplies enumerated in this
 7 subsection.
 8 Sec.____. Section 423.3, subsections 51, 66, 67,
 9 74, 75, 76, and 77, as enacted by 2003 Iowa Acts,
 10 First Extraordinary Session, chapter 2, section 96,
 11 are amended by striking the subsections.
 12 Sec.____. Section 423.6, subsections 17 through
 13 21, as enacted by 2003 Iowa Acts, First Extraordinary
 14 Session, chapter 2, section 99, are amended by
 15 striking the subsections.
 16 DIVISION
 17 INSURANCE PREMIUMS TAXES
 18 Sec.____. Section 432.1, subsection 1, paragraph
 19 a, Code Supplement 2003, is amended to read as
 20 follows:
 21 a. ~~The applicable percent, as provided in~~
 22 ~~subsection 2, Two percent~~ of the gross amount of
 23 premiums received during the preceding calendar year
 24 by every life insurance company or association, not
 25 including fraternal beneficiary associations, or the
 26 gross payments or deposits collected from holders of
 27 fraternal beneficiary association certificates, on
 28 contracts of insurance covering risks resident in this
 29 state during the preceding year, including contracts
 30 for group insurance and annuities and without
 31 including or deducting any amounts received or paid

32 for reinsurance.

33 Sec.____. Section 432.1, subsection 2, Code

34 Supplement 2003, is amended by striking the

35 subsection.

36 Sec.____. Section 432.1, subsection 3, Code

37 Supplement 2003, is amended to read as follows:

38 3. ~~The applicable percent, as provided in~~
39 ~~subsection 4,~~ Two percent of the gross amount of
40 premiums, assessments, and fees received during the
41 preceding calendar year by every company or
42 association other than life on contracts of insurance
43 other than life for business done in this state,
44 including all insurance upon property situated in this
45 state, after deducting the amounts returned upon
46 canceled policies, certificates and rejected
47 applications but not including the gross premiums,
48 assessments, and fees in connection with ocean marine
49 insurance authorized in section 515.48.

50 Sec.____. Section 432.1, subsection 4, Code

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1 Supplement 2003, is amended by striking the

2 subsection.

3 Sec.____. Section 432.1, subsection 6, Code

4 Supplement 2003, is amended by striking the subsection

5 and inserting in lieu thereof the following:

6 6. Each insurance company and association
7 transacting business in this state whose Iowa premium
8 tax liability for the preceding calendar year was one
9 thousand dollars or more shall remit on or before June
10 1, on a prepayment basis, an amount equal to one-half
11 of the premium tax liability for the preceding
12 calendar year.

13 Sec.____. Section 432.2, Code Supplement 2003, is
14 amended to read as follows:

15 432.2 MUTUAL SERVICE CORPORATIONS.

16 Notwithstanding section 432.1, a hospital service
17 corporation, medical service corporation,
18 pharmaceutical service corporation, optometric service
19 corporation, and any other service corporation
20 operating under chapter 514 shall pay as taxes to the
21 director of revenue an amount equal to ~~the applicable~~
22 ~~percent, as provided in section 432.1, subsection 2,~~
23 two percent of the gross amount of payments received
24 during the preceding calendar year for subscriber
25 contracts covering residents in this state after
26 deducting the amounts returned to subscribers upon
27 canceled subscriber contracts and rejected
28 applications. Section 432.1, subsections 5 and 6,
29 apply to the tax imposed by this section.

30 Sec.____. Section 518.18, subsection 1, Code

31 Supplement 2003, is amended to read as follows:

32 ~~1. The applicable Two~~ percent of the gross amount
 33 of premiums received during the preceding calendar
 34 year, after deducting the amount returned upon the
 35 canceled policies, certificates, and rejected
 36 applications; and after deducting premiums paid for
 37 windstorm or hail reinsurance on properties
 38 specifically reinsured. However, the reinsurer of
 39 such windstorm or hail risks shall pay ~~the applicable~~
 40 a two percent ~~of tax on~~ the gross amount of
 41 reinsurance premiums received upon such risks after
 42 deducting the amounts returned upon canceled policies,
 43 certificates, and rejected applications. ~~For purposes~~
 44 ~~of this section, "applicable percent" means the same~~
 45 ~~as specified in section 432.1, subsection 4.~~

46 Sec.____. Section 518.18, subsections 2 and 3,
 47 Code Supplement 2003, are amended by striking the
 48 subsections.

49 Sec.____. Section 518A.35, subsection 1, Code
 50 Supplement 2003, is amended to read as follows:

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1 ~~4.~~ A state mutual insurance association doing
 2 business under this chapter shall on or before the
 3 first day of March, each year, pay to the director of
 4 revenue, or a depository designated by the director, a
 5 sum equivalent to ~~the applicable two~~ percent of the
 6 gross receipts from premiums and fees for business
 7 done within the state, including all insurance upon
 8 property situated in the state without including or
 9 deducting any amounts received or paid for
 10 reinsurance. However, a company reinsuring windstorm
 11 or hail risks written by county mutual insurance
 12 associations is required to pay ~~the applicable a two~~
 13 percent tax on the gross amount of reinsurance
 14 premiums received upon such risks, but after deducting
 15 the amount returned upon canceled policies and
 16 rejected applications covering property situated
 17 within the state, and dividends returned to
 18 policyholders on property situated within the state.
 19 ~~For purposes of this section, "applicable percent"~~
 20 ~~means the same as specified in section 432.1,~~
 21 ~~subsection 4.~~

22 Sec.____. Section 518A.35, subsections 2 and 3,
 23 Code Supplement 2003, are amended by striking the
 24 subsections.

25 DIVISION

26 USE TAX REVENUE TRANSFER

27 Sec.____. Notwithstanding the provisions of
 28 section 423.43, as enacted by 2003 Iowa Acts, First
 29 Extraordinary Session, chapter 2, section 136, from

30 the use tax revenues to be credited to the road use
 31 tax fund pursuant to section 423.43, subsection 1, as
 32 enacted by 2003 Iowa Acts, First Extraordinary
 33 Session, chapter 2, section 136, the first seven
 34 million dollars collected during the fiscal year
 35 beginning July 1, 2004, and ending June 30, 2005,
 36 shall be credited to the general fund of the state.

37 DIVISION

38 REPEAL OF NEW TAX INCENTIVE CREDIT AND REFUND
 39 Sec.____. 2004 Iowa Acts, [Senate File 2290](#), is
 40 repealed.
 41 Sec.____. EFFECTIVE DATE. This division of this
 42 Act, being deemed of immediate importance, takes
 43 effect upon enactment."
 44 9. By renumbering as necessary.

Connors of Polk rose on a point of order that amendment [H-8389](#) was not germane, to amendment [H-8365A](#).

The Speaker ruled the point well taken and amendment [H-8389](#) not germane, to amendment [H-8365A](#).

Fallon of Polk moved to suspend the rules to consider amendment [H-8389](#) to the committee amendment [H-8365A](#).

Roll call was requested by Dix of Butler and J. K. Van Fossen of Scott.

On the question "Shall the rules be suspended to consider amendment [H-8389](#) to the committee amendment [H-8365A](#)?" ([S.F. 2298](#))

The ayes were, 2:

Fallon Hunter

The nays were, 98:

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

Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Klemme	Kramer
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Manternach
Mascher	McCarthy	Mertz	Miller
Murphy	Oldson	Olson, D.	Olson, S.
Osterhaus	Paulsen	Petersen	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Roberts	Sands	Schickel	Shomshor
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		

Absent or not voting, none.

The motion to suspend the rules lost.

Fallon of Polk offered the following amendment [H-8433](#), to the committee amendment [H-8365A](#), filed by him and Raecker of Polk and moved its adoption:

[H-8433](#)

1 Amend the amendment, [H-8365](#), to [Senate File 2298](#),
 2 as amended, passed, and reprinted by the Senate, as
 3 follows:
 4 1. Page 1, by inserting after line 10 the
 5 following:
 6 "____. Page 51, by inserting after line 28 the
 7 following:
 8 "Sec. ____ EDUCATION FUNDING – APPROPRIATION.
 9 There is appropriated from the grow Iowa values fund
 10 created in section 15G.108 to the department of
 11 education for the fiscal year beginning July 1, 2004,
 12 and ending June 30, 2005, the following amount, or so
 13 much thereof as is necessary, to be used for the
 14 purpose designated:
 15 To supplement amounts appropriated pursuant to
 16 section 257.16 from the general fund of the state to
 17 pay the foundation aid and supplementary aid under
 18 section 257.4, subsection 2:
 19 \$ 41,000,000
 20 The amount appropriated pursuant to this section
 21 shall be in addition to, and shall not replace, funds
 22 otherwise appropriated pursuant to section 257.16 for
 23 the fiscal year beginning July 1, 2004, and ending

24 June 30, 2005, and shall be distributed on a per pupil
 25 basis to school districts based upon the district's
 26 budget enrollment.
 27 Notwithstanding section 8.33, moneys appropriated
 28 in this section that remain unencumbered or
 29 unobligated at the close of the fiscal year shall not
 30 revert but shall remain available for expenditure for
 31 the purposes designated."
 32 2. Page 1, by inserting after line 46 the
 33 following:
 34 "____. Page 67, by inserting after line 8 the
 35 following:
 36 "Sec.____. 2003 Iowa Acts, First Extraordinary
 37 Session, chapter 2, section 66, subsection 1,
 38 unnumbered paragraph 2, is amended to read as follows:
 39 For programs administered by the department of
 40 economic development:
 41 FY 2003-2004 \$ 45,000,000
 42 FY 2004-2005 \$ ~~41,000,000~~
 43 0
 44 FY 2005-2006..... \$ 44,000,000
 45 FY 2006-2007..... \$ 48,000,000"

Roll call was requested by Fallon of Polk and Dix of Butler.

On the question "Shall amendment [H-8433](#), to the committee amendment [H-8365A](#) be adopted?" ([S.F. 2298](#))

The ayes were, 10:

Eichhorn	Fallon	Greimann	Hogg
Hunter	Kuhn	McCarthy	Raecker
Rayhons	Whitaker		

The nays were, 88:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Boggess
Bukta	Carroll	Chambers	Cohon
Connors	Dandekar	Davitt	De Boef
Dennis	Dix	Dolecheck	Drake
Elgin	Foege	Ford	Freeman
Frevert	Gaskill	Gipp	Granzow
Greiner	Hahn	Hanson	Heaton
Heddens	Hoffman	Horbach	Huseman
Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Klemme	Kurtenbach
Lalk	Lensing	Lukan	Lykam
Maddox	Manternach	Mascher	Mertz
Miller	Murphy	Oldson	Olson, D.
Olson, S.	Osterhaus	Paulsen	Petersen

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

Absent or not voting, 2:

Huser Kramer

Amendment [H-8433](#) lost.

Dix of Butler offered the following amendment [H-8386](#), to the committee amendment [H-8365A](#), filed by him and moved its adoption:

[H-8386](#)

1 Amend the amendment, [H-8365](#), to [Senate File 2298](#),
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 1, by striking lines 11 through 44 and
5 inserting the following:
6 "____. Page 49, by inserting after line 18 the
7 following:
8 "Sec.____. STATEWIDE TEACHER INTERN PROGRAM
9 FEASIBILITY STUDY - FEDERAL GRANT APPLICATION
10 COORDINATION.
11 1. The department of education shall work
12 cooperatively with the state board of regents and
13 other accredited postsecondary institutions with
14 approved practitioner preparation programs to assess
15 the feasibility of the offering of a teacher intern
16 program that will be available statewide and which
17 will meet the standards as provided in 281 IAC 77.
18 The department shall, at minimum, collaborate with the
19 state board of regents and the colleges of education
20 at board's institutions of higher learning, and with
21 other accredited postsecondary institutions with
22 approved practitioner preparation programs. The study
23 shall include the projected enrollment, cost, delivery
24 of the program via technology, and possible time lines
25 for implementation of a statewide teacher intern
26 program. The study shall, at minimum, consider the
27 establishment of a program operated through a regents
28 institution under a cooperative arrangement with other
29 postsecondary institutions, including institutions
30 that do not have approved practitioner preparation
31 programs, or with one or more area education agencies.

32 The department shall submit a report summarizing the
33 results of the study and making recommendations to the
34 chairpersons and ranking members of the house and
35 senate committees on education and the chairpersons
36 and rankings members of the joint appropriations
37 subcommittee on education by January 15, 2005.

38 2. The department shall work cooperatively with
39 the state board of regents and other appropriate
40 eligible grantees to obtain any available federal
41 funding, including grants that may be available for
42 the establishment and operation of a teacher intern
43 program."

44 2. Page 2, by inserting after line 31, the
45 following:

46 "____. Page 182, line 27, by inserting after the
47 word "data" the following: "regarding the salaries
48 and benefits of administrators and"."

49 3. Page 4, by striking lines 28 through 46 and
50 inserting the following: "paragraph "a". If the

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1 director determines that the amount of claims for
2 credit for property taxes due plus the amount of
3 claims for reimbursement for rent constituting
4 property tax paid which are to be paid during the
5 fiscal year beginning July 1, 2004, will exceed the
6 amount appropriated, the director shall estimate the
7 percentage of the credits and reimbursements which
8 will be funded by the appropriation and use the
9 estimated percentage in computing for each claim the
10 allowable amount of property tax credit and
11 reimbursement for rent constituting property tax paid.
12 If the amount of claims for credit for property taxes
13 due to be paid during the fiscal year exceeds the
14 amount remaining after payment to renters, the
15 director shall prorate the payments to the counties
16 for the property tax credit. In order for the
17 director to carry out the requirements of this
18 section, notwithstanding any provision to the contrary
19 in this chapter, claims for reimbursement for rent
20 constituting property taxes paid filed before May 1,
21 2005, shall be eligible to be paid during the fiscal
22 year ending June 30, 2005, and those claims filed on
23 or after May 1, 2005, shall be eligible to be paid
24 during the fiscal year beginning July 1, 2005, and the
25 director is not required to make payments to counties
26 for the property tax credit before June 15, 2005."

27 4. Page 7, line 39, by inserting before the word
28 "instructional" the following: "increased".

Amendment [H-8386](#) was adopted.

Hutter of Scott offered the following amendment [H-8408](#), to the committee amendment [H-8365A](#), filed by him and moved its adoption:

[H-8408](#)

1 Amend the amendment, [H-8365](#), to [Senate File 2298](#),
2 as amended, passed, and reprinted by the Senate as
3 follows:
4 1. Page 1, by inserting after line 47 the
5 following:
6 "____. Page 163, line 26, by striking the figure
7 "16,663,446" and inserting the following:
8 "16,413,446".
9 ____ Page 163, line 27, by striking the figure
10 "202.00" and inserting the following: "200.00".
11 ____ Page 163, by inserting after line 27 the
12 following:
13 "As a condition of the appropriation made in this
14 section, 2.00 FTEs shall be eliminated from the local
15 public defender's office in Muscatine."

A non-record roll call was requested.

The ayes were 15, nays 59.

Amendment [H-8408](#) lost.

Klemme of Plymouth offered amendment [H-8452](#), to the committee amendment [H-8365](#), filed by him as follows:

[H-8452](#)

1 Amend the committee amendment, H-8365, to Senate
2 File 2298, as amended, passed, and reprinted by the
3 Senate, as follows:
4 1. By striking page 1, line 3 through page 8,
5 line 7 and inserting the following:
6 "____. By striking everything after the enacting
7 clause and inserting the following:
8 "DIVISION I
9 RESERVE FUNDS – USE OF REVERSIONS
10 Section 1. Section 8.55, subsection 4, Code
11 Supplement 2003, is amended by striking the
12 subsection.
13 Sec. 2. Section 8.56, subsection 1, Code
14 Supplement 2003, is amended to read as follows:
15 1. A cash reserve fund is created in the state
16 treasury. The cash reserve fund shall be separate
17 from the general fund of the state and shall not be

18 considered part of the general fund of the state
19 except in determining the cash position of the state
20 as provided in subsection 3. The moneys in the cash
21 reserve fund are not subject to section 8.33 and shall
22 not be transferred, used, obligated, appropriated, or
23 otherwise encumbered except as provided in this
24 section. ~~Notwithstanding section 12C.7, subsection 2,~~
25 ~~interest or earnings on moneys deposited in the cash~~
26 ~~reserve fund shall be credited to the rebuild Iowa~~
27 ~~infrastructure fund created in section 8.57.~~ Moneys
28 in the cash reserve fund may be used for cash flow
29 purposes during a fiscal year provided that any moneys
30 so allocated are returned to the cash reserve fund by
31 the end of that fiscal year.

32 Sec. 3. Section 8.57, subsection 1, paragraph a,
33 unnumbered paragraph 1, Code Supplement 2001, as
34 amended by 2002 Iowa Acts, Second Extraordinary
35 Session, chapter 1001, section 28, and by 2003 Iowa
36 Acts, chapter 179, section 31, is amended to read as
37 follows:

38 The "cash reserve goal percentage" for fiscal years
39 beginning on or after July 1, ~~2004~~ 2005, is seven and
40 one-half percent of the adjusted revenue estimate.
41 For each fiscal year in which the appropriation of the
42 surplus existing in the general fund of the state at
43 the conclusion of the prior fiscal year pursuant to
44 paragraph "b" was not sufficient for the cash reserve
45 fund to reach the cash reserve goal percentage for the
46 current fiscal year, there is appropriated from the
47 general fund of the state an amount to be determined
48 as follows:

49 Sec. 4. 2002 Iowa Acts, Second Extraordinary
50 Session, chapter 1001, section 33, as amended by 2003

Page 2

1 Iowa Acts, chapter 179, section 40, is amended to read
2 as follows:

3 SEC. 33. EFFECTIVE DATE – APPLICABILITY. The
4 amendments to the following designated Code provisions
5 in this division of this Act take effect July 1, ~~2004~~
6 2005:

- 7 1. Section 8.55, subsection 2, paragraph "a".
- 8 2. Section 8.56, subsection 4, paragraph "b".
- 9 3. Section 8.57, subsection 1, paragraph "a".

10 Sec. 5. USE OF REVERSIONS. Notwithstanding
11 section 8.62, if on June 30, 2005, a balance of an
12 operational appropriation, as defined in section 8.62,
13 except for the balances of charter agencies, as
14 defined in section 7J.1, remains unexpended or
15 unencumbered, the balance shall revert to the general
16 fund of the state as provided in section 8.33.

17 DIVISION II
18 TAX ON RESIDENTIAL UTILITIES – PHASEOUT
19 Sec. 6. Section 423.3, as enacted by 2003 Iowa
20 Acts, First Extraordinary Session, chapter 2, section
21 96, is amended by adding the following new subsection:
22 NEW SUBSECTION. 84. a. Subject to paragraph "b",
23 the sales price from the sale or furnishing of metered
24 gas, electricity, and fuel, including propane and
25 heating oil, to residential customers which is used to
26 provide energy for residential dwellings and units of
27 apartment and condominium complexes used for human
28 occupancy.
29 b. The exemption in this subsection shall be
30 phased in by means of a reduction in the tax rate as
31 follows:
32 (1) If the date of the utility billing or meter
33 reading cycle of the residential customer for the sale
34 or furnishing of metered gas and electricity is on or
35 after January 1, 2004, through December 31, 2004, or
36 if the sale or furnishing of fuel for purposes of
37 residential energy and the delivery of the fuel occurs
38 on or after January 1, 2004, through December 31,
39 2004, the rate of tax is two percent of the sales
40 price.
41 (2) If the date of the utility billing or meter
42 reading cycle of the residential customer for the sale
43 or furnishing of metered gas and electricity is on or
44 after January 1, 2005, through December 31, 2005, or
45 if the sale or furnishing of fuel for purposes of
46 residential energy and the delivery of the fuel occurs
47 on or after January 1, 2005, through December 31,
48 2005, the rate of tax is one percent of the sales
49 price.
50 (3) If the date of the utility billing or meter

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1 reading cycle of the residential customer for the sale
2 or furnishing of metered gas and electricity is on or
3 after January 1, 2006, or if the sale, furnishing, or
4 service of fuel for purposes of residential energy and
5 the delivery of the fuel occurs on or after January 1,
6 2006, the rate of tax is zero percent of the sales
7 price.
8 c. The exemption in this subsection does not apply
9 to local option sales and services tax imposed
10 pursuant to chapters 423B and 423E.

11 DIVISION III
12 COMBINED CORPORATE RETURNS
13 Sec. 7. Section 422.37, Code 2003, is amended by
14 striking the section and inserting in lieu thereof the
15 following:

16 422.37 COMBINED RETURNS.

17 An affiliated group of corporations shall, under
18 rules prescribed by the director, file a combined
19 return showing the net income of all corporations
20 engaged in a unitary business, subject to the
21 following:

22 1. The affiliated group filing under this section
23 shall meet the requirements to file a consolidated
24 return for federal income tax purposes under the
25 Internal Revenue Code for the same taxable year.

26 2. All members of the affiliated group shall join
27 in the filing of an Iowa combined return to the extent
28 they are engaged in a unitary business.

29 3. Members of the affiliated group exempt from
30 taxation by section 422.34 shall not be included in a
31 combined return.

32 4. All members of the affiliated group shall use
33 the statutory method of allocation and apportionment
34 unless the director has granted permission to all
35 members to use an alternative method of allocation and
36 apportionment.

37 5. The computation of federal taxable income
38 before the net operating loss deduction on a combined
39 return for members of an affiliated group shall be
40 made in the same manner and under the same procedures,
41 including all intercompany adjustments and
42 eliminations, as are required for consolidating the
43 incomes of affiliated corporations for the taxable
44 year for federal income tax purposes in accordance
45 with the Internal Revenue Code.

46 6. The combined income approach reflects the
47 federal taxable income of the unitary members of the
48 Iowa affiliated group as a single economic unit, with
49 the application of the adjustments in section 422.35,
50 and the affiliated group shall only file one income

Page 4

1 tax return. Any nonunitary members of the federal
2 affiliated group subject to tax imposed by section
3 422.33 must each file its own separate corporate
4 income tax return. The net income of an affiliated
5 group is determined by applying the apportionment
6 formula against the combined income of the affiliated
7 group.

8 7. Only the sales of those corporations in the
9 affiliated group subject to the tax imposed by section
10 422.33 are included in the numerator of the
11 apportionment formula.

12 8. Only those corporations in the affiliated group
13 subject to the tax imposed by section 422.33 are
14 jointly and severally liable for the Iowa tax of the

15 combined group.

16 Sec. 8. INCREASED REVENUES APPROPRIATED. There is
 17 appropriated from the general fund of the state from
 18 the additional revenues generated by the amendment to
 19 section 422.37 in this division of this Act to the
 20 department of revenue for the fiscal year beginning
 21 July 1, 2004, and ending June 30, 2005, the following
 22 amounts, or so much thereof as is necessary, to be
 23 used for the purposes designated:

24 a. For the additional funding necessary to fully
 25 fund the homestead property tax credit pursuant to
 26 section 425.1 over the amount appropriated for the
 27 fiscal year beginning July 1, 2003:

28 \$ 17,454,621

29 b. For the additional funding necessary to fully
 30 fund the elderly and disabled property tax credit
 31 pursuant to section 425.39 over the amount
 32 appropriated for the fiscal year beginning July 1,
 33 2003:

34 \$ 3,304,495

35 Sec. 9. RETROACTIVE APPLICABILITY PROVISION.

36 Except for the appropriations made to the department
 37 of revenue in this division, this division of this Act
 38 is retroactively applicable to January 1, 2004, for
 39 tax years beginning on or after that date.

40 DIVISION IV

41 CIGARETTE AND TOBACCO TAX RATES

42 Sec. 10. Section 453A.6, subsection 1, Code 2003,
 43 is amended to read as follows:

44 1. There is imposed, and shall be collected and
 45 paid to the department, ~~the following taxes a tax~~ on
 46 all cigarettes used or otherwise disposed of in this
 47 state for any purpose whatsoever:

48 ~~CLASS A. On cigarettes weighing not more than~~
 49 ~~three pounds per thousand, eighteen mills on each such~~
 50 ~~cigarette.~~

Page 5

1 ~~CLASS B. On cigarettes weighing more than three~~
 2 ~~pounds per thousand, eighteen mills on each such equal~~
 3 ~~to four and eight-tenths cents on each cigarette.~~

4 Sec. 11. Section 453A.6, Code 2003, is amended by
 5 adding the following new subsection:

6 NEW SUBSECTION. 6. Cigarettes shall be sold in
 7 packages of twenty or more.

8 Sec. 12. Section 453A.8, subsection 1, Code 2003,
 9 is amended to read as follows:

10 1. Stamps shall be sold by and purchased from the
 11 department. The department shall sell stamps to the
 12 holder of a state distributor's or manufacturer's
 13 permit which has not been revoked and to no other

14 person. Stamps shall be sold to the permit holders at
15 a discount of ~~two one~~ percent of the face value.
16 Stamps shall be sold in unbroken rolls of thirty
17 thousand stamps or unbroken lots of any other form
18 authorized by the director.

19 Sec. 13. Section 453A.40, subsection 1, Code
20 Supplement 2003, is amended to read as follows:

21 1. All persons required to obtain a permit or to
22 be licensed under section 453A.13 as distributors or
23 453A.44 having in their possession and held for resale
24 on the effective date of an increase in the tax rate
25 cigarettes, ~~or~~ little cigars, or tobacco products upon
26 which the tax under section 453A.6 or 453A.43 has been
27 paid, unused cigarette tax stamps which have been paid
28 for under section 453A.8, ~~or~~ unused metered imprints
29 which have been paid for under section 453A.12, or
30 tobacco products under section 453A.46 shall be
31 subject to an inventory tax on the items as provided
32 in this section.

33 Sec. 14. Section 453A.43, subsections 1, 2, and 3,
34 Code 2003, are amended to read as follows:

35 1. A tax is imposed upon all tobacco products in
36 this state and upon any person engaged in business as
37 a distributor of tobacco products, at the rate of
38 ~~twenty-two~~ thirty percent of the wholesale sales price
39 of the tobacco products, except little cigars as
40 defined in section 453A.42. Little cigars shall be
41 subject to the same rate of tax imposed upon
42 cigarettes in section 453A.6, payable at the time and
43 in the manner provided in section 453A.6; and stamps
44 shall be affixed as provided in division I of this
45 chapter. The tax on tobacco products, excluding
46 little cigars, shall be imposed at the time the
47 distributor does any of the following:

48 a. Brings, or causes to be brought, into this
49 state from without the state tobacco products for
50 sale.

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1 b. Makes, manufactures, or fabricates tobacco
2 products in this state for sale in this state.

3 c. Ships or transports tobacco products to
4 retailers in this state, to be sold by those
5 retailers.

6 2. A tax is imposed upon the use or storage by
7 consumers of tobacco products in this state, and upon
8 the consumers, at the rate of ~~twenty-two~~ thirty
9 percent of the cost of the tobacco products.

10 The tax imposed by this subsection shall not apply
11 if the tax imposed by subsection 1 on the tobacco
12 products has been paid.

13 This tax shall not apply to the use or storage of
 14 tobacco products in quantities of:
 15 a. Less than 25 cigars.
 16 b. Less than 10 oz. snuff or snuff powder.
 17 c. Less than 1 lb. smoking or chewing tobacco or
 18 other tobacco products not specifically mentioned
 19 herein, in the possession of any one consumer.
 20 3. Any tobacco product with respect to which a tax
 21 has once been imposed under this division shall not
 22 again be subject to tax under ~~said this division,~~
 23 except as provided in section 453A.40.
 24 Sec. 15. INCREASED REVENUES APPROPRIATED. There
 25 is appropriated from the general fund of the state
 26 from the additional revenues generated by the increase
 27 in the cigarette and tobacco products tax rates in
 28 this division of this Act to the designated
 29 departments and agencies for the fiscal year beginning
 30 July 1, 2004, and ending June 30, 2005, the following
 31 amounts, or so much thereof as is necessary, for the
 32 purposes designated:
 33 1. DEPARTMENT OF PUBLIC HEALTH
 34 a. Addictive disorders
 35 For reducing the prevalence of use of tobacco,
 36 alcohol, and other drugs, and treating individuals
 37 affected by addictive behaviors, including gambling:
 38 \$ 1,000,000
 39 b. Child and adolescent wellness
 40 For promoting an optimum health status for children
 41 and adolescents from birth through 21 years of age:
 42 \$ 1,000,000
 43 2. DEPARTMENT OF HUMAN SERVICES
 44 a. To be credited to the family investment program
 45 account and used for family investment program
 46 assistance under chapter 239B:
 47 \$ 2,521,320
 48 b. Medical assistance
 49 For medical assistance reimbursement and associated
 50 costs as specifically provided in the reimbursement

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1 methodologies in effect on June 30, 2004, except as
 2 otherwise expressly authorized by law, including
 3 reimbursement for abortion services, which shall be
 4 available under the medical assistance program only
 5 for those abortions which are medically necessary:
 6 \$ 57,613,927
 7 c. For medical contracts:
 8 \$ 1,800,000
 9 d. Children's health insurance program
 10 For maintenance of the healthy and well kids in
 11 Iowa program pursuant to chapter 514I for receipt of

12 federal financial participation under Title XXI of the
 13 federal Social Security Act, which creates the state
 14 children's health insurance program:
 15 \$ 1,500,000
 16 e. For child and family services:
 17 \$ 10,000,000
 18 f. For the state resource center at Glenwood for
 19 salaries, support, maintenance, and miscellaneous
 20 purposes:
 21 \$ 3,157,994
 22 g. For implementation of mental health,
 23 developmental disabilities, and brain injury service
 24 system redesign efforts:
 25 \$ 5,000,000
 26 h. For costs associated with the commitment and
 27 treatment of sexually violent predators in the unit
 28 located at the state mental health institute at
 29 Cherokee, including costs of legal services and other
 30 associated costs, including salaries, support,
 31 maintenance, and miscellaneous purposes:
 32 \$ 729,533
 33 i. For distribution to counties of the county
 34 mental health, mental retardation, and developmental
 35 disabilities allowed growth factor adjustment, as
 36 provided in 2003 Iowa Acts, chapter 179, section 2,
 37 subsection 1, unnumbered paragraph 2:
 38 \$ 4,665,111
 39 3. COMMISSION OF VETERANS AFFAIRS
 40 Iowa veterans home
 41 For salaries, support, maintenance, and
 42 miscellaneous purposes:
 43 \$ 1,000,000
 44 Sec. 16. EFFECTIVE DATE. Except for the
 45 appropriations made to the department of public
 46 health, department of human services, and commission
 47 of veterans affairs in this division, this division of
 48 this Act takes effect May 1, 2004.
 49 DIVISION V
 50 SERVICES SUBJECT TO TAX

Page 8

1 Sec. 17. Section 423.2, subsection 6, as enacted
 2 by 2003 Iowa Acts, First Extraordinary Session,
 3 chapter 2, section 95, is amended to read as follows:
 4 6. The sales price of any of the following
 5 enumerated services is subject to the tax imposed by
 6 subsection 5: alteration and garment repair; armored
 7 car; vehicle repair; battery, tire, and allied;
 8 investment counseling; service charges of all
 9 financial institutions; barber and beauty; boat
 10 repair; vehicle wash and wax; campgrounds; carpentry;

11 roof, shingle, and glass repair; dance schools and
12 dance studios; dating services; dry cleaning,
13 pressing, dyeing, and laundering; electrical and
14 electronic repair and installation; excavating and
15 grading; farm implement repair of all kinds; flying
16 service; furniture, rug, carpet, and upholstery repair
17 and cleaning; fur storage and repair; golf and country
18 clubs and all commercial recreation; gun and camera
19 repair; house and building moving; household
20 appliance, television, and radio repair; janitorial
21 and building maintenance or cleaning; jewelry and
22 watch repair; lawn care, landscaping, and tree
23 trimming and removal; limousine service, including
24 driver; machine operator; machine repair of all kinds;
25 motor repair; motorcycle, scooter, and bicycle repair;
26 oilers and lubricators; office and business machine
27 repair; painting, papering, and interior decorating;
28 parking facilities; pay television; pet grooming; pipe
29 fitting and plumbing; wood preparation; executive
30 search agencies; private employment agencies,
31 excluding services for placing a person in employment
32 where the principal place of employment of that person
33 is to be located outside of the state; reflexology;
34 security and detective services; sewage services for
35 nonresidential commercial operations; sewing and
36 stitching; shoe repair and shoeshine; sign
37 construction and installation; storage of household
38 goods, mini-storage, and warehousing of raw
39 agricultural products; swimming pool cleaning and
40 maintenance; tanning beds or salons; taxidermy
41 services; telephone answering service; test
42 laboratories, including mobile testing laboratories
43 and field testing by testing laboratories, and
44 excluding tests on humans or animals; termite, bug,
45 roach, and pest eradicators; tin and sheet metal
46 repair; Turkish baths, massage, and reducing salons,
47 excluding services provided by massage therapists
48 licensed under chapter 152C; water conditioning and
49 softening; weighing; welding; well drilling; wrapping,
50 packing, and packaging of merchandise other than

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1 processed meat, fish, fowl, and vegetables; wrecking
2 service; wrecker and towing; engineering; accounting,
3 auditing, billing, bookkeeping, payroll, and tax
4 return preparation; public relations services except
5 the service of lobbying; computer services;
6 consulting; management services; architectural;
7 services allied to motion picture; information
8 retrieval; adjustments, collections, and credit
9 reporting; and surveying.

10 For the purposes of this subsection, the sales
11 price of a lease or rental includes rents, royalties,
12 and copyright and license fees. For the purposes of
13 this subsection, "financial institutions" means all
14 national banks, federally chartered savings and loan
15 associations, federally chartered savings banks,
16 federally chartered credit unions, banks organized
17 under chapter 524, savings and loan associations and
18 savings banks organized under chapter 534, and credit
19 unions organized under chapter 533.

20 Sec. 18. Section 423.2, as enacted by 2003 Iowa
21 Acts, First Extraordinary Session, chapter 2, section
22 95, is amended by adding the following new
23 subsections:

24 NEW SUBSECTION. 9A. Notwithstanding the five
25 percent tax rate imposed in this section, for the
26 period beginning January 1, 2006, and ending December
27 31, 2007, the tax rate imposed under this section is
28 four and three-fourths percent.

29 NEW SUBSECTION. 9B. Notwithstanding the five
30 percent tax rate imposed in this section, beginning
31 January 1, 2008, the tax rate imposed under this
32 section is four and one-fourth percent.

33 Sec. 19. Section 423.5, as enacted by 2003 Iowa
34 Acts, First Extraordinary Session, chapter 2, section
35 98, is amended by adding the following new
36 subsections:

37 NEW SUBSECTION. 8. Notwithstanding the five
38 percent tax rate imposed in this section, for the
39 period beginning January 1, 2006, and ending December
40 31, 2007, the tax rate imposed under this section is
41 four and three-fourths percent.

42 NEW SUBSECTION. 9. Notwithstanding the five
43 percent tax rate imposed in this section, beginning
44 January 1, 2008, the tax rate imposed under this
45 section is four and one-fourth percent.

46 Sec. 20. INCREASED REVENUE APPROPRIATIONS. There
47 is appropriated from the general fund of the state
48 from the additional revenues generated by the addition
49 of services taxable under the sales and use taxes in
50 this division of this Act to the designated

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1 departments and agencies for the fiscal year beginning
2 July 1, 2004, and ending June 30, 2005, the following
3 amounts, or so much thereof as is necessary, for the
4 purposes designated:

5 1. COLLEGE STUDENT AID COMMISSION:

6 a. National guard educational assistance program

7 For purposes of providing national guard

8 educational assistance under the program established

9	in section 261.86:	
10	.....	\$ 1,756,401
11	b. In addition to the funds appropriated in	
12	section 261.25, subsection 1, for tuition grants:	
13	.....	\$ 1,900,000
14	c. In addition to the funds appropriated in	
15	section 261.25, subsection 3, for vocational-technical	
16	grants:	
17	.....	\$ 216,849
18	2. DEPARTMENT OF EDUCATION	
19	a. Public broadcasting division	
20	For salaries, support, maintenance, capital	
21	expenditures, and miscellaneous purposes:	
22	.....	\$ 300,000
23	b. Student achievement and teacher quality program	
24	For purposes, as provided in law, of the student	
25	achievement and teacher quality program established	
26	pursuant to chapter 284:	
27	.....	\$ 4,250,000
28	c. Jobs for America's graduates	
29	For school districts to provide direct services to	
30	the most at-risk senior high school students enrolled	
31	in school districts through direct intervention by a	
32	jobs for America's graduates specialist:	
33	.....	\$ 400,000
34	d. Early childhood programs	
35	For purposes of early childhood programs,	
36	including, but not limited to, the early childhood	
37	programs grants and the school ready children grant	
38	program established pursuant to chapter 28, and the	
39	shared vision program administered by the child	
40	development coordinating council in accordance with	
41	chapter 256A:	
42	.....	\$ 1,500,000
43	e. Professional development	
44	For professional development of teachers and	
45	improvement of student achievement:	
46	.....	\$ 10,000,000
47	f. Community colleges	
48	For general state financial aid to merged areas as	
49	defined in section 260C.2, for vocational education	
50	programs in accordance with chapters 258 and 260C:	

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1	\$ 3,100,000
2	g. For the amount necessary to fund the increase	
3	in state foundation aid in section 257.16 for the	
4	fiscal year beginning July 1, 2004, and ending June	
5	30, 2005:	
6	.....	\$116,398,176
7	3. STATE BOARD OF REGENTS	

- 8 a. State university of Iowa
- 9 For salaries, support, maintenance, equipment, and
- 10 miscellaneous purposes:
- 11 \$ 13,647,725
- 12 b. Iowa state university of science and technology
- 13 For salaries, support, maintenance, equipment, and
- 14 miscellaneous purposes:
- 15 \$ 10,746,906
- 16 c. University of northern Iowa
- 17 For salaries, support, maintenance, equipment, and
- 18 miscellaneous purposes:
- 19 \$ 4,827,986
- 20 d. State school for the deaf
- 21 For salaries, support, maintenance, equipment, and
- 22 miscellaneous purposes:
- 23 \$ 498,475
- 24 e. Iowa braille and sight saving school
- 25 For salaries, support, maintenance, equipment, and
- 26 miscellaneous purposes:
- 27 \$ 278,908

28 DIVISION VI

29 FAMILY FARM AND AGRICULTURAL TAX CREDITS

30 Sec. 21. Section 331.401, subsection 1, paragraph

31 g, Code 2003, is amended by striking the paragraph.

32 Sec. 22. Section 331.512, subsection 3, Code 2003,

33 is amended to read as follows:

34 3. Carry out duties relating to the homestead tax

35 credit ~~and agricultural land tax credit~~ as provided in

36 ~~chapters chapter 425 and 426.~~

37 Sec. 23. Section 331.559, subsection 13, Code

38 Supplement 2003, is amended by striking the

39 subsection.

40 Sec. 24. Section 425A.1, Code 2003, is amended to

41 read as follows:

42 425A.1 FAMILY FARM TAX CREDIT FUND.

43 The family farm tax credit fund is created in the

44 office of the treasurer of state. ~~There shall be~~

45 ~~transferred annually to the fund the first ten million~~

46 ~~dollars of the amount annually appropriated to the~~

47 ~~agricultural land credit fund, provided in section~~

48 ~~426.1. There is appropriated annually to the family~~

49 ~~farm tax credit fund from the general fund of the~~

50 ~~state the sum of twenty million dollars.~~ Any balance

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1 in the fund on June 30 shall revert to the general

2 fund.

3 Sec. 25. Section 441.73, subsection 4, Code

4 Supplement 2003, is amended to read as follows:

5 4. The executive council shall transfer for the

6 fiscal year beginning July 1, ~~1992~~ 2004, and each

7 fiscal year thereafter, from funds established in
 8 sections 425.1 and ~~426.1~~ 425A.1, an amount necessary
 9 to pay litigation expenses. The amount of the fund
 10 for each fiscal year shall not exceed seven hundred
 11 thousand dollars. The executive council shall
 12 determine annually the proportionate amounts to be
 13 transferred from the two separate funds. At any time
 14 when no litigation is pending or in progress the
 15 balance in the litigation expense fund shall not
 16 exceed one hundred thousand dollars. Any excess
 17 moneys shall be transferred in a proportionate amount
 18 back to the funds from which they were originally
 19 transferred.

20 Sec. 26. Sections 426.1 through 426.3, Code 2003,
 21 are repealed.

22 Sec. 27. Sections 426.6 through 426.10, Code
 23 Supplement 2003, are repealed.

24 DIVISION VII

25 GAMBLING GAMES TAXATION

26 Sec. 28. Section 99F.11, Code Supplement 2003, is
 27 amended to read as follows:

28 99F.11 WAGERING TAX – RATE – ALLOCATIONS.

29 1. A tax is imposed on the adjusted gross receipts
 30 received annually from gambling games authorized under
 31 this chapter ~~at the rate of five percent on the first~~
 32 ~~one million dollars of adjusted gross receipts, at the~~
 33 ~~rate of ten percent on the next two million dollars of~~
 34 ~~adjusted gross receipts, and at the rate of twenty~~
 35 ~~percent on any amount of adjusted gross receipts over~~
 36 ~~three million dollars. However, beginning January 1,~~
 37 ~~1997, the rate on any amount of adjusted gross~~
 38 ~~receipts over three million dollars from gambling~~
 39 ~~games at racetrack enclosures is twenty-two percent~~
 40 ~~and shall increase by two percent each succeeding~~
 41 ~~calendar year until the rate is thirty-six percent. at~~
 42 ~~the following rates:~~

43 a. Fifteen percent of the first ten million of
 44 adjusted gross receipts.

45 b. Twenty-five percent of the next sixty-five
 46 million of adjusted gross receipts.

47 c. Twenty-three percent of the remaining adjusted
 48 gross receipts.

49 2. The taxes imposed by this section shall be paid
 50 by the licensee to the treasurer of state within ten

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1 days after the close of the day when the wagers were
 2 made and shall be distributed as follows:

3 ~~1.~~ a. If the gambling excursion originated at a
 4 dock located in a city, one-half of one percent of the
 5 adjusted gross receipts shall be remitted to the

6 treasurer of the city in which the dock is located and
 7 shall be deposited in the general fund of the city.
 8 Another one-half of one percent of the adjusted gross
 9 receipts shall be remitted to the treasurer of the
 10 county in which the dock is located and shall be
 11 deposited in the general fund of the county.

12 ~~2.~~ b. If the gambling excursion originated at a
 13 dock located in a part of the county outside a city,
 14 one-half of one percent of the adjusted gross receipts
 15 shall be remitted to the treasurer of the county in
 16 which the dock is located and shall be deposited in
 17 the general fund of the county. Another one-half of
 18 one percent of the adjusted gross receipts shall be
 19 remitted to the treasurer of the Iowa city nearest to
 20 where the dock is located and shall be deposited in
 21 the general fund of the city.

22 ~~3.~~ c. Three-tenths of one percent of the adjusted
 23 gross receipts shall be deposited in the gambling
 24 treatment fund specified in section 99G.39, subsection
 25 1, paragraph "a".

26 ~~4.~~ d. The remaining amount of the adjusted gross
 27 receipts tax shall be credited to the general fund of
 28 the state.

29 Sec. 29. RETROACTIVE APPLICABILITY. The
 30 provisions of this division of this Act amending
 31 section 99F.11, being deemed of immediate importance,
 32 take effect upon enactment and are retroactively
 33 applicable to July 1, 2003, and are applicable on and
 34 after that date.

35 DIVISION VIII
 36 GROW IOWA VALUES FUND

37 Sec. 30. 2003 Iowa Acts, First Extraordinary
 38 Session, chapter 2, section 75, is amended to read as
 39 follows:

40 ~~SEC. 75. STREAMLINED SALES AND USE TAX REVENUE~~

41 GROW IOWA VALUES FUND – APPROPRIATION.

42 1. There is appropriated from the general fund of
 43 the state ~~from moneys credited to the general fund of~~
 44 ~~the state as a result of entering into the streamlined~~
 45 ~~sales and use tax agreement,~~ for the fiscal period
 46 beginning July 1, ~~2003~~ 2004, and ending June 30, 2010,
 47 the following amounts to be used for the purpose
 48 designated:

49 For deposit in the grow Iowa values fund created in
 50 section 15G.107, if enacted by 2003 Iowa Acts, House

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1	File 692 or another Act:	
2	FY 2003-2004	\$ 5,000,000
3	FY 2004-2005	\$ 23,000,000
4	FY 2005-2006	\$ 75,000,000

5 FY 2006-2007 \$ 75,000,000
 6 FY 2007-2008 \$ 75,000,000
 7 FY 2008-2009 \$ 75,000,000
 8 FY 2009-2010 \$ 75,000,000

9 ~~2. For purposes of this section, "moneys credited~~
 10 ~~to the general fund of the state as a result of~~
 11 ~~entering into the streamlined sales and use tax~~
 12 ~~agreement" means the amount of sales and use tax~~
 13 ~~receipts credited to the general fund of the state~~
 14 ~~during a fiscal year that exceeds by two percent or~~
 15 ~~more the total sales and use tax receipts credited to~~
 16 ~~the general fund of the state during the previous~~
 17 ~~fiscal year.~~

18 ~~a. If the moneys credited to the general fund of~~
 19 ~~the state as a result of entering into the streamlined~~
 20 ~~sales and use tax agreement during a fiscal year total~~
 21 ~~less than the amount appropriated in this section, the~~
 22 ~~appropriation in this section shall be reduced to~~
 23 ~~equal the total amount of the moneys so credited.~~

24 ~~b. If the appropriation for a fiscal year is~~
 25 ~~reduced pursuant to paragraph "a", all appropriations~~
 26 ~~made from the grow Iowa values fund for the same~~
 27 ~~fiscal year shall be reduced proportionately to the~~
 28 ~~amount reduced due to paragraph "a".~~

29 ~~3. 2. Notwithstanding section 8.33, moneys that~~
 30 ~~remain unexpended at the end of a fiscal year shall~~
 31 ~~not revert to any fund but shall remain available for~~
 32 ~~expenditure for the designated purposes during the~~
 33 ~~succeeding fiscal year.~~

34 DIVISION IX

35 MILITARY PAY DIFFERENTIAL

36 Sec. 31. 2003 Iowa Acts, chapter 179, section 21,
 37 unnumbered paragraph 5, is amended to read as follows:
 38 Notwithstanding section 8.33, unencumbered or
 39 unobligated funds remaining on June 30, 2003, from the
 40 appropriation made in this section shall not revert
 41 but shall remain available to be used for the purposes
 42 designated ~~in the following fiscal year until the end~~
 43 ~~of the fiscal year beginning July 1, 2004.~~

44 Sec. 32. EFFECTIVE DATE. This division of this
 45 Act, being deemed of immediate importance, takes
 46 effect upon enactment.

47 DIVISION X

48 STATE PERCENT OF GROWTH

49 Sec. 33. Section 257.8, subsection 1, Code
 50 Supplement 2003, is amended to read as follows:

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1 1. STATE PERCENT OF GROWTH. ~~The state percent of~~
 2 ~~growth for the budget year beginning July 1, 2003, is~~
 3 ~~two percent.~~ The state percent of growth for the

4 budget year beginning July 1, 2004, is two percent.
5 The state percent of growth for the budget year
6 beginning July 1, 2005, is four percent. The state
7 percent of growth for each subsequent budget year
8 shall be established by statute which shall be enacted
9 within thirty days of the submission in the year
10 preceding the base year of the governor's budget under
11 section 8.21. The establishment of the state percent
12 of growth for a budget year shall be the only subject
13 matter of the bill which enacts the state percent of
14 growth for a budget year.

15 Sec. 34. STUDENT ACHIEVEMENT AND TEACHER QUALITY
16 PROGRAM. Notwithstanding section 257.8, subsection 1,
17 it is the intent of the general assembly that the
18 appropriation for the student achievement and teacher
19 quality program established in section 284.1 for the
20 fiscal year beginning July 1, 2005, shall be increased
21 by at least forty-four million dollars over the amount
22 appropriated for the program for the fiscal year
23 beginning July 1, 2004.

24 Sec. 35. APPLICABILITY. The section of this
25 division of this Act amending section 257.8 is
26 applicable for computing state aid under the state
27 school foundation program for the school budget year
28 beginning July 1, 2005.

29 DIVISION XI

30 EARLY SEPARATION PROGRAM

31 Sec. 36. 2004 SICK LEAVE AND VACATION INCENTIVE
32 PROGRAM.

33 1. As used in this section, unless the context
34 provides otherwise:

35 a. "Credited service" means service under the Iowa
36 public employees' retirement system, as service is
37 defined in section 97B.1A, and membership service
38 under the public safety peace officers' retirement,
39 accident, and disability system, as defined in section
40 97A.1.

41 b. "Eligible employee" means an employee for whom,
42 but for participation in the program, the sum of the
43 number of years of credited service and the employee's
44 age in years as of December 31, 2004, equals or
45 exceeds seventy-five.

46 c. "Employee" means an employee of the executive
47 branch of this state who is not covered by a
48 collective bargaining agreement or who is represented
49 by the largest statewide public employees'
50 organization representing state employees, including

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1 an employee of a judicial district department of
2 correctional services if the district elects to

3 participate in the program, an employee of the state
4 board of regents if the board elects to participate in
5 the program, and an employee of the department of
6 justice. However, "employee" does not mean an elected
7 official.

8 d. "Participant" means a person who timely submits
9 an election to participate, and does participate, in
10 the sick leave and vacation incentive program
11 established under this section.

12 e. "Program" means the sick leave and vacation
13 incentive program established under this section.

14 f. "Regular annual salary" means an amount equal
15 to the eligible employee's regular biweekly rate of
16 pay as of the date of separation from employment
17 multiplied by twenty-six.

18 g. "Sick leave and vacation incentive benefit"
19 means an amount equal to the entire value of an
20 eligible employee's accumulated but unused vacation
21 plus the lesser of seventy-five percent of the value
22 of the eligible employee's accumulated and unused sick
23 leave or seventy-five percent of the employee's
24 regular annual salary.

25 2. To become a participant in the program, an
26 eligible employee shall do all of the following:

27 a. Submit by May 1, 2004, a written application,
28 on forms prescribed by the department of
29 administrative services, seeking participation in the
30 program.

31 b. Agree to waive any and all rights to receive
32 payments of sick leave balances under section 70A.23
33 and accrued vacation balances in a form other than as
34 provided in this section.

35 c. Agree to waive all rights to file suit against
36 the state of Iowa, including all of its departments,
37 agencies, and other subdivisions, based on state or
38 federal claims arising out of the employment
39 relationship.

40 d. Acknowledge, in writing, that participation in
41 the program waives any right to accept permanent part-
42 time or permanent full-time employment with the state
43 other than as an elected official on or after July 2,
44 2004.

45 e. Agree to separate from employment with the
46 state by July 2, 2004.

47 3. a. Upon acceptance to participate in the
48 program and separation from employment with the state
49 by July 2, 2004, a participant shall receive a sick
50 leave and vacation incentive benefit. The state shall

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1 pay to the participant a portion of the sick leave and

2 vacation incentive benefit each fiscal year for a
3 period of five years commencing with the fiscal year
4 ending June 30, 2005.

5 b. A participant in the program shall be eligible
6 to continue participation in the group plan or under
7 the group contract at the participant's own expense in
8 the same manner as a retired employee pursuant to
9 section 509A.13. In addition, a participant shall be
10 deemed an eligible retired state employee for purposes
11 of eligibility for continuation of group insurance
12 covering spouses as provided in section 509A.13A.

13 4. a. The department of administrative services
14 shall administer the program, including the
15 determination of eligibility for participation in the
16 program, and shall adopt administrative rules to
17 administer the program. The department may adopt
18 rules on an emergency basis under section 17A.4,
19 subsection 2, and section 17A.5, subsection 2,
20 paragraph "b", to implement this section and the rules
21 shall be effective immediately upon filing unless a
22 later date is specified in the rules.

23 b. Records of the Iowa public employees'
24 retirement system may be released for the purposes of
25 administering and monitoring the program subject to
26 the requirements of section 97B.17, subsection 5.

27 c. The department of administrative services, in
28 collaboration with the department of management, shall
29 present an interim report to the general assembly,
30 including copies to the legislative services agency
31 and the fiscal committee of the legislative council,
32 by October 1, 2004, concerning the operation of the
33 program. The department shall also submit an annual
34 update concerning the program by October 1 of each
35 year for four years, commencing October 1, 2005. The
36 reports shall include information concerning the
37 number of program participants, the cost of the
38 program including any payments made to participants,
39 the number of state employment positions eliminated
40 pursuant to the program, and the number of positions
41 vacated by a program participant that have been
42 refilled.

43 5. An employer, as defined in section 70A.38, may
44 employ persons to fill vacancies created as a result
45 of employee participation in the program established
46 pursuant to this section subject to the following:

47 a. The employer shall not fill more than seventy-
48 five percent of the vacancies created as a result of
49 employee participation in the program.

50 b. An employer shall not offer employment to an

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1 individual who is participating in the program
 2 established pursuant to this division of this Act or
 3 in an early termination program established pursuant
 4 to 2001 Iowa Acts, First Extraordinary Session,
 5 chapter 5, or 2002 Iowa Acts, Second Extraordinary
 6 Session, chapter 1001.

7 Sec. 37. EFFECTIVE DATE. This division of this
 8 Act, being deemed of immediate importance, takes
 9 effect upon enactment.

10 DIVISION XII

11 CIGARETTE STAMP PRINTING

12 Sec. 38. Section 453A.7, unnumbered paragraph 2,
 13 Code Supplement 2003, is amended to read as follows:

14 There is appropriated annually from the general
 15 fund of the state ~~the sum of one hundred fifteen~~
 16 ~~thousand dollars to carry out to the department of~~
 17 revenue an amount sufficient to implement the
 18 provisions of this section."

19 _____. Title page, by striking lines 1 through 3
 20 and inserting the following: "An Act relating to
 21 state budgetary matters and revenue enhancements by
 22 making and revising certain appropriations, phasing
 23 out the sales tax on residential utilities, requiring
 24 combined corporate returns of unitary businesses,
 25 adjusting cigarette and tobacco products tax rates,
 26 expanding the services subject to sales and use taxes
 27 and adjusting the sales and use tax rates, increasing
 28 the appropriation for family farm tax credits and
 29 repealing the agricultural land tax credits, revising
 30 the tax rates for gambling game establishments,
 31 altering the source of moneys to the grow Iowa values
 32 fund, providing for military pay differential,
 33 establishing state percent of growth for school aid,
 34 providing an early employment separation incentive
 35 program, providing a standing appropriation for
 36 printing cigarette tax stamps, and including effective
 37 and retroactive applicability date provisions.""

Murphy of Dubuque rose on a point of order that amendment [H-8452](#) was not germane, to the committee amendment [H-8365A](#).

The Speaker ruled the point well taken and amendment [H-8452](#) not germane, to the committee amendment [H-8365A](#).

Klemme of Plymouth moved to suspend the rules to consider amendment [H-8452](#).

Roll call was requested by Klemme of Plymouth and J.K. Van Fossen of Scott.

On the question "Shall the rules be suspended to consider amendment [H-8452](#), to the committee amendment [H-8365A](#)?" ([S.F. 2298](#))

The ayes were, 1:

Klemme

The nays 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	Hanson	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Huser	Hutter	Jacobs
Jacoby	Jenkins	Jochum	Jones
Kramer	Kuhn	Kurtenbach	Lalk
Lensing	Lukan	Lykam	Maddox
Manternach	Mascher	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, D.
Olson, S.	Osterhaus	Paulsen	Petersen
Quirk	Raecker	Rasmussen	Rayhons
Reasoner	Roberts	Sands	Schickel
Shomshor	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	

Absent or not voting, none.

The motion to suspend the rules lost.

Murphy of Dubuque offered the amendment [H-8482](#), to the committee amendment [H-8365A](#), filed by Murphy, Thomas of Clayton, Kuhn of Floyd, Lensing of Johnson, Petersen of Polk and Wise of Lee from the floor as follows:

[H-8482](#)

1 Amend the amendment, [H-8365](#), to [Senate File 2298](#),
 2 as amended, passed, and reprinted by the Senate, as
 3 follows:
 4 1. Page 2, by inserting after line 31 the
 5 following:
 6 "____. Page 182, by inserting after line 12 the
 7 following:
 8 "Section 1. NEW SECTION. 91D.2 OVERTIME PAY
 9 REQUIREMENTS – EXEMPTIONS.
 10 The overtime pay requirements of the federal Fair
 11 Labor Standards Act of 1938, as stated in 29 U.S.C. §
 12 207, shall apply to employers and employees in this
 13 state, except that the definitions set forth and in
 14 place in 29 C.F.R. pt. 541 prior to October 1, 2003,
 15 shall be used in determining whether an employee is
 16 exempt or nonexempt for purposes of federal overtime
 17 pay requirements."
 18 2. By renumbering as necessary.

Dix of Butler rose on a point of order that amendment [H-8482](#) was not germane, to the committee amendment [H-8365A](#).

The Speaker ruled the point well taken and amendment [H-8482](#) not germane, to amendment [H-8365A](#).

Murphy of Dubuque moved to suspend the rules to consider amendment [H-8482](#) to the committee amendment [H-8365A](#).

Roll call was requested by Murphy of Dubuque and T. Taylor of Linn.

On the question "Shall the rules be suspended to consider amendment [H-8482](#) to the committee amendment [H-8365A](#)?" ([S.F. 2298](#))

The ayes were, 46:

Bell	Berry	Bukta	Cohoon
Connors	Dandekar	Davitt	Fallon
Foege	Ford	Frevert	Gaskill
Greimann	Heddens	Hogg	Hunter
Huser	Jacoby	Jochum	Kuhn
Lensing	Lykam	Mascher	McCarthy
Mertz	Miller	Murphy	Oldson
Olson, D.	Osterhaus	Petersen	Quirk
Reasoner	Shomshor	Shoultz	Smith
Stevens	Swaim	Taylor, D.	Taylor, T.
Thomas	Wendt	Whitaker	Whitead

Winckler Wise

The nays were, 52:

Alons	Arnold	Baudler	Boal
Boddicker	Bogges	Carroll	De Boef
Dennis	Dix	Dolecheck	Drake
Eichhorn	Elgin	Freeman	Gipp
Granzow	Greiner	Hahn	Hanson
Heaton	Hoffman	Horbach	Huseman
Hutter	Jacobs	Jenkins	Jones
Klemme	Kramer	Kurtenbach	Lalk
Lukan	Manternach	Olson, S.	Paulsen
Raecker	Rasmussen	Rayhons	Roberts
Sands	Schickel	Struyk	Tjepkes
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wildurdyke	Mr. Speaker
			Rants

Absent or not voting, 2:

Chambers Maddox

The motion to suspend the rules lost.

Paulsen of Linn offered the following amendment [H-8484](#), to the committee amendment [H-8365A](#), filed by him from the floor and moved its adoption:

[H-8484](#)

- 1 Amend the amendment, [H-8365](#), to [Senate File 2298](#),
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 7, line 38, by inserting before the word
- 5 "state" the following: "increased".
- 6 2. Page 7, line 39, by inserting before the word
- 7 "and" the following: ", income surtax,".

Amendment [H-8484](#) was adopted.

Fallon of Polk rose on a point of order that the committee amendment [H-8365A](#), as amended, was not germane.

The Speaker ruled the point well taken and the committee amendment [H-8365A](#), as amended, not germane.

Dix of Butler moved to suspend the rules to consider the committee

amendment [H-8365A](#), as amended.

Roll call was requested by Paulsen of Linn and Dix of Butler.

On the question "Shall the rules be suspended to consider amendment [H-8365A](#), as amended?" ([S.F. 2298](#))

The ayes were, 53:

Alons	Arnold	Baudler	Boal
Boddicker	Bogges	Carroll	Chambers
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Freeman
Gipp	Granzow	Greiner	Hahn
Hanson	Heaton	Hoffman	Horbach
Huseman	Hutter	Jacobs	Jenkins
Jones	Klemme	Kramer	Kurtenbach
Lalk	Lukan	Manternach	Olson, S.
Paulsen	Raeker	Rasmussen	Rayhons
Roberts	Sands	Schickel	Struyk
Tjepkes	Tymeson	Upmeyer	Van Engelenhoven
Van Fossen, J.K.	Van Fossen, J.R.	Watts	Wilderdye
Mr. Speaker			
Rants			

The nays were, 47:

Bell	Berry	Bukta	Cohoon
Connors	Dandekar	Davitt	Fallon
Foege	Ford	Frevert	Gaskill
Greimann	Heddens	Hogg	Hunter
Huser	Jacoby	Jochum	Kuhn
Lensing	Lykam	Maddox	Mascher
McCarthy	Mertz	Miller	Murphy
Oldson	Olson, D.	Osterhaus	Petersen
Quirk	Reasoner	Shomshor	Shultz
Smith	Stevens	Swaim	Taylor, D.
Taylor, T.	Thomas	Wendt	Whitaker
Whitead	Winckler	Wise	

Absent or not voting, none.

The motion prevailed and the rules were suspended.

On motion by Dix of Butler the committee amendment [H-8365A](#), as amended, was adopted.

Speaker pro tempore Carroll in the chair at 3:05 p.m.

Dix of Butler asked and received unanimous consent to withdraw the committee amendment [H-8365B](#), placing out of order amendment [H-8386](#), Page 1 line 49 and Page 2 Line 28 and amendment [H-8415](#) filed by Mertz, et al., on April 6, 2004, [H-8443](#) filed by Granzow of Hardin on April 7, 2004 and [H-8468](#) filed by Wise of Lee, Bell of Jasper, Berry of Black Hawk, Bukta of Clinton, Cohoon of Des Moines, Connors of Polk, Dandekar of Linn, Davitt of Warren, Foege of Linn, Ford of Polk, Frevert of Palo Alto, Gaskill of Wapello, Greimann of Story, Heddens of Story, Hogg of Linn, Hunter of Polk, Huser of Polk, Jacoby of Johnson, Jochum of Dubuque, Kuhn of Floyd, Lensing of Johnson, Lykam of Scott, Mascher of Johnson, McCarthy of Polk, Mertz of Kossuth, Miller of Webster, Murphy of Dubuque, Oldson, of Polk, D. Olson of Boone, Osterhaus of Jackson, Petersen of Polk, Quirk of Chickasaw, Reasoner of Union, Shomshor of Pottawattamie, Shoultz of Black Hawk, Smith of Marshall, Stevens of Dickinson, Swaim of Davis, D. Taylor of Linn, T. Taylor of Linn, Thomas of Clayton, Wendt of Woodbury, Whitaker of Van Buren, Whitead of Woodbury and Winckler of Scott, from the floor.

Dix of Butler offered the amendment [H-8418](#) filed by him as follows:

[H-8418](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 1, line 12, by striking the figure
4 "4,564,351" and inserting the following: "4,616,351".
5 2. Page 4, line 13, by striking the figure
6 "1,144,755" and inserting the following: "1,092,755".
7 3. Page 6, by inserting after line 10 the
8 following:
9 "c. The insurance division shall allocate \$10,000
10 from the examination receipts for the payment of its
11 fees to the national council of insurance
12 legislators."
13 4. Page 49, by inserting after line 18 the
14 following:
15 "Sec. ____ WHOLE-GRADE SHARING AGREEMENT DEADLINE
16 WAIVER. Notwithstanding sections 282.10 and 282.11,
17 the department of education may, at the department's
18 discretion, waive any of the deadline requirements of
19 sections 282.10 and 282.11, relating to the signing of
20 a whole-grade sharing agreement by the boards of two
21 or more school districts involved in the agreement and

22 the public notice and hearing requirements, if one of
23 the districts involved in the agreement has an
24 enrollment of less than three hundred. This section
25 is repealed July 1, 2004."

26 5. Page 50, lines 21 and 22, by striking the
27 figures "2001-2002" and inserting the following:
28 "2003-2004".

29 6. Page 65, by inserting after line 30 the
30 following:

31 "Sec. _____. Section 284.10, subsection 6, Code
32 Supplement 2003, is amended to read as follows:

33 6. By July 1, ~~2005~~ 2006, the director shall
34 develop and implement an evaluator training
35 certification renewal program for administrators and
36 other practitioners who need to renew a certificate
37 issued pursuant to this section.

38 Sec. _____. Section 284.13, subsection 1, paragraph
39 a, Code Supplement 2003, is amended by striking the
40 paragraph."

41 7. Page 65, line 31, by inserting after the word
42 "b," the following: "c,".

43 8. Page 65, line 35, by striking the words "one
44 million seven" and inserting the following: "~~seven~~
45 one million one".

46 9. Page 66, by inserting after line 2 the
47 following:

48 "c. For the fiscal year beginning July 1, ~~2003~~
49 2004, and succeeding fiscal years, an amount up to
50 four million ~~two hundred thousand~~ dollars for first-

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1 year and second-year beginning teachers, to the
2 department of education for distribution to school
3 districts for purposes of the beginning teacher
4 mentoring and induction programs. A school district
5 shall receive one thousand three hundred dollars per
6 beginning teacher participating in the program. If
7 the funds appropriated for the program are
8 insufficient to pay mentors and school districts as
9 provided in this paragraph, the department shall
10 prorate the amount distributed to school districts
11 based upon the amount appropriated. Moneys received
12 by a school district pursuant to this paragraph shall
13 be expended to provide each mentor with an award of
14 five hundred dollars per semester, at a minimum, for
15 participation in the school district's beginning
16 teacher mentoring and induction program; to implement
17 the plan; and to pay any applicable costs of the
18 employer's share of contributions to federal social
19 security and the Iowa public employees' retirement
20 system or a pension and annuity retirement system

21 established under chapter 294, for such amounts paid
22 by the district."
23 10. Page 66, by striking lines 15 through 17, and
24 inserting the following: "~~districts for training~~
25 ~~costs~~. A portion of the funds allocated to the
26 department for purposes of this paragraph may be used
27 by the department for administrative purposes."
28 11. Page 66, line 21, by striking the words "one
29 hundred fifty" and inserting the following: "three
30 hundred".
31 12. Page 66, line 27, by striking the word "four"
32 and inserting the following: "two".
33 13. Page 66, line 28, by inserting after the word
34 "~~five~~" the following: "fifty".
35 14. Page 67, by inserting after line 8 the
36 following:
37 "Sec. _____. Section 284.13, subsection 1, Code
38 Supplement 2003, is amended by adding the following
39 new paragraph:
40 NEW PARAGRAPH. i. For the fiscal year beginning
41 July 1, 2004, and ending June 30, 2005, moneys made
42 available for the purposes of implementing paragraphs
43 "d" and "e" may be allocated in the amounts, as
44 determined by the department, needed to implement the
45 purposes of paragraphs "d" and "e".
46 Sec. _____. Section 294A.22, Code Supplement 2003,
47 is amended by adding the following new unnumbered
48 paragraph:
49 NEW UNNUMBERED PARAGRAPH. If funds appropriated
50 are insufficient to pay phase II allocations in full,

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1 the department of administrative services shall
2 prorate payments to school districts and area
3 education agencies.
4 Sec. _____. Section 284.11, Code Supplement 2003, is
5 repealed."
6 15. Page 67, by striking line 9 and inserting the
7 following:
8 "Sec. _____. EFFECTIVE DATES.
9 1. The provisions of this division".
10 16. Page 67, by inserting after line 14 the
11 following:
12 "2. The section of this division of this Act,
13 relating to a waiver for whole-grade sharing agreement
14 deadlines, being deemed of immediate importance, takes
15 effect upon enactment and applies from the date of
16 enactment to June 30, 2004."
17 17. Page 75, line 15, by striking the words
18 "pursuant to section 99G.39".
19 18. Page 76, line 8, by striking the words

20 "provided otherwise in".
 21 19. Page 76, line 9, by inserting after the
 22 figure "2004" the following: "otherwise provides for
 23 the deposit of tax revenue received by the state
 24 racing and gaming commission pursuant to section
 25 99D.15 in the gambling treatment fund".
 26 20. Page 179, by inserting after line 19 the
 27 following:
 28 "Sec. _____. STATE APPEAL BOARD STREAMLINING. For
 29 the fiscal year beginning July 1, 2004, the state
 30 appeal board may pay out of any moneys in the state
 31 treasury not otherwise appropriated for costs
 32 associated with streamlining and improving the state
 33 appeal board process."
 34 21. Page 180, by inserting after line 5 the
 35 following:
 36 "Sec. _____. Section 8.62, Code Supplement 2003, is
 37 amended by adding the following new subsection:
 38 NEW SUBSECTION. 4. Notwithstanding any provision
 39 of this section and section 8.39 to the contrary, if a
 40 full-time equivalent position funded with an
 41 appropriation from the general fund of the state
 42 remains vacant for a period of at least forty-five
 43 days, the agency to which the appropriation was made
 44 shall revert to the general fund of the state at the
 45 close of the fiscal year the salary and benefits cost
 46 of that position for the period of the vacancy."
 47 22. Page 181, by inserting after line 15 the
 48 following:
 49 "Sec. _____. Section 35A.2, Code 2003, is amended to
 50 read as follows:

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1 35A.2 COMMISSION OF VETERANS AFFAIRS.
 2 1. A commission of veterans affairs is created
 3 consisting of ~~seven~~ nine persons who shall be
 4 appointed by the governor, subject to confirmation by
 5 the senate. Members shall be appointed to staggered
 6 terms of four years beginning and ending as provided
 7 in section 69.19. The governor shall fill a vacancy
 8 for the unexpired portion of the term.
 9 2. Six commissioners shall be honorably discharged
 10 members of the armed forces of the United States. The
 11 American legion of Iowa, disabled American veterans
 12 department of Iowa, veterans of foreign wars
 13 department of Iowa, American veterans of World War II,
 14 Korea, and Vietnam, the Vietnam veterans of America,
 15 and the military order of the purple heart, through
 16 their department commanders, shall submit two names
 17 respectively from their organizations to the governor.
 18 The governor shall appoint from each of the

19 organizations one representative to serve as a member
20 of the commission, unless the appointments would
21 conflict with the bipartisan and gender balance
22 provisions of sections 69.16 and 69.16A. In addition,
23 the governor shall appoint ~~one member~~ three members of
24 the public, knowledgeable in the general field of
25 veterans affairs, to serve on the commission."

26 23. Page 182, by inserting after line 2 the
27 following:

28 "Sec. _____. Section 35D.13, subsection 2, Code
29 2003, is amended by striking the subsection and
30 inserting in lieu thereof the following:

31 2. The commandant shall be a licensed nursing home
32 administrator."

33 24. Page 182, by inserting after line 12 the
34 following:

35 "Sec. _____. Section 135C.31A, Code Supplement 2003,
36 is amended to read as follows:

37 135C.31A ASSESSMENT OF RESIDENTS – PROGRAM
38 ELIGIBILITY.

39 Beginning July 1, 2003, a health care facility
40 receiving reimbursement through the medical assistance
41 program under chapter 249A shall assist the Iowa
42 commission of veterans affairs in identifying, upon
43 admission of a resident, the resident's eligibility
44 for benefits through the federal department of
45 veterans affairs. The health care facility shall also
46 assist the Iowa commission of veterans affairs in
47 determining such eligibility for residents residing in
48 the facility on July 1, 2003. The department of
49 inspections and appeals, in cooperation with the
50 department of human services, shall adopt rules to

Page 5

1 administer this section, including a provision that
2 ensures that if a resident is eligible for benefits
3 through the federal department of veterans affairs or
4 other third-party payor, the payor of last resort for
5 reimbursement to the health care facility is the
6 medical assistance program. This section shall not
7 apply to the admission of an individual to a state
8 mental health institute for acute psychiatric care or
9 to the admission of an individual to the Iowa veterans
10 home."

11 25. Page 186, by striking lines 5 through 8 and
12 inserting the following: "meets at least one of the
13 criteria in paragraphs "a" through "c" and all of the
14 criteria in paragraphs "d" through "g":"

15 26. Page 186, lines 9 and 10, by striking the
16 words "a through" and inserting the following: "b
17 and".

18 27. Page 186, by striking lines 12 through 15.
 19 28. Page 186, line 16, by striking the word
 20 "Annually" and inserting the following: "Is
 21 accredited by the north central association of
 22 colleges and secondary schools accrediting agency
 23 based on their requirements, are exempt from taxation
 24 under section 501(c)(3) of the Internal Revenue Code,
 25 and annually".
 26 29. By striking page 186, line 35 through page
 27 187, line 1 and inserting the following:
 28 "NEW SUBSECTION. 23. Submit annually to the
 29 department of education data regarding the salaries
 30 and benefits of administrators and from the most
 31 recent".
 32 30. Page 187, by striking lines 21 and 22 and
 33 inserting the following: "board shall submit annually
 34 to the department of education data regarding the
 35 salaries and benefits of administrators and from the
 36 most recent contract".
 37 31. Page 194, line 2, by inserting after the word
 38 "materials," the following: "and after consultation
 39 with the public water supply and consideration of all
 40 applicable rules relating to remediation,".
 41 32. Page 194, lines 9 and 10, by striking the
 42 words "are made available" and inserting the
 43 following: "do not impose a financial obligation on
 44 the part of the public water supply. Funds available
 45 to or provided by the public water supply may be used
 46 for system improvements made in conjunction with
 47 replacement of the source".
 48 33. Page 194, by striking lines 15 through 17 and
 49 inserting the following: "standards. Nothing in this
 50 paragraph shall affect the public water supply's right

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1 to pursue recovery from a responsible party."
 2 34. Page 199, by inserting after line 27 the
 3 following:
 4 "Sec. _____. 2003 Iowa Acts, chapter 178, section
 5 28, unnumbered paragraph 3, is amended to read as
 6 follows:
 7 Notwithstanding section 8.64, subsection 4, as
 8 enacted by this division of this Act, the local
 9 government innovation fund committee may provide ~~up to~~
 10 ~~20 percent of the~~ any amount appropriated in this
 11 section in the form of forgivable loans or as grants
 12 for those projects that propose a new and innovative
 13 sharing initiative that would serve as an important
 14 model for cities and counties.
 15 Sec. _____. Notwithstanding section 8.33, moneys
 16 appropriated in 2003 Iowa Acts, chapter 178, section

17 62, and 2003 Iowa Acts, chapter 181, section 11,
18 subsection 3, which remain unencumbered or unobligated
19 at the close of the fiscal year beginning July 1,
20 2003, shall not revert but shall remain available for
21 expenditure for the purposes for which they were
22 appropriated for the fiscal year beginning July 1,
23 2004."

24 35. Page 199, by inserting after line 34 the
25 following:

26 "Sec. _____. 2003 Iowa Acts, First Extraordinary
27 Session, chapter 2, section 4, unnumbered paragraph 3,
28 is amended to read as follows:

29 Notwithstanding section 8.64, subsection 4, if
30 enacted by 2003 Iowa Acts, [Senate File 453](#), section
31 27, the local government innovation fund committee may
32 provide ~~up to 20 percent of the~~ any amount
33 appropriated in this section in the form of forgivable
34 loans or as grants for those projects that propose a
35 new and innovative sharing initiative that would serve
36 as an important model for cities and counties."

37 36. Page 204, by inserting after line 16 the
38 following:

39 "Sec. _____. APPOINTMENTS. The new appointees to
40 the commission of veterans affairs, pursuant to the
41 increase in the membership of the commission as
42 provided in this division of this Act, shall be
43 appointed by the governor, with one member being
44 appointed for an initial term of two years and one
45 member being appointed for an initial term of four
46 years."

47 37. Page 204, by inserting after line 34 the
48 following:

49 "_____. The section of this division of this Act
50 relating to the nonreversion of moneys appropriated

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1 pursuant to 2003 Iowa Acts, chapter 178, section 62,
2 and 2003 Iowa Acts, chapter 181, section 11, being
3 deemed of immediate importance, takes effect upon
4 enactment.

5 _____. The sections of this division of this Act
6 relating to the increase in membership of the
7 commission of veterans affairs, being deemed of
8 immediate importance, take effect upon enactment."

9 38. By renumbering, relettering, or redesignating
10 and correcting internal references as necessary.

Dolecheck of Ringgold offered the following amendment [H-8487](#), to
amendment [H-8418](#), filed by Dolecheck, Dix of Butler and Schickel of

Cerro Gordo from the floor and moved its adoption:

[H-8487](#)

- 1 Amend the amendment, [H-8418](#), to [Senate File 2298](#),
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, by inserting after line 28 the
- 5 following:
- 6 " _____. Page 64, line 32, by inserting after the
- 7 word "grants." the following: "From the funds
- 8 appropriated in this subsection, not more than three
- 9 million four hundred thousand dollars may be
- 10 distributed to private institutions whose income is
- 11 not exempt from taxation under section 501(c) of the
- 12 Internal Revenue Code and whose students were eligible
- 13 to receive Iowa tuition grant moneys in the fiscal
- 14 year beginning July 1, 2003."
- 15 2. Page 5, by striking lines 11 through 14 and
- 16 inserting the following:
- 17 " _____. Page 186, by striking lines 3 and 4 and
- 18 inserting the following: "subdivision of the state,
- 19 ~~except for county hospitals as provided in paragraph~~
- 20 ~~"e" of this subsection, and which".~~
- 21 _____. Page 186, by striking lines 7 and 8 and
- 22 inserting the following: "'g', except that
- 23 institutions defined in paragraph "c" of this
- 24 subsection are exempt from the requirements of
- 25 paragraphs "a" and "b";""
- 26 3. Page 5, by inserting after line 25 the
- 27 following:
- 28 " _____. Page 186, line 27, by inserting after the
- 29 word "chapter." the following: "An institution whose
- 30 income is not exempt from taxation under section
- 31 501(c) of the Internal Revenue Code and whose students
- 32 were eligible to receive Iowa tuition grant money in
- 33 the fiscal year beginning July 1, 2003, shall meet the
- 34 match requirements of this paragraph no later than
- 35 June 30, 2005."
- 36 4. Page 6, by inserting after line 36 the
- 37 following:
- 38 " _____. By striking page 204, line 35 through page
- 39 205, line 21."
- 40 5. By renumbering as necessary.

Amendment [H-8487](#) was adopted.

Dolecheck of Ringgold offered the following amendment [H-8454](#), to amendment [H-8418](#), filed by him and moved its adoption:

[H-8454](#)

1 Amend the amendment, [H-8418](#), to [Senate File 2298](#),
 2 as amended, passed, and reprinted by the Senate, as
 3 follows:
 4 1. Page 1, by striking line 50 and inserting the
 5 following: "~~four~~ three million ~~two~~ five hundred
 6 thousand dollars for first."

Amendment [H-8454](#) was adopted.

Jenkins of Black Hawk asked and received unanimous consent to withdraw amendment [H-8465](#) to amendment [H-8418](#) filed by him from the floor.

Dolecheck of Ringgold asked and received unanimous consent to withdraw amendment [H-8446](#) to amendment [H-8418](#) filed by him on April 7, 2004.

Dix of Butler asked and received unanimous consent that amendment [H-8418](#), as amended, be deferred.

Eichhorn of Hamilton offered the following amendment [H-8380](#) filed by him and moved its adoption:

[H-8380](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 2, line 27, by striking the words "For
 4 start-up", and inserting the following:
 5 "a. If 2004 Iowa Acts, [House File 2482](#) is not
 6 enacted, then for start-up".
 7 2. Page 2, line 31, by striking the word
 8 "Notwithstanding", and inserting the following: "For
 9 purposes of this lettered paragraph and
 10 notwithstanding".
 11 3. Page 2, by inserting after line 35 the
 12 following:
 13 "b. If 2004 Iowa Acts, [House File 2482](#) is enacted,
 14 then for start-up funding for revolving funds under
 15 the control of the department of administrative
 16 services and for salaries, support, maintenance, and
 17 miscellaneous purposes:
 18 § 1,889,610
 19 For purposes of this lettered paragraph and
 20 notwithstanding any provision of this section to the
 21 contrary, the department of administrative services

22 shall deposit \$1,889,610 in the general fund of the
23 state from moneys in departmental revolving funds and
24 internal service funds at the end of the fiscal year."
25 4. By renumbering as necessary.

Amendment [H-8380](#) was adopted.

Dix of Butler offered the following amendment [H-8478](#) filed by him from the floor and moved its adoption:

[H-8478](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 7, by inserting after line 11, the
4 following:
5 "Sec. ___. ALCOHOLIC BEVERAGES DIVISION – STATE
6 LIQUOR WAREHOUSE FUNCTIONS. Notwithstanding sections
7 7J.1 and 123.20, subsection 4, and any other
8 applicable provision of law, the alcoholic beverages
9 division of the department of commerce shall not add
10 full-time equivalent positions for purposes of the
11 state assuming the state liquor warehouse functions
12 performed by a private contractor as of April 1, 2004.
13 The division shall issue a request for proposals or
14 otherwise utilize a competitive process to select a
15 successor private contractor to perform the state
16 liquor warehouse functions."
17 2. Page 20, by inserting after line 34 the
18 following:
19 "Sec. ___. EFFECTIVE DATE. The section of this
20 division of this Act relating to the state liquor
21 warehouse functions, being deemed of immediate
22 importance, takes effect upon enactment."
23 3. By renumbering as necessary.

A non-record roll call was requested.

The ayes were 52, nays 19.

Amendment [H-8478](#) was adopted.

Reasoner of Union offered the following amendment [H-8414](#) filed by Reasoner, et al., and requested division as follows:

[H-8414](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:

H-8414 A

3 1. Page 16, by inserting after line 16 the
 4 following:
 5 "3. HELP AMERICA VOTE ACT FUNDING
 6 For the purpose of drawing down Iowa's share of
 7 federal funds appropriated under the federal Help
 8 America Vote Act (HAVA):
 9 \$ 764,492"

H-8414 B

10 2. Page 193, by inserting before line 31 the
 11 following:
 12 "Sec. ____ . HOMESTEAD AND AGRICULTURAL LAND AND
 13 FAMILY FARM TAX CREDITS. There is appropriated from
 14 the general fund of the state for the fiscal year
 15 beginning July 1, 2004, and ending June 30, 2005, the
 16 following amounts in addition to any other
 17 appropriations made in this division of this Act to be
 18 used for the purposes designated:
 19 1. For reimbursement for the homestead property
 20 tax credit under section 425.1:
 21 \$ 17,454,621
 22 2. For reimbursement for the agricultural land and
 23 family farm tax credits under sections 425A.1 and
 24 426.1:
 25 \$ 4,489,817"

H-8414 C

26 3. Page 205, by inserting after line 21 the
 27 following:
 28 "DIVISION
 29 GROW IOWA VALUES FUND FUNDING
 30 Sec. ____ . GENERAL FUND APPROPRIATION. From the
 31 proceeds received from the sale of bonds issued
 32 pursuant to section 12.91, there is appropriated from
 33 the grow Iowa values fund to the general fund of the
 34 state for the fiscal period beginning July 1, 2004,
 35 and ending June 30, 2006, the following amount for
 36 deposit in the general fund:
 37 FY 2004-2005 \$ 39,900,000
 38 FY 2005-2006 \$ 39,900,000
 39 Sec. ____ . GENERAL FUND TRANSFER. There is
 40 transferred from the grow Iowa values fund created in
 41 section 15G.108 to the general fund of the state for
 42 the fiscal year beginning July 1, 2004, and ending
 43 June 30, 2005, the following amount:
 44 From moneys anticipated to be received from the
 45 federal government for state and local government
 46 fiscal relief under the federal Jobs and Growth Tax

47 Relief Reconciliation Act of 2003:
 48 \$ 41,000,000
 49 One hundred percent of the amount transferred
 50 pursuant to this section shall be added to the state

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1 general fund expenditure limitation for fiscal year
 2 2004-2005 under section 8.54.
 3 Sec. _____. Section 8.57, subsection 5, paragraph e,
 4 Code Supplement 2003, is amended to read as follows:
 5 e. Notwithstanding provisions to the contrary in
 6 sections 99D.17 and 99F.11, for the fiscal year
 7 beginning July 1, ~~2000~~ 2003, and ~~for each fiscal year~~
 8 ~~thereafter ending June 30, 2004~~, not more than a total
 9 of sixty million dollars shall be deposited in the
 10 general fund of the state in ~~any~~ the fiscal year
 11 pursuant to sections 99D.17 and 99F.11; for the fiscal
 12 period beginning July 1, 2004, and ending June 30,
 13 2030, not more than a total of thirty-nine million
 14 nine hundred thousand dollars of the moneys directed
 15 to be deposited in the general fund of the state in a
 16 fiscal year pursuant to sections 99D.17 and 99F.11
 17 shall be deposited in the grow Iowa values fund
 18 created in section 15G.108 in any fiscal year, and not
 19 more than a total of twenty million one hundred
 20 thousand dollars shall be deposited in the general
 21 fund in any fiscal year; and for the fiscal year
 22 beginning July 1, 2030, and for each fiscal year
 23 thereafter, not more than a total of sixty million
 24 dollars shall be deposited in the general fund of the
 25 state in any fiscal year pursuant to sections 99D.17
 26 and 99F.11. The next fifteen million dollars of the
 27 moneys directed to be deposited in the general fund of
 28 the state in a fiscal year pursuant to sections 99D.17
 29 and 99F.11 shall be deposited in the vision Iowa fund
 30 created in section 12.72 for the fiscal year beginning
 31 July 1, 2000, and for each fiscal year through the
 32 fiscal year beginning July 1, 2019. The next five
 33 million dollars of the moneys directed to be deposited
 34 in the general fund of the state in a fiscal year
 35 pursuant to sections 99D.17 and 99F.11 shall be
 36 deposited in the school infrastructure fund created in
 37 section 12.82 for the fiscal year beginning July 1,
 38 2000, and for each fiscal year thereafter until the
 39 principal and interest on all bonds issued by the
 40 treasurer of state pursuant to section 12.81 are paid,
 41 as determined by the treasurer of state. The total
 42 moneys in excess of the moneys deposited in the
 43 general fund of the state, the grow Iowa values fund,
 44 the vision Iowa fund, and the school infrastructure
 45 fund in a fiscal year shall be deposited in the

46 rebuild Iowa infrastructure fund and shall be used as
47 provided in this section, notwithstanding section
48 8.60.
49 If the total amount of moneys directed to be
50 deposited in the general fund of the state under

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1 sections 99D.17 and 99F.11 in a fiscal year is less
2 than the total amount of moneys directed to be
3 deposited in the grow Iowa values fund, the vision
4 Iowa fund, and the school infrastructure fund in the
5 fiscal year pursuant to this paragraph "e", the
6 difference shall be paid from lottery revenues in the
7 manner provided in section 99G.39, subsection 3.

8 Sec. ____ NEW SECTION. 12.91 GENERAL AND
9 SPECIFIC BONDING POWERS.

10 1. The treasurer of state may issue bonds for the
11 purpose of funding the grow Iowa values fund created
12 in section 15G.108. The treasurer of state shall have
13 all of the powers which are necessary to issue and
14 secure bonds and carry out the purposes of the fund.
15 The treasurer of state may issue bonds in principal
16 amounts which are necessary to provide sufficient
17 funds for the grow Iowa values fund, the payment of
18 interest on the bonds, the establishment of reserves
19 to secure the bonds, the costs of issuance of the
20 bonds, other expenditures of the treasurer of state
21 incident to and necessary or convenient to carry out
22 the bond issue for the fund, and all other
23 expenditures of the board necessary or convenient to
24 administer the fund. The bonds are investment
25 securities and negotiable instruments within the
26 meaning of and for purposes of the uniform commercial
27 code.

28 2. Bonds issued under this section are payable
29 solely and only out of the moneys, assets, or revenues
30 of the grow Iowa values fund and any bond reserve
31 funds established pursuant to section 12.92, all of
32 which may be deposited with trustees or depositories
33 in accordance with bond or security documents and
34 pledged to the payment thereof. Bonds issued under
35 this section shall contain on their face a statement
36 that the bonds do not constitute an indebtedness of
37 the state. The treasurer of state shall not pledge
38 the credit or taxing power of this state or any
39 political subdivision of the state or make bonds
40 issued pursuant to this section payable out of any
41 moneys except those in the grow Iowa values fund.

42 3. The proceeds of bonds issued by the treasurer
43 of state and not required for immediate disbursement
44 may be deposited with a trustee or depository as

45 provided in the bond documents and invested or
46 reinvested in any investment as directed by the
47 treasurer of state and specified in the trust
48 indenture, resolution, or other instrument pursuant to
49 which the bonds are issued without regard to any
50 limitation otherwise provided by law.

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- 1 4. The bonds shall be:
 - 2 a. In a form, issued in denominations, executed in
3 a manner, and payable over terms and with rights of
4 redemption, and be subject to the terms, conditions,
5 and covenants providing for the payment of the
6 principal of, redemption premiums, if any, interest
7 which may be fixed or variable during any period the
8 bonds are outstanding, and such other terms and
9 conditions as prescribed in the trust indenture,
10 resolution, or other instrument authorizing their
11 issuance.
 - 12 b. Negotiable instruments under the laws of the
13 state and may be sold at prices, at public or private
14 sale, and in a manner, as prescribed by the treasurer
15 of state. Chapters 73A, 74, 74A, and 75 do not apply
16 to the sale or issuance of the bonds.
 - 17 c. Subject to the terms, conditions, and covenants
18 providing for the payment of the principal, redemption
19 premiums, if any, interest, and other terms,
20 conditions, covenants, and protective provisions
21 safeguarding payment, not inconsistent with this
22 section and as determined by the trust indenture,
23 resolution, or other instrument authorizing their
24 issuance.
- 25 5. The bonds are securities in which public
26 officers and bodies of this state, political
27 subdivisions of this state, insurance companies and
28 associations and other persons carrying on an
29 insurance business, banks, trust companies, savings
30 associations, savings and loan associations, and
31 investment companies; administrators, guardians,
32 executors, trustees, and other fiduciaries; and other
33 persons authorized to invest in bonds or other
34 obligations of the state may properly and legally
35 invest funds, including capital, in their control or
36 belonging to them.
- 37 6. Bonds must be authorized by a trust indenture,
38 resolution, or other instrument of the treasurer of
39 state.
- 40 7. Neither the resolution, trust indenture, nor
41 any other instrument by which a pledge is created
42 needs to be recorded or filed under the Iowa uniform
43 commercial code to be valid, binding, or effective.

44 8. Bonds issued under the provisions of this
45 section are declared to be issued for a general public
46 and governmental purpose and all bonds issued under
47 this section shall be exempt from taxation by the
48 state of Iowa and the interest on the bonds shall be
49 exempt from the state income tax and the state
50 inheritance and estate tax.

Page 5

1 9. Subject to the terms of any bond documents,
2 moneys in the grow Iowa values fund may be expended
3 for administration expenses.

4 10. The treasurer of state may issue bonds for the
5 purpose of refunding any bonds issued pursuant to this
6 section then outstanding, including the payment of any
7 redemption premiums thereon and any interest accrued
8 or to accrue to the date of redemption of the
9 outstanding bonds. Until the proceeds of bonds issued
10 for the purpose of refunding outstanding bonds are
11 applied to the purchase or retirement of outstanding
12 bonds or the redemption of outstanding bonds, the
13 proceeds may be placed in escrow and be invested and
14 reinvested in accordance with the provisions of this
15 section. The interest, income, and profits earned or
16 realized on an investment may also be applied to the
17 payment of the outstanding bonds to be refunded by
18 purchase, retirement, or redemption. After the terms
19 of the escrow have been fully satisfied and carried
20 out, any balance of proceeds and interest earned or
21 realized on the investments may be returned to the
22 treasurer of state for deposit in the grow Iowa values
23 fund established in section 15G.108. All refunding
24 bonds shall be issued and secured and subject to the
25 provisions of this chapter in the same manner and to
26 the same extent as other bonds issued pursuant to this
27 section.

28 11. The treasurer of state shall have all of the
29 powers which are necessary to issue and secure bonds,
30 including but not limited to the power to procure
31 insurance, other credit enhancements, and other
32 financing arrangements, and to execute instruments and
33 contracts and to enter into agreements convenient or
34 necessary to facilitate financing arrangements with
35 respect to the bonds and to carry out the purposes of
36 the fund, including but not limited to such
37 arrangements, instruments, contracts, and agreements
38 as municipal bond insurance, self-insurance or
39 liquidity trusts, accounts, pools or other
40 arrangements, liquidity facilities or covenants,
41 letters of credit, and interest rate agreements.

42 12. For purposes of this section and sections

43 12.92 through 12.95, the term "bonds" means bonds,
44 notes, and other obligations and financing
45 arrangements issued or entered into by the treasurer
46 of state and the term "interest rate agreement" means
47 an interest rate swap or exchange agreement, an
48 agreement establishing an interest rate floor or
49 ceiling or both, or any similar agreement. Any such
50 agreement may include the option to enter into or

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1 cancel the agreement or to reverse or extend the
2 agreement.
3 Sec. ____, NEW SECTION. 12.92 GROW IOWA VALUES
4 FUND ACCOUNTS AND RESERVE FUNDS.
5 1. The treasurer of state shall establish such
6 accounts within the grow Iowa values fund created in
7 section 15G.108 as may be appropriate, including debt
8 service accounts for the purpose of paying the
9 principal of, redemption premium, if any, and interest
10 on bonds payable therefrom. Moneys in the debt
11 service accounts shall not be subject to appropriation
12 for any other purpose by the general assembly, but
13 shall be used only for the purposes of paying the
14 principal of, redemption premium, if any, and interest
15 on the bonds payable therefrom.
16 2. Revenue for the grow Iowa values fund shall
17 include, but is not limited to, the following, which
18 shall be deposited with the treasurer of state or its
19 designee as provided by any bond or security documents
20 and credited to the debt service account:
21 a. The proceeds of bonds issued to capitalize and
22 pay the costs of the fund and investment earnings on
23 the proceeds.
24 b. Interest attributable to investment of moneys
25 in the fund or an account of the fund.
26 c. Moneys in the form of a devise, gift, bequest,
27 donation, federal or other grant, reimbursement,
28 repayment, judgment, transfer, payment, or
29 appropriation from any source intended to be used for
30 the purposes of the fund or account.
31 3. a. The treasurer of state may create and
32 establish one or more special funds, to be known as
33 "bond reserve funds", to secure one or more issues of
34 bonds issued pursuant to section 12.91. The treasurer
35 of state shall pay into each bond reserve fund any
36 moneys appropriated and made available by the state or
37 treasurer of state for the purpose of the fund, any
38 proceeds of sale of bonds to the extent provided in
39 the resolutions or trust indentures authorizing their
40 issuance, and any other moneys which may be available
41 to the treasurer of state for the purpose of the fund

42 from any other sources. All moneys held in a bond
43 reserve fund, except as otherwise provided in this
44 chapter, shall be used as required solely for the
45 payment of the principal of bonds secured in whole or
46 in part by the fund or of the sinking fund payments
47 with respect to the bonds, the purchase or redemption
48 of the bonds, the payment of interest on the bonds, or
49 the payments of any redemption premium required to be
50 paid when the bonds are redeemed prior to maturity.

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1 b. Moneys in a bond reserve fund shall not be
2 withdrawn from it at any time in an amount that will
3 reduce the amount of the fund to less than the bond
4 reserve fund requirement established for the fund, as
5 provided in this subsection, except for the purpose of
6 making, with respect to bonds secured in whole or in
7 part by the fund, payment when due of principal,
8 interest, redemption premiums, and the sinking fund
9 payments with respect to the bonds for the payment of
10 which other moneys of the treasurer of state are not
11 available.

12 Any income or interest earned by, or incremental
13 to, a bond reserve fund due to the investment of it
14 may be transferred by the treasurer of state to other
15 funds or accounts to the extent the transfer does not
16 reduce the amount of that bond reserve fund below the
17 bond reserve fund requirement for it.

18 c. The treasurer of state shall not at any time
19 issue bonds, secured in whole or in part by a bond
20 reserve fund, if, upon the issuance of the bonds, the
21 amount in the bond reserve fund will be less than the
22 bond reserve fund requirement for the fund, unless the
23 treasurer of state at the time of issuance of the
24 bonds deposits in the fund from the proceeds of the
25 bonds issued or from other sources an amount which,
26 together with the amount then in the fund, will not be
27 less than the bond reserve fund requirement for the
28 fund. For the purposes of this subsection, the term
29 "bond reserve fund requirement" means, as of any
30 particular date of computation, an amount of money, as
31 provided in the resolutions or trust indentures
32 authorizing the bonds with respect to which the fund
33 is established.

34 d. To assure the continued solvency of any bonds
35 secured by the bond reserve fund, provision is made in
36 paragraph "a" for the accumulation in each bond
37 reserve fund of an amount equal to the bond reserve
38 requirement for the fund. In order to further assure
39 maintenance of the bond reserve funds, the treasurer
40 of state shall, on or before January 1 of each

41 calendar year, make and deliver to the governor the
42 treasurer of state's certificate stating the sum, if
43 any, required to restore each bond reserve fund to the
44 bond reserve fund requirement for that fund. Within
45 thirty days after the beginning of the session of the
46 general assembly next following the delivery of the
47 certificate, the governor shall submit to both houses
48 printed copies of a budget including the sum, if any,
49 required to restore each bond reserve fund to the bond
50 reserve fund requirement for that fund. Any sums

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1 appropriated by the general assembly and paid to the
2 treasurer of state pursuant to this subsection shall
3 be deposited by the treasurer of state in the
4 applicable bond reserve fund.

5 Sec.____. NEW SECTION. 12.93 PLEDGES.

6 1. It is the intention of the general assembly
7 that a pledge made in respect of bonds shall be valid
8 and binding from the time the pledge is made, that the
9 moneys or property so pledged and received after the
10 pledge by the treasurer of state shall immediately be
11 subject to the lien of the pledge without physical
12 delivery or further act, and that the lien of the
13 pledge shall be valid and binding as against all
14 parties having claims of any kind in tort, contract,
15 or otherwise against the treasurer of state whether or
16 not the parties have notice of the lien.

17 2. The moneys set aside in a fund or funds pledged
18 for any series or issue of bonds shall be held for the
19 sole benefit of the series or issue separate and apart
20 from moneys pledged for another series or issue of
21 bonds of the treasurer of state. Bonds may be issued
22 in series under one or more resolutions or trust
23 indentures and may be fully open-ended, thus providing
24 for the unlimited issuance of additional series, or
25 partially open-ended, limited as to additional series.

26 Sec.____. NEW SECTION. 12.94 LIMITATIONS.

27 Bonds issued pursuant to section 12.91 are not
28 debts of the state, or of any political subdivision of
29 the state, and do not constitute a pledge of the faith
30 and credit of the state or a charge against the
31 general credit or general fund of the state. The
32 issuance of any bonds pursuant to section 12.91 by the
33 treasurer of state does not directly, indirectly, or
34 contingently obligate the state or a political
35 subdivision of the state to apply moneys, or to levy
36 or pledge any form of taxation whatever, to the
37 payment of the bonds. Bonds issued under section
38 12.91 are payable solely and only from the sources and
39 special fund and accounts provided in section 12.92.

40 Sec. _____. NEW SECTION. 12.95 CONSTRUCTION.
41 Sections 12.91 through 12.94, being necessary for
42 the welfare of this state and its inhabitants, shall
43 be liberally construed to effect its purposes.
44 Sec. _____. Section 15G.108, Code Supplement 2003,
45 is amended to read as follows:
46 15G.108 GROW IOWA VALUES FUND.
47 A grow Iowa values fund is created and established
48 as a separate and distinct fund in the state treasury
49 under the control of the grow Iowa values board
50 consisting of moneys appropriated to the grow Iowa

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1 ~~values board.~~ Moneys in the fund are not subject to
2 section 8.33. Notwithstanding section 12C.7, interest
3 or earnings on moneys in the fund shall be credited to
4 the fund. Moneys in the fund shall not be subject to
5 appropriation for any other purposes by the general
6 assembly other than as provided in this Act and 2003
7 Iowa Acts, First Extraordinary Session, chapter 2, but
8 shall be used only for the purposes of the grow Iowa
9 values fund. The treasurer of state shall act as
10 custodian of the fund and disburse moneys contained in
11 the fund as directed by the grow Iowa values board,
12 including automatic disbursements of moneys received
13 pursuant to the terms of bond indentures and documents
14 and security provisions to trustees. The fund shall
15 be administered by the grow Iowa values board, which
16 shall make expenditures from the fund consistent with
17 this chapter and pertinent Acts of the general
18 assembly. Any financial assistance provided using
19 moneys from the fund may be provided over a period of
20 time of more than one year. Payments of interest,
21 repayments of moneys loaned pursuant to this chapter,
22 and recaptures of grants or loans shall be deposited
23 in the fund.
24 Sec. _____. Section 15G.110, Code Supplement 2003,
25 is amended to read as follows:
26 15G.110 FUTURE CONSIDERATION.
27 Not later than February 1, 2007, the legislative
28 services agency shall prepare and deliver to the
29 secretary of the senate and the chief clerk of the
30 house of representatives identical bills that repeal
31 the provisions of this chapter, with the exception of
32 sections 15G.101, 15G.102, 15G.103, and 15G.108. It
33 is the intent of this section that the general
34 assembly shall bring the bill to a vote in either the
35 senate or the house of representatives expeditiously.
36 It is further the intent of this chapter that if the
37 bill is approved by the first house in which it is
38 considered, it shall expeditiously be brought to a

39 vote in the second house.
 40 Sec.____. Section 99G.39, subsection 3, paragraph
 41 a, Code Supplement 2003, is amended to read as
 42 follows:
 43 a. Notwithstanding subsection 1, if gaming
 44 revenues under sections 99D.17 and 99F.11 are
 45 insufficient in a fiscal year to meet the total amount
 46 of such revenues directed to be deposited in the grow
 47 Iowa values fund, the vision Iowa fund, and the school
 48 infrastructure fund during the fiscal year pursuant to
 49 section 8.57, subsection 5, paragraph "e", the
 50 difference shall be paid from lottery revenues prior

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1 to deposit of the lottery revenues in the general
 2 fund. If lottery revenues are insufficient during the
 3 fiscal year to pay the difference, the remaining
 4 difference shall be paid from lottery revenues in
 5 subsequent fiscal years as such revenues become
 6 available.
 7 Sec.____. 2003 Iowa Acts, First Extraordinary
 8 Session, chapter 1, section 114, is amended to read as
 9 follows:
 10 SEC. 114. The divisions of this Act designated the
 11 grow Iowa values board and fund, with the exception of
 12 sections 15G.101, 15G.102, 15G.103, and 15G.108, Code
 13 Supplement 2003, the value-added agricultural products
 14 and processes financial assistance program, the endow
 15 Iowa grants, the technology transfer advisors, the
 16 Iowa economic development loan and credit guarantee
 17 fund, the economic development assistance and data
 18 collection, the cultural and entertainment districts,
 19 the workforce issues, and the university-based
 20 research utilization program, are repealed effective
 21 June 30, 2010.

22 Sec.____. 2003 Iowa Acts, First Extraordinary
 23 Session, chapter 2, section 75, subsection 1, is
 24 amended to read as follows:

25 1. There is appropriated from the general fund of
 26 the state from moneys credited to the general fund of
 27 the state as a result of entering into the streamlined
 28 sales and use tax agreement, for the fiscal ~~period~~
 29 year beginning July 1, 2003, and ending June 30, 2010
 30 2004, the following amounts amount to be used for the
 31 purpose designated:

32 For deposit in the grow Iowa values fund created in
 33 section ~~15G.107, if enacted by 2003 Iowa Acts, House~~
 34 ~~File 692 or another Act~~ 15G.108:

35 FY 2003-2004	\$ 5,000,000
36 FY 2004-2005	\$ 23,000,000
37 FY 2005-2006	\$ 75,000,000

38 FY 2006-2007 \$ 75,000,000
 39 FY 2007-2008 \$ 75,000,000
 40 FY 2008-2009 \$ 75,000,000
 41 FY 2009-2010 \$ 75,000,000"
 42 4. By renumbering as necessary.

SPECIAL PRESENTATION

Murphy of Dubuque introduced to the House the Honorable Lowell Norland, former Majority Leader of the House.

The House rose and expressed its welcome.

Reasoner of Union moved the adoption of amendment [H-8414A](#).

Roll call was requested by Reasoner of Union and Mascher of Johnson.

On the question "Shall amendment [H-8414A](#) be adopted?" ([S.F. 2298](#))

The ayes were, 46:

Bell	Berry	Bukta	Cohon
Connors	Dandekar	Davitt	Fallon
Foege	Ford	Frevert	Gaskill
Greimann	Heddens	Hogg	Hunter
Huser	Jacoby	Jochum	Kuhn
Lensing	Lykam	Mascher	McCarthy
Mertz	Miller	Murphy	Oldson
Olson, D.	Osterhaus	Petersen	Quirk
Reasoner	Shomshor	Shultz	Smith
Stevens	Swaim	Taylor, D.	Taylor, T.
Thomas	Wendt	Whitaker	Whitead
Winckler	Wise		

The nays were, 54:

Alons	Arnold	Baudler	Boal
Boddicker	Bogges	Chambers	De Boef
Dennis	Dix	Dolecheck	Drake
Eichhorn	Elgin	Freeman	Gipp
Granzow	Greiner	Hahn	Hanson
Heaton	Hoffman	Horbach	Huseman
Hutter	Jacobs	Jenkins	Jones
Klemme	Kramer	Kurtenbach	Lalk
Lukan	Maddox	Manternach	Olson, S.
Paulsen	Raecker	Rants, Spkr.	Rasmussen

Rayhons	Roberts	Sands	Schickel
Struyk	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wilderdike	Carroll,		
	Presiding		

Absent or not voting, none.

Amendment [H-8414A](#) lost.

Wise of Lee offered the amendment [H-8447](#) filed by Wise, et al., as follows:

[H-8447](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 29, line 10, by inserting after the word
 4 "infrastructure" the following: "and through the use
 5 of community cluster rural development".
 6 2. Page 37, by inserting after line 4 the
 7 following:
 8 "Sec.____. Section 28E.35, Code 2003, is amended
 9 to read as follows:
 10 28E.35 DEFINITIONS.
 11 As used in this division unless the context
 12 otherwise requires:
 13 1. "Community cluster" means a cooperative
 14 community unit established pursuant to this chapter
 15 for the joint exercise of powers by two or more
 16 governmental units and for sharing one or more
 17 governmental functions between two or more
 18 governmental units participating in a community
 19 cluster.
 20 2. "Governing board" means the governing board of
 21 a community cluster appointed pursuant to section
 22 28E.37.
 23 ~~2. 3.~~ "Governmental unit" means a city, county,
 24 township, school district, merged area as defined in
 25 section 260C.2, or special taxing district.
 26 4. "Shared governmental function" includes, but is
 27 not limited to, joint delivery of services, joint
 28 operation of facilities, joint development of
 29 infrastructure, or joint fostering of economic
 30 development.
 31 Sec.____. Section 28E.36, Code 2003, is amended to
 32 read as follows:
 33 28E.36 ESTABLISHMENT OF COMMUNITY CLUSTER.
 34 Two or more governmental units located in the state
 35 may, by resolution of each governmental unit,
 36 establish a community cluster ~~by entering into an~~

37 ~~agreement for the joint exercise of powers pursuant to~~
38 ~~this chapter to make more efficient use of their~~
39 ~~resources by providing for joint functions, services,~~
40 ~~facilities, development of infrastructure and for~~
41 ~~revenue sharing, and to foster economic development~~
42 shared governmental functions between two or more of
43 the governmental units participating in the community
44 cluster.
45 A community cluster and its governing board shall
46 have all the rights, powers, duties, privileges, and
47 immunities of a governmental unit and governmental
48 unit governing body to the extent that such rights,
49 powers, duties, privileges, and immunities relate to
50 shared governmental functions of the governmental

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1 units participating in the community cluster.
2 Sec.____. Section 28E.37, Code 2003, is amended by
3 striking the section and inserting in lieu thereof the
4 following:
5 28E.37 COMMUNITY CLUSTER GOVERNING BOARD.
6 The governing body of each governmental unit
7 participating in a community cluster shall appoint two
8 of its members to a community cluster governing board.
9 However, an alternative board composition may be
10 agreed upon by the participating governmental units.
11 A member of the governing board shall serve for two
12 years or until the member's term on the governing body
13 of the governmental unit expires, whichever is
14 earlier. A vacancy on the governing board shall be
15 filled in the same manner as the original appointment.
16 A member of the governing board shall not receive
17 compensation for service on the governing board.
18 Sec.____. Section 28E.38, Code 2003, is amended by
19 striking the section and inserting in lieu thereof the
20 following:
21 28E.38 POWERS AND DUTIES OF GOVERNING BOARD –
22 EXISTING BONDED INDEBTEDNESS – TAXING AUTHORITY.
23 1. The governing board shall identify governmental
24 functions, services, facilities, development of
25 infrastructure, or economic development efforts that
26 will be shared or jointly provided or operated within
27 the community cluster.
28 2. The governing board shall establish an official
29 name for the community cluster.
30 3. The governing board may provide for the
31 transfer or other disposition of property and other
32 rights, claims, assets, and franchises as they relate
33 to a shared governmental function within the community
34 cluster. A governmental unit participating in a
35 community cluster may make donations of property, real

36 or personal, including gratuitous leases, to the
37 community cluster and the governing board as deemed
38 proper and appropriate in aiding the community cluster
39 and the governing board effectuate their purposes.

40 4. The governing board may provide for the
41 transfer, reorganization, abolition, adjustment, and
42 absorption or merger of existing boards, existing
43 subordinate service districts, local improvement
44 districts, and agencies of the participating
45 governmental units to the extent they relate to a
46 shared governmental function within the community
47 cluster.

48 5. The governing board may determine the
49 boundaries of the service areas within the community
50 cluster and shall provide for administration of the

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1 provision of services in each of the designated
2 service areas.

3 6. The governing board may employ and fix the
4 compensation of administrative, technical,
5 professional, and clerical assistance as necessary to
6 administer a shared governmental function.

7 7. a. The governing board may adopt budgets for
8 shared governmental functions within the community
9 cluster and may levy property taxes to the extent the
10 taxing authority of a participating governmental unit
11 is transferred to the community cluster to fund a
12 shared governmental function. The governing board in
13 its budget shall allocate the revenue responsibilities
14 of each governmental unit participating in the
15 community cluster. The governing board shall follow
16 the same procedures for adoption of a budget as if the
17 community cluster were a city and the governing board
18 a city council.

19 b. The governing board shall devise formulas for
20 the transfer of taxing authority from governmental
21 units that are participating in the community cluster
22 to the governing board of the community cluster to
23 fund a shared governmental function. The maximum
24 rates of taxes authorized to be levied by a
25 governmental unit participating in a community cluster
26 shall be reduced by an amount equal to that portion of
27 the levy rates transferred to the authority of the
28 governing board.

29 c. In lieu of transferring property taxing
30 authority to a governing board, a governmental unit
31 participating in a community cluster may meet its
32 shared revenue obligations by transferring other
33 sources of revenue authorized to be collected by the
34 governmental unit.

35 8. The governing board may accept donations,
36 contributions, grants, or gifts from individuals,
37 associations, municipal and private corporations, and
38 the United States, or any agency or instrumentality of
39 the United States, and may enter into agreements in
40 connection therewith.

41 9. The governing board may issue bonded
42 indebtedness to the extent authorized in section
43 28E.39.

44 10. By December 1 of each year, the governing
45 board shall provide a report relating to shared
46 governmental functions and administration of the
47 community cluster to the governing body of each
48 governmental unit participating in the community
49 cluster.

50 Sec. __. Section 28E.39, Code 2003, is amended by

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1 striking the section and inserting in lieu thereof the
2 following:

3 28E.39 ISSUANCE OF BONDS – APPROVAL BY
4 ELECTORATE.

5 1. The governing board may propose the expenditure
6 of funds, the issuance of revenue bonds, entering into
7 a lease-purchase agreement, or the issuance of general
8 obligation bonds for the following:

9 a. Acquisition of a construction site and
10 construction of a building or facility for common
11 public use by two or more governmental units
12 participating in the community cluster.

13 b. Purchase of an existing building or facility
14 for public use, or conversion of a building or
15 facility previously owned and maintained by a
16 governmental unit for public use by two or more
17 governmental units participating in the community
18 cluster.

19 c. Equipping or furnishing a new or existing
20 building or facility for public use by two or more
21 governmental units participating in the community
22 cluster.

23 d. Operation, maintenance, or improvement of a
24 building or facility for public use by two or more
25 governmental units participating in the community
26 cluster.

27 e. Any other aspect of construction, acquisition,
28 furnishing, operation, or maintenance of a building or
29 facility for public use by two or more governmental
30 units participating in the community cluster, such
31 other aspect having been proposed by the governing
32 board and not otherwise prohibited by law.

33 2. The proposal shall be forwarded to the

34 governing body of each governmental unit participating
35 in the community cluster that is listed in the
36 proposal as being allocated a portion of the cost for
37 any of the purposes in subsection 1, paragraphs "a"
38 through "e". The proposal shall specify the purposes
39 for which the building or facility shall be used, the
40 estimated cost of the building or facility, the
41 estimated amount of the cost to be allocated to each
42 of the participating governmental units, the
43 proportion and method of allocating the expenses of
44 the operation and maintenance of the building or
45 facility or improvement, and the disposition to be
46 made of any revenues to be derived from operation of
47 the building or facility.

48 3. If a proposal for expenditure of funds, for
49 issuance of revenue bonds, or for issuance of general
50 obligation bonds described in the proposal as

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1 essential county purpose bonds or essential corporate
2 purpose bonds is approved by the governing body of
3 each governmental unit named in the proposal, the
4 governing board may include such expenditures in its
5 budget for the following fiscal year. If a proposal
6 for issuance of general obligation bonds described in
7 the proposal as general county purpose bonds or
8 general corporate purpose bonds or for entering into a
9 lease-purchase agreement is approved by the governing
10 body of each governmental unit named in the proposal,
11 the governing board shall direct the county
12 commissioner of elections to submit the proposition at
13 a special election. The special election may be held
14 on the same day as the general election if the county
15 commissioner determines that the elections will not
16 conflict. Only those registered voters living within
17 the governmental units named in the proposal may vote
18 on the proposition. The proposition shall be adopted
19 if the vote in favor of the proposition is equal to at
20 least sixty percent of the vote cast for and against
21 the proposition in each governmental unit named in the
22 proposal.

23 4. The governing board when issuing indebtedness
24 pursuant to this section shall follow the procedures
25 for issuance of debt as if the governing board were a
26 city council or a county board of supervisors and the
27 applicable bonding provisions of chapters 74, 75, 331,
28 and 384 shall apply.

29 5. Indebtedness issued pursuant to this section
30 shall constitute a debt of the governmental units
31 named in the proposal in the same proportion that the
32 cost of the project is allocated to the governmental

33 units and such indebtedness is subject to any
34 statutory or constitutional limitation on issuance of
35 debt if the debt would be subject to such limitation
36 if it were issued by a governmental unit acting alone.
37 Sec.____. Section 28E.40, Code 2003, is amended by
38 striking the section and inserting in lieu thereof the
39 following:
40 28E.40 JOINING COMMUNITY CLUSTER OR TERMINATING
41 PARTICIPATION.
42 1. A governmental unit, by resolution, may request
43 to join an existing community cluster. The governing
44 body of the governmental unit shall forward the
45 resolution to the governing bodies of each
46 governmental unit participating in the community
47 cluster. If each of the governing bodies approves the
48 resolution, the governmental unit is included in the
49 community cluster and shall appoint two of the members
50 of its governing body to the governing board of the

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1 community cluster.
2 2. A governmental unit, by resolution, may
3 terminate its participation in a community cluster.
4 Immediately upon its adoption by the governing body of
5 the governmental unit seeking termination of its
6 participation in the community cluster, the resolution
7 shall be forwarded to the governing board. The
8 governing board is not empowered to deny termination
9 but it may set a timetable, not to exceed eighteen
10 months after adoption of the resolution, for
11 termination to be fully effective.
12 Sec.____. Section 331.461, subsection 2, Code
13 2003, is amended by adding the following new
14 paragraph:
15 NEW PARAGRAPH. h. Port facilities or port
16 facilities systems, including without limitation, real
17 and personal property, water, buildings, improvements,
18 and equipment useful and suitable for taking care of
19 the needs of commerce and shipping, and also including
20 without limitation, wharves, docks, basins, piers,
21 quay walls, warehouses, tunnels, belt railway
22 facilities, cranes, dock apparatus, and other
23 machinery necessary for the convenient and economical
24 accommodation and handling of watercraft of all kinds
25 and of freight and passengers."
26 3. By renumbering as necessary.

Wise of Lee offered the following amendment [H-8483](#), to amendment [H-8447](#), filed by him, Schickel of Cerro Gordo and Hoffman of Crawford from the floor and moved its adoption:

[H-8483](#)

1 Amend the amendment, [H-8447](#), to [Senate File 2298](#),
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 2, line 1, by inserting after the word
5 "cluster." the following: "A community cluster and
6 its governing board shall not levy a tax unless
7 specifically authorized by the governing body of each
8 participating governmental unit."
9 2. Page 3, line 11, by inserting after the word
10 "cluster" the following: "by the governing body of
11 that participating governmental unit".
12 3. Page 3, line 15, by inserting after the word
13 "cluster" the following: ", subject to the approval
14 of the governing body of each participating
15 governmental unit".
16 4. Page 3, line 23, by inserting after the word
17 "function" the following: ", subject to the approval
18 of the governing body of each participating
19 governmental unit".

Amendment [H-8483](#) was adopted.

Wise of Lee offered the following amendment [H-8491](#), to amendment [H-8447](#), filed by him from the floor and moved its adoption:

[H-8491](#)

1 Amend the amendment, H-8447, to [Senate File 2298](#),
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 2, line 47, by inserting after the word
5 "cluster." the following: "The authority provided in
6 this subsection does not include the authority to
7 merge or consolidate local governments as an
8 alternative form of county government or an
9 alternative form of city government."

Amendment [H-8491](#) was adopted.

Dix of Butler rose on a point of order that amendment [H-8447](#), as amended, was not germane.

The Speaker ruled the point well taken and amendment [H-8447](#), as amended, not germane.

Wise of Lee moved to suspend the rules to consider amendment [H-8447](#), as amended.

Rule 75 was invoked.

A non-record roll call was requested.

The ayes were 54, nays 45.

The motion prevailed and the rules were suspended.

Wise of Lee moved the adoption of amendment [H-8447](#), as amended.

Amendment [H-8447](#), as amended, was adopted.

Wise of Lee asked and received unanimous consent to withdraw amendment [H-8470](#) filed by him, Bell of Jasper, Berry of Black Hawk, Bukta of Clinton, Cohoon of Des Moines, Connors of Polk, Dandekar of Linn, Davitt of Warren, Foege of Linn, Ford of Polk, Frevert of Palo Alto, Gaskill of Wapello, Greimann of Story, Heddens of Story, Hogg of Linn, Hunter of Polk, Huser of Polk, Jacoby of Johnson, Jochum of Dubuque, Kuhn of Floyd, Lensing of Johnson, Lykam of Scott, Mascher of Johnson, McCarthy of Polk, Mertz of Kossuth, Miller of Webster, Murphy of Dubuque, Oldson of Polk, D. Olson of Boone, Osterhaus of Jackson, Peterson of Polk, Quirk of Chickasaw, Reasoner of Union, Shomshor of Pottawattamie, Shultz of Black Hawk, Smith of Marshall, Stevens of Dickinson, Swaim of Davis, D. Taylor of Linn, T. Taylor of Linn, Thomas of Clayton, Wendt of Woodbury, Whitaker of Van Buren, Whitead of Woodbury and Winckler of Scott from the floor.

Kuhn of Floyd offered the following amendment [H-8472](#), filed from the floor by him and Bell of Jasper, Berry of Black Hawk, Bukta of Clinton, Cohoon of Des Moines, Connors of Polk, Dandekar of Linn, Davitt of Warren, Foege of Linn, Ford of Polk, Frevert of Palo Alto, Gaskill of Wapello, Greimann of Story, Heddens of Story, Hogg of Linn, Hunter of Polk, Jacoby of Johnson, Jochum of Dubuque, Lensing of Johnson, Lykam of Scott, Mascher of Johnson, McCarthy of Polk, Mertz of Kossuth Miller of Webster, Murphy of Dubuque, Oldson of Polk, D. Olson of Boone, Osterhaus of Jackson, Petersen of

Polk, Quirk of Chickasaw, Reasoner of Union, Shomshor of Pottawattamie, Shoultz of Black Hawk, Smith of Marshall, Stevens of Dickinson, Swaim of Davis, D. Taylor of Linn, T. Taylor of Linn, Thomas of Clayton, Wendt of Woodbury, Whitaker of Van Buren, Whitead of Woodbury, Winckler of Scott and Wise of Lee and requested division as follows:

H-8472

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:

H-8472 A

3 1. Page 31, line 23, by striking the figure
4 "2,363,557" and inserting the following: "2,998,502".
5 2. Page 31, line 26, by striking the figure
6 "550,000" and inserting the following: "1,184,945".
7 3. Page 31, line 32, by inserting after the word
8 "subsection." the following: "Of the amount allocated
9 in this subsection, up to \$25,000 shall be used to
10 establish a program to provide technical assistance to
11 businesses that have lost employees who were called to
12 military service."
13 4. Page 48, by striking line 32 and inserting the
14 following:
15 "..... \$ 47,363,894
16 _____. JOBS FOR AMERICA'S GRADUATES
17 For school districts to provide direct services to
18 the most at-risk senior high school students enrolled
19 in school districts through direct intervention by a
20 "jobs for America's graduates" specialist:
21 \$ 400,000
22 _____. EARLY CHILDHOOD PROGRAMS
23 For purposes of early childhood programs, including
24 but not limited to the early childhood programs grants
25 and the school ready children grant program
26 established pursuant to chapter 28, and the shared
27 vision program administered by the child development
28 coordinating council in accordance with chapter 256A:
29 \$ 1,500,000
30 _____. PROFESSIONAL DEVELOPMENT
31 For professional development of teachers and
32 improvement of student achievement:
33 \$ 10,000,000
34 Funds appropriated in this subsection shall be
35 distributed as follows:
36 a. The amount of \$555,000 shall be used to
37 implement the highest priority recommendations of the
38 achievement gap task force. Priority shall be given

39 to the recommendations that are research-based and
40 have the highest probability of improving student
41 achievement.
42 b. Funds remaining after distribution as provided
43 in paragraph "a" shall be distributed for professional
44 development purposes in accordance with the formula
45 specified in section 284.13, subsection 1, paragraph
46 "f", to each school district that applies to the
47 department and provides a total general fund budget
48 demonstrating that the district intends to increase
49 the proportion of its total expenditures for
50 instruction compared to the proportion expended in the

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1 prior year. Increased proportionate expenditures, not
2 including funds received under this lettered
3 paragraph, must be achieved through proportionate
4 decreases in administration and administrative
5 services as defined by the department.
6 c. A school district shall expend the funds
7 received as provided in paragraph "b" for the
8 following purposes:
9 (1) Compensating staff for professional
10 development time that occurs outside of the regular
11 contract.
12 (2) Substitute teacher costs that provide training
13 or development time for teachers.
14 (3) Costs for trainers or providers of
15 professional development.
16 (4) Professional development supplies and
17 materials, including software or courseware. However,
18 not more than ten percent of the funds received by a
19 school district under paragraph "b" may be used for
20 professional development supplies and materials."
21 5. Page 185, by striking lines 10 through 31.
22 6. Page 204, line 18, by striking the word
23 "sections" and inserting the following: "section".
24 7. Page 204, line 19, by striking the word
25 "sections" and inserting the following: "section".
26 8. Page 204, line 19, by striking the words and
27 figure "and 257.35 are" and inserting the following:
28 "is".

H-8472 B

29 9. Page 205, by inserting after line 21 the
30 following:
31 "DIVISION
32 GROW IOWA VALUES FUND FUNDING
33 Sec. __. GENERAL FUND APPROPRIATION. From the
34 proceeds received from the sale of bonds issued

35 pursuant to section 12.91, there is appropriated from
 36 the grow Iowa values fund to the general fund of the
 37 state for the fiscal period beginning July 1, 2004,
 38 and ending June 30, 2006, the following amount for
 39 deposit in the general fund:
 40 FY 2004-2005 \$ 39,900,000
 41 FY 2005-2006. \$ 39,900,000
 42 Sec.____. GENERAL FUND TRANSFER. There is
 43 transferred from the grow Iowa values fund created in
 44 section 15G.108 to the general fund of the state for
 45 the fiscal year beginning July 1, 2004, and ending
 46 June 30, 2005, the following amount:
 47 From moneys anticipated to be received from the
 48 federal government for state and local government
 49 fiscal relief under the federal Jobs and Growth Tax
 50 Relief Reconciliation Act of 2003:

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1 \$ 41,000,000
 2 One hundred percent of the amount transferred
 3 pursuant to this section shall be added to the state
 4 general fund expenditure limitation for fiscal year
 5 2004-2005 under section 8.54.
 6 Sec.____. Section 8.57, subsection 5, paragraph e,
 7 Code Supplement 2003, is amended to read as follows:
 8 e. Notwithstanding provisions to the contrary in
 9 sections 99D.17 and 99F.11, for the fiscal year
 10 beginning July 1, ~~2000~~ 2003, and ~~for each fiscal year~~
 11 ~~thereafter ending June 30, 2004~~, not more than a total
 12 of sixty million dollars shall be deposited in the
 13 general fund of the state in ~~any~~ the fiscal year
 14 pursuant to sections 99D.17 and 99F.11; ~~for the fiscal~~
 15 ~~period beginning July 1, 2004, and ending June 30,~~
 16 ~~2030, not more than a total of thirty-nine million~~
 17 ~~nine hundred thousand dollars of the moneys directed~~
 18 ~~to be deposited in the general fund of the state in a~~
 19 ~~fiscal year pursuant to sections 99D.17 and 99F.11~~
 20 ~~shall be deposited in the grow Iowa values fund~~
 21 ~~created in section 15G.108 in any fiscal year, and not~~
 22 ~~more than a total of twenty million one hundred~~
 23 ~~thousand dollars shall be deposited in the general~~
 24 ~~fund in any fiscal year; and for the fiscal year~~
 25 ~~beginning July 1, 2030, and for each fiscal year~~
 26 ~~thereafter, not more than a total of sixty million~~
 27 ~~dollars shall be deposited in the general fund of the~~
 28 ~~state in any fiscal year pursuant to sections 99D.17~~
 29 ~~and 99F.11. The next fifteen million dollars of the~~
 30 moneys directed to be deposited in the general fund of
 31 the state in a fiscal year pursuant to sections 99D.17
 32 and 99F.11 shall be deposited in the vision Iowa fund
 33 created in section 12.72 for the fiscal year beginning

34 July 1, 2000, and for each fiscal year through the
35 fiscal year beginning July 1, 2019. The next five
36 million dollars of the moneys directed to be deposited
37 in the general fund of the state in a fiscal year
38 pursuant to sections 99D.17 and 99F.11 shall be
39 deposited in the school infrastructure fund created in
40 section 12.82 for the fiscal year beginning July 1,
41 2000, and for each fiscal year thereafter until the
42 principal and interest on all bonds issued by the
43 treasurer of state pursuant to section 12.81 are paid,
44 as determined by the treasurer of state. The total
45 moneys in excess of the moneys deposited in the
46 general fund of the state, the grow Iowa values fund,
47 the vision Iowa fund, and the school infrastructure
48 fund in a fiscal year shall be deposited in the
49 rebuild Iowa infrastructure fund and shall be used as
50 provided in this section, notwithstanding section

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1 8.60.

2 If the total amount of moneys directed to be
3 deposited in the general fund of the state under
4 sections 99D.17 and 99F.11 in a fiscal year is less
5 than the total amount of moneys directed to be
6 deposited in the grow Iowa values fund, the vision
7 Iowa fund, and the school infrastructure fund in the
8 fiscal year pursuant to this paragraph "e", the
9 difference shall be paid from lottery revenues in the
10 manner provided in section 99G.39, subsection 3.

11 Sec. ____ NEW SECTION. 12.91 GENERAL AND
12 SPECIFIC BONDING POWERS.

13 1. The treasurer of state may issue bonds for the
14 purpose of funding the grow Iowa values fund created
15 in section 15G.108. The treasurer of state shall have
16 all of the powers which are necessary to issue and
17 secure bonds and carry out the purposes of the fund.
18 The treasurer of state may issue bonds in principal
19 amounts which are necessary to provide sufficient
20 funds for the grow Iowa values fund, the payment of
21 interest on the bonds, the establishment of reserves
22 to secure the bonds, the costs of issuance of the
23 bonds, other expenditures of the treasurer of state
24 incident to and necessary or convenient to carry out
25 the bond issue for the fund, and all other
26 expenditures of the board necessary or convenient to
27 administer the fund. The bonds are investment
28 securities and negotiable instruments within the
29 meaning of and for purposes of the uniform commercial
30 code.

31 2. Bonds issued under this section are payable
32 solely and only out of the moneys, assets, or revenues

33 of the grow Iowa values fund and any bond reserve
34 funds established pursuant to section 12.92, all of
35 which may be deposited with trustees or depositories
36 in accordance with bond or security documents and
37 pledged to the payment thereof. Bonds issued under
38 this section shall contain on their face a statement
39 that the bonds do not constitute an indebtedness of
40 the state. The treasurer of state shall not pledge
41 the credit or taxing power of this state or any
42 political subdivision of the state or make bonds
43 issued pursuant to this section payable out of any
44 moneys except those in the grow Iowa values fund.
45 3. The proceeds of bonds issued by the treasurer
46 of state and not required for immediate disbursement
47 may be deposited with a trustee or depository as
48 provided in the bond documents and invested or
49 reinvested in any investment as directed by the
50 treasurer of state and specified in the trust

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1 indenture, resolution, or other instrument pursuant to
2 which the bonds are issued without regard to any
3 limitation otherwise provided by law.
4 4. The bonds shall be:
5 a. In a form, issued in denominations, executed in
6 a manner, and payable over terms and with rights of
7 redemption, and be subject to the terms, conditions,
8 and covenants providing for the payment of the
9 principal of, redemption premiums, if any, interest
10 which may be fixed or variable during any period the
11 bonds are outstanding, and such other terms and
12 conditions as prescribed in the trust indenture,
13 resolution, or other instrument authorizing their
14 issuance.
15 b. Negotiable instruments under the laws of the
16 state and may be sold at prices, at public or private
17 sale, and in a manner, as prescribed by the treasurer
18 of state. Chapters 73A, 74, 74A, and 75 do not apply
19 to the sale or issuance of the bonds.
20 c. Subject to the terms, conditions, and covenants
21 providing for the payment of the principal, redemption
22 premiums, if any, interest, and other terms,
23 conditions, covenants, and protective provisions
24 safeguarding payment, not inconsistent with this
25 section and as determined by the trust indenture,
26 resolution, or other instrument authorizing their
27 issuance.
28 5. The bonds are securities in which public
29 officers and bodies of this state, political
30 subdivisions of this state, insurance companies and
31 associations and other persons carrying on an

32 insurance business, banks, trust companies, savings
33 associations, savings and loan associations, and
34 investment companies; administrators, guardians,
35 executors, trustees, and other fiduciaries; and other
36 persons authorized to invest in bonds or other
37 obligations of the state may properly and legally
38 invest funds, including capital, in their control or
39 belonging to them.

40 6. Bonds must be authorized by a trust indenture,
41 resolution, or other instrument of the treasurer of
42 state.

43 7. Neither the resolution, trust indenture, nor
44 any other instrument by which a pledge is created
45 needs to be recorded or filed under the Iowa uniform
46 commercial code to be valid, binding, or effective.

47 8. Bonds issued under the provisions of this
48 section are declared to be issued for a general public
49 and governmental purpose and all bonds issued under
50 this section shall be exempt from taxation by the

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1 state of Iowa and the interest on the bonds shall be
2 exempt from the state income tax and the state
3 inheritance and estate tax.

4 9. Subject to the terms of any bond documents,
5 moneys in the grow Iowa values fund may be expended
6 for administration expenses.

7 10. The treasurer of state may issue bonds for the
8 purpose of refunding any bonds issued pursuant to this
9 section then outstanding, including the payment of any
10 redemption premiums thereon and any interest accrued
11 or to accrue to the date of redemption of the
12 outstanding bonds. Until the proceeds of bonds issued
13 for the purpose of refunding outstanding bonds are
14 applied to the purchase or retirement of outstanding
15 bonds or the redemption of outstanding bonds, the
16 proceeds may be placed in escrow and be invested and
17 reinvested in accordance with the provisions of this
18 section. The interest, income, and profits earned or
19 realized on an investment may also be applied to the
20 payment of the outstanding bonds to be refunded by
21 purchase, retirement, or redemption. After the terms
22 of the escrow have been fully satisfied and carried
23 out, any balance of proceeds and interest earned or
24 realized on the investments may be returned to the
25 treasurer of state for deposit in the grow Iowa values
26 fund established in section 15G.108. All refunding
27 bonds shall be issued and secured and subject to the
28 provisions of this chapter in the same manner and to
29 the same extent as other bonds issued pursuant to this
30 section.

31 11. The treasurer of state shall have all of the
 32 powers which are necessary to issue and secure bonds,
 33 including but not limited to the power to procure
 34 insurance, other credit enhancements, and other
 35 financing arrangements, and to execute instruments and
 36 contracts and to enter into agreements convenient or
 37 necessary to facilitate financing arrangements with
 38 respect to the bonds and to carry out the purposes of
 39 the fund, including but not limited to such
 40 arrangements, instruments, contracts, and agreements
 41 as municipal bond insurance, self-insurance or
 42 liquidity trusts, accounts, pools or other
 43 arrangements, liquidity facilities or covenants,
 44 letters of credit, and interest rate agreements.
 45 12. For purposes of this section and sections
 46 12.92 through 12.95, the term "bonds" means bonds,
 47 notes, and other obligations and financing
 48 arrangements issued or entered into by the treasurer
 49 of state and the term "interest rate agreement" means
 50 an interest rate swap or exchange agreement, an

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1 agreement establishing an interest rate floor or
 2 ceiling or both, or any similar agreement. Any such
 3 agreement may include the option to enter into or
 4 cancel the agreement or to reverse or extend the
 5 agreement.
 6 Sec. __. NEW SECTION. 12.92 GROW IOWA VALUES
 7 FUND ACCOUNTS AND RESERVE FUNDS.
 8 1. The treasurer of state shall establish such
 9 accounts within the grow Iowa values fund created in
 10 section 15G.108 as may be appropriate, including debt
 11 service accounts for the purpose of paying the
 12 principal of, redemption premium, if any, and interest
 13 on bonds payable therefrom. Moneys in the debt
 14 service accounts shall not be subject to appropriation
 15 for any other purpose by the general assembly, but
 16 shall be used only for the purposes of paying the
 17 principal of, redemption premium, if any, and interest
 18 on the bonds payable therefrom.
 19 2. Revenue for the grow Iowa values fund shall
 20 include, but is not limited to, the following, which
 21 shall be deposited with the treasurer of state or its
 22 designee as provided by any bond or security documents
 23 and credited to the debt service account:
 24 a. The proceeds of bonds issued to capitalize and
 25 pay the costs of the fund and investment earnings on
 26 the proceeds.
 27 b. Interest attributable to investment of moneys
 28 in the fund or an account of the fund.
 29 c. Moneys in the form of a devise, gift, bequest,

30 donation, federal or other grant, reimbursement,
31 repayment, judgment, transfer, payment, or
32 appropriation from any source intended to be used for
33 the purposes of the fund or account.
34 3. a. The treasurer of state may create and
35 establish one or more special funds, to be known as
36 "bond reserve funds", to secure one or more issues of
37 bonds issued pursuant to section 12.91. The treasurer
38 of state shall pay into each bond reserve fund any
39 moneys appropriated and made available by the state or
40 treasurer of state for the purpose of the fund, any
41 proceeds of sale of bonds to the extent provided in
42 the resolutions or trust indentures authorizing their
43 issuance, and any other moneys which may be available
44 to the treasurer of state for the purpose of the fund
45 from any other sources. All moneys held in a bond
46 reserve fund, except as otherwise provided in this
47 chapter, shall be used as required solely for the
48 payment of the principal of bonds secured in whole or
49 in part by the fund or of the sinking fund payments
50 with respect to the bonds, the purchase or redemption

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1 of the bonds, the payment of interest on the bonds, or
2 the payments of any redemption premium required to be
3 paid when the bonds are redeemed prior to maturity.
4 b. Moneys in a bond reserve fund shall not be
5 withdrawn from it at any time in an amount that will
6 reduce the amount of the fund to less than the bond
7 reserve fund requirement established for the fund, as
8 provided in this subsection, except for the purpose of
9 making, with respect to bonds secured in whole or in
10 part by the fund, payment when due of principal,
11 interest, redemption premiums, and the sinking fund
12 payments with respect to the bonds for the payment of
13 which other moneys of the treasurer of state are not
14 available.
15 Any income or interest earned by, or incremental
16 to, a bond reserve fund due to the investment of it
17 may be transferred by the treasurer of state to other
18 funds or accounts to the extent the transfer does not
19 reduce the amount of that bond reserve fund below the
20 bond reserve fund requirement for it.
21 c. The treasurer of state shall not at any time
22 issue bonds, secured in whole or in part by a bond
23 reserve fund, if, upon the issuance of the bonds, the
24 amount in the bond reserve fund will be less than the
25 bond reserve fund requirement for the fund, unless the
26 treasurer of state at the time of issuance of the
27 bonds deposits in the fund from the proceeds of the
28 bonds issued or from other sources an amount which,

29 together with the amount then in the fund, will not be
30 less than the bond reserve fund requirement for the
31 fund. For the purposes of this subsection, the term
32 "bond reserve fund requirement" means, as of any
33 particular date of computation, an amount of money, as
34 provided in the resolutions or trust indentures
35 authorizing the bonds with respect to which the fund
36 is established.

37 d. To assure the continued solvency of any bonds
38 secured by the bond reserve fund, provision is made in
39 paragraph "a" for the accumulation in each bond
40 reserve fund of an amount equal to the bond reserve
41 requirement for the fund. In order to further assure
42 maintenance of the bond reserve funds, the treasurer
43 of state shall, on or before January 1 of each
44 calendar year, make and deliver to the governor the
45 treasurer of state's certificate stating the sum, if
46 any, required to restore each bond reserve fund to the
47 bond reserve fund requirement for that fund. Within
48 thirty days after the beginning of the session of the
49 general assembly next following the delivery of the
50 certificate, the governor shall submit to both houses

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1 printed copies of a budget including the sum, if any,
2 required to restore each bond reserve fund to the bond
3 reserve fund requirement for that fund. Any sums
4 appropriated by the general assembly and paid to the
5 treasurer of state pursuant to this subsection shall
6 be deposited by the treasurer of state in the
7 applicable bond reserve fund.

8 Sec. ____ NEW SECTION. 12.93 PLEDGES.

9 1. It is the intention of the general assembly
10 that a pledge made in respect of bonds shall be valid
11 and binding from the time the pledge is made, that the
12 moneys or property so pledged and received after the
13 pledge by the treasurer of state shall immediately be
14 subject to the lien of the pledge without physical
15 delivery or further act, and that the lien of the
16 pledge shall be valid and binding as against all
17 parties having claims of any kind in tort, contract,
18 or otherwise against the treasurer of state whether or
19 not the parties have notice of the lien.

20 2. The moneys set aside in a fund or funds pledged
21 for any series or issue of bonds shall be held for the
22 sole benefit of the series or issue separate and apart
23 from moneys pledged for another series or issue of
24 bonds of the treasurer of state. Bonds may be issued
25 in series under one or more resolutions or trust
26 indentures and may be fully open-ended, thus providing
27 for the unlimited issuance of additional series, or

28 partially open-ended, limited as to additional series.
29 Sec.____. NEW SECTION. 12.94 LIMITATIONS.
30 Bonds issued pursuant to section 12.91 are not
31 debts of the state, or of any political subdivision of
32 the state, and do not constitute a pledge of the faith
33 and credit of the state or a charge against the
34 general credit or general fund of the state. The
35 issuance of any bonds pursuant to section 12.91 by the
36 treasurer of state does not directly, indirectly, or
37 contingently obligate the state or a political
38 subdivision of the state to apply moneys, or to levy
39 or pledge any form of taxation whatever, to the
40 payment of the bonds. Bonds issued under section
41 12.91 are payable solely and only from the sources and
42 special fund and accounts provided in section 12.92.
43 Sec.____. NEW SECTION. 12.95 CONSTRUCTION.
44 Sections 12.91 through 12.94, being necessary for
45 the welfare of this state and its inhabitants, shall
46 be liberally construed to effect its purposes.
47 Sec.____. Section 15G.108, Code Supplement 2003,
48 is amended to read as follows:
49 15G.108 GROW IOWA VALUES FUND.
50 A grow Iowa values fund is created and established

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1 as a separate and distinct fund in the state treasury
2 under the control of the grow Iowa values board
3 consisting of moneys appropriated to the grow Iowa
4 values board. Moneys in the fund are not subject to
5 section 8.33. Notwithstanding section 12C.7, interest
6 or earnings on moneys in the fund shall be credited to
7 the fund. Moneys in the fund shall not be subject to
8 appropriation for any other purposes by the general
9 assembly other than as provided in this Act and 2003
10 Iowa Acts, First Extraordinary Session, chapter 2, but
11 shall be used only for the purposes of the grow Iowa
12 values fund. The treasurer of state shall act as
13 custodian of the fund and disburse moneys contained in
14 the fund as directed by the grow Iowa values board,
15 including automatic disbursements of moneys received
16 pursuant to the terms of bond indentures and documents
17 and security provisions to trustees. The fund shall
18 be administered by the grow Iowa values board, which
19 shall make expenditures from the fund consistent with
20 this chapter and pertinent Acts of the general
21 assembly. Any financial assistance provided using
22 moneys from the fund may be provided over a period of
23 time of more than one year. Payments of interest,
24 repayments of moneys loaned pursuant to this chapter,
25 and recaptures of grants or loans shall be deposited
26 in the fund.

27 Sec. ____ Section 15G.110, Code Supplement 2003,
 28 is amended to read as follows:
 29 15G.110 FUTURE CONSIDERATION.
 30 Not later than February 1, 2007, the legislative
 31 services agency shall prepare and deliver to the
 32 secretary of the senate and the chief clerk of the
 33 house of representatives identical bills that repeal
 34 the provisions of this chapter, with the exception of
 35 sections 15G.101, 15G.102, 15G.103, and 15G.108. It
 36 is the intent of this section that the general
 37 assembly shall bring the bill to a vote in either the
 38 senate or the house of representatives expeditiously.
 39 It is further the intent of this chapter that if the
 40 bill is approved by the first house in which it is
 41 considered, it shall expeditiously be brought to a
 42 vote in the second house.
 43 Sec. ____ Section 99G.39, subsection 3, paragraph
 44 a, Code Supplement 2003, is amended to read as
 45 follows:
 46 a. Notwithstanding subsection 1, if gaming
 47 revenues under sections 99D.17 and 99F.11 are
 48 insufficient in a fiscal year to meet the total amount
 49 of such revenues directed to be deposited in the grow
 50 Iowa values fund, the vision Iowa fund, and the school

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1 infrastructure fund during the fiscal year pursuant to
 2 section 8.57, subsection 5, paragraph "e", the
 3 difference shall be paid from lottery revenues prior
 4 to deposit of the lottery revenues in the general
 5 fund. If lottery revenues are insufficient during the
 6 fiscal year to pay the difference, the remaining
 7 difference shall be paid from lottery revenues in
 8 subsequent fiscal years as such revenues become
 9 available.
 10 Sec. ____ 2003 Iowa Acts, First Extraordinary
 11 Session, chapter 1, section 114, is amended to read as
 12 follows:
 13 SEC. 114. The divisions of this Act designated the
 14 grow Iowa values board and fund, with the exception of
 15 sections 15G.101, 15G.102, 15G.103, and 15G.108, Code
 16 Supplement 2003, the value-added agricultural products
 17 and processes financial assistance program, the endow
 18 Iowa grants, the technology transfer advisors, the
 19 Iowa economic development loan and credit guarantee
 20 fund, the economic development assistance and data
 21 collection, the cultural and entertainment districts,
 22 the workforce issues, and the university-based
 23 research utilization program, are repealed effective
 24 June 30, 2010.
 25 Sec. ____ 2003 Iowa Acts, First Extraordinary

26 Session, chapter 2, section 75, subsection 1, is
 27 amended to read as follows:
 28 1. There is appropriated from the general fund of
 29 the state from moneys credited to the general fund of
 30 the state as a result of entering into the streamlined
 31 sales and use tax agreement, for the fiscal ~~period~~
 32 year beginning July 1, 2003, and ending June 30, ~~2010~~
 33 ~~2004~~, the following ~~amounts~~ amount to be used for the
 34 purpose designated:
 35 For deposit in the grow Iowa values fund created in
 36 section ~~15C.107, if enacted by 2003 Iowa Acts, House~~
 37 ~~File 692 or another Act~~ 15C.108:

38 FY 2003-2004	\$ 5,000,000
39 FY 2004-2005	\$ 23,000,000
40 FY 2005-2006	\$ 75,000,000
41 FY 2006-2007	\$ 75,000,000
42 FY 2007-2008	\$ 75,000,000
43 FY 2008-2009	\$ 75,000,000
44 FY 2009-2010	\$ 75,000,000"

45 10. By renumbering as necessary.

Roberts of Carroll in the chair at 4:50 p.m.

Kuhn of Floyd moved the adoption of amendment [H-8472A](#).

Roll call was requested by Kuhn of Floyd and Mascher of Johnson.

On the question "Shall amendment [H-8472A](#) be adopted?" ([S.F. 2298](#))

The ayes were, 46:

Bell	Berry	Bukta	Cohoon
Connors	Dandekar	Davitt	Fallon
Foege	Ford	Frevert	Gaskill
Greimann	Heddens	Hogg	Hunter
Huser	Jacoby	Jochum	Kuhn
Lensing	Lykam	Mascher	McCarthy
Mertz	Miller	Murphy	Oldson
Olson, D.	Osterhaus	Petersen	Quirk
Reasoner	Shomshor	Shoultz	Smith
Stevens	Swaim	Taylor, D.	Taylor, T.
Thomas	Wendt	Whitaker	Whitead
Winckler	Wise		

The nays were, 54:

Alons	Arnold	Baudler	Boal
Boddicker	Bogges	Carroll	Chambers
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Freeman

Gipp	Granzow	Greiner	Hahn
Hanson	Heaton	Hoffman	Horbach
Huseman	Hutter	Jacobs	Jenkins
Jones	Klemme	Kramer	Kurtenbach
Lalk	Lukan	Maddox	Manternach
Olson, S.	Paulsen	Raecker	Rants, Spkr.
Rasmussen	Rayhons	Sands	Schickel
Struyk	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wildurdyke	Roberts, Presiding		

Absent or not voting, none.

Amendment [H-8472A](#) lost.

Boguess of Page asked and received unanimous consent to withdraw amendment [H-8417](#) filed by her and Jenkins of Black Hawk on April 6, 2004.

Boguess of Page offered the following amendment [H-8439](#) filed by her and Jenkins of Black Hawk and moved its adoption:

[H-8439](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 37, by inserting after line 4 the
 4 following:
 5 "Sec. _____. Section 96.7, subsection 2, paragraph
 6 d, subparagraph (1), Code Supplement 2003, is amended
 7 to read as follows:
 8 (1) The current reserve fund ratio is computed by
 9 dividing the total funds available for payment of
 10 benefits, on the computation date, by the total wages
 11 paid in covered employment excluding reimbursable
 12 employment wages during the first four calendar
 13 quarters of the five calendar quarters immediately
 14 preceding the computation date. However, in computing
 15 the current reserve fund ratio the following amounts
 16 shall be added to the total funds available for
 17 payment of benefits on the following computation
 18 dates:
 19 (a) Twenty million dollars on July 1, 2004.
 20 (b) Seventy million dollars on July 1, 2005.
 21 (c) One hundred twenty million dollars on July 1,
 22 2006.
 23 (d) One hundred fifty million dollars on July 1,
 24 2007, and on each subsequent computation date.
 25 Sec. _____. Section 96.19, subsection 18, paragraph

26 a, subparagraph (7), subparagraph subdivision (a),
27 Code 2003, is amended to read as follows:
28 (a) A person in agricultural labor when such labor
29 is performed for an employing unit which during any
30 calendar quarter in the calendar year or the preceding
31 calendar year paid remuneration in cash of twenty
32 thousand dollars or more to individuals employed in
33 agricultural labor excluding labor performed before
34 January 1, 1980, by an alien referred to in this
35 subparagraph; or on each of some twenty days during
36 the calendar year or the preceding calendar year, each
37 day being in a different calendar week, employed in
38 agricultural labor for some portion of the day ten or
39 more individuals, excluding labor performed before
40 January 1, 1980, by an alien referred to in this
41 subparagraph; and such labor is not agricultural labor
42 performed before January 1, 1980, by an individual who
43 is an alien admitted to the United States to perform
44 agricultural labor pursuant to sections 214(c) and
45 101(a)(15)(H) of the Immigration and Nationality Act,
46 8 U.S.C. § 1184(c), 1101(a)(15)(H) (1976). For
47 purposes of this subparagraph subdivision, "employed"
48 shall not include services performed by agricultural
49 workers who are aliens admitted to the United States
50 to perform labor pursuant to section

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1 101(a)(15)(H)(ii)(a) of the Immigration and
2 Nationality Act and who are not covered under the
3 Federal Unemployment Tax Act."
4 2. By renumbering as necessary.

Amendment [H-8439](#) was adopted.

Petersen of Polk offered the following amendment [H-8473](#) filed by her, Bell of Jasper, Berry of Black Hawk, Bukta of Clinton, Cohoon of Des Moines, Connors of Polk, Dandekar of Linn, Davitt of Warren, Foege of Linn, Ford of Polk, Frevert of Palo Alto, Gaskill of Wapello, Greimann of Story, Heddens of Story, Hogg of Linn, Hunter of Polk, Jacoby of Johnson, Jochum of Dubuque, Kuhn of Floyd, Lensing of Johnson, Lykam of Scott, Mascher of Johnson, Mertz of Kossuth, Miller of Webster, Murphy of Dubuque, Oldson of Polk, D. Olson of Boone, Osterhaus of Jackson, Quirk of Chickasaw, Reasoner of Union, Shomshor of Pottawattamie, Shoultz of Black Hawk, Smith of Marshall, Stevens of Dickinson, D. Taylor of Linn, T. Taylor of Linn, Thomas of Clayton, Wendt of Woodbury, Whitaker of Van Buren,

Whitead of Woodbury, Winckler of Scott and Wise of Lee, from the floor and moved its adoption:

H-8473

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 37, by inserting after line 4 the
4 following:
5 "Sec. ____. ECONOMIC DEVELOPMENT REGION FINANCIAL
6 ASSISTANCE APPROPRIATION.
7 1. There is appropriated from the grow Iowa values
8 fund created in section 15G.108 to the department of
9 economic development for the fiscal year beginning
10 July 1, 2004, and ending June 30, 2005, the following
11 amount, or so much thereof as is necessary, to be used
12 for the purpose designated:
13 For providing financial assistance under section
14 15E.232, subsections 3, 4, 5, and 6, and under section
15 15E.233:
16 \$ 20,000,000
17 2. Notwithstanding section 8.33, moneys that
18 remain unexpended at the end of a fiscal year shall
19 not revert to any fund but shall remain available for
20 expenditure for the designated purposes during the
21 succeeding fiscal year.
22 Sec. ____. REHABILITATION PROJECT TAX CREDITS
23 APPROPRIATION.
24 1. There is appropriated from the grow Iowa values
25 fund to the general fund of the state for each fiscal
26 year of the fiscal period beginning July 1, 2004, and
27 ending June 30, 2006, the following amounts, or so
28 much thereof as is necessary, to be used for the
29 purpose designated:
30 For payment of tax credits approved pursuant to
31 section 404A.4 for projects located in certified
32 cultural and entertainment districts:
33 FY 2004-2005 \$ 1,500,000
34 FY 2005-2006 \$ 1,500,000
35 2. Notwithstanding section 8.33, moneys that
36 remain unexpended at the end of a fiscal year shall
37 not revert to any fund but shall remain available for
38 expenditure for the designated purposes during the
39 succeeding fiscal year.
40 Sec. ____. COMMUNITY ATTRACTION AND TOURISM
41 PROGRAM.
42 1. There is appropriated from the grow Iowa values
43 fund to the office of the treasurer of state for each
44 fiscal year of the fiscal period beginning July 1,
45 2004, and ending June 30, 2007, the following amounts,
46 or so much thereof as is necessary, to be used for the

47 purpose designated:
 48 For deposit in the community attraction and tourism
 49 fund:
 50 FY 2004-2005 \$ 15,000,000

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1 FY 2005-2006 \$ 15,000,000
 2 FY 2006-2007 \$ 15,000,000

3 2. Notwithstanding section 8.33, moneys that
 4 remain unexpended at the end of a fiscal year shall
 5 not revert to any fund but shall remain available for
 6 expenditure for the designated purposes during the
 7 succeeding fiscal year.

8 Sec.____. STATE PARKS.

9 1. There is appropriated from the grow Iowa values
 10 fund to the grow Iowa values board for each fiscal
 11 year of the fiscal period beginning July 1, 2004, and
 12 ending June 30, 2006, the following amounts, or so
 13 much thereof as is necessary, to be used for the
 14 purpose designated:

15 For the purpose of providing financial assistance
 16 for projects in targeted state parks and destination
 17 parks:

18 FY 2004-2005 \$ 3,000,000
 19 FY 2005-2006 \$ 3,000,000

20 2. Notwithstanding section 8.33, moneys that
 21 remain unexpended at the end of a fiscal year shall
 22 not revert to any fund but shall remain available for
 23 expenditure for the designated purposes during the
 24 succeeding fiscal year.

25 Sec.____. IOWA CULTURAL TRUST FUND.

26 1. There is appropriated from the grow Iowa values
 27 fund to the office of the treasurer of state for each
 28 fiscal year of the fiscal period beginning July 1,
 29 2004, and ending June 30, 2006, the following amounts,
 30 or so much thereof as is necessary, to be used for the
 31 purpose designated:

32 For deposit in the Iowa cultural trust fund created
 33 in section 303A.4:

34 FY 2004-2005 \$ 2,000,000
 35 FY 2005-2006 \$ 2,000,000

36 2. Notwithstanding section 8.33, moneys that
 37 remain unexpended at the end of a fiscal year shall
 38 not revert to any fund but shall remain available for
 39 expenditure for the designated purposes during the
 40 succeeding fiscal year.

41 Sec.____. GENERAL FUND APPROPRIATION. From the
 42 proceeds received from the sale of bonds issued
 43 pursuant to section 12.91, there is appropriated from
 44 the grow Iowa values fund to the general fund of the
 45 state for the fiscal period beginning July 1, 2004,

46 and ending June 30, 2006, the following amounts for
 47 deposit in the general fund:
 48 FY 2004-2005 \$ 43,600,000
 49 FY 2005-2006 \$ 43,600,000
 50 Sec.____. VALUE-ADDED AGRICULTURAL PRODUCTS AND

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1 PROCESSES FINANCIAL ASSISTANCE FUND APPROPRIATION. In
 2 addition to any moneys allocated from moneys
 3 appropriated pursuant to 2003 Iowa Acts, First
 4 Extraordinary Session, chapter 2, section 66, there is
 5 appropriated from the grow Iowa values fund to the
 6 department of economic development for the fiscal year
 7 beginning July 1, 2004, and ending June 30, 2005, the
 8 following amount, or so much thereof as is necessary,
 9 to be used for the purpose designated:
 10 For deposit in the value-added agricultural
 11 products and processes financial assistance fund:
 12 \$ 2,000,000
 13 Sec.____. COMMUNITY ECONOMIC BETTERMENT PROGRAM
 14 ACCOUNT APPROPRIATION. In addition to any moneys
 15 allocated from moneys appropriated pursuant to 2003
 16 Iowa Acts, First Extraordinary Session, chapter 2,
 17 section 66, there is appropriated from the grow Iowa
 18 values fund to the department of economic development
 19 for the fiscal year beginning July 1, 2004, and ending
 20 June 30, 2005, the following amount, or so much
 21 thereof as is necessary, to be used for the purpose
 22 designated:
 23 For deposit in the community economic betterment
 24 program account:
 25 \$ 2,000,000
 26 Sec.____. Section 8.57, subsection 5, paragraph e,
 27 Code Supplement 2003, is amended to read as follows:
 28 e. Notwithstanding provisions to the contrary in
 29 sections 99D.17 and 99F.11, for the fiscal year
 30 beginning July 1, ~~2000 2003, and for each fiscal year~~
 31 ~~thereafter ending June 30, 2004,~~ not more than a total
 32 of sixty million dollars shall be deposited in the
 33 general fund of the state in ~~any~~ the fiscal year
 34 pursuant to sections 99D.17 and 99F.11; for the fiscal
 35 period beginning July 1, 2004, and ending June 30,
 36 2030, not more than a total of forty-three million six
 37 hundred thousand dollars of the moneys directed to be
 38 deposited in the general fund of the state in a fiscal
 39 year pursuant to sections 99D.17 and 99F.11 shall be
 40 deposited in the grow Iowa values fund created in
 41 section 15G.108 in any fiscal year, and not more than
 42 a total of sixteen million four hundred thousand
 43 dollars shall be deposited in the general fund in any
 44 fiscal year; and for the fiscal year beginning July 1,

45 2030, and for each fiscal year thereafter, not more
46 than a total of sixty million dollars shall be
47 deposited in the general fund of the state in any
48 fiscal year pursuant to sections 99D.17 and 99F.11.
49 The next fifteen million dollars of the moneys
50 directed to be deposited in the general fund of the

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1 state in a fiscal year pursuant to sections 99D.17 and
2 99F.11 shall be deposited in the vision Iowa fund
3 created in section 12.72 for the fiscal year beginning
4 July 1, 2000, and for each fiscal year through the
5 fiscal year beginning July 1, 2019. The next five
6 million dollars of the moneys directed to be deposited
7 in the general fund of the state in a fiscal year
8 pursuant to sections 99D.17 and 99F.11 shall be
9 deposited in the school infrastructure fund created in
10 section 12.82 for the fiscal year beginning July 1,
11 2000, and for each fiscal year thereafter until the
12 principal and interest on all bonds issued by the
13 treasurer of state pursuant to section 12.81 are paid,
14 as determined by the treasurer of state. The total
15 moneys in excess of the moneys deposited in the
16 general fund of the state, the grow Iowa values fund,
17 the vision Iowa fund, and the school infrastructure
18 fund in a fiscal year shall be deposited in the
19 rebuild Iowa infrastructure fund and shall be used as
20 provided in this section, notwithstanding section
21 8.60.

22 If the total amount of moneys directed to be
23 deposited in the general fund of the state under
24 sections 99D.17 and 99F.11 in a fiscal year is less
25 than the total amount of moneys directed to be
26 deposited in the grow Iowa values fund, the vision
27 Iowa fund, and the school infrastructure fund in the
28 fiscal year pursuant to this paragraph "e", the
29 difference shall be paid from lottery revenues in the
30 manner provided in section 99G.39, subsection 3.

31 Sec. ____ NEW SECTION. 12.91 GENERAL AND
32 SPECIFIC BONDING POWERS.

33 1. The treasurer of state may issue bonds for the
34 purpose of funding the grow Iowa values fund created
35 in section 15G.108. The treasurer of state shall have
36 all of the powers which are necessary to issue and
37 secure bonds and carry out the purposes of the fund.
38 The treasurer of state may issue bonds in principal
39 amounts which are necessary to provide sufficient
40 funds for the grow Iowa values fund, the payment of
41 interest on the bonds, the establishment of reserves
42 to secure the bonds, the costs of issuance of the
43 bonds, other expenditures of the treasurer of state

44 incident to and necessary or convenient to carry out
45 the bond issue for the fund, and all other
46 expenditures of the board necessary or convenient to
47 administer the fund. The bonds are investment
48 securities and negotiable instruments within the
49 meaning of and for purposes of the uniform commercial
50 code.

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1 2. Bonds issued under this section are payable
2 solely and only out of the moneys, assets, or revenues
3 of the grow Iowa values fund and any bond reserve
4 funds established pursuant to section 12.92, all of
5 which may be deposited with trustees or depositories
6 in accordance with bond or security documents and
7 pledged to the payment thereof. Bonds issued under
8 this section shall contain on their face a statement
9 that the bonds do not constitute an indebtedness of
10 the state. The treasurer of state shall not pledge
11 the credit or taxing power of this state or any
12 political subdivision of the state or make bonds
13 issued pursuant to this section payable out of any
14 moneys except those in the grow Iowa values fund.

15 3. The proceeds of bonds issued by the treasurer
16 of state and not required for immediate disbursement
17 may be deposited with a trustee or depository as
18 provided in the bond documents and invested or
19 reinvested in any investment as directed by the
20 treasurer of state and specified in the trust
21 indenture, resolution, or other instrument pursuant to
22 which the bonds are issued without regard to any
23 limitation otherwise provided by law.

24 4. The bonds shall be:

25 a. In a form, issued in denominations, executed in
26 a manner, and payable over terms and with rights of
27 redemption, and be subject to the terms, conditions,
28 and covenants providing for the payment of the
29 principal of, redemption premiums, if any, interest
30 which may be fixed or variable during any period the
31 bonds are outstanding, and such other terms and
32 conditions as prescribed in the trust indenture,
33 resolution, or other instrument authorizing their
34 issuance.

35 b. Negotiable instruments under the laws of the
36 state and may be sold at prices, at public or private
37 sale, and in a manner, as prescribed by the treasurer
38 of state. Chapters 73A, 74, 74A, and 75 do not apply
39 to the sale or issuance of the bonds.

40 c. Subject to the terms, conditions, and covenants
41 providing for the payment of the principal, redemption
42 premiums, if any, interest, and other terms,

43 conditions, covenants, and protective provisions
44 safeguarding payment, not inconsistent with this
45 section and as determined by the trust indenture,
46 resolution, or other instrument authorizing their
47 issuance.
48 5. The bonds are securities in which public
49 officers and bodies of this state, political
50 subdivisions of this state, insurance companies and

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1 associations and other persons carrying on an
2 insurance business, banks, trust companies, savings
3 associations, savings and loan associations, and
4 investment companies; administrators, guardians,
5 executors, trustees, and other fiduciaries; and other
6 persons authorized to invest in bonds or other
7 obligations of the state may properly and legally
8 invest funds, including capital, in their control or
9 belonging to them.
10 6. Bonds must be authorized by a trust indenture,
11 resolution, or other instrument of the treasurer of
12 state.
13 7. Neither the resolution, trust indenture, nor
14 any other instrument by which a pledge is created
15 needs to be recorded or filed under the Iowa uniform
16 commercial code to be valid, binding, or effective.
17 8. Bonds issued under the provisions of this
18 section are declared to be issued for a general public
19 and governmental purpose and all bonds issued under
20 this section shall be exempt from taxation by the
21 state of Iowa and the interest on the bonds shall be
22 exempt from the state income tax and the state
23 inheritance and estate tax.
24 9. Subject to the terms of any bond documents,
25 moneys in the grow Iowa values fund may be expended
26 for administration expenses.
27 10. The treasurer of state may issue bonds for the
28 purpose of refunding any bonds issued pursuant to this
29 section then outstanding, including the payment of any
30 redemption premiums thereon and any interest accrued
31 or to accrue to the date of redemption of the
32 outstanding bonds. Until the proceeds of bonds issued
33 for the purpose of refunding outstanding bonds are
34 applied to the purchase or retirement of outstanding
35 bonds or the redemption of outstanding bonds, the
36 proceeds may be placed in escrow and be invested and
37 reinvested in accordance with the provisions of this
38 section. The interest, income, and profits earned or
39 realized on an investment may also be applied to the
40 payment of the outstanding bonds to be refunded by
41 purchase, retirement, or redemption. After the terms

42 of the escrow have been fully satisfied and carried
43 out, any balance of proceeds and interest earned or
44 realized on the investments may be returned to the
45 treasurer of state for deposit in the grow Iowa values
46 fund established in section 15G.108. All refunding
47 bonds shall be issued and secured and subject to the
48 provisions of this chapter in the same manner and to
49 the same extent as other bonds issued pursuant to this
50 section.

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1 11. The treasurer of state shall have all of the
2 powers which are necessary to issue and secure bonds,
3 including but not limited to the power to procure
4 insurance, other credit enhancements, and other
5 financing arrangements, and to execute instruments and
6 contracts and to enter into agreements convenient or
7 necessary to facilitate financing arrangements with
8 respect to the bonds and to carry out the purposes of
9 the fund, including but not limited to such
10 arrangements, instruments, contracts, and agreements
11 as municipal bond insurance, self-insurance or
12 liquidity trusts, accounts, pools or other
13 arrangements, liquidity facilities or covenants,
14 letters of credit, and interest rate agreements.

15 12. For purposes of this section and sections
16 12.92 through 12.95, the term "bonds" means bonds,
17 notes, and other obligations and financing
18 arrangements issued or entered into by the treasurer
19 of state and the term "interest rate agreement" means
20 an interest rate swap or exchange agreement, an
21 agreement establishing an interest rate floor or
22 ceiling or both, or any similar agreement. Any such
23 agreement may include the option to enter into or
24 cancel the agreement or to reverse or extend the
25 agreement.

26 Sec. ____. NEW SECTION. 12.92 GROW IOWA VALUES
27 FUND ACCOUNTS AND RESERVE FUNDS.

28 1. The treasurer of state shall establish such
29 accounts within the grow Iowa values fund created in
30 section 15G.108 as may be appropriate, including debt
31 service accounts for the purpose of paying the
32 principal of, redemption premium, if any, and interest
33 on bonds payable therefrom. Moneys in the debt
34 service accounts shall not be subject to appropriation
35 for any other purpose by the general assembly, but
36 shall be used only for the purposes of paying the
37 principal of, redemption premium, if any, and interest
38 on the bonds payable therefrom.

39 2. Revenue for the grow Iowa values fund shall
40 include, but is not limited to, the following, which

41 shall be deposited with the treasurer of state or its
42 designee as provided by any bond or security documents
43 and credited to the debt service account:
44 a. The proceeds of bonds issued to capitalize and
45 pay the costs of the fund and investment earnings on
46 the proceeds.
47 b. Interest attributable to investment of moneys
48 in the fund or an account of the fund.
49 c. Moneys in the form of a devise, gift, bequest,
50 donation, federal or other grant, reimbursement,

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1 repayment, judgment, transfer, payment, or
2 appropriation from any source intended to be used for
3 the purposes of the fund or account.
4 3. a. The treasurer of state may create and
5 establish one or more special funds, to be known as
6 "bond reserve funds", to secure one or more issues of
7 bonds issued pursuant to section 12.91. The treasurer
8 of state shall pay into each bond reserve fund any
9 moneys appropriated and made available by the state or
10 treasurer of state for the purpose of the fund, any
11 proceeds of sale of bonds to the extent provided in
12 the resolutions or trust indentures authorizing their
13 issuance, and any other moneys which may be available
14 to the treasurer of state for the purpose of the fund
15 from any other sources. All moneys held in a bond
16 reserve fund, except as otherwise provided in this
17 chapter, shall be used as required solely for the
18 payment of the principal of bonds secured in whole or
19 in part by the fund or of the sinking fund payments
20 with respect to the bonds, the purchase or redemption
21 of the bonds, the payment of interest on the bonds, or
22 the payments of any redemption premium required to be
23 paid when the bonds are redeemed prior to maturity.
24 b. Moneys in a bond reserve fund shall not be
25 withdrawn from it at any time in an amount that will
26 reduce the amount of the fund to less than the bond
27 reserve fund requirement established for the fund, as
28 provided in this subsection, except for the purpose of
29 making, with respect to bonds secured in whole or in
30 part by the fund, payment when due of principal,
31 interest, redemption premiums, and the sinking fund
32 payments with respect to the bonds for the payment of
33 which other moneys of the treasurer of state are not
34 available.
35 Any income or interest earned by, or incremental
36 to, a bond reserve fund due to the investment of it
37 may be transferred by the treasurer of state to other
38 funds or accounts to the extent the transfer does not
39 reduce the amount of that bond reserve fund below the

40 bond reserve fund requirement for it.
41 c. The treasurer of state shall not at any time
42 issue bonds, secured in whole or in part by a bond
43 reserve fund, if, upon the issuance of the bonds, the
44 amount in the bond reserve fund will be less than the
45 bond reserve fund requirement for the fund, unless the
46 treasurer of state at the time of issuance of the
47 bonds deposits in the fund from the proceeds of the
48 bonds issued or from other sources an amount which,
49 together with the amount then in the fund, will not be
50 less than the bond reserve fund requirement for the

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1 fund. For the purposes of this subsection, the term
2 "bond reserve fund requirement" means, as of any
3 particular date of computation, an amount of money, as
4 provided in the resolutions or trust indentures
5 authorizing the bonds with respect to which the fund
6 is established.

7 d. To assure the continued solvency of any bonds
8 secured by the bond reserve fund, provision is made in
9 paragraph "a" for the accumulation in each bond
10 reserve fund of an amount equal to the bond reserve
11 requirement for the fund. In order to further assure
12 maintenance of the bond reserve funds, the treasurer
13 of state shall, on or before January 1 of each
14 calendar year, make and deliver to the governor the
15 treasurer of state's certificate stating the sum, if
16 any, required to restore each bond reserve fund to the
17 bond reserve fund requirement for that fund. Within
18 thirty days after the beginning of the session of the
19 general assembly next following the delivery of the
20 certificate, the governor shall submit to both houses
21 printed copies of a budget including the sum, if any,
22 required to restore each bond reserve fund to the bond
23 reserve fund requirement for that fund. Any sums
24 appropriated by the general assembly and paid to the
25 treasurer of state pursuant to this subsection shall
26 be deposited by the treasurer of state in the
27 applicable bond reserve fund.

28 Sec. ____. NEW SECTION. 12.93 PLEDGES.

29 1. It is the intention of the general assembly
30 that a pledge made in respect of bonds shall be valid
31 and binding from the time the pledge is made, that the
32 moneys or property so pledged and received after the
33 pledge by the treasurer of state shall immediately be
34 subject to the lien of the pledge without physical
35 delivery or further act, and that the lien of the
36 pledge shall be valid and binding as against all
37 parties having claims of any kind in tort, contract,
38 or otherwise against the treasurer of state whether or

39 not the parties have notice of the lien.
40 2. The moneys set aside in a fund or funds pledged
41 for any series or issue of bonds shall be held for the
42 sole benefit of the series or issue separate and apart
43 from moneys pledged for another series or issue of
44 bonds of the treasurer of state. Bonds may be issued
45 in series under one or more resolutions or trust
46 indentures and may be fully open-ended, thus providing
47 for the unlimited issuance of additional series, or
48 partially open-ended, limited as to additional series.
49 Sec.____. NEW SECTION. 12.94 LIMITATIONS.
50 Bonds issued pursuant to section 12.91 are not

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1 debts of the state, or of any political subdivision of
2 the state, and do not constitute a pledge of the faith
3 and credit of the state or a charge against the
4 general credit or general fund of the state. The
5 issuance of any bonds pursuant to section 12.91 by the
6 treasurer of state does not directly, indirectly, or
7 contingently obligate the state or a political
8 subdivision of the state to apply moneys, or to levy
9 or pledge any form of taxation whatever, to the
10 payment of the bonds. Bonds issued under section
11 12.91 are payable solely and only from the sources and
12 special fund and accounts provided in section 12.92.
13 Sec.____. NEW SECTION. 12.95 CONSTRUCTION.
14 Sections 12.91 through 12.94, being necessary for
15 the welfare of this state and its inhabitants, shall
16 be liberally construed to effect its purposes.
17 Sec.____. NEW SECTION. 15E.231 ECONOMIC
18 DEVELOPMENT REGIONS.
19 1. In order for an economic development region to
20 receive moneys from the grow Iowa values fund created
21 in section 15G.108, the organization of an economic
22 development region must be approved by the grow Iowa
23 values board established in section 15G.102. The
24 board shall approve an economic development region
25 that meets the following criteria:
26 a. The region consists of not less than three
27 contiguous counties. Upon the recommendation of the
28 director of the department of economic development,
29 this paragraph may be waived by the board.
30 b. The region establishes a single, focused
31 economic development effort, approved by the board,
32 that shall include the development of a regional
33 development plan and regional marketing strategies.
34 Regional marketing strategies must be focused on
35 marketing the region collectively.
36 2. An approved economic development region may
37 create an economic development region revolving fund

38 as provided in section 15E.232.
39 Sec.____. NEW SECTION. 15E.232 ECONOMIC
40 DEVELOPMENT REGION REVOLVING FUNDS – TAX CREDITS.
41 1. An economic development region approved
42 pursuant to section 15E.231 may create an economic
43 development region revolving fund.
44 2. An approved economic development region may
45 apply for financial assistance from the Iowa values
46 fund to assist with physical infrastructure needs
47 related to a specific business partner. In order to
48 receive financial assistance pursuant to this
49 subsection, the economic development region must
50 demonstrate all of the following:

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1 a. The ability to provide matching moneys on a one
2 to one basis.
3 b. The commitment of the specific business
4 partner.
5 c. That all other funding alternatives have been
6 exhausted.
7 3. An approved economic development region may
8 apply for financial assistance from the Iowa values
9 fund to assist an existing business located in the
10 economic development region impacted by business
11 consolidation actions. Business consolidation actions
12 include a substantial or total closure of an existing
13 business due to consolidating the existing business
14 out of state. In order to receive financial
15 assistance pursuant to this subsection, the economic
16 development region must demonstrate the ability to
17 provide matching moneys on a one-to-one basis.
18 4. An approved economic development region may
19 apply for financial assistance to implement economic
20 development initiatives unique to the region. In
21 order to receive financial assistance pursuant to this
22 subsection, the economic development region must
23 demonstrate the ability to provide matching moneys on
24 a one-to-one basis.
25 5. An approved economic development region may
26 apply for financial assistance to implement innovative
27 initiatives that do not qualify for assistance under
28 subsection 4.
29 5. The board may establish and administer a
30 regional economic development revenue sharing pilot
31 project for one or more regions. Not more than three
32 pilot projects shall be established. The department
33 of economic development shall provide technical
34 assistance to the regions participating in a pilot
35 project.
36 7. Financial assistance under subsections 2, 3, 4,

37 and 5 and section 15E.233 shall be limited to a total
38 of twenty million dollars.
39 Sec.____. NEW SECTION. 15E.233 ECONOMICALLY
40 ISOLATED AREAS.

41 1. An approved economic development region may
42 apply to the Iowa values board for approval to be
43 designated as an economically isolated area. In order
44 to be considered an economically isolated area, the
45 region must have at least one county that meets all of
46 the following criteria:

47 a. A majority of the land area of the county is
48 located at least forty miles away from a major
49 commercial area, as determined by the board. Major
50 commercial areas include all of the following:

Page 12

- 1 (1) Burlington.
- 2 (2) Carroll.
- 3 (3) Cedar Rapids.
- 4 (4) Clinton.
- 5 (5) Council Bluffs.
- 6 (6) Davenport.
- 7 (7) Des Moines.
- 8 (8) Dubuque.
- 9 (9) Fort Dodge.
- 10 (10) Iowa City.
- 11 (11) Marshalltown.
- 12 (12) Mason City.
- 13 (13) Ottumwa.
- 14 (14) Sioux City.
- 15 (15) Spencer.
- 16 (16) Storm Lake.
- 17 (17) Waterloo.

18 b. The county has at least one of the following:

19 (1) Per capita income that ranks in the lowest
20 twenty-five counties in the state based on the 2000
21 census.

22 (2) An annualized average weekly wage for
23 employees in private business that ranks in the lowest
24 twenty-five counties in the state in calendar year
25 2000.

26 2. An approved economically isolated area may
27 apply to the department of economic development for up
28 to seven hundred fifty thousand dollars over a five-
29 year period for purposes of economic-development-
30 related marketing assistance for the area. In order
31 to receive financial assistance pursuant to this
32 subsection, the economic development region must
33 demonstrate the ability to provide matching moneys on
34 a one-to-one basis.

35 Sec.____. Section 15G.108, Code Supplement 2003,

36 is amended to read as follows:

37 15G.108 GROW IOWA VALUES FUND.

38 A grow Iowa values fund is created and established
39 as a separate and distinct fund in the state treasury
40 under the control of the grow Iowa values board
41 consisting of moneys appropriated to the grow Iowa
42 values board. Moneys in the fund are not subject to
43 section 8.33. Notwithstanding section 12C.7, interest
44 or earnings on moneys in the fund shall be credited to
45 the fund. Moneys in the fund shall not be subject to
46 appropriation for any other purposes by the general
47 assembly other than as provided in this Act and 2003
48 Iowa Acts, First Extraordinary Session, chapter 2, but
49 shall be used only for the purposes of the grow Iowa
50 values fund. The treasurer of state shall act as

Page 13

1 custodian of the fund and disburse moneys contained in
2 the fund as directed by the grow Iowa values board,
3 including automatic disbursements of moneys received
4 pursuant to the terms of bond indentures and documents
5 and security provisions to trustees. The fund shall
6 be administered by the grow Iowa values board, which
7 shall make expenditures from the fund consistent with
8 this chapter and pertinent Acts of the general
9 assembly. Any financial assistance provided using
10 moneys from the fund may be provided over a period of
11 time of more than one year. Payments of interest,
12 repayments of moneys loaned pursuant to this chapter,
13 and recaptures of grants or loans shall be deposited
14 in the fund.

15 Sec.____. Section 15G.110, Code Supplement 2003,
16 is amended to read as follows:

17 15G.110 FUTURE CONSIDERATION.

18 Not later than February 1, 2007, the legislative
19 services agency shall prepare and deliver to the
20 secretary of the senate and the chief clerk of the
21 house of representatives identical bills that repeal
22 the provisions of this chapter, with the exception of
23 sections 15G.101, 15G.102, 15G.103, and 15G.108. It
24 is the intent of this section that the general
25 assembly shall bring the bill to a vote in either the
26 senate or the house of representatives expeditiously.
27 It is further the intent of this chapter that if the
28 bill is approved by the first house in which it is
29 considered, it shall expeditiously be brought to a
30 vote in the second house.

31 Sec.____. Section 99G.39, subsection 3, paragraph
32 a, Code Supplement 2003, is amended to read as
33 follows:

34 a. Notwithstanding subsection 1, if gaming

35 revenues under sections 99D.17 and 99F.11 are
36 insufficient in a fiscal year to meet the total amount
37 of such revenues directed to be deposited in the grow
38 Iowa values fund, the vision Iowa fund, and the school
39 infrastructure fund during the fiscal year pursuant to
40 section 8.57, subsection 5, paragraph "e", the
41 difference shall be paid from lottery revenues prior
42 to deposit of the lottery revenues in the general
43 fund. If lottery revenues are insufficient during the
44 fiscal year to pay the difference, the remaining
45 difference shall be paid from lottery revenues in
46 subsequent fiscal years as such revenues become
47 available.
48 Sec. ____ Section 404A.4, subsection 4, Code
49 Supplement 2003, is amended to read as follows:
50 4. The total amount of tax credits that may be

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1 approved for a fiscal year under this chapter shall
2 not exceed two million four hundred thousand dollars.
3 For the fiscal years ~~beginning July 1, 2005, and year~~
4 ~~beginning July 1, 2004, an additional one million five~~
5 ~~hundred thousand dollars of tax credits may be~~
6 ~~approved for purposes of projects located in cultural~~
7 ~~and entertainment districts certified pursuant to~~
8 ~~section 303.3B. For the fiscal year beginning July 1,~~
9 ~~2005, an additional two million dollars of tax credits~~
10 ~~may be approved for purposes of projects located in~~
11 ~~cultural and entertainment districts certified~~
12 ~~pursuant to section 303.3B. For the fiscal year~~
13 ~~beginning July 1, 2006, an additional five hundred~~
14 ~~thousand dollars of tax credits may be approved each~~
15 ~~fiscal year for purposes of projects located in~~
16 ~~cultural and entertainment districts certified~~
17 ~~pursuant to section 303.3B. Any of the additional tax~~
18 ~~credits allocated for projects located in certified~~
19 ~~cultural and entertainment districts that are not~~
20 ~~approved during a fiscal year may be carried over to~~
21 ~~the succeeding fiscal year. Tax credit certificates~~
22 ~~shall be issued on the basis of the earliest awarding~~
23 ~~of certifications of completion as provided in~~
24 ~~subsection 1. The departments of economic development~~
25 ~~and revenue shall each adopt rules to jointly~~
26 ~~administer this subsection and shall provide by rule~~
27 ~~for the method to be used to determine for which~~
28 ~~fiscal year the tax credits are approved.~~
29 Sec. ____ 2003 Iowa Acts, First Extraordinary
30 Session, chapter 1, section 114, is amended to read as
31 follows:
32 SEC. 114. The divisions of this Act designated the
33 grow Iowa values board and fund, with the exception of

34 sections 15G.101, 15G.102, 15G.103, and 15G.108, Code
 35 Supplement 2003, the value-added agricultural products
 36 and processes financial assistance program, the endow
 37 Iowa grants, the technology transfer advisors, the
 38 Iowa economic development loan and credit guarantee
 39 fund, the economic development assistance and data
 40 collection, the cultural and entertainment districts,
 41 the workforce issues, and the university-based
 42 research utilization program, are repealed effective
 43 June 30, 2010.
 44 Sec. ____ 2003 Iowa Acts, First Extraordinary
 45 Session, chapter 2, section 75, subsection 1, is
 46 amended to read as follows:
 47 1. There is appropriated from the general fund of
 48 the state from moneys credited to the general fund of
 49 the state as a result of entering into the streamlined
 50 sales and use tax agreement, for the fiscal ~~period~~

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1 ~~year~~ beginning July 1, 2003, and ending June 30, ~~2010~~
 2 ~~2004~~, the following ~~amounts~~ amount to be used for the
 3 purpose designated:
 4 For deposit in the grow Iowa values fund created in
 5 section ~~15G.107, if enacted by 2003 Iowa Acts, House~~
 6 ~~File 692 or another Act~~ 15G.108:
 7 FY 2003-2004 \$ 5,000,000
 8 ~~FY 2004-2005~~ \$ 23,000,000
 9 ~~FY 2005-2006~~ \$ 75,000,000
 10 ~~FY 2006-2007~~ \$ 75,000,000
 11 ~~FY 2007-2008~~ \$ 75,000,000
 12 ~~FY 2008-2009~~ \$ 75,000,000
 13 ~~FY 2009-2010~~ \$ 75,000,000"

14 2. Page 39, by inserting after line 7 the
 15 following:
 16 "Sec. ____ REGULATORY EFFICIENCY COMMISSION.
 17 1. A regulatory efficiency commission is
 18 established for purposes of identifying unneeded
 19 regulations, fines, and fees that hinder business
 20 development. The commission shall also identify
 21 methods for streamlining access to regulatory
 22 information.
 23 2. The commission shall consist of seven voting
 24 members appointed by the governor and four ex officio
 25 members.
 26 a. The seven voting members appointed by the
 27 governor are subject to the requirements of sections
 28 69.16, 69.16A, and 69.19. The seven members shall
 29 consist of the following:
 30 (1) Two members shall be economic development
 31 representatives from two different chambers of
 32 commerce. One shall be from a metropolitan area with

33 more than fifty thousand people and one shall be from
34 a metropolitan area with fifty thousand people or
35 less.
36 (2) Two members representing agricultural
37 interests.
38 (3) One member representing the Iowa association
39 of business and industry.
40 (4) Two members representing commercial-based and
41 manufacturing-based businesses.
42 b. The four ex officio members shall be members of
43 the general assembly. Two members shall be from the
44 senate and two members shall be from the house of
45 representatives, with not more than one member from
46 each chamber being from the same political party. The
47 two senators shall be designated by the president of
48 the senate after consultation with the majority and
49 minority leaders of the senate. The two
50 representatives shall be designated by the speaker of

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1 the house of representatives after consultation with
2 the majority and minority leaders of the house of
3 representatives. Legislative members shall serve in
4 an ex officio, nonvoting capacity.
5 3. Meetings of the commission are subject to the
6 provisions of chapter 21.
7 4. By January 10, 2005, the commission shall
8 submit a written report to the governor and the
9 general assembly. The report shall include the
10 findings and legislative recommendations of the
11 commission. The report shall be distributed by the
12 secretary of the senate and the chief clerk of the
13 house of representatives to the chairpersons and
14 members of the administrative rules review committee
15 and the economic growth committees in the senate and
16 the house of representatives.
17 Sec. ____ PARTNERSHIP COMMISSION.
18 1. A partnership commission is established for
19 purposes of identifying unnecessary public mandates
20 for elimination and providing recommendations designed
21 to encourage city and county governments to share
22 services.
23 2. The commission shall consist of seven voting
24 members appointed by the governor and four ex officio
25 members.
26 a. The seven voting members appointed by the
27 governor are subject to the requirements of sections
28 69.16, 69.16A, and 69.19. The seven members shall
29 consist of representatives from various sized cities
30 and counties.
31 b. The four ex officio members shall be members of

32 the general assembly. Two members shall be from the
 33 senate and two members shall be from the house of
 34 representatives, with not more than one member from
 35 each chamber being from the same political party. The
 36 two senators shall be designated by the president of
 37 the senate after consultation with the majority and
 38 minority leaders of the senate. The two
 39 representatives shall be designated by the speaker of
 40 the house of representatives after consultation with
 41 the majority and minority leaders of the house of
 42 representatives. Legislative members shall serve in
 43 an ex officio, nonvoting capacity.

44 3. Meetings of the commission are subject to the
 45 provisions of chapter 21.

46 4. By January 10, 2005, the commission shall
 47 submit a written report to the governor and the
 48 general assembly. The report shall include the
 49 findings and legislative recommendations of the
 50 commission. The report shall be distributed by the

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1 secretary of the senate and the chief clerk of the
 2 house of representatives to the chairpersons and
 3 members of the administrative rules review committee
 4 and the state government committees in the senate and
 5 the house of representatives."

Roll call was requested by Petersen of Polk and Dandekar of Linn.

On the question "Shall amendment [H-8473](#) be adopted?" ([S.F. 2298](#))

The ayes were, 44:

Bell	Berry	Bukta	Cohoon
Connors	Dandekar	Davitt	Foege
Ford	Frevert	Gaskill	Greimann
Heddens	Hogg	Hunter	Jacoby
Jochum	Kuhn	Lensing	Lykam
Mascher	McCarthy	Mertz	Miller
Murphy	Oldson	Olson, D.	Osterhaus
Petersen	Quirk	Reasoner	Shomshor
Shoultz	Smith	Stevens	Swaim
Taylor, D.	Taylor, T.	Thomas	Wendt
Whitaker	Whitead	Winckler	Wise

The nays were, 55:

Alons	Arnold	Baudler	Boal
Boddicker	Boggess	Carroll	Chambers

De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Fallon
Freeman	Gipp	Granzow	Greiner
Hahn	Hanson	Heaton	Hoffman
Horbach	Huseman	Hutter	Jacobs
Jenkins	Jones	Klemme	Kramer
Kurtenbach	Lalk	Lukan	Maddox
Manternach	Olson, S.	Paulsen	Raecker
Rants, Spkr.	Rasmussen	Rayhons	Sands
Schickel	Struyk	Tjepkes	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wildurdyke	Roberts, Presiding	

Absent or not voting, 1:

Huser

Amendment [H-8473](#) lost.

Wendt of Woodbury offered the following amendment [H-8467](#) filed by him, Bell of Jasper, Berry of Black Hawk, Bukta of Clinton, Cohoon of Des Moines, Connors of Polk, Dandekar of Linn, Davitt of Warren, Foege of Linn, Ford of Polk, Frevert of Palo Alto, Gaskill of Wapello, Greimann of Story, Heddens of Story, Hogg of Linn, Hunter of Polk, Huser of Polk, Jacoby of Johnson, Jochum of Dubuque, Kuhn of Floyd, Lensing of Johnson, Lykam of Scott, Mascher of Johnson, McCarthy of Polk, Mertz of Kossuth, Miller of Webster, Murphy of Dubuque, Oldson of Polk, D. Olson of Boone, Osterhaus of Jackson, Petersen of Polk, Quirk of Chickasaw, Reasoner of Union, Shomshor of Pottawattamie, Shoultz of Black Hawk, Smith of Marshall, Stevens of Dickinson, Swaim of Davis, D. Taylor of Linn, T. Taylor of Linn, Thomas of Clayton, Whitaker of Van Buren, Whitead of Woodbury, Winckler of Scott and Wise of Lee, filed from the floor and moved its adoption:

[H-8467](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 51, by inserting after line 28 the
 4 following:
 5 "Sec. ____ . STUDENT ACHIEVEMENT AND TEACHER QUALITY
 6 PROGRAM. Notwithstanding section 257.8, subsection 1,
 7 it is the intent of the general assembly that the
 8 appropriation for the student achievement and teacher
 9 quality program established in section 284.1 for the

10 fiscal year beginning July 1, 2005, shall be increased
 11 by at least \$44 million over the amount appropriated
 12 for the program for the fiscal year beginning July 1,
 13 2004."
 14 2. By striking page 183, line 32, through page
 15 184, line 9, and inserting the following:
 16 "Sec. ___. Section 257.8, subsection 1, Code
 17 Supplement 2003, is amended to read as follows:
 18 1. STATE PERCENT OF GROWTH. ~~The state percent of~~
 19 ~~growth for the budget year beginning July 1, 2003, is~~
 20 ~~two percent.~~ The state percent of growth for the
 21 budget year beginning July 1, 2004, is two percent.
 22 The state percent of growth for the budget year
 23 beginning July 1, 2005, is four percent. The state
 24 percent of growth for each subsequent budget year
 25 shall be established by statute which shall be enacted
 26 within thirty days of the submission in the year
 27 preceding the base year of the governor's budget under
 28 section 8.21. The establishment of the state percent
 29 of growth for a budget year shall be the only subject
 30 matter of the bill which enacts the state percent of
 31 growth for a budget year."

Roll call was requested by Murphy of Dubuque and Mascher of Johnson.

On the question "Shall amendment [H-8467](#) be adopted?" ([S.F. 2298](#))

The ayes were, 45:

Bell	Berry	Bukta	Cphoon
Connors	Dandekar	Davitt	Fallon
Foege	Ford	Frevert	Gaskill
Greimann	Heddens	Hogg	Hunter
Jacoby	Jochum	Kuhn	Lensing
Lykam	Mascher	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, D.
Osterhaus	Petersen	Quirk	Reasoner
Shomshor	Shoultz	Smith	Stevens
Swaim	Taylor, D.	Taylor, T.	Thomas
Wendt	Whitaker	Whitead	Winckler
Wise			

The nays were, 54:

Alons	Arnold	Baudler	Boal
Boddicker	Bogges	Carroll	Chambers
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Freeman

Gipp	Granzow	Greiner	Hahn
Hanson	Heaton	Hoffman	Horbach
Huseman	Hutter	Jacobs	Jenkins
Jones	Klemme	Kramer	Kurtenbach
Lalk	Lukan	Maddox	Manternach
Olson, S.	Paulsen	Raecker	Rants, Spkr.
Rasmussen	Rayhons	Sands	Schickel
Struyk	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wildurdyke	Roberts, Presiding		

Absent or not voting, 1:

Huser

Amendment [H-8467](#) lost.

Hogg of Linn offered the following amendment [H-8469](#) filed by him, Bell of Jasper, Berry of Black Hawk, Bukta of Clinton, Cohoon of Des Moines, Connors of Polk, Dandekar of Linn, Davitt of Warren, Foege of Linn, Ford of Polk, Frevert of Palo Alto, Gaskill of Wapello, Greimann of Story, Heddens of Story, Hunter of Polk, Jacoby of Johnson, Jochum of Dubuque, Kuhn of Floyd, Lensing of Johnson, Lykam of Scott, Mascher of Johnson, Mertz of Kossuth, Miller of Webster, Murphy of Dubuque, Oldson of Polk, D. Olson of Boone, Osterhaus of Jackson, Quirk of Chickasaw, Reasoner of Union, Shomshor of Pottawattamie, Shoultz of Black Hawk, Smith of Marshall, Stevens of Dickinson, Swaim of Davis, D. Taylor of Linn, T. Taylor of Linn, Thomas of Clayton, Wendt of Woodbury, Whitaker of Van Buren, Whitead of Woodbury, Winckler of Scott and Wise of Lee, from the floor and moved its adoption:

[H-8469](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 51, by inserting after line 28 the
 4 following:
 5 "Sec. ___. EDUCATION FUNDING – APPROPRIATION.
 6 There is appropriated from the general fund of the
 7 state to the department of education for the fiscal
 8 year beginning July 1, 2004, and ending June 30, 2005,
 9 the following amount, or so much thereof as is
 10 necessary, to be used for the purpose designated:
 11 To supplement amounts appropriated pursuant to
 12 section 257.16 from the general fund of the state to
 13 pay the foundation aid and supplementary aid under

14 section 257.4, subsection 2:
 15 \$ 41,000,000
 16 The amount appropriated pursuant to this section
 17 shall be in addition to, and shall not replace, funds
 18 otherwise appropriated pursuant to section 257.16 for
 19 the fiscal year beginning July 1, 2004, and ending
 20 June 30, 2005, and shall be distributed on a per pupil
 21 basis to school districts based upon the district's
 22 budget enrollment."
 23 2. Page 205, by inserting after line 21 the
 24 following:
 25 "DIVISION ____
 26 GROW IOWA VALUES FUND FUNDING
 27 Sec. ____ GENERAL FUND APPROPRIATION. From the
 28 proceeds received from the sale of bonds issued
 29 pursuant to section 12.91, there is appropriated from
 30 the grow Iowa values fund to the general fund of the
 31 state for the fiscal period beginning July 1, 2004,
 32 and ending June 30, 2006, the following amount for
 33 deposit in the general fund:
 34 FY 2004-2005 \$ 39,900,000
 35 FY 2005-2006 \$ 39,900,000
 36 Sec. ____ GENERAL FUND TRANSFER. There is
 37 transferred from the grow Iowa values fund created in
 38 section 15G.108 to the general fund of the state for
 39 the fiscal year beginning July 1, 2004, and ending
 40 June 30, 2005, the following amount:
 41 From moneys anticipated to be received from the
 42 federal government for state and local government
 43 fiscal relief under the federal Jobs and Growth Tax
 44 Relief Reconciliation Act of 2003:
 45 \$ 41,000,000
 46 One hundred percent of the amount transferred
 47 pursuant to this section shall be added to the state
 48 general fund expenditure limitation for fiscal year
 49 2004-2005 under section 8.54.
 50 Sec. ____ Section 8.57, subsection 5, paragraph e,

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1 Code Supplement 2003, is amended to read as follows:
 2 e. Notwithstanding provisions to the contrary in
 3 sections 99D.17 and 99F.11, for the fiscal year
 4 beginning July 1, ~~2000~~ 2003, and ~~for each fiscal year~~
 5 ~~thereafter ending June 30, 2004~~, not more than a total
 6 of sixty million dollars shall be deposited in the
 7 general fund of the state in ~~any~~ the fiscal year
 8 pursuant to sections 99D.17 and 99F.11; for the fiscal
 9 period beginning July 1, 2004, and ending June 30,
 10 2030, not more than a total of thirty-nine million
 11 nine hundred thousand dollars of the moneys directed
 12 to be deposited in the general fund of the state in a

13 fiscal year pursuant to sections 99D.17 and 99F.11
14 shall be deposited in the grow Iowa values fund
15 created in section 15G.108 in any fiscal year, and not
16 more than a total of twenty million one hundred
17 thousand dollars shall be deposited in the general
18 fund in any fiscal year; and for the fiscal year
19 beginning July 1, 2030, and for each fiscal year
20 thereafter, not more than a total of sixty million
21 dollars shall be deposited in the general fund of the
22 state in any fiscal year pursuant to sections 99D.17
23 and 99F.11. The next fifteen million dollars of the
24 moneys directed to be deposited in the general fund of
25 the state in a fiscal year pursuant to sections 99D.17
26 and 99F.11 shall be deposited in the vision Iowa fund
27 created in section 12.72 for the fiscal year beginning
28 July 1, 2000, and for each fiscal year through the
29 fiscal year beginning July 1, 2019. The next five
30 million dollars of the moneys directed to be deposited
31 in the general fund of the state in a fiscal year
32 pursuant to sections 99D.17 and 99F.11 shall be
33 deposited in the school infrastructure fund created in
34 section 12.82 for the fiscal year beginning July 1,
35 2000, and for each fiscal year thereafter until the
36 principal and interest on all bonds issued by the
37 treasurer of state pursuant to section 12.81 are paid,
38 as determined by the treasurer of state. The total
39 moneys in excess of the moneys deposited in the
40 general fund of the state, the grow Iowa values fund,
41 the vision Iowa fund, and the school infrastructure
42 fund in a fiscal year shall be deposited in the
43 rebuild Iowa infrastructure fund and shall be used as
44 provided in this section, notwithstanding section
45 8.60.
46 If the total amount of moneys directed to be
47 deposited in the general fund of the state under
48 sections 99D.17 and 99F.11 in a fiscal year is less
49 than the total amount of moneys directed to be
50 deposited in the grow Iowa values fund, the vision

Page 3

1 Iowa fund, and the school infrastructure fund in the
2 fiscal year pursuant to this paragraph "e", the
3 difference shall be paid from lottery revenues in the
4 manner provided in section 99G.39, subsection 3.
5 Sec. ____ NEW SECTION. 12.91 GENERAL AND
6 SPECIFIC BONDING POWERS.
7 1. The treasurer of state may issue bonds for the
8 purpose of funding the grow Iowa values fund created
9 in section 15G.108. The treasurer of state shall have
10 all of the powers which are necessary to issue and
11 secure bonds and carry out the purposes of the fund.

12 The treasurer of state may issue bonds in principal
13 amounts which are necessary to provide sufficient
14 funds for the grow Iowa values fund, the payment of
15 interest on the bonds, the establishment of reserves
16 to secure the bonds, the costs of issuance of the
17 bonds, other expenditures of the treasurer of state
18 incident to and necessary or convenient to carry out
19 the bond issue for the fund, and all other
20 expenditures of the board necessary or convenient to
21 administer the fund. The bonds are investment
22 securities and negotiable instruments within the
23 meaning of and for purposes of the uniform commercial
24 code.

25 2. Bonds issued under this section are payable
26 solely and only out of the moneys, assets, or revenues
27 of the grow Iowa values fund and any bond reserve
28 funds established pursuant to section 12.92, all of
29 which may be deposited with trustees or depositories
30 in accordance with bond or security documents and
31 pledged to the payment thereof. Bonds issued under
32 this section shall contain on their face a statement
33 that the bonds do not constitute an indebtedness of
34 the state. The treasurer of state shall not pledge
35 the credit or taxing power of this state or any
36 political subdivision of the state or make bonds
37 issued pursuant to this section payable out of any
38 moneys except those in the grow Iowa values fund.

39 3. The proceeds of bonds issued by the treasurer
40 of state and not required for immediate disbursement
41 may be deposited with a trustee or depository as
42 provided in the bond documents and invested or
43 reinvested in any investment as directed by the
44 treasurer of state and specified in the trust
45 indenture, resolution, or other instrument pursuant to
46 which the bonds are issued without regard to any
47 limitation otherwise provided by law.

48 4. The bonds shall be:

49 a. In a form, issued in denominations, executed in
50 a manner, and payable over terms and with rights of

Page 4

1 redemption, and be subject to the terms, conditions,
2 and covenants providing for the payment of the
3 principal of, redemption premiums, if any, interest
4 which may be fixed or variable during any period the
5 bonds are outstanding, and such other terms and
6 conditions as prescribed in the trust indenture,
7 resolution, or other instrument authorizing their
8 issuance.

9 b. Negotiable instruments under the laws of the
10 state and may be sold at prices, at public or private

11 sale, and in a manner, as prescribed by the treasurer
12 of state. Chapters 73A, 74, 74A, and 75 do not apply
13 to the sale or issuance of the bonds.

14 c. Subject to the terms, conditions, and covenants
15 providing for the payment of the principal, redemption
16 premiums, if any, interest, and other terms,
17 conditions, covenants, and protective provisions
18 safeguarding payment, not inconsistent with this
19 section and as determined by the trust indenture,
20 resolution, or other instrument authorizing their
21 issuance.

22 5. The bonds are securities in which public
23 officers and bodies of this state, political
24 subdivisions of this state, insurance companies and
25 associations and other persons carrying on an
26 insurance business, banks, trust companies, savings
27 associations, savings and loan associations, and
28 investment companies; administrators, guardians,
29 executors, trustees, and other fiduciaries; and other
30 persons authorized to invest in bonds or other
31 obligations of the state may properly and legally
32 invest funds, including capital, in their control or
33 belonging to them.

34 6. Bonds must be authorized by a trust indenture,
35 resolution, or other instrument of the treasurer of
36 state.

37 7. Neither the resolution, trust indenture, nor
38 any other instrument by which a pledge is created
39 needs to be recorded or filed under the Iowa uniform
40 commercial code to be valid, binding, or effective.

41 8. Bonds issued under the provisions of this
42 section are declared to be issued for a general public
43 and governmental purpose and all bonds issued under
44 this section shall be exempt from taxation by the
45 state of Iowa and the interest on the bonds shall be
46 exempt from the state income tax and the state
47 inheritance and estate tax.

48 9. Subject to the terms of any bond documents,
49 moneys in the grow Iowa values fund may be expended
50 for administration expenses.

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1 10. The treasurer of state may issue bonds for the
2 purpose of refunding any bonds issued pursuant to this
3 section then outstanding, including the payment of any
4 redemption premiums thereon and any interest accrued
5 or to accrue to the date of redemption of the
6 outstanding bonds. Until the proceeds of bonds issued
7 for the purpose of refunding outstanding bonds are
8 applied to the purchase or retirement of outstanding
9 bonds or the redemption of outstanding bonds, the

10 proceeds may be placed in escrow and be invested and
11 reinvested in accordance with the provisions of this
12 section. The interest, income, and profits earned or
13 realized on an investment may also be applied to the
14 payment of the outstanding bonds to be refunded by
15 purchase, retirement, or redemption. After the terms
16 of the escrow have been fully satisfied and carried
17 out, any balance of proceeds and interest earned or
18 realized on the investments may be returned to the
19 treasurer of state for deposit in the grow Iowa values
20 fund established in section 15G.108. All refunding
21 bonds shall be issued and secured and subject to the
22 provisions of this chapter in the same manner and to
23 the same extent as other bonds issued pursuant to this
24 section.

25 11. The treasurer of state shall have all of the
26 powers which are necessary to issue and secure bonds,
27 including but not limited to the power to procure
28 insurance, other credit enhancements, and other
29 financing arrangements, and to execute instruments and
30 contracts and to enter into agreements convenient or
31 necessary to facilitate financing arrangements with
32 respect to the bonds and to carry out the purposes of
33 the fund, including but not limited to such
34 arrangements, instruments, contracts, and agreements
35 as municipal bond insurance, self-insurance or
36 liquidity trusts, accounts, pools or other
37 arrangements, liquidity facilities or covenants,
38 letters of credit, and interest rate agreements.

39 12. For purposes of this section and sections
40 12.92 through 12.95, the term "bonds" means bonds,
41 notes, and other obligations and financing
42 arrangements issued or entered into by the treasurer
43 of state and the term "interest rate agreement" means
44 an interest rate swap or exchange agreement, an
45 agreement establishing an interest rate floor or
46 ceiling or both, or any similar agreement. Any such
47 agreement may include the option to enter into or
48 cancel the agreement or to reverse or extend the
49 agreement.

50 Sec.____. NEW SECTION. 12.92 GROW IOWA VALUES

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1 FUND ACCOUNTS AND RESERVE FUNDS.

2 1. The treasurer of state shall establish such
3 accounts within the grow Iowa values fund created in
4 section 15G.108 as may be appropriate, including debt
5 service accounts for the purpose of paying the
6 principal of, redemption premium, if any, and interest
7 on bonds payable therefrom. Moneys in the debt
8 service accounts shall not be subject to appropriation

9 for any other purpose by the general assembly, but
10 shall be used only for the purposes of paying the
11 principal of, redemption premium, if any, and interest
12 on the bonds payable therefrom.

13 2. Revenue for the grow Iowa values fund shall
14 include, but is not limited to, the following, which
15 shall be deposited with the treasurer of state or its
16 designee as provided by any bond or security documents
17 and credited to the debt service account:

18 a. The proceeds of bonds issued to capitalize and
19 pay the costs of the fund and investment earnings on
20 the proceeds.

21 b. Interest attributable to investment of moneys
22 in the fund or an account of the fund.

23 c. Moneys in the form of a devise, gift, bequest,
24 donation, federal or other grant, reimbursement,
25 repayment, judgment, transfer, payment, or
26 appropriation from any source intended to be used for
27 the purposes of the fund or account.

28 3. a. The treasurer of state may create and
29 establish one or more special funds, to be known as
30 "bond reserve funds", to secure one or more issues of
31 bonds issued pursuant to section 12.91. The treasurer
32 of state shall pay into each bond reserve fund any
33 moneys appropriated and made available by the state or
34 treasurer of state for the purpose of the fund, any
35 proceeds of sale of bonds to the extent provided in
36 the resolutions or trust indentures authorizing their
37 issuance, and any other moneys which may be available
38 to the treasurer of state for the purpose of the fund
39 from any other sources. All moneys held in a bond
40 reserve fund, except as otherwise provided in this
41 chapter, shall be used as required solely for the
42 payment of the principal of bonds secured in whole or
43 in part by the fund or of the sinking fund payments
44 with respect to the bonds, the purchase or redemption
45 of the bonds, the payment of interest on the bonds, or
46 the payments of any redemption premium required to be
47 paid when the bonds are redeemed prior to maturity.

48 b. Moneys in a bond reserve fund shall not be
49 withdrawn from it at any time in an amount that will
50 reduce the amount of the fund to less than the bond

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1 reserve fund requirement established for the fund, as
2 provided in this subsection, except for the purpose of
3 making, with respect to bonds secured in whole or in
4 part by the fund, payment when due of principal,
5 interest, redemption premiums, and the sinking fund
6 payments with respect to the bonds for the payment of
7 which other moneys of the treasurer of state are not

8 available.

9 Any income or interest earned by, or incremental
10 to, a bond reserve fund due to the investment of it
11 may be transferred by the treasurer of state to other
12 funds or accounts to the extent the transfer does not
13 reduce the amount of that bond reserve fund below the
14 bond reserve fund requirement for it.

15 c. The treasurer of state shall not at any time
16 issue bonds, secured in whole or in part by a bond
17 reserve fund, if, upon the issuance of the bonds, the
18 amount in the bond reserve fund will be less than the
19 bond reserve fund requirement for the fund, unless the
20 treasurer of state at the time of issuance of the
21 bonds deposits in the fund from the proceeds of the
22 bonds issued or from other sources an amount which,
23 together with the amount then in the fund, will not be
24 less than the bond reserve fund requirement for the
25 fund. For the purposes of this subsection, the term
26 "bond reserve fund requirement" means, as of any
27 particular date of computation, an amount of money, as
28 provided in the resolutions or trust indentures
29 authorizing the bonds with respect to which the fund
30 is established.

31 d. To assure the continued solvency of any bonds
32 secured by the bond reserve fund, provision is made in
33 paragraph "a" for the accumulation in each bond
34 reserve fund of an amount equal to the bond reserve
35 requirement for the fund. In order to further assure
36 maintenance of the bond reserve funds, the treasurer
37 of state shall, on or before January 1 of each
38 calendar year, make and deliver to the governor the
39 treasurer of state's certificate stating the sum, if
40 any, required to restore each bond reserve fund to the
41 bond reserve fund requirement for that fund. Within
42 thirty days after the beginning of the session of the
43 general assembly next following the delivery of the
44 certificate, the governor shall submit to both houses
45 printed copies of a budget including the sum, if any,
46 required to restore each bond reserve fund to the bond
47 reserve fund requirement for that fund. Any sums
48 appropriated by the general assembly and paid to the
49 treasurer of state pursuant to this subsection shall
50 be deposited by the treasurer of state in the

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1 applicable bond reserve fund.

2 Sec. ____ NEW SECTION. 12.93 PLEDGES.

3 1. It is the intention of the general assembly
4 that a pledge made in respect of bonds shall be valid
5 and binding from the time the pledge is made, that the
6 moneys or property so pledged and received after the

7 pledge by the treasurer of state shall immediately be
8 subject to the lien of the pledge without physical
9 delivery or further act, and that the lien of the
10 pledge shall be valid and binding as against all
11 parties having claims of any kind in tort, contract,
12 or otherwise against the treasurer of state whether or
13 not the parties have notice of the lien.

14 2. The moneys set aside in a fund or funds pledged
15 for any series or issue of bonds shall be held for the
16 sole benefit of the series or issue separate and apart
17 from moneys pledged for another series or issue of
18 bonds of the treasurer of state. Bonds may be issued
19 in series under one or more resolutions or trust
20 indentures and may be fully open-ended, thus providing
21 for the unlimited issuance of additional series, or
22 partially open-ended, limited as to additional series.

23 Sec.____. NEW SECTION. 12.94 LIMITATIONS.

24 Bonds issued pursuant to section 12.91 are not
25 debts of the state, or of any political subdivision of
26 the state, and do not constitute a pledge of the faith
27 and credit of the state or a charge against the
28 general credit or general fund of the state. The
29 issuance of any bonds pursuant to section 12.91 by the
30 treasurer of state does not directly, indirectly, or
31 contingently obligate the state or a political
32 subdivision of the state to apply moneys, or to levy
33 or pledge any form of taxation whatever, to the
34 payment of the bonds. Bonds issued under section
35 12.91 are payable solely and only from the sources and
36 special fund and accounts provided in section 12.92.

37 Sec.____. NEW SECTION. 12.95 CONSTRUCTION.

38 Sections 12.91 through 12.94, being necessary for
39 the welfare of this state and its inhabitants, shall
40 be liberally construed to effect its purposes.

41 Sec.____. Section 15G.108, Code Supplement 2003,
42 is amended to read as follows:

43 15G.108 GROW IOWA VALUES FUND.

44 A grow Iowa values fund is created and established
45 as a separate and distinct fund in the state treasury
46 under the control of the grow Iowa values board
47 consisting of moneys appropriated to the grow Iowa
48 values board. Moneys in the fund are not subject to
49 section 8.33. Notwithstanding section 12C.7, interest
50 or earnings on moneys in the fund shall be credited to

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1 the fund. Moneys in the fund shall not be subject to
2 appropriation for any other purposes by the general
3 assembly other than as provided in this Act and 2003
4 Iowa Acts, First Extraordinary Session, chapter 2, but
5 shall be used only for the purposes of the grow Iowa

6 values fund. The treasurer of state shall act as
7 custodian of the fund and disburse moneys contained in
8 the fund as directed by the grow Iowa values board,
9 including automatic disbursements of moneys received
10 pursuant to the terms of bond indentures and documents
11 and security provisions to trustees. The fund shall
12 be administered by the grow Iowa values board, which
13 shall make expenditures from the fund consistent with
14 this chapter and pertinent Acts of the general
15 assembly. Any financial assistance provided using
16 moneys from the fund may be provided over a period of
17 time of more than one year. Payments of interest,
18 repayments of moneys loaned pursuant to this chapter,
19 and recaptures of grants or loans shall be deposited
20 in the fund.

21 Sec.____. Section 15G.110, Code Supplement 2003,
22 is amended to read as follows:

23 15G.110 FUTURE CONSIDERATION.

24 Not later than February 1, 2007, the legislative
25 services agency shall prepare and deliver to the
26 secretary of the senate and the chief clerk of the
27 house of representatives identical bills that repeal
28 the provisions of this chapter, with the exception of
29 sections 15G.101, 15G.102, 15G.103, and 15G.108. It
30 is the intent of this section that the general
31 assembly shall bring the bill to a vote in either the
32 senate or the house of representatives expeditiously.
33 It is further the intent of this chapter that if the
34 bill is approved by the first house in which it is
35 considered, it shall expeditiously be brought to a
36 vote in the second house.

37 Sec.____. Section 99G.39, subsection 3, paragraph
38 a, Code Supplement 2003, is amended to read as
39 follows:

40 a. Notwithstanding subsection 1, if gaming
41 revenues under sections 99D.17 and 99F.11 are
42 insufficient in a fiscal year to meet the total amount
43 of such revenues directed to be deposited in the grow
44 Iowa values fund, the vision Iowa fund, and the school
45 infrastructure fund during the fiscal year pursuant to
46 section 8.57, subsection 5, paragraph "e", the
47 difference shall be paid from lottery revenues prior
48 to deposit of the lottery revenues in the general
49 fund. If lottery revenues are insufficient during the
50 fiscal year to pay the difference, the remaining

Page 10

1 difference shall be paid from lottery revenues in
2 subsequent fiscal years as such revenues become
3 available.

4 Sec.____. 2003 Iowa Acts, First Extraordinary

5 Session, chapter 1, section 114, is amended to read as
 6 follows:
 7 SEC. 114. The divisions of this Act designated the
 8 grow Iowa values board and fund, with the exception of
 9 sections 15G.101, 15G.102, 15G.103, and 15G.108, Code
 10 Supplement 2003, the value-added agricultural products
 11 and processes financial assistance program, the endow
 12 Iowa grants, the technology transfer advisors, the
 13 Iowa economic development loan and credit guarantee
 14 fund, the economic development assistance and data
 15 collection, the cultural and entertainment districts,
 16 the workforce issues, and the university-based
 17 research utilization program, are repealed effective
 18 June 30, 2010.

19 Sec. ____ 2003 Iowa Acts, First Extraordinary
 20 Session, chapter 2, section 75, subsection 1, is
 21 amended to read as follows:

22 1. There is appropriated from the general fund of
 23 the state from moneys credited to the general fund of
 24 the state as a result of entering into the streamlined
 25 sales and use tax agreement, for the fiscal period
 26 year beginning July 1, 2003, and ending June 30, 2010
 27 2004, the following amounts amount to be used for the
 28 purpose designated:

29 For deposit in the grow Iowa values fund created in
 30 section 15G.107, if enacted by 2003 Iowa Acts, House
 31 File 692 or another Act 15G.108:

32 FY 2003-2004	\$ 5,000,000
33 FY 2004-2005	\$ 23,000,000
34 FY 2005-2006	\$ 75,000,000
35 FY 2006-2007	\$ 75,000,000
36 FY 2007-2008	\$ 75,000,000
37 FY 2008-2009	\$ 75,000,000
38 FY 2009-2010	\$ 75,000,000"

39 3. By renumbering as necessary.

Speaker Rants in the chair at 6:09 p.m.

Roll call was requested by Murphy of Dubuque and Mascher of Johnson.

On the question "Shall amendment [H-8469](#) be adopted?" ([S.F. 2298](#))

The ayes were, 44:

Bell	Berry	Bukta	Cohoon
Connors	Dandekar	Davitt	Foege
Ford	Frevert	Gaskill	Greimann
Heddens	Hogg	Hunter	Jacoby

Jochum	Kuhn	Lensing	Lykam
Mascher	McCarthy	Mertz	Miller
Murphy	Oldson	Olson, D.	Osterhaus
Petersen	Quirk	Raecker	Reasoner
Shoultz	Smith	Stevens	Swaim
Taylor, D.	Taylor, T.	Thomas	Wendt
Whitaker	Whitead	Winckler	Wise

The nays were, 54:

Alons	Arnold	Boal	Boddicker
Boggess	Carroll	Chambers	De Boef
Dennis	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Freeman
Gipp	Granzow	Greiner	Hahn
Hanson	Heaton	Hoffman	Horbach
Huseman	Hutter	Jacobs	Jenkins
Jones	Klemme	Kramer	Kurtenbach
Lalk	Lukan	Maddox	Manternach
Olson, S.	Paulsen	Rasmussen	Rayhons
Roberts	Sands	Schickel	Shomshor
Struyk	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wildurdyke	Mr. Speaker		
	Rants		

Absent or not voting, 2:

Baudler	Huser
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Amendment [H-8469](#) lost.

The House stood at ease at 6:20 p.m., until the fall of the gavel.

The House resumed session at 7:11 p.m., Speaker Rants in the chair.

QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed eighty-two members present, eighteen absent.

Mascher of Johnson offered amendment [H-8471](#) filed by her, Greimann of Story, Berry of Black Hawk, Lensing of Johnson, Heddens of Story, Foege of Linn and Jacoby of Johnson from the floor and requested division as follows:

H-8471

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:

H-8471 A

- 3 1. Page 53, by striking line 9 and inserting the
- 4 following:
- 5 "..... \$233,585,069"
- 6 2. Page 58, by striking line 10 and inserting the
- 7 following:
- 8 "..... \$183,936,657"
- 9 3. Page 59, by striking line 11 and inserting the
- 10 following:
- 11 "..... \$ 82,632,493"

H-8471 B

12 4. Page 205, by inserting after line 21 the
13 following:

14 "DIVISION
15 GROW IOWA VALUES FUND FUNDING
16 Sec. _____. GENERAL FUND APPROPRIATION. From the
17 proceeds received from the sale of bonds issued
18 pursuant to section 12.91, there is appropriated from
19 the grow Iowa values fund to the general fund of the
20 state for the fiscal period beginning July 1, 2004,
21 and ending June 30, 2006, the following amount for
22 deposit in the general fund:

23 FY 2004-2005	\$ 39,900,000
24 FY 2005-2006	\$ 39,900,000

25 Sec.____. GENERAL FUND TRANSFER. There is
26 transferred from the grow Iowa values fund created in
27 section 15G.108 to the general fund of the state for
28 the fiscal year beginning July 1, 2004, and ending
29 June 30, 2005, the following amount:

30 From moneys anticipated to be received from the
31 federal government for state and local government
32 fiscal relief under the federal Jobs and Growth Tax
33 Relief Reconciliation Act of 2003:

34	\$ 41,000,000
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35 One hundred percent of the amount transferred
36 pursuant to this section shall be added to the state
37 general fund expenditure limitation for fiscal year
38 2004-2005 under section 8.54.

39 Sec.____. Section 8.57, subsection 5, paragraph e,
40 Code Supplement 2003, is amended to read as follows:

41 e. Notwithstanding provisions to the contrary in
42 sections 99D.17 and 99F.11, for the fiscal year
43 beginning July 1, ~~2000 2003~~, and ~~for each fiscal year~~
44 ~~thereafter~~ ending June 30, 2004, not more than a total

45 of sixty million dollars shall be deposited in the
46 general fund of the state in ~~any~~ the fiscal year
47 pursuant to sections 99D.17 and 99F.11; for the fiscal
48 period beginning July 1, 2004, and ending June 30,
49 2030, not more than a total of thirty-nine million
50 nine hundred thousand dollars of the moneys directed

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1 to be deposited in the general fund of the state in a
2 fiscal year pursuant to sections 99D.17 and 99F.11
3 shall be deposited in the grow Iowa values fund
4 created in section 15G.108 in any fiscal year, and not
5 more than a total of twenty million one hundred
6 thousand dollars shall be deposited in the general
7 fund in any fiscal year; and for the fiscal year
8 beginning July 1, 2030, and for each fiscal year
9 thereafter, not more than a total of sixty million
10 dollars shall be deposited in the general fund of the
11 state in any fiscal year pursuant to sections 99D.17
12 and 99F.11. The next fifteen million dollars of the
13 moneys directed to be deposited in the general fund of
14 the state in a fiscal year pursuant to sections 99D.17
15 and 99F.11 shall be deposited in the vision Iowa fund
16 created in section 12.72 for the fiscal year beginning
17 July 1, 2000, and for each fiscal year through the
18 fiscal year beginning July 1, 2019. The next five
19 million dollars of the moneys directed to be deposited
20 in the general fund of the state in a fiscal year
21 pursuant to sections 99D.17 and 99F.11 shall be
22 deposited in the school infrastructure fund created in
23 section 12.82 for the fiscal year beginning July 1,
24 2000, and for each fiscal year thereafter until the
25 principal and interest on all bonds issued by the
26 treasurer of state pursuant to section 12.81 are paid,
27 as determined by the treasurer of state. The total
28 moneys in excess of the moneys deposited in the
29 general fund of the state, the grow Iowa values fund,
30 the vision Iowa fund, and the school infrastructure
31 fund in a fiscal year shall be deposited in the
32 rebuild Iowa infrastructure fund and shall be used as
33 provided in this section, notwithstanding section
34 8.60.
35 If the total amount of moneys directed to be
36 deposited in the general fund of the state under
37 sections 99D.17 and 99F.11 in a fiscal year is less
38 than the total amount of moneys directed to be
39 deposited in the grow Iowa values fund, the vision
40 Iowa fund, and the school infrastructure fund in the
41 fiscal year pursuant to this paragraph "e", the
42 difference shall be paid from lottery revenues in the
43 manner provided in section 99G.39, subsection 3.

44 Sec. ____ NEW SECTION. 12.91 GENERAL AND
45 SPECIFIC BONDING POWERS.

46 1. The treasurer of state may issue bonds for the
47 purpose of funding the grow Iowa values fund created
48 in section 15G.108. The treasurer of state shall have
49 all of the powers which are necessary to issue and
50 secure bonds and carry out the purposes of the fund.

Page 3

1 The treasurer of state may issue bonds in principal
2 amounts which are necessary to provide sufficient
3 funds for the grow Iowa values fund, the payment of
4 interest on the bonds, the establishment of reserves
5 to secure the bonds, the costs of issuance of the
6 bonds, other expenditures of the treasurer of state
7 incident to and necessary or convenient to carry out
8 the bond issue for the fund, and all other
9 expenditures of the board necessary or convenient to
10 administer the fund. The bonds are investment
11 securities and negotiable instruments within the
12 meaning of and for purposes of the uniform commercial
13 code.

14 2. Bonds issued under this section are payable
15 solely and only out of the moneys, assets, or revenues
16 of the grow Iowa values fund and any bond reserve
17 funds established pursuant to section 12.92, all of
18 which may be deposited with trustees or depositories
19 in accordance with bond or security documents and
20 pledged to the payment thereof. Bonds issued under
21 this section shall contain on their face a statement
22 that the bonds do not constitute an indebtedness of
23 the state. The treasurer of state shall not pledge
24 the credit or taxing power of this state or any
25 political subdivision of the state or make bonds
26 issued pursuant to this section payable out of any
27 moneys except those in the grow Iowa values fund.

28 3. The proceeds of bonds issued by the treasurer
29 of state and not required for immediate disbursement
30 may be deposited with a trustee or depository as
31 provided in the bond documents and invested or
32 reinvested in any investment as directed by the
33 treasurer of state and specified in the trust
34 indenture, resolution, or other instrument pursuant to
35 which the bonds are issued without regard to any
36 limitation otherwise provided by law.

37 4. The bonds shall be:

38 a. In a form, issued in denominations, executed in
39 a manner, and payable over terms and with rights of
40 redemption, and be subject to the terms, conditions,
41 and covenants providing for the payment of the
42 principal of, redemption premiums, if any, interest

43 which may be fixed or variable during any period the
44 bonds are outstanding, and such other terms and
45 conditions as prescribed in the trust indenture,
46 resolution, or other instrument authorizing their
47 issuance.

48 b. Negotiable instruments under the laws of the
49 state and may be sold at prices, at public or private
50 sale, and in a manner, as prescribed by the treasurer

Page 4

1 of state. Chapters 73A, 74, 74A, and 75 do not apply
2 to the sale or issuance of the bonds.
3 c. Subject to the terms, conditions, and covenants
4 providing for the payment of the principal, redemption
5 premiums, if any, interest, and other terms,
6 conditions, covenants, and protective provisions
7 safeguarding payment, not inconsistent with this
8 section and as determined by the trust indenture,
9 resolution, or other instrument authorizing their
10 issuance.

11 5. The bonds are securities in which public
12 officers and bodies of this state, political
13 subdivisions of this state, insurance companies and
14 associations and other persons carrying on an
15 insurance business, banks, trust companies, savings
16 associations, savings and loan associations, and
17 investment companies; administrators, guardians,
18 executors, trustees, and other fiduciaries; and other
19 persons authorized to invest in bonds or other
20 obligations of the state may properly and legally
21 invest funds, including capital, in their control or
22 belonging to them.

23 6. Bonds must be authorized by a trust indenture,
24 resolution, or other instrument of the treasurer of
25 state.

26 7. Neither the resolution, trust indenture, nor
27 any other instrument by which a pledge is created
28 needs to be recorded or filed under the Iowa uniform
29 commercial code to be valid, binding, or effective.

30 8. Bonds issued under the provisions of this
31 section are declared to be issued for a general public
32 and governmental purpose and all bonds issued under
33 this section shall be exempt from taxation by the
34 state of Iowa and the interest on the bonds shall be
35 exempt from the state income tax and the state
36 inheritance and estate tax.

37 9. Subject to the terms of any bond documents,
38 moneys in the grow Iowa values fund may be expended
39 for administration expenses.

40 10. The treasurer of state may issue bonds for the
41 purpose of refunding any bonds issued pursuant to this

42 section then outstanding, including the payment of any
43 redemption premiums thereon and any interest accrued
44 or to accrue to the date of redemption of the
45 outstanding bonds. Until the proceeds of bonds issued
46 for the purpose of refunding outstanding bonds are
47 applied to the purchase or retirement of outstanding
48 bonds or the redemption of outstanding bonds, the
49 proceeds may be placed in escrow and be invested and
50 reinvested in accordance with the provisions of this

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1 section. The interest, income, and profits earned or
2 realized on an investment may also be applied to the
3 payment of the outstanding bonds to be refunded by
4 purchase, retirement, or redemption. After the terms
5 of the escrow have been fully satisfied and carried
6 out, any balance of proceeds and interest earned or
7 realized on the investments may be returned to the
8 treasurer of state for deposit in the grow Iowa values
9 fund established in section 15G.108. All refunding
10 bonds shall be issued and secured and subject to the
11 provisions of this chapter in the same manner and to
12 the same extent as other bonds issued pursuant to this
13 section.

14 11. The treasurer of state shall have all of the
15 powers which are necessary to issue and secure bonds,
16 including but not limited to the power to procure
17 insurance, other credit enhancements, and other
18 financing arrangements, and to execute instruments and
19 contracts and to enter into agreements convenient or
20 necessary to facilitate financing arrangements with
21 respect to the bonds and to carry out the purposes of
22 the fund, including but not limited to such
23 arrangements, instruments, contracts, and agreements
24 as municipal bond insurance, self-insurance or
25 liquidity trusts, accounts, pools or other
26 arrangements, liquidity facilities or covenants,
27 letters of credit, and interest rate agreements.

28 12. For purposes of this section and sections
29 12.92 through 12.95, the term "bonds" means bonds,
30 notes, and other obligations and financing
31 arrangements issued or entered into by the treasurer
32 of state and the term "interest rate agreement" means
33 an interest rate swap or exchange agreement, an
34 agreement establishing an interest rate floor or
35 ceiling or both, or any similar agreement. Any such
36 agreement may include the option to enter into or
37 cancel the agreement or to reverse or extend the
38 agreement.

39 Sec. ____ NEW SECTION. 12.92 GROW IOWA VALUES
40 FUND ACCOUNTS AND RESERVE FUNDS.

41 1. The treasurer of state shall establish such
42 accounts within the grow Iowa values fund created in
43 section 15G.108 as may be appropriate, including debt
44 service accounts for the purpose of paying the
45 principal of, redemption premium, if any, and interest
46 on bonds payable therefrom. Moneys in the debt
47 service accounts shall not be subject to appropriation
48 for any other purpose by the general assembly, but
49 shall be used only for the purposes of paying the
50 principal of, redemption premium, if any, and interest

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1 on the bonds payable therefrom.
2 2. Revenue for the grow Iowa values fund shall
3 include, but is not limited to, the following, which
4 shall be deposited with the treasurer of state or its
5 designee as provided by any bond or security documents
6 and credited to the debt service account:
7 a. The proceeds of bonds issued to capitalize and
8 pay the costs of the fund and investment earnings on
9 the proceeds.
10 b. Interest attributable to investment of moneys
11 in the fund or an account of the fund.
12 c. Moneys in the form of a devise, gift, bequest,
13 donation, federal or other grant, reimbursement,
14 repayment, judgment, transfer, payment, or
15 appropriation from any source intended to be used for
16 the purposes of the fund or account.
17 3. a. The treasurer of state may create and
18 establish one or more special funds, to be known as
19 "bond reserve funds", to secure one or more issues of
20 bonds issued pursuant to section 12.91. The treasurer
21 of state shall pay into each bond reserve fund any
22 moneys appropriated and made available by the state or
23 treasurer of state for the purpose of the fund, any
24 proceeds of sale of bonds to the extent provided in
25 the resolutions or trust indentures authorizing their
26 issuance, and any other moneys which may be available
27 to the treasurer of state for the purpose of the fund
28 from any other sources. All moneys held in a bond
29 reserve fund, except as otherwise provided in this
30 chapter, shall be used as required solely for the
31 payment of the principal of bonds secured in whole or
32 in part by the fund or of the sinking fund payments
33 with respect to the bonds, the purchase or redemption
34 of the bonds, the payment of interest on the bonds, or
35 the payments of any redemption premium required to be
36 paid when the bonds are redeemed prior to maturity.
37 b. Moneys in a bond reserve fund shall not be
38 withdrawn from it at any time in an amount that will
39 reduce the amount of the fund to less than the bond

40 reserve fund requirement established for the fund, as
41 provided in this subsection, except for the purpose of
42 making, with respect to bonds secured in whole or in
43 part by the fund, payment when due of principal,
44 interest, redemption premiums, and the sinking fund
45 payments with respect to the bonds for the payment of
46 which other moneys of the treasurer of state are not
47 available.

48 Any income or interest earned by, or incremental
49 to, a bond reserve fund due to the investment of it
50 may be transferred by the treasurer of state to other

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1 funds or accounts to the extent the transfer does not
2 reduce the amount of that bond reserve fund below the
3 bond reserve fund requirement for it.

4 c. The treasurer of state shall not at any time
5 issue bonds, secured in whole or in part by a bond
6 reserve fund, if, upon the issuance of the bonds, the
7 amount in the bond reserve fund will be less than the
8 bond reserve fund requirement for the fund, unless the
9 treasurer of state at the time of issuance of the
10 bonds deposits in the fund from the proceeds of the
11 bonds issued or from other sources an amount which,
12 together with the amount then in the fund, will not be
13 less than the bond reserve fund requirement for the
14 fund. For the purposes of this subsection, the term
15 "bond reserve fund requirement" means, as of any
16 particular date of computation, an amount of money, as
17 provided in the resolutions or trust indentures
18 authorizing the bonds with respect to which the fund
19 is established.

20 d. To assure the continued solvency of any bonds
21 secured by the bond reserve fund, provision is made in
22 paragraph "a" for the accumulation in each bond
23 reserve fund of an amount equal to the bond reserve
24 requirement for the fund. In order to further assure
25 maintenance of the bond reserve funds, the treasurer
26 of state shall, on or before January 1 of each
27 calendar year, make and deliver to the governor the
28 treasurer of state's certificate stating the sum, if
29 any, required to restore each bond reserve fund to the
30 bond reserve fund requirement for that fund. Within
31 thirty days after the beginning of the session of the
32 general assembly next following the delivery of the
33 certificate, the governor shall submit to both houses
34 printed copies of a budget including the sum, if any,
35 required to restore each bond reserve fund to the bond
36 reserve fund requirement for that fund. Any sums
37 appropriated by the general assembly and paid to the
38 treasurer of state pursuant to this subsection shall

39 be deposited by the treasurer of state in the
 40 applicable bond reserve fund.
 41 Sec.____. NEW SECTION. 12.93 PLEDGES.
 42 1. It is the intention of the general assembly
 43 that a pledge made in respect of bonds shall be valid
 44 and binding from the time the pledge is made, that the
 45 moneys or property so pledged and received after the
 46 pledge by the treasurer of state shall immediately be
 47 subject to the lien of the pledge without physical
 48 delivery or further act, and that the lien of the
 49 pledge shall be valid and binding as against all
 50 parties having claims of any kind in tort, contract,

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1 or otherwise against the treasurer of state whether or
 2 not the parties have notice of the lien.
 3 2. The moneys set aside in a fund or funds pledged
 4 for any series or issue of bonds shall be held for the
 5 sole benefit of the series or issue separate and apart
 6 from moneys pledged for another series or issue of
 7 bonds of the treasurer of state. Bonds may be issued
 8 in series under one or more resolutions or trust
 9 indentures and may be fully open-ended, thus providing
 10 for the unlimited issuance of additional series, or
 11 partially open-ended, limited as to additional series.
 12 Sec.____. NEW SECTION. 12.94 LIMITATIONS.
 13 Bonds issued pursuant to section 12.91 are not
 14 debts of the state, or of any political subdivision of
 15 the state, and do not constitute a pledge of the faith
 16 and credit of the state or a charge against the
 17 general credit or general fund of the state. The
 18 issuance of any bonds pursuant to section 12.91 by the
 19 treasurer of state does not directly, indirectly, or
 20 contingently obligate the state or a political
 21 subdivision of the state to apply moneys, or to levy
 22 or pledge any form of taxation whatever, to the
 23 payment of the bonds. Bonds issued under section
 24 12.91 are payable solely and only from the sources and
 25 special fund and accounts provided in section 12.92.
 26 Sec.____. NEW SECTION. 12.95 CONSTRUCTION.
 27 Sections 12.91 through 12.94, being necessary for
 28 the welfare of this state and its inhabitants, shall
 29 be liberally construed to effect its purposes.
 30 Sec.____. Section 15G.108, Code Supplement 2003,
 31 is amended to read as follows:
 32 15G.108 GROW IOWA VALUES FUND.
 33 A grow Iowa values fund is created and established
 34 as a separate and distinct fund in the state treasury
 35 ~~under the control of the grow Iowa values board~~
 36 ~~consisting of moneys appropriated to the grow Iowa~~
 37 ~~values board.~~ Moneys in the fund are not subject to

38 section 8.33. Notwithstanding section 12C.7, interest
39 or earnings on moneys in the fund shall be credited to
40 the fund. Moneys in the fund shall not be subject to
41 appropriation for any other purposes by the general
42 assembly other than as provided in this Act and 2003
43 Iowa Acts, First Extraordinary Session, chapter 2, but
44 shall be used only for the purposes of the grow Iowa
45 values fund. The treasurer of state shall act as
46 custodian of the fund and disburse moneys contained in
47 the fund as directed by the grow Iowa values board,
48 including automatic disbursements of moneys received
49 pursuant to the terms of bond indentures and documents
50 and security provisions to trustees. The fund shall

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1 be administered by the grow Iowa values board, which
2 shall make expenditures from the fund consistent with
3 this chapter and pertinent Acts of the general
4 assembly. Any financial assistance provided using
5 moneys from the fund may be provided over a period of
6 time of more than one year. Payments of interest,
7 repayments of moneys loaned pursuant to this chapter,
8 and recaptures of grants or loans shall be deposited
9 in the fund.

10 Sec.____. Section 15G.110, Code Supplement 2003,
11 is amended to read as follows:

12 15G.110 FUTURE CONSIDERATION.

13 Not later than February 1, 2007, the legislative
14 services agency shall prepare and deliver to the
15 secretary of the senate and the chief clerk of the
16 house of representatives identical bills that repeal
17 the provisions of this chapter, with the exception of
18 sections 15G.101, 15G.102, 15G.103, and 15G.108. It
19 is the intent of this section that the general
20 assembly shall bring the bill to a vote in either the
21 senate or the house of representatives expeditiously.
22 It is further the intent of this chapter that if the
23 bill is approved by the first house in which it is
24 considered, it shall expeditiously be brought to a
25 vote in the second house.

26 Sec.____. Section 99G.39, subsection 3, paragraph
27 a, Code Supplement 2003, is amended to read as
28 follows:

29 a. Notwithstanding subsection 1, if gaming
30 revenues under sections 99D.17 and 99F.11 are
31 insufficient in a fiscal year to meet the total amount
32 of such revenues directed to be deposited in the grow
33 Iowa values fund, the vision Iowa fund, and the school
34 infrastructure fund during the fiscal year pursuant to
35 section 8.57, subsection 5, paragraph "e", the
36 difference shall be paid from lottery revenues prior

37 to deposit of the lottery revenues in the general
 38 fund. If lottery revenues are insufficient during the
 39 fiscal year to pay the difference, the remaining
 40 difference shall be paid from lottery revenues in
 41 subsequent fiscal years as such revenues become
 42 available.

43 Sec. _____. 2003 Iowa Acts, First Extraordinary
 44 Session, chapter 1, section 114, is amended to read as
 45 follows:

46 SEC. 114. The divisions of this Act designated the
 47 grow Iowa values board and fund, with the exception of
 48 sections 15G.101, 15G.102, 15G.103, and 15G.108, Code
 49 Supplement 2003, the value-added agricultural products
 50 and processes financial assistance program, the endow

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1 Iowa grants, the technology transfer advisors, the
 2 Iowa economic development loan and credit guarantee
 3 fund, the economic development assistance and data
 4 collection, the cultural and entertainment districts,
 5 the workforce issues, and the university-based
 6 research utilization program, are repealed effective
 7 June 30, 2010.

8 Sec. _____. 2003 Iowa Acts, First Extraordinary
 9 Session, chapter 2, section 75, subsection 1, is
 10 amended to read as follows:

11 1. There is appropriated from the general fund of
 12 the state from moneys credited to the general fund of
 13 the state as a result of entering into the streamlined
 14 sales and use tax agreement, for the fiscal ~~period~~
 15 ~~year~~ beginning July 1, 2003, and ending June 30, ~~2010~~
 16 ~~2004~~, the following ~~amounts~~ amount to be used for the
 17 purpose designated:

18 For deposit in the grow Iowa values fund created in
 19 section ~~15G.107, if enacted by 2003 Iowa Acts, House~~
 20 ~~File 692 or another Act 15G.108:~~

21 FY 2003-2004\$	5,000,000
22 FY 2004-2005	\$ 23,000,000
23 FY 2005-2006	\$ 75,000,000
24 FY 2006-2007	\$ 75,000,000
25 FY 2007-2008	\$ 75,000,000
26 FY 2008-2009	\$ 75,000,000
27 FY 2009-2010	\$ 75,000,000"

28 5. By renumbering as necessary.

Struyk of Pottawattamie in the chair at 7:18 p.m.

Mascher of Johnson moved the adoption of amendment [H-8471A](#).

Amendment [H-8471A](#) lost.

Alons of Sioux offered the following amendment [H-8485](#) filed by him from the floor and moved its adoption:

[H-8485](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 55, line 7, by striking the words
- 4 "physically deformed, mentally deficient," and
- 5 inserting the following: "mentally deficient".

A non-record roll call was requested.

The ayes were 49, nays 27.

Amendment [H-8485](#) was adopted.

Alons of Sioux asked and received unanimous consent to withdraw amendment [H-8373](#) filed by Alons, et al., on April 5, 2004.

Dolecheck of Ringgold offered the following amendment [H-8427](#) filed by Dolecheck, et al., and moved its adoption:

[H-8427](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 59, by striking line 29 and inserting the
- 4 following:
- 5 " \$ 8,468,249"
- 6 2. Page 59, by striking line 35 and inserting the
- 7 following:
- 8 " \$ 4,737,675"

Amendment [H-8427](#) was adopted.

Alons of Sioux asked and received unanimous consent to withdraw amendment [H-8458](#) filed by him and De Boef of Keokuk from the floor.

Osterhaus of Jackson offered the following amendment [H-8393](#) filed by him and Heaton of Henry and moved its adoption:

[H-8393](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 71, line 34, by striking the figure
- 4 "152.05" and inserting the following: "158.05".
- 5 2. Page 74, by inserting after line 15 the
- 6 following:
- 7 "i. For the fiscal year beginning July 1, 2004,
- 8 and ending June 30, 2005, the board of pharmacy
- 9 examiners may retain and expend 90 percent of the
- 10 revenues generated from any increase after July 1,
- 11 2004, in licensing fees pursuant to sections 124.301
- 12 and 147.80, and chapter 155A, for purposes related to
- 13 the state board's duties, including but not limited to
- 14 the addition of full-time equivalent positions. Fees
- 15 retained by the board pursuant to this lettered
- 16 paragraph are appropriated to the board of pharmacy
- 17 examiners for the purposes described in this lettered
- 18 paragraph."
- 19 3. By renumbering as necessary.

Amendment [H-8393](#) was adopted.

Heaton of Henry offered the following amendment [H-8374](#) filed by him and moved its adoption:

[H-8374](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 72, by striking lines 4 and 5 and
- 4 inserting the following: "committee expense. Before
- 5 the department expends or".

Amendment [H-8374](#) was adopted.

Heaton of Henry asked and received unanimous consent that amendment [H-8455](#) be deferred.

Kurtenbach of Story offered the following amendment [H-8390](#) filed by Kurtenbach, et al., and moved its adoption:

[H-8390](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 96, line 26, by striking the word "The"
- 4 and inserting the following: "a. The".

- 5 2. Page 96, by inserting after line 35, the
6 following:
7 "b. Of the funds appropriated in this section,
8 \$100,000 shall be used for participation in one or
9 more pilot projects operated by a private provider to
10 allow the individual or individuals to receive service
11 in the community in accordance with principles
12 established in the *Olmstead v. L.C.* 527 U.S. 581
13 (1999) for the purpose of providing medical assistance
14 or other assistance to individuals with special needs
15 who become ineligible to continue receiving services
16 under the early and periodic screening, diagnosis, and
17 treatment program under the medical assistance program
18 due to becoming twenty-one years of age, who have been
19 approved for additional assistance through the
20 department's exception to policy provisions, but who
21 have health care needs in excess of the funding
22 available through the exception to the policy
23 provisions."
24 3. By renumbering as necessary.

Amendment [H-8390](#) was adopted.

Heaton of Henry offered the following amendment [H-8456](#) filed by him and Huseman of Cherokee from the floor and moved its adoption:

[H-8456](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 121, by striking lines 11 and 12 and
4 inserting the following: "support, maintenance, and
5 miscellaneous purposes:"
6 2. Page 121, by striking line 14.

Amendment [H-8456](#) was adopted.

Heaton of Henry offered the following amendment [H-8460](#) filed by him from the floor and moved its adoption:

[H-8460](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 127, line 20, by inserting after the word
4 "rate." the following: "Notwithstanding section
5 232.141, subsection 8, for the fiscal year beginning
6 July 1, 2004, the amount of the statewide average of
7 the actual and allowable rates for reimbursement of

8 juvenile shelter care homes that is utilized for the
9 limitation on recovery of unpaid costs shall remain at
10 the same amount in effect for this purpose in the
11 preceding fiscal year."

Amendment [H-8460](#) was adopted.

Huser of Polk asked and received unanimous consent to withdraw amendment [H-8387](#) filed by her and Kurtenbach of Story.

Huser of Polk offered the following amendment [H-8488](#) filed by her, Kurtenbach of Story and Heaton of Henry from the floor and moved its adoption:

[H-8488](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 128, by inserting after line 4, the
4 following:
5 "Sec. ____ ADOPTION SUBSIDY PROGRAM.
6 1. a. It is the intent of the general assembly
7 that the department of human services maximize receipt
8 of the federal funding available for the adoption
9 subsidy program. The department may renegotiate
10 existing adoption agreements solely for the purpose of
11 maximizing federal funding. However, any revision of
12 the existing adoption monthly maintenance payment
13 agreement shall not result in the reduction of
14 benefits to these adoptive families.
15 b. The limitation on attorney fees under the
16 program shall be \$500 per recipient.
17 c. The department of human services shall attempt
18 to develop a method to obtain federal matching funds
19 for adoption subsidy program recipients' out-of-pocket
20 payments to attorneys for the portion of attorney fees
21 that exceed the limitation on attorney fees under the
22 program.
23 d. The department of human services shall attempt
24 to obtain federal matching funds for adoption subsidy
25 program recipients' out-of-pocket payments for child
26 care fees that exceed the applicable reimbursement
27 rate established under the child care assistance
28 program.
29 e. If cost-effective and in compliance with
30 federal law and regulation, the department of human
31 services may implement a sliding benefit scale based
32 upon income, for all or a portion of the adoption

33 presubsidy or preadoptive subsidy agreements entered
34 into on or after July 1, 2004.

35 2. It is the intent of the general assembly that
36 beginning July 1, 2004, adoption subsidy agreements
37 entered into on or after that date shall be
38 administered uniformly throughout the state.

39 3. a. Beginning July 1, 2004, the child care
40 subsidy payments for individuals who enter into
41 presubsidy or preadoptive subsidy agreements shall be
42 governed by the provisions of the department of human
43 services' child care assistance programs.

44 b. (1) Individuals who entered into presubsidy or
45 preadoptive subsidy agreements on or before June 30,
46 2004, shall continue to receive a child care subsidy,
47 notwithstanding any income guidelines specified under
48 the child care assistance program, and shall not be
49 required to meet the specifications of a specialized
50 program as specified in the administrative rules, but

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1 beginning July 1, 2004, the child care subsidy rate
2 shall be governed by the rate ceilings under the
3 department of human services' child care assistance
4 program.

5 (2) The department shall notify these individuals
6 within thirty days of the effective date of this
7 section of this Act of the potential change in the
8 determination of the child care subsidy rate described
9 under this subsection, and the process for requesting
10 an exception to policy.

11 (3) If an individual requests an exception to
12 policy and the exception is approved, the individual
13 shall continue to receive the child care subsidy rate
14 in effect for the individual prior to July 1, 2004,
15 and shall be reimbursed the difference between the
16 prior rate and the new rate for the period of time
17 that the new rate was applied.

18 4. It is the intent of the general assembly that
19 any rules relating to the adoption subsidy program for
20 which the effective date of the rules is delayed
21 pursuant to section 17A.8, subsection 9, shall take
22 effect unless legislation enacted by the general
23 assembly conflicts with such rules.

24 5. The legislative council is requested to
25 establish an interim study committee to review the
26 adoption subsidy program, which includes a review of
27 current practices regarding the determination of
28 subsidy levels, disparities in subsidy levels among
29 regions of the state, program cost and benefits, the
30 fiscal and programmatic impact of projected future
31 program growth, a thorough analysis of the demographic

32 factors of the adoptive families as well as the
 33 adoptive children's special needs, and quantification
 34 of savings in other programs and services resulting
 35 from the utilization of the adoption subsidy program.
 36 The interim study committee shall seek input from the
 37 department of human services, adoptive parents, and
 38 others with experience or expertise relating to the
 39 adoption subsidy program and related services and
 40 supports. The interim study committee shall submit a
 41 report of findings and recommendations to the general
 42 assembly not later than December 1, 2004."
 43 2. Page 138, by inserting after line 15 the
 44 following:
 45 "____. The section of this division of this Act
 46 relating to the adoption subsidy program."
 47 3. By renumbering as necessary.

Horbach of Tama in the chair at 8:13 p.m.

Amendment [H-8488](#) was adopted.

Shoultz of Black Hawk offered the following amendment [H-8486](#) filed by him from the floor and moved its adoption:

[H-8486](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. By striking page 132, line 8, through page
 4 133, line 5.
 5 2. By renumbering as necessary.

Amendment [H-8486](#) lost.

Heaton of Henry offered the following amendment [H-8501](#) filed by him from the floor and moved its adoption:

[H-8501](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 133, by inserting after line 5 the
 4 following:
 5 "Sec. ____ Section 232.141, subsection 1, Code
 6 2003, is amended to read as follows:
 7 1. Except as otherwise provided by law, the court
 8 shall inquire into the ability of the child or the
 9 child's parent to pay expenses incurred pursuant to
 10 ~~subsection subsections 2, and subsection 4, and, after~~

11 8. After giving the parent a reasonable opportunity
12 to be heard, the court may order the parent to pay all
13 or part of the costs of the child's care, examination,
14 treatment, legal expenses, or other expenses. An
15 order entered under this section does not obligate a
16 parent paying child support under a custody decree,
17 except that part of the monthly support payment may be
18 used to satisfy the obligations imposed by the order
19 entered pursuant to this section. If a parent fails
20 to pay as ordered, without good reason, the court may
21 proceed against the parent for contempt and may inform
22 the county attorney who shall proceed against the
23 parent to collect the unpaid amount. Any payment
24 ordered by the court shall be a judgment against each
25 of the child's parents and a lien as provided in
26 section 624.23. If all or part of the amount that the
27 parents are ordered to pay is subsequently paid by the
28 county or state, the judgment and lien shall
29 thereafter be against each of the parents in favor of
30 the county to the extent of the county's payments and
31 in favor of the state to the extent of the state's
32 payments.
33 Sec. ____ Section 234.39, Code 2003, is amended by
34 adding the following new subsection:
35 NEW SUBSECTION. 6. A support obligation for a
36 shelter care placement shall be determined under
37 section 232.141."
38 2. By renumbering as necessary.

Amendment [H-8501](#) was adopted.

Heaton of Henry asked and received unanimous consent to withdraw amendment [H-8457](#) filed by him from the floor.

Heaton of Henry offered the following amendment [H-8498](#) filed by him from the floor and moved its adoption:

[H-8498](#)

1 Amend [Senate File 2298](#) as amended, passed and
2 reprinted by the Senate, as follows:
3 1. Page 133, by striking lines 9 through 13, and
4 inserting the following: "mental health quality of
5 care improvement committee. The committee membership
6 shall include".
7 2. Page 133, line 24, by inserting after the
8 figure "249A.24," the following: "the contractor for
9 the medical assistance program managed care mental
10 health contract,".
11 3. Page 133, line 33, by inserting after the word

12 "preferences." the following: "This paragraph shall
13 not apply to any prior authorization provision in
14 force on June 30, 2004, imposed under the existing
15 managed care mental health care contract or any
16 extension of that contract."

17 4. Page 134, line 3, by inserting after the word
18 "and" the following: "after a cost-benefit analysis
19 may".

Speaker Rants in the chair at 8:38 p.m.

Amendment [H-8498](#) was adopted.

Carroll of Poweshiek offered amendment [H-8476](#) filed by him from the floor as follows:

[H-8476](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 134, by inserting after line 12, the
4 following:
5 "Sec. ____ **NEW SECTION.** 249A.35 MEDICAL
6 ASSISTANCE CRISIS INTERVENTION TEAM.
7 1. A medical assistance crisis intervention team
8 is created. The team shall consist of the following
9 members:
10 a. The president of the university of Iowa.
11 b. A representative of the Iowa hospital
12 association.
13 c. A representative of the Iowa medical society.
14 d. A representative of the Iowa health care
15 association.
16 e. A representative of the federation of Iowa
17 insurers.
18 f. A representative of the Iowa association of
19 community providers.
20 g. Two members selected by the president of the
21 university of Iowa.
22 2. The president of the university of Iowa shall
23 act as the chairperson of the team. Members of the
24 team are entitled to receive reimbursement of actual
25 expenses incurred in the discharge of their duties.
26 3. The department of human services shall provide
27 staff to the team as determined by the division
28 administrator of the division of medical services.
29 4. The team shall do all of the following:
30 a. Provide a projection of medical assistance
31 program and administrative costs through June 30,
32 2008, based on services provided as of June 30, 2004.

33 b. Hold at least four monthly public meetings,
34 beginning in July 2004, in at least four
35 geographically balanced venues around the state. The
36 team shall submit a report of its findings from these
37 meetings to the general assembly on or before December
38 1, 2004.

39 5. The team may provide any additional
40 recommendations to the general assembly at any time
41 regarding the medical assistance program including but
42 not limited to recommendations regarding services,
43 eligibility, rates, care management, and program
44 administration.

45 6. The department of human services shall assist
46 the team as follows:

47 a. On or before July 1, 2004, the department shall
48 submit to the team and make available to the public an
49 initial analysis which includes all of the following
50 data:

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1 (1) The number of medical assistance program
2 enrolled eligibles by cohort grouped on the basis of
3 factors such as age, income, disability, and optional
4 eligibility, for the period beginning July 1, 1999,
5 and ending June 30, 2004.

6 (2) A projection of the number of medical
7 assistance program enrolled eligibles in each of the
8 cohorts identified in subparagraph (1), for the period
9 beginning July 1, 2005, and ending June 30, 2008. The
10 projection shall be accompanied by a statement of the
11 underlying assumptions.

12 (3) The actual cost of all services and of each
13 service for each cohort described in subparagraph (1),
14 for the period beginning July 1, 1999, and ending June
15 30, 2004. The analysis of the data shall identify the
16 total cost for each cohort, the cost per member per
17 month for each cohort, and the twenty most utilized
18 medical procedures or services and the ten most
19 prevalent diagnoses associated within each cohort.
20 The analysis of the data shall identify, to the
21 greatest extent possible, the reason for changes in
22 total costs and the costs per member, per month during
23 the period, including but not limited to rate
24 adjustments, service utilization, and eligibility
25 growth.

26 (4) To the extent practical, a comparison of the
27 rates paid by commercial insurers to their Iowa
28 provider network and the rates paid by Medicare, with
29 the rates paid by the medical assistance program for
30 the same services, for the fiscal year beginning July
31 1, 2003, and ending June 30, 2004.

32 (5) An estimate of the program costs for the
33 medical assistance program for the period beginning
34 July 1, 2005, and ending June 30, 2008, based on all
35 of the following assumptions:

36 (a) The enrollment projections described in
37 subparagraph (2) and assuming reasonable change in
38 service utilization patterns, but no change in
39 provider rates in effect on June 30, 2004. The
40 projection shall include total and total program costs
41 per member, per month for each cohort and total cost
42 and the program cost per member per month for each
43 cohort for the period beginning July 1, 2005, and
44 ending June 30, 2008. The assumptions used in
45 developing the projections shall be clearly stated.

46 (b) The enrollment projections described in
47 subparagraph (2) and assuming reasonable change in
48 service utilization patterns, and additionally
49 assuming that all medical assistance program fee for
50 service rates are equal to ninety-eight percent of the

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1 usual and customary charges for such service in the
2 fiscal year beginning July 1, 2003, and ending June
3 30, 2004, and grow at an annual rate of two percent
4 annually through June 30, 2008, and assuming that
5 commensurate changes are made in rates paid to medical
6 assistance program managed care organizations.

7 (6) If the projections for later years exceed the
8 spending standard established in subparagraph (5),
9 subparagraph subdivision (b), a base rate and the
10 annual inflation adjustments that would result in
11 spending being limited to the spending standard
12 established in that paragraph.

13 (7) A description of the cost, member, provider,
14 and service quality impact of all of the following:

15 (a) Application of medical assistance program
16 allowable limits on optional services.

17 (b) Service utilization control strategies
18 including managed care and prior authorization in the
19 pharmacy, medical and behavioral, and long-term care
20 areas that have been utilized in other states or
21 jurisdictions that could potentially be utilized in
22 Iowa. The department shall identify the
23 administrative costs associated with each strategy.

24 (c) Accessible disease management and enhanced
25 primary care case management strategies with
26 particular attention to the timing of costs and
27 benefits.

28 (d) Accessible health promotion strategies and
29 disease prevention activities with particular
30 attention to the timing of costs and benefits.

31 (e) Enhanced surveillance and utilization review,
32 revenue collection, estate recovery, and cost
33 avoidance activities in future years.
34 (f) The federal Prescription Drug and Medicare
35 Improvement Act of 2003.
36 (g) The program options and cost savings
37 potentially associated with reducing the populations
38 of intermediate care facilities for the mentally
39 retarded and nursing facilities due to the
40 availability of home and community-based services,
41 including consumer-directed home care.
42 b. The department shall present the analysis
43 described in paragraph "a" at the initial meeting of
44 the team in July 2004. The department shall adjust,
45 expand, or otherwise modify its analysis based on the
46 requests of the team at its subsequent monthly
47 meetings and shall assist the team in compiling the
48 team's final report to the general assembly.
49 Sec.____. REPORT - MEDICAID PROGRAM FINANCING.
50 On or before August 1, 2004, the department of human

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1 services shall submit a report to the chairpersons and
2 ranking members of the joint appropriations
3 subcommittee on health and human services, the
4 legislative services agency, the legislative caucus
5 staffs, and the medical assistance crisis intervention
6 team created in section 249A.35, providing
7 recommendations to reduce costs or provide revenue
8 enhancements to reduce the projected program and
9 administrative costs of the medical assistance program
10 by \$130,000,000 for the fiscal year beginning July 1,
11 2005, and ending June 30, 2006."
12 2. Page 138, by inserting after line 11, the
13 following:
14 "____. The section of this division of this Act
15 creating section 249A.35, relating to the medical
16 assistance crisis intervention team, takes effect upon
17 enactment."
18 3. By renumbering as necessary.

Carroll of Poweshiek offered the following amendment [H-8495](#), to amendment [H-8476](#), filed by him from the floor and moved its adoption:

[H-8495](#)

1 Amend the amendment, [H-8476](#), to [Senate File 2298](#),
2 as amended, passed, and reprinted by the Senate, as
3 follows:

- 4 1. Page 1, by inserting after line 13, the
- 5 following:
- 6 "____. A representative of the Iowa pharmacy
- 7 association."
- 8 2. By relettering as necessary.

Amendment [H-8495](#) was adopted.

Carroll of Poweshiek offered the following amendment [H-8499](#), to amendment [H-8476](#), filed by him from the floor and moved its adoption:

[H-8499](#)

- 1 Amend the amendment, [H-8476](#), to [Senate File 2298](#),
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, by inserting after line 19, the
- 5 following:
- 6 "____. A representative of the medical assistance
- 7 advisory council established pursuant to section
- 8 249A.4, subsection 8."
- 9 2. By renumbering as necessary.

Amendment [H-8499](#) was adopted.

On motion by Carroll of Poweshiek amendment [H-8476](#), as amended, was adopted.

Heaton of Henry offered the following amendment [H-8461](#) filed by him, Foege of Linn and Upmeyer of Hancock from the floor and moved its adoption:

[H-8461](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 141, by striking lines 1 through 8 and
- 4 inserting the following:
- 5 "____. Five million dollars of the moneys
- 6 appropriated in this subsection shall be transferred
- 7 to the senior living revolving loan program fund
- 8 created in section 16.182 for the purposes of that
- 9 section.
- 10 _____. Two million dollars of the moneys
- 11 appropriated in this subsection shall be transferred
- 12 to the home and community-based services revolving
- 13 loan program fund created in section 16.183 for the

14 purposes of that section."

15 2. Page 144, by inserting after line 3 the
16 following:

17 "Sec. ___. NEW SECTION. 16.182 SENIOR LIVING
18 REVOLVING LOAN PROGRAM FUND.

19 1. A senior living revolving loan program fund is
20 created within the authority to further the goal of
21 the senior living program as specified in section
22 249H.2. The moneys in the senior living revolving
23 loan program fund shall be used by the authority for
24 the development and operation of a revolving loan
25 program to provide financing to construct affordable
26 assisted living and service-enriched affordable
27 housing for seniors and persons with disabilities,
28 including through new construction or acquisition and
29 rehabilitation.

30 2. Moneys received by the authority from the
31 senior living trust fund, transferred by the authority
32 for deposit in the senior living revolving loan
33 program fund, moneys appropriated to the senior living
34 revolving loan program, and any other moneys available
35 to and obtained or accepted by the authority for
36 placement in the senior living revolving loan program
37 fund shall be deposited in the fund. Additionally,
38 payment of interest, recaptures of awards, and other
39 repayments to the senior living revolving loan program
40 fund shall be deposited in the fund. Notwithstanding
41 section 12C.7, subsection 2, interest or earnings on
42 moneys in the senior living revolving loan program
43 fund shall be credited to the fund. Notwithstanding
44 section 8.33, moneys that remain unencumbered or
45 unobligated at the end of the fiscal year shall not
46 revert but shall remain available for the same purpose
47 in the succeeding fiscal year.

48 3. The authority shall annually allocate moneys
49 available in the senior living revolving loan program
50 fund for the development of affordable assisted living

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1 and service-enriched affordable housing for seniors
2 and persons with disabilities. The authority shall
3 develop a joint application process for the allocation
4 of federal low-income housing tax credits and funds
5 available under this section. Moneys allocated to
6 such developments may be in the form of loans, grants,
7 or a combination of loans and grants.

8 4. The authority shall adopt rules pursuant to
9 chapter 17A to administer this section.

10 Sec. ___. NEW SECTION. 16.183 HOME AND
11 COMMUNITY-BASED SERVICES REVOLVING LOAN PROGRAM FUND.

12 1. A home and community-based services revolving

13 loan program fund is created within the authority to
14 further the goals specified in section 231.3, adult
15 day services, respite services, and congregate meals.
16 The moneys in the home and community-based services
17 revolving loan program fund shall be used by the
18 authority for the development and operation of a
19 revolving loan program to develop and expand
20 facilities and infrastructure that provide adult day
21 services, respite services, and congregate meals that
22 address the needs of persons with low incomes.

23 2. Moneys received by the authority from the
24 senior living trust fund, transferred by the authority
25 for deposit in the home and community-based services
26 revolving loan program fund, moneys appropriated to
27 the home and community-based services revolving loan
28 program, and any other moneys available to and
29 obtained or accepted by the authority for placement in
30 the home and community-based services revolving loan
31 program fund shall be deposited in the fund.
32 Additionally, payment of interest, recaptures of
33 awards, and other repayments to the senior living
34 revolving loan program fund shall be deposited in the
35 fund. Notwithstanding section 12C.7, subsection 2,
36 interest or earnings on moneys in the home and
37 community-based services revolving loan program fund
38 shall be credited to the fund. Notwithstanding
39 section 8.33, moneys that remain unencumbered or
40 unobligated at the end of the fiscal year shall not
41 revert but shall remain available for the same purpose
42 in the succeeding fiscal year.

43 3. The authority, in cooperation with the
44 department of elder affairs, shall annually allocate
45 moneys available in the home and community-based
46 services revolving loan program fund to develop and
47 expand facilities and infrastructure that provide
48 adult day services, respite services, and congregate
49 meals that address the needs of persons with low
50 incomes.

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1 4. The authority shall adopt rules pursuant to
2 chapter 17A to administer this section."
3 3. By renumbering as necessary.

Amendment [H-8461](#) was adopted.

Heaton of Henry offered the following amendment [H-8497](#) filed by
him from the floor and moved its adoption:

[H-8497](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 145, by inserting after line 11 the
4 following:
5 "Sec. ___. Section 331.438, subsection 4,
6 paragraph b, Code 2003, is amended by adding the
7 following new subparagraph:
8 NEW SUBPARAGRAPH. (16) Develop a procedure for
9 each county to disclose to the department of human
10 services information approved by the commission
11 concerning the mental health, mental retardation,
12 developmental disabilities, and brain injury services
13 provided to the individuals served through the county
14 central point of coordination process. The procedure
15 shall incorporate protections to ensure that if
16 individually identified information is disclosed, it
17 is disclosed and maintained in compliance with
18 applicable Iowa and federal confidentiality laws,
19 including but not limited to federal Health Insurance
20 Portability and Accountability Act requirements."
21 2. By renumbering as necessary.

Amendment [H-8497](#) was adopted.

Heaton of Henry asked and received unanimous consent to withdraw amendment [H-8459](#) filed by him from the floor.

Hutter of Scott asked and received unanimous consent to withdraw amendment [H-8392](#) filed by him on April 6, 2004.

Eichhorn of Hamilton asked and received unanimous consent to withdraw amendment [H-8490](#) filed by him from the floor.

Heaton of Henry offered the following amendment [H-8506](#) filed by him from the floor and moved its adoption:

[H-8506](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 147, by inserting after line 5 the
4 following:
5 "NEW SUBSECTION. 6. Each county shall submit a
6 report to the Iowa state association of counties to be
7 shared with the legislative services agency on or

8 before January 31, 2005, regarding the unaudited
9 expenditures from the county's mental health, mental
10 retardation, and developmental disabilities services
11 fund."

A non-record roll call was requested.

The ayes were 52, nays 30.

Amendment [H-8506](#) was adopted.

Hoffman of Crawford asked and received unanimous consent to withdraw amendment [H-8441](#) filed by him on April 6, 2004.

Hoffman of Crawford asked and received unanimous consent to withdraw amendment [H-8474](#) filed by him from the floor.

Raecker of Polk offered the following amendment [H-8475](#) filed by him, Gipp of Winneshiek and Horbach of Tama from the floor and moved its adoption:

[H-8475](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 167, by inserting after line 31 the
4 following:
5 "In addition to the amount appropriated in this
6 subsection, there is transferred from the moneys
7 credited during the fiscal year beginning July 1,
8 2004, to the depreciation fund maintained by the
9 department of administrative services pursuant to
10 section 8A.365, for purposes of the motor pool, to the
11 vehicle depreciation account maintained by the
12 department of public safety for vehicles utilized by
13 the division of the Iowa state patrol. During the
14 fiscal year the department of administrative services
15 shall credit to the depreciation fund at least
16 \$475,000 for purposes of the motor pool. The moneys
17 shall be transferred to the department of public
18 safety on a monthly basis. Moneys transferred
19 pursuant to this paragraph are appropriated to the
20 department of public safety for purposes of vehicle
21 replacement for the division of the Iowa state patrol.
22 Notwithstanding section 8.33, moneys transferred in
23 this paragraph that remain unencumbered or unobligated
24 at the close of the fiscal year shall not revert but
25 shall remain available for expenditure from the

26 department of public safety's vehicle depreciation
27 account for the purposes designated until the close of
28 the fiscal year that begins July 1, 2005."

Amendment [H-8475](#) was adopted.

Eichhorn of Hamilton offered the following amendment [H-8502](#) filed by him, Tjepkes of Webster and Freeman of Buena Vista from the floor and moved its adoption:

[H-8502](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 169, by inserting after line 2 the
4 following:
5 "Sec.____. Section 8D.9, Code Supplement 2003, is
6 amended by adding the following new subsection:
7 NEW SUBSECTION. 4. A community college receiving
8 federal funding to conduct first responder training
9 and testing regarding homeland security first
10 responder communication and technology-related
11 research and development projects shall be authorized
12 to utilize the network for testing purposes."

Chambers of O'Brien in the chair at 9:25 p.m.

Amendment [H-8502](#) was adopted.

Heaton of Henry offered the following amendment [H-8450](#) filed by him and moved its adoption:

[H-8450](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 182, by inserting after line 12 the
4 following:
5 "Sec.____. NEW SECTION. 153.40 MOBILE DENTAL
6 DELIVERY SYSTEM.
7 The Iowa department of public health shall
8 establish and implement a mobile dental delivery
9 system to make available dental supplies, portable
10 dental equipment, and vans to be used in transporting
11 the equipment to provide oral health services to and
12 improve the oral health of low-income persons who live
13 in federal or state-designated health professional
14 shortage areas and have the least access to oral
15 health services. The department shall coordinate the

16 program. Funds available for improving oral health
 17 may also be used for loan forgiveness for dental
 18 providers or to develop oral health training modules
 19 for nursing home staff or other suitable staff who
 20 provide oral health services to persons described in
 21 this section."

22 2. Page 204, by inserting after line 17 the
 23 following:

24 "____. The section of this division of this Act
 25 enacting section 153.40 takes effect upon receipt of
 26 the Iowa department of public health of federal
 27 funding to establish a mobile dental delivery system.
 28 The director of public health shall notify the Iowa
 29 code editor that the funding has been received."

30 3. By renumbering as necessary.

Amendment [H-8450](#) was adopted.

Tymeson of Madison offered the following amendment [H-8413](#)
 filed by her and moved its adoption:

[H-8413](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:

3 1. Page 183, by inserting before line 1 the
 4 following:

5 "Sec. ____ Section 256D.3, subsection 3, Code
 6 2003, is amended to read as follows:

7 3. Beginning January 15, ~~2004~~ 2005, the department
 8 shall submit an annual report to the chairpersons and
 9 ranking members of the senate and house education
 10 committees that includes the statewide average school
 11 district class size in basic skills instruction in
 12 kindergarten through grade three, by grade level and
 13 by district size, and describes school district
 14 progress toward achieving early intervention block
 15 grant program goals and the ways in which school
 16 districts are using moneys received pursuant to
 17 ~~section 256D.4 this chapter and expended as provided~~
 18 in section 256D.2."

19 2. By renumbering as necessary.

Amendment [H-8413](#) was adopted.

Boal of Polk offered amendment [H-8384](#) filed by her as follows:

[H-8384](#)

1 Amend [Senate File 2298](#), as amended, passed, and

2 reprinted by the Senate, as follows:

3 1. Page 184, by inserting after line 9 the
4 following:

5 "Sec. _____. Section 257.13, Code 2003, is amended
6 by striking the section and inserting in lieu thereof
7 the following:

8 257.13 ON-TIME FUNDING BUDGET ADJUSTMENT.

9 1. For the school budget year beginning July 1,
10 2003, and succeeding budget years, if a district's
11 actual enrollment for the budget year, determined
12 under section 257.6, is greater than its budget
13 enrollment for the budget year, the district shall
14 receive an on-time funding budget adjustment. The
15 adjustment shall be in an amount equal to the
16 difference between the actual enrollment for the
17 budget year and the budget enrollment for the budget
18 year, multiplied by the district cost per pupil. The
19 additional funding received under this section is
20 miscellaneous income to the school district.

21 2. A school district that is receiving a budget
22 adjustment for a budget year pursuant to section
23 257.14 shall receive on-time funding for increased
24 enrollment, reduced by the amount of the budget
25 adjustment for that budget year. The resulting amount
26 shall not be less than zero.

27 3. If a district receives additional funding under
28 this section for a budget year, the department of
29 management shall determine the amount of the
30 additional funding which would have been generated by
31 local property tax revenues, in proportion to the
32 amount of funding actually received pursuant to this
33 section, if the actual enrollment for the budget year
34 had been used in determining district cost for that
35 budget year. The department of management shall
36 reduce, but not by more than the amount of the
37 additional funding, the district's total state school
38 aid otherwise available under this chapter for the
39 next budget year by the amount so determined, and
40 shall increase the district's additional property tax
41 levy for the next budget year by the amount necessary
42 to compensate for the reduction in state aid, so that
43 the local property tax for the next following year
44 will be increased only by the amount which it would
45 have been increased in the budget year if the
46 enrollment calculated in this section could have been
47 used to establish the levy.

48 4. There is appropriated each fiscal year from the
49 general fund of the state to the department of
50 education the amount required to pay additional

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- 1 funding authorized under this section, which shall be
- 2 paid to school districts in the same manner as other
- 3 state aid payable under section 257.16."
- 4 2. Page 204, line 19, by inserting after the
- 5 figure "257.8," the following: "257.13,".

Boal of Polk offered amendment [H-8434](#), to amendment [H-8384](#), filed by her and moved its adoption:

[H-8434](#)

- 1 Amend the House amendment, H-8384, to Senate File
- 2 2298, as amended, passed, and reprinted by the Senate,
- 3 as follows:
- 4 1. Page 1, line 10, by striking the figure "2003"
- 5 and inserting the following: "2004".

Amendment [H-8434](#) was adopted.

On motion by Boal of Polk, amendment [H-8384](#), as amended, and filed on April 5, 2004, was withdrawn.

Dolecheck of Ringgold asked and received unanimous consent to withdraw amendment [H-8436](#) filed by him on April 6, 2004.

Boal of Polk offered the following amendment [H-8500](#) filed by her, Mascher of Johnson, Roberts of Carroll and Winckler of Scott from the floor and moved its adoption:

[H-8500](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 188, by inserting after line 13 the
- 4 following:
- 5 "Sec. ____ NEW SECTION. 280A.1 IOWA LEARNING
- 6 TECHNOLOGY INITIATIVE.
- 7 1. INITIATIVE. The Iowa learning technology
- 8 initiative is created to provide training and learning
- 9 opportunities to public and accredited nonpublic
- 10 school students in grade seven and their teachers
- 11 located in school districts and accredited nonpublic
- 12 schools participating in the initiative.
- 13 2. PILOT PROGRAM. The Iowa learning technology
- 14 commission created in section 280A.2 shall develop and
- 15 administer the Iowa learning technology initiative,

16 which shall include a pilot program. A school
17 district or accredited nonpublic school may submit an
18 application to participate in the pilot program to the
19 commission no later than sixty days following receipt
20 or pledge of moneys into the Iowa learning technology
21 fund created in section 280A.4. The application shall
22 include a written statement that indicates a dedicated
23 willingness to participate. School districts or
24 accredited nonpublic schools chosen to participate in
25 the pilot program shall have demonstrated to the
26 commission administrative leadership, teacher
27 willingness to participate, and community support, and
28 shall represent geographically distinct rural, urban,
29 and suburban areas of the state. The commission shall
30 notify applicants of approval or disapproval of
31 applications no later than seventy-five days after the
32 application deadline.

33 3. PUBLIC-PRIVATE PARTNERSHIP.

34 a. The Iowa learning technology commission shall
35 develop and issue no later than forty-five days after
36 the receipt or pledge of moneys into the Iowa learning
37 technology fund, a request for proposals for a private
38 provider who shall partner with the state to implement
39 the pilot program phase of the initiative. No later
40 than forty-five days after the issuance of the request
41 for proposals, the commission shall select finalists
42 from among the proposals submitted. No later than
43 forty-five days after the selection of finalists, the
44 commission shall select the private provider.

45 b. The private provider shall be selected by the
46 commission through a request for proposals process for
47 a total solutions learning technology package that
48 includes, but is not limited to, hardware, software,
49 professional development, and service and support,
50 which shall be managed by a single point of contact

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1 responsible for the overall implementation. The
2 proposal selected by the commission shall achieve
3 significant efficiencies and economies of scale, be
4 interoperable with existing technologies, and be
5 consistent with the state's economic development and
6 education policies. The private provider selected
7 shall possess all of the following:

8 (1) Experience in the development and successful
9 implementation of large-scale, school-based wireless
10 technology projects, and proven technical ability to
11 deliver a total solutions package of learning
12 technology for elementary and secondary students and
13 teachers.

14 (2) Demonstrated financial capability and long-

15 term stability to partner with the state over the term
16 of the private provider contract.

17 (3) Proven result-based education solutions to
18 increase student achievement and advance professional
19 development for teachers.

20 (4) Nationally recognized expertise, experience,
21 and capabilities in education practice and evaluation
22 methods.

23 c. The commission shall conduct, in cooperation
24 with the attorney general, contract negotiations to
25 establish a public-private partnership on behalf of
26 the commission and enter into a contract negotiated
27 with a private provider to establish a four-year
28 learning technology pilot program project to provide a
29 wireless laptop computer to each student, teacher, and
30 relevant administrator in a participating school and
31 implement the use of software, on-line courses, and
32 other appropriate learning technologies that have been
33 shown to improve academic achievement and specified
34 progress measures. The term of the contract shall
35 include the deployment of computers to students and
36 teachers in participating school districts and
37 accredited nonpublic schools in accordance with
38 subsection 2.

39 4. EVALUATION. To measure the effectiveness of
40 the pilot program established pursuant to this
41 subsection 2, the Iowa learning technology commission
42 shall, at a minimum, establish standards and methods
43 of measuring progress in the areas of increased
44 student engagement, decreased disciplinary problems,
45 increased use of computers for writing, analysis, and
46 research, movement toward student-centered classrooms,
47 increased parental involvement, and increases in
48 standardized test scores. The commission shall work
49 cooperatively with the department of education and the
50 state board of regents in establishing an evaluation

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1 process pursuant to this subsection.

2 Sec. ____ NEW SECTION. 280A.2 COMMISSION –
3 MEMBERS.

4 1. COMMISSION CREATED. An Iowa learning
5 technology commission is created to establish the
6 policies and determine the necessary budget for
7 implementation of the Iowa learning technology
8 initiative.

9 2. MEMBERS. The commission shall initially be
10 appointed no later than July 1, 2004, and shall
11 consist of sixteen members appointed as follows:

12 a. Seven voting members who shall be members of
13 the general public and shall be appointed as follows:

14 (1) One member shall be appointed by the governor.

15 (2) Two members shall be appointed by the
16 president of the senate.

17 (3) One member shall be appointed by the minority
18 leader of the senate.

19 (4) Two members shall be appointed by the speaker
20 of the house of representatives.

21 (5) One member shall be appointed by the minority
22 leader of the house of representatives.

23 b. Nine ex officio, nonvoting members who shall be
24 appointed as follows:

25 (1) One member who is a member of the state board
26 of education shall be appointed by the chairperson of
27 the state board.

28 (2) One member representing public postsecondary
29 education institutions who is employed by a public
30 postsecondary education institution shall be appointed
31 by the governor.

32 (3) Three members representing three different
33 school districts shall be appointed by the governor as
34 follows:

35 (a) One member shall be a teacher employed by a
36 school district or area education agency who is
37 appointed from a list of three names submitted by a
38 certified employee organization representing teachers
39 licensed under chapter 272.

40 (b) One member shall be an administrator employed
41 by a school district who is appointed from a list of
42 three names submitted by a statewide organization
43 representing administrators licensed under chapter
44 272.

45 (c) One member shall be a member of a board of
46 directors of a school district who is appointed by a
47 statewide organization representing school boards.

48 (4) One member who is a member of the senate shall
49 be appointed by the president of the senate.

50 (5) One member who is a member of the senate shall

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1 be appointed by the minority leader of the senate.

2 (6) One member who is a member of the house of
3 representatives shall be appointed by the speaker of
4 the house of representatives.

5 (7) One member who is a member of the house of
6 representatives shall be appointed by the minority
7 leader of the house.

8 3. EXPERIENCE AND SPECIAL KNOWLEDGE. In
9 appointing members to the commission, proper
10 consideration shall be given to persons with
11 experience or special knowledge in one or more of the
12 following areas: education, business, economic

13 development, technology, and finance.
14 4. BALANCE. Commission members shall be appointed
15 in compliance with sections 69.16 and 69.16A.
16 Appointments of public members shall be made to
17 provide broad representation of the various
18 geographical areas of the state insofar as possible.
19 5. CHAIRPERSONS. The commission shall elect a
20 chairperson and a vice chairperson annually from among
21 the voting members of the commission. A member shall
22 not serve as a chairperson or vice chairperson for
23 more than three consecutive years.
24 6. MEETINGS. The commission shall meet at least
25 three times each year.
26 7. QUORUM. A majority of the voting members
27 constitutes a quorum for the transaction of any
28 official business.
29 8. TERMS OF MEMBERS. The members shall be
30 appointed to three-year staggered terms and the terms
31 shall commence and end as provided by section 69.19.
32 If a vacancy occurs, a successor shall be appointed to
33 serve the unexpired term. A successor shall be
34 appointed in the same manner and subject to the same
35 qualifications as the original appointment to serve
36 the unexpired term.
37 9. EXPENSES. Members of the commission are
38 entitled to receive reimbursement for actual expenses
39 incurred while engaged in the performance of official
40 duties from the Iowa learning technology fund created
41 in section 280A.4, except that legislators' expenses
42 shall be paid from funds appropriated by section 2.12.
43 Sec. ____ NEW SECTION. 280A.3 COMMISSION PLAN –
44 GUIDING PRINCIPLES.
45 1. The Iowa learning technology commission created
46 in section 280A.2 shall develop a learning technology
47 plan to achieve the goal of preparing students for an
48 economy that is increasingly dependent on technology
49 and innovation. The commission shall examine the use
50 of technology in Iowa's and the nation's elementary

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1 and secondary classrooms.
2 2. The plan developed by the commission shall
3 include, but not be limited to, the following:
4 a. The costs and benefits of each component of the
5 plan.
6 b. The professional development needed to
7 integrate learning technology into classroom
8 technology.
9 c. Strategies for implementation of the plan,
10 including, at a minimum, phasing in the plan over a
11 term of years.

12 d. Strategies that coordinate the learning
13 technology in kindergarten through grade twelve with
14 the initiatives and resources of the department of
15 education, Iowa communications network, area education
16 agencies, higher education institutions providing
17 approved practitioner preparation programs, and other
18 accredited postsecondary institutions in the state.
19 e. Procedures for data tracking and assessment of
20 the progress in implementing the goals of the
21 initiative and the plan.
22 f. Strategies to establish a public-private
23 partnership between state government and a private
24 sector business having relevant knowledge and
25 experience.

26 3. The plan shall be consistent with the following
27 guiding principles:

28 a. The plan shall promote equal opportunity for
29 and provide meaningful access to wireless and other
30 learning technology resources for all Iowa students
31 regardless of geographic location or economic means.
32 b. The plan shall support student achievement
33 through the integration of learning technologies that
34 are content-focused and that add value to existing
35 instructional methods.
36 c. The plan shall provide for the future
37 sustainability of learning technology resources by
38 adapting to future educational needs and technological
39 changes.
40 d. The plan shall provide professional development
41 and training programs for administrators, teachers and
42 other educators in the use and integration of learning
43 technology tools in curriculum development,
44 instructional methods, and student assessment systems.
45 e. The plan shall foster economic development
46 across all regions of the state and the preparation of
47 students for an economy that embraces technology and
48 innovation.

49 Sec. ____ NEW SECTION. 280A.4 FUND.
50 1. An Iowa learning technology fund is created in

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1 the state treasury. The fund shall consist of moneys
2 including, but not limited to, moneys in the form of a
3 devise, gift, bequest, donation, federal or other
4 grant, reimbursement, repayment, judgment, transfer,
5 payment, or appropriation from any source intended to
6 be used for the purposes of the fund.
7 2. Moneys in the fund are appropriated to the Iowa
8 learning technology commission created in section
9 280A.2 for purposes of an Iowa learning technology
10 initiative created pursuant to section 280A.1. Moneys

11 in the fund shall not be subject to appropriation for
 12 any other purpose by the general assembly. However,
 13 moneys in the fund may be used for necessary audit
 14 services, legal expenses, investment management fees
 15 and services, and general administrative expenses
 16 related to the management and administration of the
 17 Iowa learning technology initiative.

18 3. Moneys in the fund are not subject to section
 19 8.33. Notwithstanding section 12C.7, subsection 2,
 20 interest or earnings on moneys deposited in the fund
 21 shall be credited to the fund.

22 4. The fund shall be administered by the
 23 commission, which shall make expenditures from the
 24 fund consistent with the purposes of the initiative
 25 without further appropriation. The fund shall be
 26 administered in a manner that provides for the
 27 financially sustainable support, use, and integration
 28 of learning technology in Iowa schools through a
 29 public-private partnership. Expenditures from the
 30 fund shall be made consistent with the purposes of the
 31 Iowa learning technology initiative to ensure one-to-
 32 one access to and ubiquitous use of fully configured
 33 laptop computers in grade seven in public and
 34 accredited nonpublic school classrooms located
 35 initially in a number of school districts and
 36 accredited nonpublic schools in Iowa as determined by
 37 the Iowa learning technology commission.

38 Sec. ____ NEW SECTION. 280A.5 REPEAL.

39 This section is repealed effective July 1, 2009."

40 2. By renumbering as necessary.

Amendment [H-8500](#) was adopted.

Hoffman of Crawford offered the following amendment [H-8397](#)
 filed by him and moved its adoption:

[H-8397](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 190, line 14, by inserting after the word
- 4 "proposition" the following: "unless the period is
- 5 extended as provided in section 422E.2, subsection 5".
- 6 2. Page 190, line 16, by striking the word "The".
- 7 3. Page 190, by striking lines 17 through 20.
- 8 4. Page 191, by inserting before line 11 the
- 9 following:
- 10 "Sec. ____ Section 422E.2, subsection 5,
- 11 paragraphs a and b, Code Supplement 2003, are amended
- 12 to read as follows:
- 13 a. The tax may be repealed, the period of

14 imposition of the tax may be extended for additional
15 periods up to ten years each, or the rate increased,
16 but not above one percent, or decreased, or the use of
17 the revenues changed after an election at which a
18 majority of those voting on the question of repeal,
19 extension, rate change, or change in use favored the
20 repeal, extension, rate change, or change in use. The
21 election at which the question of repeal, extension,
22 rate change, or change in use is offered shall be
23 called and held in the same manner and under the same
24 conditions as provided in this section for the
25 election on the imposition of the tax. However, an
26 election on the change in use shall only be held in
27 the school district where the change in use is
28 proposed to occur. The election may be held at any
29 time but not sooner than sixty days following
30 publication of the ballot proposition. However, the
31 tax shall not be repealed before it has been in effect
32 for one year.

33 b. Within ten days of the election at which a
34 majority of those voting on the question favors the
35 imposition, repeal, extension, or change in the rate
36 of the tax, the county auditor shall give written
37 notice of the result of the election by sending a copy
38 of the abstract of the votes from the favorable
39 election to the director of revenue. Election costs
40 shall be apportioned among school districts within the
41 county on a pro rata basis in proportion to the number
42 of registered voters in each school district who
43 reside within the county and the total number of
44 registered voters within the county.

45 Sec.____. Section 422E.3, subsection 1, Code
46 Supplement 2003, is amended to read as follows:

47 1. If a majority of those voting on the question
48 of imposition of a local sales and services tax for
49 school infrastructure purposes favors imposition of
50 the tax, the tax shall be imposed by the county board

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1 of supervisors within the county pursuant to section
2 422E.2, at the rate specified for ~~a ten-year duration~~
3 the period provided in section 422E.1, subsection 2 on
4 the gross receipts taxed by the state under chapter
5 422, division IV.

6 Sec.____. Section 422E.3A, subsection 2, paragraph
7 a, Code Supplement 2003, is amended to read as
8 follows:

9 a. A school district that is located in whole or
10 in part in a county that voted on and approved prior
11 to April 1, 2003, the local sales and services tax for
12 school infrastructure purposes and that has a sales

13 tax capacity per student above the guaranteed school
14 infrastructure amount shall receive for the remainder
15 of the unextended term of the tax an amount equal to
16 its pro rata share of the local sales and services tax
17 receipts as provided in section 422E.3, subsection 5,
18 paragraph "d", unless the school board passes a
19 resolution by October 1, 2003, agreeing to receive a
20 distribution pursuant to paragraph "b", subparagraph
21 (1).

22 Sec. ____ Section 422E.3A, subsection 2, paragraph
23 b, subparagraphs (1) and (3), Code Supplement 2003,
24 are amended to read as follows:

25 (1) A school district that is located in whole or
26 in part in a county that voted on and approved prior
27 to April 1, 2003, the local sales and services tax for
28 school infrastructure purposes and that has a sales
29 tax capacity per student below its guaranteed school
30 infrastructure amount shall receive for the remainder
31 of the unextended term of the tax an amount equal to
32 its pro rata share of the local sales and services tax
33 receipts as provided in section 422E.3, subsection 5,
34 paragraph "d", plus an amount equal to its
35 supplemental school infrastructure amount, unless the
36 school district passes a resolution by October 1,
37 2003, agreeing to receive only an amount equal to its
38 pro rata share as provided in section 422E.3,
39 subsection 5, paragraph "d", in all subsequent years.

40 (3) A school district that is located in whole or
41 in part in a county that voted on and approved the
42 ~~continuation~~ extension of the tax pursuant to section
43 422E.2, subsection 5, on or after April 1, 2003, the
44 local sales and services tax for school infrastructure
45 purposes shall receive for any extended period an
46 amount equal to its pro rata share of the local sales
47 and services tax receipts as provided in section
48 422E.3, subsection 5, paragraph "d", not to exceed its
49 guaranteed school infrastructure amount. However, if
50 the school district's pro rata share is less than its

Page 3

1 guaranteed school infrastructure amount, the district
2 shall receive an additional amount equal to its
3 supplemental school infrastructure amount."
4 5. Page 204, line 23, by striking the figure
5 "422E.1".

Amendment [H-8397](#) was adopted.

Wise of Lee offered the following amendment [H-8494](#) filed by him
from the floor and moved its adoption:

[H-8494](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 192, by striking lines 32 and 33 and
- 4 inserting the following: "sections, there is
- 5 appropriated".

Roll call was requested by Wise of Lee and Murphy of Dubuque.

On the question "Shall amendment [H-8494](#) be adopted?" ([S.F. 2298](#))

The ayes were, 46:

Bell	Berry	Bukta	Cohon
Connors	Dandekar	Davitt	Fallon
Foege	Ford	Frevert	Gaskill
Greimann	Heddens	Hogg	Hunter
Huser	Jacoby	Jochum	Kuhn
Lensing	Lykam	Mascher	McCarthy
Mertz	Miller	Murphy	Oldson
Olson, D.	Osterhaus	Petersen	Quirk
Reasoner	Shomshor	Shultz	Smith
Stevens	Swaim	Taylor, D.	Taylor, T.
Thomas	Wendt	Whitaker	Whitead
Winckler	Wise		

The nays were, 53:

Alons	Arnold	Baudler	Boal
Boddicker	Boggest	Carrroll	De Boef
Dennis	Dix	Dolecheck	Drake
Eichhorn	Elgin	Freeman	Gipp
Granzow	Greiner	Hahn	Hanson
Heaton	Hoffman	Horbach	Huseman
Hutter	Jacobs	Jenkins	Jones
Klemme	Kramer	Kurtenbach	Lalk
Lukan	Maddox	Manternach	Olson, S.
Paulsen	Raecker	Rants, Spkr.	Rasmussen
Roberts	Sands	Schickel	Struyk
Tjepkes	Tymeson	Upmeyer	Van Engelenhoven
Van Fossen, J.K.	Van Fossen, J.R.	Watts	Wilderdyeke
Chambers,			
Presiding			

Absent or not voting, 1:

Rayhons

Amendment [H-8494](#) lost.

Reasoner of Union moved the adoption of amendment [H-8414B](#).

Roll call was requested by Reasoner of Union and Wise of Lee.

On the question "Shall amendment [H-8414B](#) be adopted?" ([S.F. 2298](#))

The ayes were, 45:

Bell	Berry	Bukta	Cohoon
Dandekar	Davitt	Fallon	Foege
Ford	Frevert	Gaskill	Greimann
Heddens	Hogg	Hunter	Jacoby
Jochum	Kuhn	Lensing	Lykam
Maddox	Mascher	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, D.
Osterhaus	Petersen	Quirk	Reasoner
Shomshor	Shoultz	Smith	Stevens
Swaim	Taylor, D.	Taylor, T.	Thomas
Wendt	Whitaker	Whitead	Winckler
Wise			

The nays were, 54:

Alons	Arnold	Baudler	Boal
Boddicker	Bogess	Carroll	De Boef
Dennis	Dix	Dolecheck	Drake
Eichhorn	Elgin	Freeman	Gipp
Granzow	Greiner	Hahn	Hanson
Heaton	Hoffman	Horbach	Huseman
Huser	Hutter	Jacobs	Jenkins
Jones	Klemme	Kramer	Kurtenbach
Lalk	Lukan	Manternach	Olson, S.
Paulsen	Raecker	Rants, Spkr.	Rasmussen
Rayhons	Roberts	Sands	Schickel
Struyk	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wilderdyke	Chambers, Presiding		

Absent or not voting, 1:

Connors

Amendment [H-8414B](#) lost.

Eichhorn of Hamilton offered amendment [H-8379](#) filed by him as follows:

[H-8379](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 195, by inserting after line 25 the
 4 following:
 5 "Sec. _____. STATE COURTS – JUSTICES, JUDGES, AND
 6 MAGISTRATES.
 7 1. The salary rates specified in subsection 2 are
 8 for the fiscal year beginning July 1, 2004, effective
 9 for the pay period beginning March 25, 2005, and for
 10 subsequent fiscal years until otherwise provided by
 11 the general assembly. The salaries provided for in
 12 this section shall be paid from funds appropriated to
 13 the judicial branch pursuant to any Act of the general
 14 assembly.
 15 2. The following annual salary rates shall be paid
 16 to the persons holding the judicial positions
 17 indicated during the fiscal year beginning July 1,
 18 2004, effective with the pay period beginning March
 19 25, 2005, and for subsequent pay periods.
 20 a. Chief justice of the supreme court:
 21 \$ 129,580
 22 b. Each justice of the supreme court:
 23 \$ 124,950
 24 c. Chief judge of the court of appeals:
 25 \$ 124,830
 26 d. Each associate judge of the court of appeals:
 27 \$ 120,210
 28 e. Each chief judge of a judicial district:
 29 \$ 119,100
 30 f. Each district judge except the chief judge of a
 31 judicial district:
 32 \$ 114,250
 33 g. Each district associate judge:
 34 \$ 99,560
 35 h. Each associate juvenile judge:
 36 \$ 99,560
 37 i. Each associate probate judge:
 38 \$ 99,560
 39 j. Each judicial magistrate:
 40 \$ 29,680
 41 k. Each senior judge:
 42 \$ 6,630
 43 3. Persons receiving the salary rates established
 44 under subsection 2 shall not receive any additional
 45 salary adjustments provided by this division of this
 46 Act."

Eichhorn of Hamilton offered the following amendment [H-8481](#), to amendment [H-8379](#), filed by him from the floor and moved its adoption:

[H-8481](#)

- 1 Amend the amendment, [H-8379](#), to [Senate File 2298](#),
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, line 8, by striking the figure "2004"
- 5 and inserting the following: "2005".
- 6 2. Page 1, line 9, by striking the word and
- 7 figure "March 25" and inserting the following: "July
- 8 1".
- 9 3. Page 1, line 18, by striking the figure "2004"
- 10 and inserting the following: "2005".
- 11 4. Page 1, lines 18 and 19, by striking the word
- 12 and figure "March 25" and inserting the following:
- 13 "July 1".

Amendment [H-8481](#) was adopted.

On motion by Eichhorn of Hamilton amendment [H-8379](#), as amended lost.

Jacobs of Polk offered the following amendment [H-8477](#) filed by her from the floor and moved its adoption:

[H-8477](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 199, by inserting before line 28 the
- 4 following:
- 5 "Sec. ____. 2004 Iowa Acts, [House File 2490](#),
- 6 section 8, if enacted, is repealed."
- 7 2. Page 204, by inserting after line 34 the
- 8 following:
- 9 "____. The section of this division of this Act
- 10 repealing 2004 Iowa Acts, [House File 2490](#), section 8,
- 11 if enacted, being deemed of immediate importance,
- 12 takes effect upon enactment."
- 13 3. By renumbering as necessary.

Amendment [H-8477](#) was adopted.

Tymeson of Madison offered the following amendment [H-8462](#) filed by her, Alons of Sioux and D. Taylor of Linn from the floor and moved its adoption:

[H-8462](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 199, line 34, by inserting after the
- 4 figure "2004." the following: "Funds appropriated in
- 5 this section remaining unencumbered or unobligated at
- 6 the end of the fiscal year beginning July 1, 2004.
- 7 shall not revert but shall remain available to be used
- 8 for the purposes designated and for a home ownership
- 9 assistance program for eligible members of the
- 10 national guard and reserves of the armed forces of the
- 11 United States and the members' immediate families."
- 12 2. Page 204, by inserting after line 34 the
- 13 following:
- 14 "____. The section of the division of this Act
- 15 amending 2003 Iowa Acts, chapter 179, section 21,
- 16 being deemed of immediate importance, takes effect
- 17 upon enactment."
- 18 3. By renumbering as necessary.

Amendment [H-8462](#) was adopted.

Reasoner of Union asked and received unanimous consent to withdraw amendment [H-8414C](#).

Kuhn of Floyd asked and received unanimous consent to withdraw amendment [H-8472B](#).

Mascher of Johnson asked and received unanimous consent to withdraw amendment [H-8471B](#).

Jenkins of Black Hawk offered the following amendment [H-8492](#) filed by him from the floor and moved its adoption:

[H-8492](#)

- 1 Amend [Senate File 2298](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 7, by inserting after line 11 the
- 4 following:
- 5 "Sec.____. IOWA HEALTH INSURANCE VALUE INITIATIVE.
- 6 If 2004 Iowa Acts, [House File 2521](#), is enacted, there

7 is appropriated from the general fund of the state to
 8 the department of commerce for the fiscal year
 9 beginning July 1, 2004, and ending June 30, 2005, the
 10 following amount, or so much thereof as is necessary,
 11 to be used for the purpose designated:
 12 For the insurance division to conduct a study
 13 regarding the costs of health insurance premiums for
 14 businesses and individual customers in this state, in
 15 accordance with 2004 Iowa Acts, [House File 2521](#):
 16 \$ 150,000"
 17 2. By renumbering as necessary.

Amendment [H-8492](#) was adopted.

Bogges of Page offered the following amendment [H-8496](#) filed by
 her and Jenkins of Black Hawk from the floor and moved its
 adoption:

[H-8496](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 29, by striking line 4 and inserting the
 4 following:
 5 "..... \$ 5,505,725"
 6 2. Page 35, line 9, by inserting after the word
 7 "circumstances." the following: "Of the moneys
 8 generated by the filing fee allowed under this
 9 subsection, the first \$225,000 is appropriated to the
 10 department of workforce development to be used for
 11 purposes of administering the division of workers'
 12 compensation."

Amendment [H-8496](#) was adopted.

Alons of Sioux offered the following amendment [H-8504](#) filed by
 him from the floor and moved its adoption:

[H-8504](#)

1 Amend [Senate File 2298](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 93, line 18, by striking the words
 4 "physically deformed, mentally deficient," and
 5 inserting the following: "mentally deficient".

Amendment [H-8504](#) was adopted.

Hogg of Linn asked and received unanimous consent to withdraw amendment [H-8507](#) filed by him from the floor.

Speaker Rants in the chair at 10:58 p.m.

The House resumed consideration of amendment [H-8418](#), as amended.

Smith of Marshall asked and received unanimous consent to withdraw amendment [H-8508](#) to amendment [H-8418](#) filed by him from the floor.

Jenkins of Black Hawk offered the following amendment [H-8493](#) to amendment [H-8418](#) filed by him and Struyk of Pottawattamie from the floor and moved its adoption:

[H-8493](#)

- 1 Amend the amendment, [H-8418](#), to [Senate File 2298](#),
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 3, by striking lines 38 through 46 and
- 5 inserting the following:
- 6 "NEW SUBSECTION. 4. Notwithstanding any provision
- 7 of this section and sections 8.33 and 8.39 to the
- 8 contrary, if a full-time equivalent position budgeted
- 9 for within an appropriation from the general fund of
- 10 the state to a department or establishment other than
- 11 the state board of regents is vacant for all or a
- 12 portion of the fiscal year, an amount equal to the
- 13 salary and benefits associated with the time of
- 14 vacancy of the position shall be considered to be
- 15 encumbered for the period of the vacancy, shall not be
- 16 used for any other purpose, and the encumbered amount
- 17 shall revert to the general fund of the state at the
- 18 close of the fiscal year."
- 19 2. Page 6, by inserting after line 36 the
- 20 following:
- 21 "____. Page 199, by inserting after line 34 the
- 22 following:
- 23 "Sec. ____ UNFILLED VACANCIES – STATE BOARD OF
- 24 REGENTS. The state board of regents shall report on
- 25 the policies of the institutions under the authority
- 26 of the state board for addressing the budget
- 27 ramifications associated with unfilled vacant
- 28 positions. If a policy does not exist, the state
- 29 board shall provide for implementation of such a
- 30 policy and report concerning the policy to the

31 government oversight committees of the senate and
32 house of representatives. The report shall be
33 submitted on or before December 15, 2004."
34 3. By renumbering as necessary.

Amendment [H-8493](#) was adopted, placing out of order amendment [H-8489](#) filed by Jenkins of Black Hawk and Struyk of Pottawattamie from the floor.

On motion by Dix of Butler amendment [H-8418](#), as amended, was adopted.

Heaton of Henry offered amendment [H-8455](#), previously deferred, filed by him, Eichhorn of Hamilton and Upmeyer of Hancock from the floor as follows:

[H-8455](#)

1 Amend [Senate File 2298](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 77, by inserting after line 20, the
4 following:
5 "Sec. ___. TOBACCO USE PREVENTION AND CONTROL –
6 ADMINISTRATOR. The director of the Iowa department of
7 public health shall employ a division administrator
8 for the division of tobacco use prevention and control
9 as a full-time equivalent position with a salary
10 commensurate with the full-time position.
11 Sec. ___. LEGISLATIVE INTENT – THE STATE OF IOWA,
12 A HEALTHY COMMUNITY.
13 1. It is the intent of the general assembly that
14 state agencies, local communities, and individuals
15 begin exploring strategies and partnerships to create
16 a statewide community network that supports health
17 promotion, prevention, and chronic disease management.
18 2. It is the expectation of the general assembly
19 that such strategies and partnerships will energize
20 local communities to transform their cultures into
21 those which promote healthy lifestyles and which,
22 collectively, transform the state of Iowa into one
23 healthy community."
24 2. Page 90, by inserting after line 35, the
25 following:
26 "Sec. ___. FOOD STAMP HEALTHY CHOICES. The
27 department of human services, in cooperation with the
28 Iowa department of public health, shall identify means
29 by which the food stamp program may be utilized to
30 promote good nutrition and healthy choices among
31 recipients of food stamps. The departments shall

32 submit a report of their findings to the general
33 assembly by December 15, 2004."
34 3. Page 100, by inserting after line 10, the
35 following:
36 "____. Determine or enter a contract to identify
37 the incidence of chronic disease within the Iowa
38 medical assistance program population in order to most
39 effectively utilize disease management programs under
40 the medical assistance program. The department may
41 procure a sole source contract to implement this
42 subsection."
43 4. Page 130, line 2, by inserting after the word
44 "fund." the following: "To the extent allowed under
45 Title XIX of the federal Social Security Act, any
46 hospital qualifying for disproportionate share
47 hospital reimbursement shall provide evidence to the
48 department that the hospital provides or participates
49 in a disease management program for persons whose
50 costs are part of the hospital's uncompensated care

Page 2

1 costs."
2 5. By renumbering as necessary.

Heaton of Henry offered the following amendment [H-8505](#), to amendment [H-8455](#), filed by him from the floor and moved its adoption:

[H-8505](#)

1 Amend the amendment, [H-8455](#), to [Senate File 2298](#),
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. By striking page 1, line 49, through page 2,
5 line 1, and inserting the following: "in a disease
6 management program."
7 2. By renumbering as necessary.

Amendment [H-8505](#) was adopted.

On motion by Heaton of Henry amendment [H-8455](#), as amended, was adopted.

Dix of Butler 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?" ([S.F. 2298](#))

The ayes were, 54:

Alons	Arnold	Baudler	Boal
Boddicker	Bogges	Carroll	Chambers
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Freeman
Gipp	Granzow	Greiner	Hahn
Hanson	Heaton	Hoffman	Horbach
Huseman	Hutter	Jacobs	Jenkins
Jones	Klemme	Kramer	Kurtenbach
Lalk	Lukan	Maddox	Manternach
Olson, S.	Paulsen	Raecker	Rasmussen
Rayhons	Roberts	Sands	Schickel
Struyk	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wilderdike	Mr. Speaker		
	Rants		

The nays were, 45:

Bell	Berry	Bukta	Cphoon
Dandekar	Davitt	Fallon	Foege
Ford	Frevert	Gaskill	Greimann
Heddens	Hogg	Hunter	Huser
Jacoby	Jochum	Kuhn	Lensing
Lykam	Mascher	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, D.
Osterhaus	Petersen	Quirk	Reasoner
Shomshor	Shultz	Smith	Stevens
Swaim	Taylor, D.	Taylor, T.	Thomas
Wendt	Whitaker	Whitead	Winckler
Wise			

Absent or not voting, 1:

Connors

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

MESSAGE FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on April 12, 2004, insisted on its amendment to [House File 2434](#), a bill for an act to update and modify the enhanced 911 emergency telephone communications system. (Formerly [HSB 681](#)), and the members of the Conference Committee on the part of the Senate are: The Senator from Tama, Senator Putney, Chair; the Senator from Webster,

Senator Beall; the Senator from Warren, Senator Shull; the Senator from Lee, Senator Fraise; the Senator from Woodbury, Senator Wieck.

MICHAEL E. MARSHALL, Secretary

REPORT OF THE CHIEF CLERK OF THE HOUSE

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

House File 2395

1. Page 1, line 1 – Extra space between 714.26 and INTELLECTUAL.
2. Page 3, line 3 – (1) should be a.
3. Page 3, line 4 – subparagraph should be paragraph
4. Page 3, line 5 – (2) should be “b”
5. Page 3, line 6 – (2) should be b.

MARGARET A. THOMSON
Chief Clerk of the House

MOTION TO RECONSIDER (Senate File 2298)

I move to reconsider the vote by which Senate File 2298 passed the House on April 12, 2004.

GIPP of Winneshiek

BILLS ENROLLED, SIGNED AND SENT TO GOVERNOR

The Chief Clerk of the House submitted the following report:

Mr. Speaker: The Chief Clerk of the House respectfully reports that the following bills have been examined and found correctly enrolled, signed by the Speaker of the House and the President of the Senate, and presented to the Governor for his approval on this 9th day of April, 2004: House Files 2146, 2201, 2404, 2441, 2490, 2496 and 2523.

Also: That on 12th day of April, 2004, the following House Files were found correctly enrolled signed by the Speaker of the House and the President of the Senate and presented to the Governor: House Files 2145, 2225, 2340, 2397 and 2517.

MARGARET A. THOMSON
Chief Clerk of the House

Report adopted.

BILLS SIGNED BY THE GOVERNOR

A communication was received from the Governor announcing that on April 8, 2004, he approved and transmitted to the Secretary of State the following bills:

[House File 2170](#), an Act relating to product liability actions.

[House File 2315](#), an Act relating to agricultural conservation practices.

[House File 2450](#), an Act relating to real property, including acknowledgements of real property conveyances and limitations on causes of action concerning real property.

[House File 2493](#), an Act relating to regulation of sales at unused property markets and providing penalties.

[House File 2516](#), an Act relating to the performance of a notarial act by a chief officer when certifying a uniform citation and complaint under oath, and providing an effective date.

[House File 2522](#), an Act relating to evidence in a sexual abuse case.

[Senate File 2174](#), an Act relating to the appointment of the ninth member of the State Board of Regents.

[Senate File 2244](#), an Act relating to municipal utilities that provide telecommunications services, including the examination and confidentiality of certain accounting records.

[Senate File 2274](#), an Act relating to the revised Iowa Nonprofit Corporation Act and providing penalties and effective and applicability dates.

Also: That on April 9, 2004, he approved and transmitted to the Secretary of State the following bill:

[Senate File 2249](#), an Act regulating contest events involving animals and providing a penalty and effective date.

Also: That on April 12, 2004, he approved and transmitted to the Secretary of State the following bill:

[House File 2441](#), an Act relating to the statutory duties of the Commission of Latino Affairs regarding Spanish language interpreter qualifications.

[Senate File 2101](#), an Act relating to receiving a precursor substance or possessing a product to be used in the unlawful manufacture of a controlled substance.

[Senate File 2149](#), an Act relating to games of chance by authorizing certain bingo games and prizes for bingo and raffles and providing an effective date.

[Senate File 2177](#), an Act relating to the possession and self-administration of asthma or other airway constricting disease medication by public and accredited nonpublic school students.

[Senate File 2193](#), an Act relating to the civil commitment of sexually violent predators.

[Senate File 2234](#), an Act relating to child custody and visitation provisions.

CERTIFICATES OF RECOGNITION

MR. SPEAKER: The Chief Clerk of the House respectfully reports that certificates of recognition have been issued as follows.

MARGARET A. THOMSON
Chief Clerk of the House

- 2004\1401 Short and Dorothy Thompson, Hamburg – For celebrating their 60th wedding anniversary.
- 2004\1402 Irene Kohlmeier Krause, Clarinda – For celebrating her 100th birthday.
- 2004\1403 Howard Rogers, Cedar Falls – For celebrating his 80th birthday.
- 2004\1404 Carl and Helen Danner, Cedar Falls – For celebrating their 65th wedding anniversary.
- 2004\1405 Oscar and Gladys Hurd, Cedar Falls – For celebrating their 65th wedding anniversary.
- 2004\1406 Florence Nelsen, Council Bluffs – For celebrating her 90th birthday.
- 2004\1407 Frankie Ashlock, Shellsburg – For celebrating her 100th birthday.
- 2004\1408 Earl and Yvonne Erger, Vinton – For celebrating their 50th wedding anniversary.

- 2004\1409 Geraldine Schutt, Calamus – For celebrating her 80th birthday.
- 2004\1410 Willard Anderson, Mason City – For celebrating his 80th birthday.
- 2004\1411 Clayton and Gertrude Knoll, Mason City – For celebrating their 71st wedding anniversary.
- 2004\1412 Wilma Schug, Mason City – For celebrating her 90th birthday.
- 2004\1413 Faith Boyd, Mason City – For celebrating her 80th birthday.
- 2004\1414 Bob and Jean Paulson, Mason City – For celebrating their 60th wedding anniversary.
- 2004\1415 Eric Neverman, Jesup – For being named a Wartburg College Regents Scholar.
- 2004\1416 Sara Schares, Dunkerton – For being named a Wartburg College Regents Scholar.
- 2004\1417 Brian Brungard, Dunkerton – For being named a Wartburg College Regents Scholar.
- 2004\1418 Willard Jones, Mineola – For celebrating his 80th birthday on May 24th, 2004.
- 2004\1419 Edith Busch, Nevada – For celebrating her 90th birthday.
- 2004\1420 Maxine Viers, Maxwell – For celebrating her 80th birthday.
- 2004\1421 Kathryn Burrows, LaPorte City – For celebrating her 90th birthday.
- 2004\1422 Evelyn Brockway, Brandon – For celebrating her 90th birthday.
- 2004\1423 Betty Gaffney, Winthrop – For celebrating her 80th birthday.
- 2004\1424 Daryl and Norma Daubenberger, Winthrop – For celebrating their 50th wedding anniversary.
- 2004\1425 Glenn and Kathleen Sanders, Independence – For celebrating their 60th wedding anniversary.
- 2004\1426 James Peyton, Winthrop – For attaining the rank of Eagle Scout, the highest rank in the Boy Scouts of America.
- 2004\1427 Luke Miller, Jesup – For winning the State Proficiency Award.
- 2004\1428 Colin Raaz, Iowa City – For attaining the rank of Eagle Scout, the highest rank in the Boy Scouts of America.
- 2004\1429 Ben Borgstahl, Iowa City – For attaining the rank of Eagle Scout, the highest rank in the Boy Scouts of America.

- 2004\1430 Philip Sadler, Jesup – For being named a Wartburg College Regents Scholar.
- 2004\1431 Karl Vogel, Jesup – For being named a Wartburg College Regents Scholar.
- 2004\1432 Mark and Twila Keller, Fairfield – For celebrating their 50th wedding anniversary.
- 2004\1433 Forest Ulin, Fairfield – For celebrating his 90th birthday.
- 2004\1434 Merle and Arlene Nelson, Fairfield – For celebrating their 60th wedding anniversary.
- 2004\1435 Edna Albers, Clear Lake – For celebrating her 90th birthday.
- 2004\1436 Carroll “Bud” Boehlje, Sheffield – For celebrating his 85th birthday.
- 2004\1437 Elsie McHugh, Sheffield – For celebrating her 94th birthday.
- 2004\1438 Elkader Cinema Renovation Committee, Elkader – For receiving the Main Street Iowa “Best Community Initiated Development” Award and the “Outstanding Volunteer” Award.
- 2004\1439 Fire Farm, Elkader – For receiving the Main Street Iowa “Best Adaptive Re-Use of a Building” Award.
- 2004\1440 Community of Elkader – For receiving the Main Street Iowa “Spirit of Main Street” Award.
- 2005\1441 Bob and Rosella Boleyn, Elgin – For celebrating their 55th wedding anniversary.
- 2004\1442 Elsie Raub, Dysart – For celebrating her 90th birthday.
- 2004\1443 Phyllis and Art Schrader, Dysart – For celebrating their 50th wedding anniversary.

HOUSE STUDY BILL COMMITTEE ASSIGNMENT

H.S.B. 730 Appropriations

Relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, environment first fund, tobacco settlement trust fund, state general fund, and primary road fund, and making related and corrective changes and providing effective dates.

RESOLUTIONS FILED

[HCR 126](#), by Tymeson, a concurrent resolution requesting the Legislative Council to create a learning technology commission to examine options for integrating technology into the classroom to prepare students for an economy that is increasingly dependent on technology and innovation.

Laid over under **Rule 25**.

[HR 167](#), by Ford, a resolution encouraging the state board of regents to establish a task force to develop a model athlete recruitment policy and to review college student-athlete graduation rates at the universities under its control.

Laid over under **Rule 25**.

[SCR 113](#), by Lundby and Connolly, a concurrent resolution recognizing the 25th anniversary of the Iowa Natural Heritage Foundation.

Laid over under **Rule 25**.

AMENDMENTS FILED

H-8463	H.F. 2548	Alons of Sioux
H-8464	S.F. 2179	Senate Amendment
H-8466	H.F. 2574	Kurtenbach of Story
H-8479	S.F. 2209	Boddicker of Cedar
		Upmeyer of Hancock
H-8480	H.F. 2574	Osterhaus of Jackson
H-8503	H.F. 2573	De Boef of Keokuk

On motion by Gipp of Winneshiek the House adjourned at 11:15 p.m., until 8:45 a.m., Tuesday, April 13, 2004.