

# **Standing Appropriations Bill House File 2465**

## ***Conference Committee Report***

**An Act relating to state and local finances by making and adjusting appropriations, providing for legal responsibilities, and providing for properly related matters, and including effective date and retroactive and other applicability provisions.**

**Fiscal Services Division  
Legislative Services Agency**

### **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

LSA Contacts: David Reynolds (515-281-6934) Estelle Montgomery (515-725-2261) Adam Broich (515-281-8223)

**Funding Summary:** House File 2465 as proposed by the Conference Committee, reduces FY 2013 General Fund appropriations by a net amount of \$35.9 million, and provides an FY 2012 General Fund supplemental appropriation of \$320,000. House File 2465 also appropriates \$2.0 million from the Rebuild Iowa Infrastructure Fund and the Mortgage Servicing Settlement Fund for FY 2013, and provides an FY 2012 supplemental appropriation of \$2.9 million from the Economic Emergency Fund. **See the attached tracking document for funding totals and difference comparisons for individual budget items.**

**FUNDING SUMMARY HIGHLIGHTS:** The following summarizes HF 2465 as amended by Senate amendment H-8513, and the Conference Committee Report:

- **College Aid Commission:** Appropriates \$500,000 from the General Fund for the Tuition Grant Program for For-Profit Private Institutions.
- **Department of Cultural Affairs:**
  - Limits the General Fund standing appropriation for operational support grants and community cultural grants to \$417,000.
  - Provides a \$320,000 FY 2012 supplemental appropriation from the General Fund for the preservation and restoration of the Iowa Memorial at Vicksburg National Military Park in Mississippi.
- **Economic Development Authority:** Limits the General Fund standing appropriation for regional tourism marketing to \$810,000.
- **Department of Education:**
  - Limits the General Fund standing appropriation for Children At-Risk Programs to \$10.7 million.
  - Appropriates \$2.0 million for the Iowa Research Reading Center.
  - Reduces the FY 2013 State aid funding to Area Education Agencies by an additional \$10.0 million (from \$10.0 million to \$20.0 million).
- **Legislative Branch:** Reduces the FY 2013 General Fund standing appropriation by \$1.7 million.
- **Department of Public Health:**
  - Restores the General Fund standing appropriation for the Center for Congenital and Inherited Disorders Central Registry to the estimated statutory level of \$233,000.
  - Appropriates \$50,000 from the General Fund for an Iowa Youth Suicide Prevention Program.
- **Department of Human Services:** Restores the General Fund standing appropriation for Child Abuse Prevention Programs to the estimated statutory level of \$233,000.
- **Department of Public Safety:** Repeals a \$5.0 million General Fund standing appropriation for the Public Safety Peace Officers' Retirement System for FY 2013.
- **Department of Revenue:**
  - Limits the General Fund standing appropriation for tobacco reporting enforcement to \$18,000.
  - Limits the General Fund standing appropriation for the Homestead Property Tax Credit to \$107.0 million for FY 2013.
- **Department of Natural Resources:** Provides a \$2.9 million FY 2012 supplemental appropriation from the Economic Emergency Fund for costs associated with the Missouri River flood damage at State parks.
- **Department of Agriculture and Land Stewardship:** Appropriates \$1.0 million from the Rebuild Iowa Infrastructure Fund for the Watershed Improvement Fund.

- **Department of Management:** Appropriates \$1.0 million from the Mortgage Servicing Settlement Fund to the Rebuild Iowa Infrastructure Fund.

**Language Summary:**

**NOTE: This language summary represents major language provisions and should not be considered an all-inclusive comprehensive listing.**

- **Mortgage Servicing Settlement Fund:** Establishes a Mortgage Servicing Settlement Fund and requires the Department of Justice to deposit moneys received from the Joint State-Federal Mortgage Settlement into the Fund.
- **Banking Division Mortgage Servicing Settlement Fund:** Establishes a Banking Division Mortgage Servicing Settlement Fund and requires the Banking Division of the Department of Commerce to deposit moneys received from the Joint State-Federal Mortgage Settlement into the Fund.
- **Plumbers – One-time Renewal of Expired License:** Requires the Plumbing and Mechanical Systems Board to grant a one-time renewal of an expired license on the condition that the person with the expired license pass a required examination. The one-time license renewal can only be granted until January 1, 2013.
- **FY 2008 Rebuild Iowa Infrastructure Fund Reversion:** Extends the reversion of the FY 2008 Rebuild Iowa Infrastructure Fund (RIIF) appropriations to the Department of Administrative Services (DAS) for costs associated with leases and relocation of State agencies located off the Capitol Complex and with the restoration and development of the West Capitol Terrace through the end of FY 2013.
- **Anti-Bullying Internet Site:** Requires the creation of an Anti-Bullying Internet Site, internet-based communications including texting capabilities, and a telephone hotline
- **Carryforward of Government Reorganization and Efficiency Act Appropriation:** Extends the carryforward of the \$2.0 million FY 2011 General Fund appropriation to the DAS for implementing the government information technology services provisions in SF 2088 (Government Reorganization and Efficiency Act) to the end of FY 2013.
- **Online Health Facilities Inspection Information:** Adds a specific date of December 31, 2012, for the Department of Inspections and Appeals (DIA) to provide information related to health facilities inspections available to the public on their website.
- **Disaster Care Management Act:** Amends SF 2289 (Disaster Case Management Act) to make the Act effective on enactment and retroactive to April 12, 2012.
- **Executive Council:** Allows the Executive Council to take any action deemed necessary to protect the interests of the State in regards to certificates, tax credits, entities created, or action taken in relation to the Iowa Capital Investment Board and the Iowa Fund of Funds.
- **Bond Reserve Fund Reporting:** Eliminates certain bond reserve fund reporting requirements and certain repayment requirements of the Iowa Finance Authority (IFA).
- **Moral Obligation:** Removes the “Moral Obligation” provision from the Iowa Code section pertaining to debt service requirements on IFA bonds.
- **Internet Administrative Rules Database:** Directs each agency to make available to the public a uniform, searchable, and user-friendly internet-based administrative rules database.

- **Five-Year Administrative Rule Review:** Removes Iowa Code language pertaining to requests for a formal review of agencies' administrative rules and inserts language requiring a complete, formal review of agencies' administrative rules every five years.
- **Administrative Rules Review Committee Chairperson:** Amends the process for selecting the Administrative Rules Review Committee Chairperson.
- **Bona Fide Retirement Exemption:** Extends the bona fide retirement exception under the Iowa Public Employees' Retirement System (IPERS) for licensed health care professionals for two years.
- **Infused Spirits:** Permits bars and restaurants with a liquor license to create "infused spirits," which are currently prohibited.
- **Preschool Foundation Aid:** Beginning in FY 2012, up to 5.00% of preschool foundation aid received by a school district may be used for administering the Program. Beginning in FY 2013, at least 95.00% of the preschool formula foundation aid is to be paid to the community-based provider for the approved local program. Additionally, beginning in FY 2012, not more than 5.00% of the funding paid to the community-based provider may be used for provider administrative costs.
- **Area Education Agencies - Media Resource Material:** Removes the requirement that 30.0% of funding for media services be spent on media resource materials. Although there is no fiscal impact, this provision may increase the amount of area education agency funding available for special education support services within each AEA.
- **Free Tuition for Children of Public Safety Officers Killed in the Line of Duty:** Requires the community colleges to waive tuition and mandatory fees for the surviving children of public safety peace officers, police officers, sheriffs, firemen, and deputy sheriffs that have died in the line of the duty.
- **Proof of Financial Responsibility and Liability:** Requires individuals that own snowmobiles and all-terrain vehicles to maintain proof of financial responsibility and liability.
- **Renewable Energy Tax Credit:** Modifies a 10 megawatt capacity set-aside that is currently in the wind energy production tax credit law. The set-aside remains at 10 megawatts, but the specific requirements that a facility must meet in order to qualify for the set-aside are amended.
- **Sales Tax Increment Fund:** Requires projects that receive funding from the Sales Tax Increment Fund as outlined in SF 2217 (FY 2013 Flood Mitigation Act) to receive at least 20.0% of the total project cost from a federal financial assistance program.
- **State Historic Tax Credit Allocation:** Beginning July 1, 2012, permits State historic tax credits awarded to the members or shareholders of a partnership, limited liability company, S corporation, estate, or trust to be allocated to the members and shareholders at the discretion of the business. Under current law, the tax credits must be allocated based on the pro rata share of the individual's earnings from the business.
- **Maintaining Confidential Documentation:** Amends the requirements for maintaining confidential documents and records during the examination of a domestic or foreign insurer to include the International Association of Insurance Supervisors (IAIS) and the Bank for International Settlements (BIS). These entities are required to maintain the confidentiality.
- **Life Insurance Company Reserve Requirements:** Makes changes to foreign investment requirements in relation to legal reserve standards for life insurance companies.

- **Chiropractic and Special Health and Accident Insurance Coverage:** Adds services provided by chiropractors to the Iowa Code chapter regarding special health and accident insurance coverage.
- **Child Custody Arrangement and Registered Sex Offenders:** Requires the court to consider whether a parent has allowed a person on the sex offender registry to have custody, control, or unsupervised access to a child, if the parent knows the person is required to register as a sex offender, when considering child custody arrangements.
- **Repeals Authorization of Public Funds Deposit:** Repeals a Section enacted in HF 2168 (Deposit of Public Funds Act) regarding the authorization deposit of public funds to conform the Iowa Code to the current practice.
- **Housing Enterprise Zone Project Tax Credits:** Allows the Economic Development Authority to issue tax credits to a business for a project that was not completed within two years from the project start date because the city failed to file the appropriate paperwork to obtain an extension. The project must be within a city that failed to file an extension between January 1, 2007, and January 1, 2008, and only for benefits earned for work done on the project between February 8, 2005, and February 8, 2008.
- **Corrective Provisions:** Makes technical corrective changes to various bills that have passed both the House and the Senate.
- **Time Served - Probation Credit:** Requires offenders revoked from probation to receive credit for time served while in an alternate jail facility or community corrections facility. Permits a person that commits an offense before the effective date of this Bill to waive any rights under the *Anderson* case, and agree to be sentenced using credits as calculated under this Bill.
- **County Treasurers - Installment Payment Requirements:** Prohibits installment payments on a property tax assessment unless the assessment exceeds \$500. This is an increase from the \$100 limit in current law.
- **Tax Sale Purchases:** Allows the purchaser of a tax sale to pay the delinquent tax beginning one month and 14 days following the date an installment becomes delinquent.
- **Iowa Commission on Interstate Cooperation:** Requires an Iowa Commission on Interstate Cooperation to be appointed upon resolution by the Executive Council. Changes the reporting submission requirement for the Commission on Interstate Cooperation.
- **Juvenile Justice Planning Advisory Council:** Requires the Chief Justice of the Supreme Court to designate district, district associate, and associate juvenile judges as ex officio, nonvoting members of the Juvenile Justice Planning Advisory Council.
- **Medical Assistance Quality Improvement Council:** Repeals the Medical Assistance Quality Improvement Council.
- **City Franchise Fee:** Allows a city that is subject to a judgment, court-approved settlement, court-approved compromise, refund, or other required return of previously collected franchise fee revenue to impose a franchise fee at the rate of up to 7.5% for any seven-year time period beginning July 1, 2012, through June 30, 2030. Requires that an ordinance increasing the rate to greater than 5.0% must be approved by referendum.
- **Early Intervention Block Grant Program:** Extends the Early Intervention Block Grant Program to July 1, 2013. Under current law, the Program would be repealed July 1, 2012.
- **Regents - Reporting Requirements and Competitive Bidding:** Changes reporting requirements and competitive bidding for the Board of Regents.
- **Hawk-i Clarification:** Makes a technical clarification relating to the hawk-i Program to conform the Iowa Code to the current practice.

- **Insurance Navigator Licensing Requirements:** Establishes licensing requirements for insurance navigators overseen by the Commissioner of Insurance. These sections provide for examinations, prohibited actions, and license renewal, denial, and revocation.
- **Employee Stock Ownership (ESOP) Capital Gains Tax Credit:** Creates a State income tax exemption for capital gains earned from the sale of employer securities to a qualified Iowa ESOP. The exemption will reduce individual income taxes owed to the State by qualified taxpayers and reduce General Fund revenues by an estimated \$500,000 per year beginning in FY 2013.

## Summary Data

### General Fund

	Estimated Net FY 2012 <u>(1)</u>	Enacted FY 2013 <u>(2)</u>	Conf. Comm. FY 2013 <u>(3)</u>	Total Conf FY 2013 <u>(4)</u>	Conf vs FY 2012 <u>(5)</u>
Economic Development	\$ 320,000	\$ 0	\$ 0	\$ 0	\$ -320,000
Education	0	0	500,000	500,000	500,000
Unassigned Standings	<u>2,758,820,608</u>	<u>2,841,281,604</u>	<u>-36,381,695</u>	<u>2,804,899,909</u>	<u>46,079,301</u>
<b>Grand Total</b>	<u>\$ 2,759,140,608</u>	<u>\$ 2,841,281,604</u>	<u>\$ -35,881,695</u>	<u>\$ 2,805,399,909</u>	<u>\$ 46,259,301</u>

Note: This report shows only those standing appropriations that are affected by this Bill.

## Economic Development General Fund

	Estimated Net FY 2012 <u>(1)</u>	Enacted FY 2013 <u>(2)</u>	Conf. Comm. FY 2013 <u>(3)</u>	Total Conf FY 2013 <u>(4)</u>	Conf vs FY 2012 <u>(5)</u>
<u>Cultural Affairs, Dept. of</u>					
Cultural Affairs, Dept. of Iowa Memorial at Vicksburg	\$ 320,000	\$ 0	\$ 0	\$ 0	\$ -320,000
<b>Total Cultural Affairs, Dept. of</b>	<u>\$ 320,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ -320,000</u>
<b>Total Economic Development</b>	<u><u>\$ 320,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ -320,000</u></u>

## Education General Fund

	Estimated Net FY 2012 <u>(1)</u>	Enacted FY 2013 <u>(2)</u>	Conf. Comm. FY 2013 <u>(3)</u>	Total Conf FY 2013 <u>(4)</u>	Conf vs FY 2012 <u>(5)</u>
<u>College Aid Commission</u>					
College Student Aid Comm.					
Tuition Grants - For-Profit (HF2465)	\$ 0	\$ 0	\$ 500,000	\$ 500,000	\$ 500,000
<b>Total College Aid Commission</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
<b>Total Education</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 500,000</u></u>	<u><u>\$ 500,000</u></u>	<u><u>\$ 500,000</u></u>

# Unassigned Standings

## General Fund

	Estimated Net FY 2012 (1)	Enacted FY 2013 (2)	Conf. Comm. FY 2013 (3)	Total Conf FY 2013 (4)	Conf vs FY 2012 (5)
<b><u>Cultural Affairs, Dept. of</u></b>					
<b>Cultural Affairs, Dept. of</b>					
County Endowment Funding - DCA Grants	\$ 416,702	\$ 208,351	\$ 208,351	\$ 416,702	\$ 0
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 416,702</b>	<b>\$ 208,351</b>	<b>\$ 208,351</b>	<b>\$ 416,702</b>	<b>\$ 0</b>
<b><u>Economic Development Authority</u></b>					
<b>Economic Development Authority</b>					
Tourism Marketing - Adjusted Gross Receipts	\$ 810,306	\$ 405,153	\$ 405,153	\$ 810,306	\$ 0
<b>Total Economic Development Authority</b>	<b>\$ 810,306</b>	<b>\$ 405,153</b>	<b>\$ 405,153</b>	<b>\$ 810,306</b>	<b>\$ 0</b>
<b><u>Education, Dept. of</u></b>					
<b>Education, Dept. of</b>					
Child Development	\$ 10,728,891	\$ 5,364,446	\$ 5,364,445	\$ 10,728,891	\$ 0
State Foundation School Aid	2,624,519,013	2,659,200,000	-10,000,000	2,649,200,000	24,680,987
Reading Research Center	0	0	2,000,000	2,000,000	2,000,000
<b>Total Education, Dept. of</b>	<b>\$ 2,635,247,904</b>	<b>\$ 2,664,564,446</b>	<b>\$ -2,635,555</b>	<b>\$ 2,661,928,891</b>	<b>\$ 26,680,987</b>
<b><u>Legislative Branch</u></b>					
<b>Legislative Services Agency</b>					
Legislative Branch	\$ 35,750,000	\$ 35,900,000	\$ -1,672,924	\$ 34,227,076	\$ -1,522,924
<b>Total Legislative Branch</b>	<b>\$ 35,750,000</b>	<b>\$ 35,900,000</b>	<b>\$ -1,672,924</b>	<b>\$ 34,227,076</b>	<b>\$ -1,522,924</b>
<b><u>Public Health, Dept. of</u></b>					
<b>Public Health, Dept. of</b>					
Congenital & Inherited Disorders Registry	\$ 171,121	\$ 85,560	\$ 146,940	\$ 232,500	\$ 61,379
Iowa Youth Suicide Prevention	0	0	50,000	50,000	50,000
<b>Total Public Health, Dept. of</b>	<b>\$ 171,121</b>	<b>\$ 85,560</b>	<b>\$ 196,940</b>	<b>\$ 282,500</b>	<b>\$ 111,379</b>
<b><u>Human Services, Dept. of</u></b>					
<b>Assistance</b>					
Child Abuse Prevention	\$ 217,772	\$ 108,886	\$ 123,614	\$ 232,500	\$ 14,728
<b>Total Human Services, Dept. of</b>	<b>\$ 217,772</b>	<b>\$ 108,886</b>	<b>\$ 123,614</b>	<b>\$ 232,500</b>	<b>\$ 14,728</b>

# Unassigned Standings

## General Fund

	Estimated Net FY 2012 <u>(1)</u>	Enacted FY 2013 <u>(2)</u>	Conf. Comm. FY 2013 <u>(3)</u>	Total Conf FY 2013 <u>(4)</u>	Conf vs FY 2012 <u>(5)</u>
<b><u>Public Safety, Department of</u></b>					
Public Safety, Dept. of					
DPS-POR Unfunded Liabilities Until 85 Percent	\$ 0	\$ 5,000,000	\$ -5,000,000	\$ 0	\$ 0
<b>Total Public Safety, Department of</b>	<b>\$ 0</b>	<b>\$ 5,000,000</b>	<b>\$ -5,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Revenue, Dept. of</u></b>					
Revenue, Dept. of					
Homestead Tax Credit Aid - GF	\$ 86,188,387	\$ 135,000,000	\$ -28,016,482	\$ 106,983,518	\$ 20,795,131
Tobacco Reporting Requirements	18,416	9,208	9,208	18,416	0
<b>Total Revenue, Dept. of</b>	<b>\$ 86,206,803</b>	<b>\$ 135,009,208</b>	<b>\$ -28,007,274</b>	<b>\$ 107,001,934</b>	<b>\$ 20,795,131</b>
<b>Total Unassigned Standings</b>	<b>\$ 2,758,820,608</b>	<b>\$ 2,841,281,604</b>	<b>\$ -36,381,695</b>	<b>\$ 2,804,899,909</b>	<b>\$ 46,079,301</b>

## Summary Data

### Other Fund

	Estimated Net FY 2012 <u>(1)</u>	Enacted FY 2013 <u>(2)</u>	Conf. Comm. FY 2013 <u>(3)</u>	Total Conf FY 2013 <u>(4)</u>	Conf vs FY 2012 <u>(5)</u>
Agriculture and Natural Resources	\$ 2,865,743	\$ 0	\$ 0	\$ 0	\$ -2,865,743
Unassigned Standings	<u>0</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
<b>Grand Total</b>	<u>\$ 2,865,743</u>	<u>\$ 0</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ -865,743</u>

# Agriculture and Natural Resources

## Other Fund

	Estimated Net FY 2012 (1)	Enacted FY 2013 (2)	Conf. Comm. FY 2013 (3)	Total Conf FY 2013 (4)	Conf vs FY 2012 (5)
<u>Natural Resources, Dept. of</u>					
Natural Resources					
Missouri River Flood Damage-EEF	\$ 2,865,743	\$ 0	\$ 0	\$ 0	\$ -2,865,743
<b>Total Natural Resources, Dept. of</b>	<b>\$ 2,865,743</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ -2,865,743</b>
<b>Total Agriculture and Natural Resources</b>	<b>\$ 2,865,743</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ -2,865,743</b>

# Unassigned Standings

## Other Fund

	Estimated Net FY 2012 <u>(1)</u>	Enacted FY 2013 <u>(2)</u>	Conf. Comm. FY 2013 <u>(3)</u>	Total Conf FY 2013 <u>(4)</u>	Conf vs FY 2012 <u>(5)</u>
<b><u>Agriculture and Land Stewardship</u></b>					
<b>Agriculture and Land Stewardship</b>					
Watershed Improvement Fund-RIIF	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>
<b><u>Management, Dept. of</u></b>					
<b>Management, Dept. of</b>					
RIIF Appropriation - MSSF	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<b>Total Management, Dept. of</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>
<b>Total Unassigned Standings</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>