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APR 18 1983

SENATE FILE 527

BY COMMITTEE ON FINANCE
Approved 4/14/83 (p.1302)

Passed Senate, Date 4-21-83 (p.1363) Passed House, Date 5-10-83 (P.1984)
Vote: Ayes 45 Nays 2 Vote: Ayes 92 Nays 6
Approved May 25, 1983

A BILL FOR

1 An Act relating to the impact of state legislative and
2 administrative actions by requiring fiscal notes on
3 bills, joint resolutions, and administrative rules, by
4 providing for the payment of interest on unpaid claims
5 against the state treasury, by requiring notice of
6 proposed rules, and providing for periodic review of
7 existing administrative rules.

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

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SF 527

1 Section 1. NEW SECTION. 25B.1 TITLE. This chapter may
2 be cited as the "State Mandates Act".

3 Sec. 2. NEW SECTION. 25B.2 FINDINGS AND PURPOSE.

4 1. The general assembly finds that preceding actions of
5 state government in specifying the manner, standards, and
6 conditions under which public services are rendered to citizens
7 by the political subdivisions of this state in some cases
8 have not resulted in equitable relationships between the state
9 government and its political subdivisions. Some state actions
10 have dealt in detail with the internal management of the
11 political subdivisions; some have specified the establishment
12 of new services and facilities without providing new revenue
13 sources or financial participation by the state to meet the
14 additional costs; and other actions have specified the adoption
15 of higher service standards without a complete assessment
16 of the impact on the expenditures and tax rates of the
17 political subdivisions.

18 2. It is the purpose of this chapter to enunciate policies,
19 criteria, and procedures to govern future state-initiated
20 specification of local government services, standards, em-
21 ployment conditions, and retirement benefits that necessitates
22 increased expenditures by political subdivisions.

23 Sec. 3. NEW SECTION. 25B.3 DEFINITIONS. As used in
24 this chapter, unless the context otherwise requires:

25 1. "Political subdivision" means a city, county, township,
26 or school district.

27 2. "State mandate" means a statutory requirement enacted
28 after January 1, 1984, which requires a political subdivision
29 of the state to establish, expand, or modify its activities
30 in a manner which necessitates additional expenditures of
31 local revenue, excluding an order issued by a court of this
32 state.

33 Sec. 4. NEW SECTION. 25B.4 STATE MANDATE INFORMATION.

34 The state comptroller shall report at least biennially to
35 the governor and the general assembly regarding the administra-

1 tion of this chapter including any proposed changes.

2 Sec. 5. NEW SECTION. 25B.5 ESTIMATION--PROCEDURES.

3 1. When a bill or joint resolution is requested, the
4 legislative service bureau shall make an initial determination
5 of whether the bill or joint resolution will impose a state
6 mandate. If a state mandate is included, the fact shall be
7 included in the explanation of the bill or joint resolution.

8 2. If a bill or joint resolution contains a state mandate,
9 a copy of the prepared draft shall be sent to the legislative
10 fiscal bureau which shall prepare an estimate of the amount
11 of costs imposed.

12 Sec. 6. NEW SECTION. 25B.6 STATE RULES. A state ad-
13 ministrative rule filed pursuant to chapter 17A which neces-
14 sitates additional expenditures by political subdivisions
15 beyond that which are explicitly provided by state law shall
16 be accompanied by a fiscal note outlining the costs.

17 Sec. 7. Sections 1 through 6 of this Act are created as
18 a new chapter.

19 Sec. 8. Section 8.15, Code 1983, is amended by adding
20 the following new unnumbered paragraph:

21 NEW UNNUMBERED PARAGRAPH. The departments, the general
22 assembly and the courts shall pay their claims in a timely
23 manner. If a claim for services, supplies, materials or a
24 contract which is payable from the state treasury remains
25 unpaid after sixty days following the receipt of the claim
26 or the satisfactory delivery, furnishing or performance of
27 the services, supplies, materials, or contract, whichever
28 date is later, the state shall pay interest at the rate of
29 one percent per month on the unpaid amount of the claim.
30 This paragraph does not apply to claims against the state
31 under chapters 25 and 25A or to claims paid by federal funds.
32 The interest shall be charged to the appropriation or fund
33 to which the claim is certified. The state comptroller shall
34 adopt rules under chapter 17A relating to the administration
35 of this paragraph.

1 Sec. 9. Section 17A.4, subsection 1, Code 1983, is amended
2 by adding the following new lettered paragraph:

3 NEW LETTERED PARAGRAPH. Mail copies of the proposed rule
4 to the state office of a trade or occupational association
5 whose members could reasonably be affected by the proposed
6 rule and which has registered its name and address with the
7 administrative rules coordinator.

8 Sec. 10. Chapter 17A, Code 1983, is amended by adding
9 the following new section:

10 NEW SECTION. BIENNIAL REVIEW. At least every two years
11 each agency shall review all of its rules to determine whether
12 any rule is no longer necessary and should be rescinded unless
13 the administrative rules coordinator grants an extension of
14 time because of the number or complexity of the rules to be
15 reviewed by the agency. In conducting that review, each
16 agency shall prepare a written report summarizing its findings,
17 its supporting reasons, and any proposed course of action.
18 A copy of the report shall be sent to the governor, the
19 presiding officer of each house of the general assembly, and
20 the administrative rules review committee.

21 Sec. 11. Section 8 of this Act shall become effective
22 for claims received after January 1, 1984.

23 EXPLANATION

24 This bill requires fiscal notes to legislative bills, joint
25 resolutions, and state administrative rules which impose costs
26 on political subdivisions.

27 The bill provides for the payment of interest at the rate
28 of one percent per month on claims against the state which
29 are unpaid after sixty days.

30 The bill also provides that notice of proposed rules be
31 sent to the state office of a trade or occupational association
32 upon request and the review of all existing rules by state
33 agencies each two years to facilitate the removal of unneces-
34 sary or obsolete rules.

35 The bill creates a new chapter 25B. The sections of this

1 bill are assigned new Code section numbers and internal
2 references in the bill are made to the assigned Code section
3 numbers.

4 The bill takes effect July 1 following its enactment.
5 However, section 8 of this Act relating to the payment of
6 interest on unpaid claims applies to claims submitted after
7 January 1, 1984.

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STATE OF IOWA
F I S C A L N O T E

LSB No. 1596S
Request No. 83-388
Staff ID KMM

In compliance with a written request received March 16, 1983, there is hereby submitted a Fiscal Note for Senate File 527 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

Senate File 527, as amended by appropriations committee, requires fiscal notes to legislative bills, joint resolutions, and state administrative rules which impose costs on political subdivisions. It also provides for the payment of interest at the rate of one percent per month on claims against the state which are unpaid after sixty days. Another provision is that notice of proposed rules be sent to the state office of a trade or occupational association upon request and the review of all existing rules by state agencies each two years to facilitate the removal of unnecessary or obsolete rules.

Fiscal Impact:

Section 4: The state comptroller shall report at least biennially to the governor and general assembly regarding the administration of the "State Mandates Act" including any proposed changes. The impact of this section is approximately \$2,500. (Salary for one month @ \$1,500 and supplies and printing @ \$1,000.)

Section 5: The Legislative Service Bureau shall make an initial determination of whether a bill or joint resolution will impose a state mandate. The Legislative Fiscal Bureau will prepare an estimate of the amount of costs imposed. The fiscal impact of this section cannot be determined because there is no information on the number of bills or joint resolutions that contain state mandates.

Section 6: A state administrative rule which necessitates additional expenditures by political subdivisions beyond that which are explicitly provided by state law shall be accompanied by a fiscal note. An average of 1,000 rules are filed per year. Of this amount it is estimated that 20% apply to local political subdivisions. The estimated additional expense per rule is \$300 (\$250 salary and \$50 printing and supplies.). Two hundred rules (1000 x 20%) would cost \$60,000 to process.

Section 8: (as amended by appropriations committee) If a claim for services, supplies, materials or contract which is payable from the state treasury remains unpaid after sixty (60) days, the state shall pay interest at the rate of one percent per month on the unpaid amount of the claim. The interest on these claims would be \$100,000 or less. This estimate is based on the premise that a "claim for services, supplies, materials or contract" does not include tax refunds or tax replacements. It is also based on the continuation of flexibility in the payment of school aid.

Summary:

Section 4	\$ 2,500
Section 5	unable to determine
Section 6	60,000
Section 8	<u>100,000</u>
Estimated Impact	\$ <u>162,000</u>

(1596S, 83-388, KMM)

Source: State Comptroller

*Kenneth C. D...
Fiscal Director
Legislative Fiscal Bureau*

FILED **APR 18 1983**

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Date: 4/18/83

SENATE 3
APRIL 22, 1983

SENATE FILE 527

S-3648

- 1 Amend Senate File 527 as follows:
2 1. Page 1, line 22, by inserting after the word
3 "subdivisions" the words "or agencies and entities
4 which contract with a political subdivision to provide
5 services".
6 2. Page 2, line 14, by inserting after the word
7 "subdivisions" the words "or agencies and entities
8 which contract with a political subdivision to provide
9 services".

S-3648 FILED & ADOPTED BY ARTHUR A. SMALL, JR.
APRIL 21, 1983 (p. 1361)

SENATE FILE 527

S-3647

- 1 Amend Senate File 527 as follows:
2 1. Page 3, by striking line 7 and inserting in
3 lieu thereof the words "agency. Failure to provide
4 copies as provided in this paragraph shall not be
5 grounds for the invalidation of a rule, unless that
6 failure was deliberate on the part of that agency or
7 the result of gross negligence."

S-3647 FILED BY EDGAR H. HOLDEN
APRIL 21, 1983 DALE L. TIEDEN
RULED OUT OF ORDER (p. 1362) BERL PRIEBE

SENATE FILE 527

S-3646

- 1 Amend Senate File 527 as follows:
2 1. Page 3, by striking lines 1 through 20.
3 2. Title, lines 6 and 7, by striking the words "
4 and providing for periodic review of existing admini-
5 strative rules".

S-3646 FILED BY TOM MANN, JR.
APRIL 21, 1983 ARTHUR A. SMALL, JR.
RULED OUT OF ORDER (p. 1362)

SENATE FILE 527

S-3644

- 1 Amend Senate File 527 as follows:
2 1. Page 3, by striking lines 1 through 7.
3 2. Title, lines 5 and 6, by striking the words
4 "by requiring notice of proposed rules,".

S-3644 FILED BY TOM MANN, JR.
APRIL 21, 1983 BERL E. PRIEBE
RULED OUT OF ORDER (p. 1362)

SENATE FILE 527

S-3612

- 1 Amend Senate File 527 as follows:
- 2 1. Page 3, by striking lines 1 through 22.
- 3 2. Title, lines 6 and 7, by striking the words
- 4 ", and providing for periodic review of existing
- 5 administrative rules".

S-3612 FILED

BY TOM MANN, JR.

APRIL 19, 1983

Placed out of order 4/21/83 (p. 1364)

SENATE FILE 527

S-3645

- 1 Amend Senate File 527 as follows:
- 2 1. Page 3, by striking lines 3 through 7 and
- 3 inserting in lieu thereof the following:
- 4 "NEW LETTERED PARAGRAPH. Mail the number of copies
- 5 of the proposed rule as requested to the state office
- 6 of a trade or occupational association which has
- 7 registered its name and address with the agency.
- 8 The trade or occupational association shall reimburse
- 9 the agency for the actual cost incurred in providing
- 10 the copies of the proposed rule under this paragraph."

S-3645 FILED & WITHDRAWN
APRIL 21, 1983 *(p. 1361)*

BY ARTHUR A. SMALL, JR.
LOWELL L. JUNKINS

SENATE 4
APRIL 22, 1983

SENATE FILE 527

S-3650

1 Amend Senate File 527 as follows:

2 1. Page 3, by striking lines 3 through 7 and
3 inserting in lieu thereof the following:

4 "NEW LETTERED PARAGRAPH. Mail the number of copies
5 of the proposed rule as requested to the state office
6 of a trade or occupational association which has
7 registered its name and address with the agency.
8 The trade or occupational association shall reimburse
9 the agency for the actual cost incurred in providing
10 the copies of the proposed rule under this paragraph.
11 Failure to provide copies as provided in this paragraph
12 shall not be grounds for the invalidation of a rule,
13 unless that failure was deliberate on the part of
14 that agency or the result of gross negligence."

S-3650 FILED & ADOPTED
APRIL 21, 1983 (p. 1362)

BY ARTHUR A. SMALL, JR.
LOWELL L. JUNKINS
EDGAR H. HOLDEN
DALE L. TIEDEN
BERL PRIEBE

SENATE FILE 527

S-3649

1 Amend Senate File 527 as follows:

2 1. Page 3, by striking lines 8 through 20.

3 2. Title, lines 6 and 7, by striking the words "
4 and providing for periodic review of existing admini-
5 strative rules".

S-3649 FILED & ADOPTED
APRIL 21, 1983 (p. 1263)

BY TOM MANN, JR.
ARTHUR A. SMALL, JR.

1 Section 1. NEW SECTION. 25B.1 TITLE. This chapter may
2 be cited as the "State Mandates Act".

3 Sec. 2. NEW SECTION. 25B.2 FINDINGS AND PURPOSE.

4 1. The general assembly finds that preceding actions of
5 state government in specifying the manner, standards, and
6 conditions under which public services are rendered to citizens
7 by the political subdivisions of this state in some cases
8 have not resulted in equitable relationships between the state
9 government and its political subdivisions. Some state actions
10 have dealt in detail with the internal management of the
11 political subdivisions; some have specified the establishment
12 of new services and facilities without providing new revenue
13 sources or financial participation by the state to meet the
14 additional costs; and other actions have specified the adoption
15 of higher service standards without a complete assessment
16 of the impact on the expenditures and tax rates of the
17 political subdivisions.

18 2. It is the purpose of this chapter to enunciate policies,
19 criteria, and procedures to govern future state-initiated
20 specification of local government services, standards, em-
21 ployment conditions, and retirement benefits that necessitates
22 increased expenditures by political subdivisions or agencies
23 and entities which contract with a political subdivision to
24 provide services.

25 Sec. 3. NEW SECTION. 25B.3 DEFINITIONS. As used in
26 this chapter, unless the context otherwise requires:

27 1. "Political subdivision" means a city, county, township,
28 or school district.

29 2. "State mandate" means a statutory requirement enacted
30 after January 1, 1984, which requires a political subdivision
31 of the state to establish, expand, or modify its activities
32 in a manner which necessitates additional expenditures of
33 local revenue, excluding an order issued by a court of this
34 state.

35 Sec. 4. NEW SECTION. 25B.4 STATE MANDATE INFORMATION.

1 The state comptroller shall report at least biennially to
2 the governor and the general assembly regarding the administra-
3 tion of this chapter including any proposed changes.

4 Sec. 5. NEW SECTION. 25B.5 ESTIMATION-PROCEDURES.

5 1. When a bill or joint resolution is requested, the
6 legislative service bureau shall make an initial determination
7 of whether the bill or joint resolution will impose a state
8 mandate. If a state mandate is included, the fact shall be
9 included in the explanation of the bill or joint resolution.

10 2. If a bill or joint resolution contains a state mandate,
11 a copy of the prepared draft shall be sent to the legislative
12 fiscal bureau which shall prepare an estimate of the amount
13 of costs imposed.

14 Sec. 6. NEW SECTION. 25B.6 STATE RULES. A state ad-
15 ministrative rule filed pursuant to chapter 17A which neces-
16 sitates additional expenditures by political subdivisions
17 or agencies and entities which contract with a political
18 subdivision to provide services beyond that which are
19 explicitly provided by state law shall be accompanied by a
20 fiscal note outlining the costs.

21 Sec. 7. Sections 1 through 6 of this Act are created as
22 a new chapter.

23 Sec. 8. Section 8.15, Code 1983, is amended by adding
24 the following new unnumbered paragraph:

25 NEW UNNUMBERED PARAGRAPH. The departments, the general
26 assembly and the courts shall pay their claims in a timely
27 manner. If a claim for services, supplies, materials or a
28 contract which is payable from the state treasury remains
29 unpaid after sixty days following the receipt of the claim
30 or the satisfactory delivery, furnishing or performance of
31 the services, supplies, materials, or contract, whichever
32 date is later, the state shall pay interest at the rate of
33 one percent per month on the unpaid amount of the claim.
34 This paragraph does not apply to claims against the state
35 under chapters 25 and 25A or to claims paid by federal funds.

1 The interest shall be charged to the appropriation or fund
2 to which the claim is certified. The state comptroller shall
3 adopt rules under chapter 17A relating to the administration
4 of this paragraph.

5 Sec. 9. Section 17A.4, subsection 1, Code 1983, is amended
6 by adding the following new lettered paragraph:

7 NEW LETTERED PARAGRAPH. Mail the number of copies of the
8 proposed rule as requested to the state office of a trade
9 or occupational association which has registered its name
10 and address with the agency. The trade or occupational
11 association shall reimburse the agency for the actual cost
12 incurred in providing the copies of the proposed rule under
13 this paragraph. Failure to provide copies as provided in
14 this paragraph shall not be grounds for the invalidation of
15 a rule, unless that failure was deliberate on the part of
16 that agency or the result of gross negligence.

17 * 17 Sec. 10. Section 8 of this Act shall become effective
18 for claims received after January 1, 1984.

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1 Amend the Senate File 527 as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, line 3, by striking the words "FINDINGS
4 AND".

5 2. Page 1, by striking lines 4 through 17.

6 3. Page 1, line 18, by striking the number "2."

7 4. Page 1, by striking lines 22 through 24 and
8 inserting in lieu thereof the words "increased
9 expenditures by political subdivisions."

10 5. Page 1, by striking lines 30 through 34 and
11 inserting in lieu thereof the following: "after
12 January 1, 1984, which requires one or more political
13 subdivisions of the state to establish, expand, or
14 modify their activities in a manner which necessitates
15 additional local revenue expenditures of more than
16 one hundred thousand dollars annually or a combined
17 total of more than five hundred thousand dollars
18 within five years after the requirement is effective."

19 6. Page 2, by striking lines 1 through 3 and
20 inserting in lieu thereof the following: "During
21 January, 1985, and January of each succeeding year,
22 the state comptroller shall report to the governor
23 and the general assembly regarding state mandates
24 imposed the preceding year and the administration
25 of this chapter including any proposed changes."

26 7. Page 2, line 13, by inserting after the word
27 "imposed." the words "The lack of a cost estimate
28 as provided in this section does not affect legislative
29 consideration or enactment of a bill or joint
30 resolution imposing a state mandate."

31 8. Page 2, by striking lines 14 through 20 and
32 inserting in lieu thereof the following:

33 "Sec. 6. NEW SECTION. 25B.6 STATE ADMINISTRATIVE
34 RULES.

35 1. A state administrative rule relating directly
36 to political subdivisions which necessitates additional
37 expenditures by political subdivisions beyond that
38 which are explicitly provided by state law shall not
39 be adopted until a fiscal note outlining the additional
40 expenditures is prepared by the legislative fiscal
41 bureau and published in the Iowa administrative
42 bulletin.

43 2. If a state administrative rule is adopted or
44 implemented without notice or public participation
45 pursuant to section 17A.4, subsection 2, or 17A.5,
46 subsection 2, paragraph b, a fiscal note shall be
47 prepared by the legislative fiscal bureau and published
48 in the Iowa administrative bulletin within ninety
49 days of the effective date of the state administrative
50 rule."

1 9. By striking page 2, line 23 through page 3,
2 line 4.

3 10. Page 3, by striking lines 17 and 18.

4 11. Amend the title, by striking lines 3 through
5 6 and inserting in lieu thereof the words "bills,
6 joint resolutions, and administrative rules."

3849

1 Amend Senate File 527, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 3, by inserting after line 16 the
4 following:

5 "Sec. _____. Section 17A.8, subsections 1 and 9,
6 Code 1983, are amended to read as follows:

7 1. There is created the "Administrative Rules
8 Review Committee." The committee shall be bipartisan
9 and not more than two members from each house shall
10 be of the same political party. The committee shall
11 be composed of the following members:

12 a. Three Four senators appointed by the president
13 of the senate.

14 b. Three Four representatives appointed by the
15 speaker of the house.

16 9. Upon a vote of two-thirds of its members, the
17 administrative rules review committee may delay the
18 effective date of a rule until the expiration sine
19 die adjournment of forty-five-calendar-days, excluding
20 legal-holidays, during which the general assembly
21 is in the current regular session or the next regular
22 session if the general assembly is not in regular
23 session. If a rule is delayed during the last twenty-
24 one calendar days preceding the adoption of a
25 resolution for sine die adjournment of a regular
26 session, the forty-five-day period of delay shall
27 begin to run upon until the convening sine die
28 adjournment of the next regular session of the general
29 assembly. The committee shall refer a rule whose
30 effective date has been delayed to the speaker of
31 the house of representatives and the president of
32 the senate who shall refer the rule to the appropriate
33 standing committees of the general assembly. If at
34 the expiration of that the period of delay the general
35 assembly has not disapproved of the rule by a joint
36 concurrent resolution approved by the-governor a
37 constitutional majority of each house, the rule shall
38 become effective. If a rule is disapproved, it shall
39 not become effective and the agency shall withdraw
40 the rule. This section shall does not apply to rules
41 made effective under section 17A.5, subsection 2,
42 paragraph "b".

43 Sec. _____. Chapter 17A, Code 1983, is amended by
44 adding the following new section:

45 NEW SECTION. BIENNIAL REVIEW. At least every
46 two years, each agency shall review its rules to
47 determine whether any rule is no longer necessary
48 and should be rescinded unless the administrative
49 rules coordinator or the administrative rules review
50 committee grants an extension of time because of the

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PAGE EIGHT

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Page Two

1 number or complexity of the rules to be reviewed by
2 the agency. The administrative rules coordinator
3 or the administrative rules review committee may
4 require an agency to prepare a written report on
5 specific rules, which report shall summarize its
6 findings, its supporting reasons, and any proposed
7 course of action. The administrative rules coordinator
8 or the administrative rules review committee may also
9 submit the report with recommendations for further
10 administrative or legislative action to the governor
11 or the presiding officer of each house of the general
12 assembly."

13 2. Amend the title, line 6, by inserting after
14 the word "rules" the words ", by increasing the
15 membership of the administrative rules review
16 committee, and by providing for the review and
17 effective date of rules".

18 3. By renumbering sections to conform to this
19 amendment.

H-3849 FILED APRIL 25, 1983

BY SCHROEDER of Pottawattamie

W/D 5/10/83 (7 1984)

SENATE FILE 527

AN ACT

RELATING TO THE IMPACT OF STATE LEGISLATIVE AND ADMINISTRATIVE ACTIONS BY REQUIRING FISCAL NOTES ON BILLS, JOINT RESOLUTIONS, AND ADMINISTRATIVE RULES, BY PROVIDING FOR THE PAYMENT OF INTEREST ON UNPAID CLAIMS AGAINST THE STATE TREASURY, BY REQUIRING NOTICE OF PROPOSED RULES.

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

Section 1. NEW SECTION. 25B.1 TITLE. This chapter may be cited as the "State Mandates Act".

Sec. 2. NEW SECTION. 25B.2 FINDINGS AND PURPOSE.

1. The general assembly finds that preceding actions of state government in specifying the manner, standards, and conditions under which public services are rendered to citizens by the political subdivisions of this state in some cases have not resulted in equitable relationships between the state government and its political subdivisions. Some state actions have dealt in detail with the internal management of the political subdivisions; some have specified the establishment of new services and facilities without providing new revenue sources or financial participation by the state to meet the additional costs; and other actions have specified the adoption of higher service standards without a complete assessment of the impact on the expenditures and tax rates of the political subdivisions.

2. It is the purpose of this chapter to enunciate policies, criteria, and procedures to govern future state-initiated specification of local government services, standards, employment conditions, and retirement benefits that necessitates increased expenditures by political subdivisions or agencies and entities which contract with a political subdivision to provide services.

Sec. 3. NEW SECTION. 25B.3 DEFINITIONS. As used in this chapter, unless the context otherwise requires:

1. "Political subdivision" means a city, county, township, or school district.

2. "State mandate" means a statutory requirement enacted after January 1, 1984, which requires a political subdivision of the state to establish, expand, or modify its activities in a manner which necessitates additional expenditures of local revenue, excluding an order issued by a court of this state.

Sec. 4. NEW SECTION. 25B.4 STATE MANDATE INFORMATION. The state comptroller shall report at least biennially to the governor and the general assembly regarding the administration of this chapter including any proposed changes.

Sec. 5. NEW SECTION. 25B.5 ESTIMATION--PROCEDURES.

1. When a bill or joint resolution is requested, the legislative service bureau shall make an initial determination of whether the bill or joint resolution will impose a state mandate. If a state mandate is included, the fact shall be included in the explanation of the bill or joint resolution.

2. If a bill or joint resolution contains a state mandate, a copy of the prepared draft shall be sent to the legislative fiscal bureau which shall prepare an estimate of the amount of costs imposed.

Sec. 6. NEW SECTION. 25B.6 STATE RULES. A state administrative rule filed pursuant to chapter 17A which necessitates additional expenditures by political subdivisions or agencies and entities which contract with a political

subdivision to provide services beyond that which are explicitly provided by state law shall be accompanied by a fiscal note outlining the costs.

Sec. 7. Sections 1 through 6 of this Act are created as a new chapter.

Sec. 8. Section 8.15, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The departments, the general assembly and the courts shall pay their claims in a timely manner. If a claim for services, supplies, materials or a contract which is payable from the state treasury remains unpaid after sixty days following the receipt of the claim or the satisfactory delivery, furnishing or performance of the services, supplies, materials, or contract, whichever date is later, the state shall pay interest at the rate of one percent per month on the unpaid amount of the claim. This paragraph does not apply to claims against the state under chapters 25 and 25A or to claims paid by federal funds. The interest shall be charged to the appropriation or fund to which the claim is certified. The state comptroller shall adopt rules under chapter 17A relating to the administration of this paragraph.

Sec. 9. Section 17A.4, subsection 1, Code 1983, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. Mail the number of copies of the proposed rule as requested to the state office of a trade or occupational association which has registered its name and address with the agency. The trade or occupational association shall reimburse the agency for the actual cost incurred in providing the copies of the proposed rule under this paragraph. Failure to provide copies as provided in this paragraph shall not be grounds for the invalidation of a rule, unless that failure was deliberate on the part of that agency or the result of gross negligence.

Sec. 10. Section 8 of this Act shall become effective for claims received after January 1, 1984.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 527, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 25, 1983

TERRY E. BRANSTAD
Governor