

Appropriations 3/21 Do Pass 3/21 (p. 952)  
State Good 3/21  
Finance 3/21 Amend pgs 5465 & Do Pass  
3/21 (p. 953)

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SENATE FILE 2330

BY COMMITTEE ON WAYS AND MEANS

(Formerly SSB 2250)  
Approved 3/20 (p. 942)

Passed Senate, Date 3-22-84 (p. 973) Passed House, Date 4-9-84 (P. 1817)  
Vote: Ayes 38 Nays 18 Vote: Ayes 52 Nays 46  
Approved Item Veto 5/19/84

### A BILL FOR

1 An Act relating to the financing of state government by  
2 providing for a reduction in general fund appropriations  
3 through reallocation of general fund financial aid to  
4 merged area schools, by reducing or eliminating certain  
5 capital appropriations for the fiscal year beginning  
6 July 1, 1983, by updating references to the Internal  
7 Revenue Code for individual and corporate income,  
8 franchise tax, and inheritance tax purposes with  
9 coordinating amendments, by imposing an additional  
10 income tax of two percent on the amount of taxable  
11 income exceeding thirty thousand dollars for the  
12 tax year beginning after December 31, 1983 subject to  
13 certain limitations, by restructuring the fee for  
14 operator's and chauffeur's licenses, by providing for  
15 the creation of an Iowa economic emergency fund in-  
16 cluding its funding, by providing for the payment  
17 of one-half of the additional personal property tax credit  
18 in the fiscal year beginning July 1, 1984, by imposing  
19 a tax of one percent on gross investment income of  
20 insurance companies, and making certain provisions of  
21 the Act retroactive.

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

23  
24  
25

S. 2330

5477

DIVISION I

1  
2 Section 1. 1983 Iowa Acts, chapter 197, section 8,  
3 subsection 12, paragraph a, is amended to read as follows:

4 a. For general state financial  
5 aid to merged areas as defined  
6 in section 280A.2 ..... \$56,455,501  
7 42,341,626

8 It is the intent of the general assembly that funds  
9 appropriated in this paragraph shall be used only for  
10 allocation to merged area schools for general aid purposes.  
11 Funds appropriated in this paragraph shall not be allocated  
12 to the merged area schools pursuant to chapter 286A, but shall  
13 be allocated by a formula approved by the state board of  
14 public instruction. The formula shall provide each merged  
15 area school with the same amount of state financial aids as  
16 the merged area school received during the fiscal year  
17 beginning July 1, 1982 and ending June 30, 1983 and a  
18 proportionate amount of the remaining funds appropriated in  
19 this paragraph. The remaining funds shall be allocated to  
20 each merged area school based upon the proportion that the  
21 student contact hours of enrollment eligible to receive general  
22 state financial aid for the merged area school for the fiscal  
23 year beginning July 1, 1982 and ending June 30, 1983 bears  
24 to the total number of student contact hours of enrollment  
25 for all merged area schools for the fiscal year beginning  
26 July 1, 1982 and ending June 30, 1983.

27 General state aid paid to area schools under this paragraph  
28 for expenditures incurred during the fiscal year beginning  
29 July 1, 1983 and ending June 30, 1984, shall be paid by the  
30 state comptroller in installments due on or about November  
31 15, February 15, and May 15 of the fiscal year. The payment  
32 received on August 15 is an account receivable for the previous  
33 fiscal year. The installments shall be as nearly equal as  
34 possible as determined by the state comptroller, taking into  
35 consideration the relative budget and cash position of the

1 state resources.

2 There is appropriated from the general fund of the state  
3 to the department of public instruction for the fiscal year  
4 beginning July 1, 1984 and ending June 30, 1985, for general  
5 state aid to merged areas, as defined in section 280A.2, the  
6 amount of thirteen million seven hundred eighteen thousand  
7 six hundred eighty-seven (13,718,687) dollars to be accrued  
8 as income and used for expenditures incurred by the area  
9 schools during the fiscal year beginning July 1, 1983 and  
10 ending June 30, 1984. Funds appropriated by this paragraph  
11 shall be allocated pursuant to this paragraph and paid on  
12 or about August 15, 1984.

13 Sec. 2. 1982 Iowa Acts, chapter 1264, section 1, is amended  
14 to read as follows:

15 SECTION 1. There is appropriated from the general fund  
16 of the state to the state conservation commission for the  
17 fiscal period beginning July 1, 1982 and ending June 30, 1985  
18 the amount of seven hundred ~~forty-four~~ four thousand ~~(744,000)~~  
19 (704,000) dollars, or as much as is necessary to be expended  
20 by the commission for projects highest on the priority list  
21 submitted to the joint appropriations subcommittee and approved  
22 by the commission for construction, replacement, development,  
23 and alterations to state parks and preserves, state forest  
24 facilities and state waters, engineering and planning services,  
25 or to supplement any prior appropriation for such purposes  
26 or for the open spaces land acquisition program. Any  
27 unencumbered or unobligated funds appropriated by this section  
28 remaining on June 30, 1985 shall revert to the general fund  
29 on September 30, 1985.

30 Sec. 3. 1983 Iowa Acts, chapter 191, section 11, is amended  
31 to read as follows:

32 SEC. 11. There is appropriated from the general fund of  
33 the state to the department of social services, for the fiscal  
34 year beginning July 1, 1983, and ending June 30, 1984, for  
35 capital improvements at the state hospital-schools, the

1 following amount, or so much thereof as is necessary:

2	1983-1984
3	<u>Fiscal Year</u>
4	\$ <del>3,000,000</del>
5	<u>2,721,550</u>

6 Unobligated or unencumbered funds appropriated by this  
7 section for the fiscal year beginning July 1, 1983, and ending  
8 June 30, 1984, remaining on June 30, 1987, shall revert to  
9 the general fund of the state on September 30, 1987. However,  
10 if the projects for which these funds are appropriated are  
11 completed prior to June 30, 1987, the remaining unobligated  
12 or unencumbered funds shall revert to the general fund of  
13 the state on September 30 following the end of the fiscal  
14 year in which the projects are completed.

15 Sec. 4. 1983 Iowa Acts, chapter 195, section 2, is amended  
16 to read as follows:

17 SEC. 2. There is appropriated from the federal oil  
18 overcharge funds apportioned to Iowa under Pub. L. No. 97-  
19 377, to the energy policy council, the sum of five hundred  
20 seventy-five thousand (575,000) dollars, or so much thereof  
21 as is necessary, to be used in conjunction with the funds  
22 appropriated available to the board of regents under section  
23 1-of-this-Act for energy conservation projects.

24 Sec. 5. 1983 Iowa Acts, chapter 195, section 3, is amended  
25 to read as follows:

26 SEC. 3. There is appropriated from the general fund of  
27 the state for the fiscal year beginning July 1, 1983 and  
28 ending June 30, 1984, to the state board of regents, the sum  
29 of ~~eight~~ four million ~~nine~~ six hundred ~~five~~ sixty-six thousand  
30 ~~(8,905,000)~~ (4,666,000) dollars, or so much thereof as  
31 necessary, for allocation by the state board of regents to  
32 the state university of Iowa, the Iowa state university of  
33 science and technology, the university of northern Iowa, and  
34 the Iowa braille and sight-saving school to undertake the  
35 following capital projects:

- 1 1. State university of Iowa:
- 2 a. Fire safety deficiency corrections.
- 3 b. Communications facility and field house/athletic office
- 4 building equipment.
- 5 c. Chemistry/botany remodeling.
- 6 2. Iowa state university of science and technology:
- 7 a. Fire safety deficiency corrections.
- 8 b. Mechanical engineering equipment.
- 9 c. Planning for phase 2 of the college of education
- 10 building.
- 11 3. University of northern Iowa:
- 12 a. Fire safety deficiency corrections.
- 13 b. Gilchrist hall renovations.
- 14 4. Iowa braille and sight-saving school:
- 15 Utility system master plan and other campus improvements.
- 16 Sec. 6. 1983 Iowa Acts, chapter 195, section 6, subsection
- 17 1, paragraph b, is amended by striking the paragraph.
- 18 Sec. 7. 1983 Iowa Acts, chapter 195, section 8, subsection
- 19 1, unnumbered paragraph 1, is amended to read as follows:
- 20 There is appropriated from the general fund of the state
- 21 to the department of ~~human-services,-division-of-adult~~
- 22 corrections, for the fiscal year beginning July 1, 1983, and
- 23 ending June 30, 1984, the sum of ~~eight~~ five hundred ~~fifty-~~
- 24 ~~two~~ ninety-seven thousand ~~(852,000)~~ (597,000) dollars, or
- 25 so much thereof as necessary for capital improvements at the
- 26 Iowa state penitentiary to bring the penitentiary into
- 27 compliance with the federal court order which requires such
- 28 improvements, for construction at the Luster Heights work
- 29 camp, for construction of an Iowa state industries' laundry
- 30 facility at the medium security correctional facility at Mt.
- 31 Pleasant and to renovate a bathroom for use of the handicapped
- 32 at the Iowa correctional institution for women, ~~however,-it~~
- 33 ~~is-a-condition-of-this-appropriation-that-if-funds-for-each~~
- 34 ~~project-are-not-allocated-the-total-sum-appropriated-shall~~
- 35 ~~revert-to-the-general-fund-of-the-state.~~

1 Sec. 8. 1983 Iowa Acts, chapter 195, section 9, subsection  
 2 1, unnumbered paragraph 1, is amended to read as follows:

3 There is appropriated from the general fund of the state  
 4 to the department of human services for the fiscal year  
 5 beginning July 1, 1983, and ending June 30, 1984 for capital  
 6 improvements, including major maintenance projects, at the  
 7 institutions under the control of the department of human  
 8 services, the following amount, or so much thereof as is  
 9 necessary:

10		1983-1984
11		<u>Fiscal Year</u>
12		\$ 978,000
13		<u>41,000</u>

14 Sec. 9. 1983 Iowa Acts, chapter 195, section 12, subsection  
 15 1, paragraphs b and d, are amended to read as follows:

16	b. For emergency major repairs or	
17	replacements of equipment, roofs or	
18	windows .....	\$ 45,000
19		<u>20,000</u>

20	d. For repair of the roof of the	
21	vehicle dispatcher building and the	
22	repair of the roof of the micrographics	
23	building .....	\$ 94,500
24		<u>4,500</u>

25 Sec. 10. 1983 Iowa Acts, chapter 195, section 12,  
 26 subsection 1, paragraphs e, f, and g, are amended by striking  
 27 the paragraphs.

28 Sec. 11. 1983 Iowa Acts, chapter 195, section 12,  
 29 subsection 2, paragraph b, is amended to read as follows:

30	b. For repair of the roof and dome	
31	of the state historical building .....	\$ <del>100,000</del>
32		<u>20,000</u>

33 Sec. 12. 1983 Iowa Acts, chapter 195, section 12,  
 34 subsection 2, paragraphs c, d, and e, are amended by striking  
 35 the paragraphs.

1 Sec. 13. 1983 Iowa Acts, chapter 195, section 15,  
2 subsection 3, paragraphs b and c, are amended to read as  
3 follows:

4 b. For Swan lake restoration ..... \$ ~~110,000~~  
5 15,000

6 c. For construction, replacement,  
7 development and alterations to state  
8 parks and preserves, state forest  
9 facilities and state waters including  
10 artificial lake development; shoreline  
11 erosion and siltation control; river,  
12 stream and lake access; and engineer-  
13 ing and planning services or to sup-  
14 plement any prior appropriation for  
15 such purposes ..... \$ ~~906,500~~  
16 325,000

17 Sec. 14. 1983 Iowa Acts, chapter 195, section 18, is  
18 amended to read as follows:

19 SEC. 18. There is appropriated from the general fund of  
20 the state for the fiscal year beginning July 1, 1983 and  
21 ending June 30, 1984 to the treasurer of state the sum of  
22 ~~one-hundred thirty-nine thousand~~ ~~(139,000)~~ (39,000) dollars,  
23 or so much thereof as necessary, to be used for the purchase  
24 of an investment machine and system.

25 Sec. 15. 1983 Iowa Acts, chapter 197, section 9, subsection  
26 1, paragraph c, is amended to read as follows:

27 c. For allocation by the state  
28 board of regents to the state uni-  
29 versity of Iowa, the Iowa state uni-  
30 versity of science and technology,  
31 and the university of northern Iowa  
32 in amounts as may be necessary to  
33 reimburse the institutions for de-  
34 ficiencies in their operating funds  
35 resulting from the pledging of tui-

1 tions, student fees and charges and  
 2 institutional income to finance the  
 3 cost of providing academic and ad-  
 4 ministrative buildings and facili-  
 5 ties and utility services at the  
 6 institutions ..... \$ 13,270,000  
 7 12,417,696

8 Any unexpended funds appropriated in this section shall  
 9 revert to the general fund on June 30, 1985. Such unexpended  
 10 funds may be used for tuition replacement needs in the fiscal  
 11 year beginning July 1, 1984.

12 Sec. 16. 1983 Iowa Acts, chapter 195, section 1, is  
 13 repealed on the effective date of this Act.

14 Sec. 17. Section 8.33, 1983 Code Supplement, unnumbered  
 15 paragraph 2, is amended to read as follows:

16 No payment of an obligation for goods and services shall  
 17 be charged to an appropriation subsequent to the last day  
 18 of the fiscal term for which the appropriation is made unless  
 19 such goods or services are received contracted for on or  
 20 before the last day of the fiscal term, ~~except that repair~~  
 21 ~~projects and other contracts for services and capital~~  
 22 ~~expenditures for the purchase of land or the erection of~~  
 23 ~~buildings or new construction, which were committed and in~~  
 24 ~~progress prior to the end of the fiscal term are excluded~~  
 25 ~~from this provision.~~

26 DIVISION II

27 Sec. 18. Chapter 8, Code 1983, is amended by adding the  
 28 following new section:

29 NEW SECTION. IOWA ECONOMIC EMERGENCY FUND.

30 1. The Iowa economic emergency fund is created. The fund  
 31 shall be separate from the general fund of the state and the  
 32 balance in the fund shall not be considered part of the balance  
 33 of the general fund of the state. The moneys in the fund  
 34 shall not revert to the general fund, notwithstanding section  
 35 8.33, unless and to the extent the fund exceeds the maximum



1 balance.

2 2. The maximum balance of the Iowa economic emergency  
3 fund is the amount equal to ten percent of the funds  
4 appropriated from the general fund of the state during the  
5 preceding fiscal year. There is appropriated from any surplus  
6 existing in the general fund of the state at the conclusion  
7 of the fiscal year to the Iowa economic emergency fund an  
8 amount equal to the smaller of the amount of the surplus or  
9 the amount necessary to achieve the maximum balance.

10 3. The moneys in the Iowa economic emergency fund may  
11 be appropriated only for emergencies as determined by the  
12 general assembly. However, the state comptroller shall include  
13 the balance in the Iowa economic emergency fund in determining  
14 the estimated budget resources under section 8.31.

15 DIVISION III

16 Sec. 19. Section 99B.7, subsection 1, paragraph m, Code  
17 Supplement 1983, is amended to read as follows:

18 m. The person or organization conducting the game can  
19 show to the satisfaction of the department that the person  
20 or organization is eligible for exemption from federal income  
21 taxation under either section 501(c)(3), 501(c)(5), 501(c)(6),  
22 501(c)(10) or 501(c)(19) of the Internal Revenue Code of 1954,  
23 as defined in section ~~422-4~~ 422.3. However, this paragraph  
24 does not apply to a political party as defined in section  
25 43.2, to a nonparty political organization that has qualified  
26 to place a candidate as its nominee for statewide office  
27 pursuant to chapter 44, or to a candidate committee as defined  
28 in section 56.2.

29 Sec. 20. Section 175.2, subsection 7, Code Supplement  
30 1983, is amended to read as follows:

31 7. "Depreciable agricultural property" means personal  
32 property suitable for use in farming for which an income tax  
33 deduction for depreciation is allowable in computing federal  
34 income tax under the Internal Revenue Code of 1954 as defined  
35 in section ~~422-4~~ 422.3.

1     Sec. 21. Section 220.45, unnumbered paragraph 1, Code  
2 1983, is amended to read as follows:

3     For purposes of this section, "Internal Revenue Code of  
4 1954" means the same as defined in section ~~422-4~~ 422.3, "state  
5 ceiling" means the same as defined in section 103A(g)(4) of  
6 the Internal Revenue Code of 1954, and "qualified mortgage  
7 bonds" means the same as defined in section 103A(c) of the  
8 Internal Revenue Code of 1954.

9     Sec. 22. Section 422.3, Code 1983, is amended by adding  
10 the following new subsection:

11     NEW SUBSECTION. 5. "Internal Revenue Code of 1954" means  
12 the Internal Revenue Code of 1954, as amended to and including  
13 January 1, 1984.

14     Sec. 23. Section 422.4, subsection 17, Code Supplement  
15 1983, is amended by striking the subsection.

16     Sec. 24. Section 422.4, subsection 19, Code Supplement  
17 1983, is amended to read as follows:

18     19. For purposes of section ~~422-4~~ 422.3, subsection ~~17~~  
19 5, the Internal Revenue Code of 1954 shall be interpreted  
20 to include the provisions of Pub. L. No. 98-4.

21     Sec. 25. Section 422.6, unnumbered paragraph 1, Code  
22 Supplement 1983, is amended to read as follows:

23     The tax imposed by section 422.5 ~~and-credit-for-increasing~~  
24 ~~research-activities-granted~~ less the credits allowed under  
25 section 422.10, ~~shall~~ section 422.11, and the personal  
26 exemption credit allowed under section 422.12 apply to and  
27 ~~become~~ are a charge against estates and trusts with respect  
28 to their taxable income, and the rates ~~shall-be~~ are the same  
29 as those applicable to individuals. The fiduciary shall ~~be~~  
30 ~~responsible-for-making~~ make the return of income for the  
31 estate or trust for which the fiduciary acts, whether the  
32 income is taxable to the estate or trust or to the  
33 beneficiaries ~~thereon~~.

34     Sec. 26. Section 422.7, subsection 6, Code Supplement  
35 1983, is amended to read as follows:

1 6. Individual taxpayers and married taxpayers who file  
2 a joint federal income tax return and who elect to file a  
3 joint return, separate returns or separate filing on a combined  
4 return for Iowa income tax purposes, may avail themselves  
5 of the ~~sick-pay~~ disability income exclusion and shall compute  
6 the amount of ~~sick-pay~~ the disability income exclusion subject  
7 to the limitations for joint federal income tax return filers  
8 provided by section 105(d) of the Internal Revenue Code of  
9 1954. The disability income exclusion provided in section  
10 105(d) of the Internal Revenue Code of 1954, as amended up  
11 to and including December 31, 1982, continues to apply for  
12 state income tax purposes for tax years beginning on or after  
13 January 1, 1984.

14 Sec. 27. Section 422.7, Code Supplement 1983, is amended  
15 by adding the following new subsection:

547 16 NEW SUBSECTION. 19. Married taxpayers, who file a joint  
17 federal income tax return and who elect to file separate  
18 returns or who elect separate filing on a combined return  
19 for state income tax purposes, shall include in net income  
20 any social security benefits or tier 1 railroad retirement  
21 benefits received to the same extent as those benefits are  
22 taxable on the taxpayer's joint federal return for that year  
23 under section 86 of the Internal Revenue Code of 1954. The  
24 benefits included in net income must be allocated between  
25 the spouses in the ratio of the social security benefits or  
26 tier 1 railroad retirement benefits received by each spouse  
27 to the total of these benefits received by both spouses.

28 Sec. 28. Section 422.9, subsection 1, Code Supplement  
29 1983, is amended by adding the following new unnumbered  
30 paragraph:

31 NEW UNNUMBERED PARAGRAPH. A taxpayer who claims the  
32 optional standard deduction under this subsection may, after  
33 claiming the optional standard deduction, claim the direct  
34 charitable contribution as allowed and subject to the same  
35 limitations provided under section 170(i) of the Internal

1 Revenue Code of 1954 for tax years ending on or before December  
2 31, 1986. Married taxpayers who have filed a joint federal  
3 return and who elect to file separate returns or separately  
4 on a combined state return must allocate their allowable  
5 charitable deduction to each spouse in the proportion that  
6 each spouse's respective net income bears to the total combined  
7 net income. Taxpayers affected by the allocation provisions  
8 of section 422.8 shall be permitted a deduction in the amount  
9 as is fairly and equitably allocable to Iowa under rules  
10 prescribed by the director.

11 Sec. 29. Section 422.12, subsection 1, paragraph a, Code  
12 Supplement 1983, is amended to read as follows:

13 a. For an estate or trust, a single individual, or a  
14 married person filing a separate return, fifteen dollars.

15 Sec. 30. Section 422.32, subsection 12, Code Supplement  
16 1983, is amended to read as follows:

17 12. For purposes of section ~~422-32~~ 422.3, subsection 4  
18 5, the Internal Revenue Code of 1954 shall be interpreted  
19 to include the provisions of Pub. L. No. 98-4.

20 Sec. 31. Section 422.32, subsection 4, Code Supplement  
21 1983, is amended by striking the subsection.

22 Sec. 32. Section 425.23, subsection 3, paragraph b, Code  
23 Supplement 1983, is amended to read as follows:

24 b. For purposes of this subsection, a totally disabled  
25 person in computing household income shall deduct all medical  
26 and necessary care expenses paid during the twelve-month  
27 income tax accounting periods used in computing household  
28 income which are attributable to the person's total disability.  
29 "Medical and necessary care expenses" are those used in  
30 computing the federal income tax deduction under section 213  
31 of the Internal Revenue Code of 1954 as defined in section  
32 ~~422-4~~ 422.3.

33 Sec. 33. Section 442.15, unnumbered paragraph 2, Code  
34 1983, is amended to read as follows:

35 The school district income surtax shall be imposed on the

1 state individual income tax for the calendar year during which  
2 the school's budget year begins, or for a taxpayer's fiscal  
3 year ending during the second half of that calendar year or  
4 the first half of the succeeding calendar year, and shall  
5 be imposed on all individuals residing in the school district  
6 on the last day of the applicable tax year. As used in this  
7 section, "state individual income tax" means the tax computed  
8 under section 422.5, less the deductions allowed in ~~section~~  
9 sections 422.10, 422.11 and 422.12.

10 Sec. 34. Section 450.37, subsection 1, paragraph b, Code  
11 Supplement 1983, is amended to read as follows:

12 b. The alternate value of the property, if the personal  
13 representative so elects, that has been established for federal  
14 estate tax purposes under section 2032 of the Internal Revenue  
15 Code of 1954 as defined in section ~~422-4~~ 422.3. The election  
16 shall be exercised on the return by the personal representative  
17 or other person signing the return, within the time prescribed  
18 by law for filing the return or before the expiration of any  
19 extension of time granted for filing the return.

20 Sec. 35. Section 450A.1, subsection 2, Code 1983, is  
21 amended to read as follows:

22 2. "Internal Revenue Code of 1954" means the ~~Internal~~  
23 ~~Revenue-Code-of-1954~~ same as defined in section ~~422-4~~ 422.3.

24 Sec. 36. Section 450B.1, subsection 1, Code Supplement  
25 1983, is amended to read as follows:

26 1. "Internal Revenue Code of 1954" means the same as  
27 defined in section ~~422-4~~ 422.3.

28 Sec. 37. Section 451.1, subsection 8, Code 1983, is amended  
29 to read as follows:

30 8. ~~The term~~ "Internal Revenue Code of 1954" ~~shall have~~  
31 means the same meaning as ascribed-to-it defined in section  
32 ~~422-4~~ 422.3.

33 Sec. 38. Section 634.5, Code 1983, is amended to read  
34 as follows:

35 634.5 INTERNAL REVENUE CODE DEFINED. All references to

1 sections of the Internal Revenue Code of 1954 ~~shall mean the~~  
2 ~~Code as amended to and including January 1, 1971~~ mean the  
3 Internal Revenue Code of 1954 as defined in section 422.3.

4 Sec. 39. This Division, except sections 26, 27, and 28,  
5 is retroactive to January 1, 1984 for tax years beginning  
6 on or after January 1, 1984.

7 Sec. 40. Sections 26, 27, and 28 are retroactive to January  
8 1, 1984 for tax years beginning on or after January 1, 1984.

9 DIVISION IV

10 Sec. 41. Section 321.191, unnumbered paragraph 1, Code  
11 1983, is amended to read as follows:

12 The fee for an operator's license shall be five dollars  
13 if issued for a period of two years, and ~~ten~~ fifteen dollars  
14 if issued for a period of ~~four~~ six years. The fee for a  
15 chauffeur's license shall be ten dollars if issued for a  
16 period of two years, and ~~twenty~~ thirty dollars if issued for  
17 a period of ~~four~~ six years. The fee for an instruction permit  
18 shall be ~~three~~ five dollars, for a chauffeur's instruction  
19 permit, ~~six~~ ten dollars, for a temporary driver's permit,  
20 five dollars and for a motorized bicycle license, five dollars.

21 DIVISION V

22 Sec. 42. Section 422.5, Code Supplement 1983, is amended  
23 by adding the following new unnumbered paragraph:

24 NEW UNNUMBERED PARAGRAPH. There is imposed for the first  
25 tax year beginning after December 31, 1983, an additional  
26 tax equal to two percent of taxable income in excess of thirty  
27 thousand dollars. Married taxpayers electing to file separate  
28 returns or filing separately on a combined return must combine  
29 their respective taxable incomes for purposes of the additional  
30 tax. If the combined income of the married taxpayers electing  
31 to file separate returns or filing separately on a combined  
32 return exceeds thirty thousand dollars, that portion of the  
33 combined income in excess of thirty thousand dollars shall  
34 be subject to the additional tax. The liability of each  
35 spouse shall be in the proportion that each spouse's taxable

1 income bears to the total combined taxable income. Subsection  
2 14 of this section is applicable to the additional tax imposed  
3 by this unnumbered paragraph. This unnumbered paragraph is  
4 applicable for the tax year beginning after December 31, 1983  
5 only if the governor finds that the estimated budget resources  
6 during the fiscal year beginning July 1, 1984 and ending June  
7 30, 1985 are insufficient to pay all appropriations in full  
8 and the governor's findings are concurred in by the executive  
9 council. The governor shall make the determination not later  
10 than October 1, 1984 and the governor shall not make any  
11 reductions in allotments as allowed under section 8.31.

12

## DIVISION VI

13 Sec. 43. Notwithstanding section 427A.12, subsection 7,  
14 in the fiscal year beginning July 1, 1984 and ending June  
15 30, 1985, the state comptroller shall pay from the personal  
16 property tax replacement fund to the respective county  
17 treasurers on May 15, 1985 an amount equal to one-half of  
18 the amount due and payable for the fiscal year beginning July  
19 1, 1984 and ending June 30, 1985. The remaining one-half  
20 of the funds payable from the personal property tax replacement  
21 fund for the fiscal year beginning July 1, 1984 and ending  
22 June 30, 1985 shall be paid by the state comptroller to the  
23 respective county treasurers not later than July 15, 1985.  
24 The payment received on July 15, 1985 is an account receivable  
25 for the previous fiscal year.

26

## DIVISION VII

27 Sec. 44. Chapter 432, Code 1983, is amended by adding  
28 the following new section:

29 NEW SECTION. TAX ON INVESTMENT INCOME.

30 1. For the purposes of this section, "gross investment  
31 income" means the sum of the net capital gains, total interest  
32 income, and total dividend income received by the life  
33 insurance company or association during the calendar year.

34 2. A tax is imposed on every life insurance company or  
35 association subject to the tax on gross premiums under section

1 432.1, subsection 1, in the amount of one percent of the  
2 taxable investment income as calculated under subsection 3.

3 3. The taxable investment income of a life insurance  
4 company or association is equal to the product of the gross  
5 investment income multiplied by the premium factor of the  
6 life insurance company or association. The premium factor  
7 is the quotient of the dividend and divisor as defined in  
8 this subsection. The dividend is equal to the gross amount  
9 of life insurance premiums and annuity considerations received  
10 by the life insurance company or association during the  
11 calendar year on contracts of life insurance covering risks  
12 resident in this state during the preceding year. The divisor  
13 is equal to the gross amount of life insurance premiums and  
14 annuity considerations received by the life insurance company  
15 or association during the calendar year on contracts of life  
16 insurance covering risks resident in this state and in all  
17 other states during the preceding year.

18 4. The tax on investment income imposed by this section  
19 shall be paid to the director of the department of revenue  
20 or to a designated depository on or before March 1 of the  
21 year following the calendar year for which the tax is due.  
22 The commissioner of insurance may suspend or revoke the license  
23 of a company or association that fails to pay its investment  
24 income tax on or before the due date.

5275 547-  
5416 25 Sec. 45. Section 44 of this Act is retroactive to January  
26 1, 1984 for calendar years beginning on or after that date.

27 Sec. 46. This Act, being deemed of immediate importance,  
28 takes effect from and after its publication in \_\_\_\_\_  
29 \_\_\_\_\_, a newspaper published in \_\_\_\_\_,  
30 Iowa, and in \_\_\_\_\_, a newspaper published  
31 in \_\_\_\_\_, Iowa.

32 EXPLANATION

33 Division I reduces the area schools appropriation for the  
34 fiscal year beginning July 1983 by one-fourth. The majority  
35 of this reduction is reappropriated for the fiscal year



1 beginning July 1, 1984. It provides that general state aid  
2 to area schools for the fiscal year beginning July 1, 1983  
3 will be paid during the second, third and fourth quarters  
4 of the fiscal year and during the first quarter of the next  
5 fiscal year.

6 The division reduces or eliminates capitals appropriations  
7 for the fiscal year beginning July 1, 1983 and ending June  
8 30, 1984 for the conservation commission, department of human  
9 services, department of corrections, board of regents,  
10 treasurer of state, commission for the blind, department of  
11 general services, and Iowa state historical department. The  
12 bill also appropriates funds for capitals to these agencies  
13 for the fiscal year beginning July 1, 1984 and ending June  
14 30, 1985.

15 Division II establishes an Iowa economic emergency fund.  
16 The fund and its balance are separate from the general fund  
17 of the state. The moneys in the fund do not revert to the  
18 general fund unless the fund would exceed the maximum balance.  
19 The maximum balance in the Iowa economic emergency fund is  
20 ten percent of the appropriations from the general fund during  
21 the preceding fiscal year. Each year the surplus in the gen-  
22 eral fund, if any, is appropriated to the fund to the extent  
23 necessary to achieve the maximum balance.

24 The Iowa economic emergency fund may be appropriated by  
25 the general assembly only for the current fiscal year and  
26 only for purposes for which the general assembly previously  
27 appropriated funds for that fiscal year.

28 Division III updates the individual, fiduciary, corporate  
29 and franchise tax references to the Internal Revenue Code  
30 of 1954 up to and including January 1, 1984 to coordinate  
31 the federal and state tax laws. The updating of the references  
32 imposes the state individual income tax on the portion of  
33 social security benefits and railroad retirement benefits  
34 received by certain taxpayers that are subject to federal  
35 income tax in tax years beginning on or after January 1, 1984.

1 Sections 22, 23, and 31 simplify the income and franchise  
2 tax laws by replacing separate definitions of the Internal  
3 Revenue Code of 1954 for individual and corporate income taxes  
4 and the franchise tax with a single definition applicable  
5 to all of chapter 422.

6 Sections 19, 20, 21, 24, 30, 32, 33, 34, 35, 36, and 37  
7 are coordinating amendments required by removing the definition  
8 of the Internal Revenue Code of 1954 from section 422.4 and  
9 placing a definition of the Internal Revenue Code of 1954  
10 in section 422.3 which section includes definitions for the  
11 entire chapter. Section 38 updates references relating to  
12 trusts.

13 Sections 25 and 29 specify that deductions from computed  
14 tax for individual income tax purposes are also applicable  
15 to tax liability determined on the income of estates and  
16 trusts.

17 Section 26 extends the disability income exclusion on state  
18 returns for disabled taxpayers who receive these benefits  
19 in tax years beginning in 1983 or after. For federal income  
20 tax purposes, the disability income exclusion is repealed  
21 for tax years after 1983 and is replaced with a tax credit  
22 on disability income.

23 Section 27 provides that state taxpayers who file joint  
24 federal returns and file separate state returns will be subject  
25 to state tax on the same portion of their social security  
26 and railroad retirement benefits as is taxed on the federal  
27 return and how these benefits are to be allocated between  
28 spouses on a state return.

29 Section 28 allows a taxpayer who claims the optional  
30 standard deduction to claim the direct charitable contributions  
31 deduction which is allowed under the federal law.

32 This division is retroactive to January 1, 1983 for tax  
33 years beginning on or after that date, except sections 26,  
34 27, and 28 which are retroactive to January 1, 1984 for tax  
35 years beginning on or after that date.

1 Division IV extends the four-year operator's license from  
2 four to six years and increases the fee from \$10 to \$15.  
3 The division also extends the chauffeur's license from four  
4 to six years and increases the fee from \$20 to \$30. The fee  
5 for an instruction permit is increased from \$3 to \$5, and  
6 a chauffeur's instruction permit fee is increased from \$6  
7 to \$10.

8 Division V imposes an additional income tax of two percent  
9 on taxable income in excess of thirty thousand dollars for  
10 the tax year beginning after December 31, 1983.

11 Division VI delays payment on one-half of the additional  
12 personal property tax credit funds in the fiscal year beginning  
13 July 1, 1984 and ending June 30, 1985 with the remainder paid  
14 not later than July 15, 1985.

15 Division VII imposes a tax on the investment income of  
16 life insurance companies or associations at the rate of one  
17 percent. The tax is imposed only on life insurance companies  
18 and associations that are subject to the state gross premiums  
19 tax. The tax is imposed on the amount of net capital gains,  
20 total interest income, and total dividend income received  
21 in a calendar year adjusted by multiplying this amount by  
22 the fraction of the total premiums and annuity considerations  
23 received by the taxpayer in the calendar year that are a  
24 result of covering risks resident in Iowa for the calendar  
25 year. This division is retroactive to January 1, 1984 for  
26 calendar years beginning on or after that date.

27 The bill takes effect upon publication.

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SENATE FILE 2330  
FISCAL NOTE

REQUESTED BY SENATOR RODGERS

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 2330 pursuant to Joint Rule 17.

Senate File 2330 relates to the financing of state government as follows:

DIVISION I. Division I reduces the area schools appropriation for the fiscal year beginning July 1983 by one-fourth. The majority of this reduction is reappropriated for the fiscal year beginning July 1, 1984. This shift does not affect the date that payments are made, but accounts for the expenditure in fiscal 1985 rather than fiscal 1984. The division also reduces or eliminates capitals appropriations for the fiscal year beginning July 1, 1983 and ending June 30, 1984 for the agencies listed below.

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>MERGED AREA SCHOOLS</u>		
<u>Section 1.</u> Deappropriation/reappropriation outlined above.	\$ 14,113,875	\$ 13,718,686
<u>BOARD OF REGENTS</u>		
<u>Section 4.</u> Oil overcharge funds appropriated in this section can be used for energy conservation projects.	0	
<u>Section 5.</u> Deappropriates funds for: - SUI fire safety deficiency corrections (\$500,000); - ISU fire safety deficiency corrections (\$750,000); - SUI theatre addition (\$700,000); - SUI field house under construction (\$230,000); - ISU mechanical engineering under const. (\$1,800,000); - UNI rennovate HVAC ~ Gilchrist Hall (\$134,000); - ISU old vet clinic remodel (\$75,000); - IBSSS utility system master plan (\$50,000).	\$ 4,239,000	
<u>Section 15.</u> Deappropriates tuition replacement funds.	852,304	
<u>Section 16.</u> Deappropriates funds for the statewide energy management program.	<u>600,000</u>	
Board of Regents SUBTOTAL	\$ 5,691,304	

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>COMMISSION FOR THE BLIND</u>		
<u>Section 6.</u> Deappropriates funds for the rebuilding of a cooling tower.	\$ 840	
<u>CONSERVATION COMMISSION</u>		
<u>Section 2.</u> Deappropriates 1983 funds for the Wildlife Den Dam and Grist Mill renovation.	\$ 40,000	
<u>Section 13.</u> Deappropriates funds for:		
- Swan Lake restoration (\$95,000);		
- George Wyth State Park (\$75,000);		
- Pleasant Creek development (\$150,000);		
- Ledges campground development; (\$96,500);		
- Wapello Campground (\$10,000);		
- Volga River Silt Dam (\$250,000).	\$ 676,500	
Conservation Commission SUBTOTAL	\$ 716,500	
<u>DEPARTMENT OF HUMAN SERVICES</u>		
<u>Section 3.</u> Deappropriates funds for Hospital Schools.	\$ 278,450	
<u>Section 8.</u> Deappropriates funds for DHS institutions to correct life safety code violations.	937,000	
Department of Human Services SUBTOTAL	\$ 1,215,450	
<u>DEPARTMENT OF CORRECTIONS</u>		
<u>Section 7.</u> Deappropriates funds for construction of a laundry at Mt. Pleasant MSU and a handicapped bathroom at the Iowa Correctional Institution for Women.	\$ 255,000	
<u>DEPARTMENT OF GENERAL SERVICES</u>		
<u>Section 9.</u> Deappropriates funds for the Capitol Complex.	\$ 115,000	
<u>Section 10.</u> Deappropriates funds for the:		
- Installation of individual water heaters in Capitol Complex buildings (\$61,600);		
- Replacement of incandescent lamps in the upper portions of the Capitol (\$5,250);		

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>DEPARTMENT OF GENERAL SERVICES, cont.</u>		
- Automation of the north Capitol elevator (\$13,500).	80,350	
Department of General Services SUBTOTAL	\$ 195,350	
<u>HISTORICAL DEPARTMENT</u>		
<u>Section 11.</u> Deappropriates funds for repair of the roof and dome of the state historical building.	\$ 80,000	
<u>Section 12.</u> Deappropriates funds for the State Historical Build- ing and the Centennial Building in Iowa City.	28,000	
Historical Department SUBTOTAL	\$ 108,000	
<u>TREASURER OF STATE</u>		
<u>Section 14.</u> Deappropriates funds for an investment machine and system.	\$ 100,000	
	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>DIVISION I. TOTALS.</u>	\$ 22,396,319	\$ 13,718,686

DIVISION II. Division II establishes an Iowa economic emergency fund. The fund and its balance are separate from the general fund of the state. The moneys in the fund do not revert to the general fund unless the fund would exceed the maximum balance. The maximum balance in the Iowa economic emergency fund is ten percent of the appropriations from the general fund during the preceding fiscal year. Each year the surplus in the general fund, if any, is appropriated to the emergency fund to the extent necessary to achieve the maximum balance.

The Iowa economic emergency fund may be appropriated by the general assembly only for the current fiscal year and only for purposes for which the general assembly previously appropriated funds for that fiscal year.

FISCAL EFFECT Division II. For fiscal 1985, any surplus amount in the general fund as of the end of fiscal 1984 would shift to the Iowa economic emergency fund, leaving a general fund balance of zero. An additional appropriation to this fund from the general fund may be made during fiscal 1985 to a maximum amount of ten percent of the fiscal 1984 appropriations. For a \$2.0 billion budget, the ceiling of this fund would then be \$200.0 million.

FISCAL NOTE

DIVISION III. Division III updates the individual, fiduciary, corporate and franchise tax references to the Internal Revenue Code of 1954 up to and including January 1, 1984 to coordinate the federal and state tax laws. The updating includes the following areas of impact:

- Imposes the state individual income tax on the portion of social security benefits and railroad retirement benefits received by certain taxpayers that are subject to federal income tax in tax years beginning on or after January 1, 1984 (reference Section 22). The provision essentially "couples" state tax laws to federal changes, subjecting social security benefits to tax. A taxpayer will have to add together his or her adjusted gross income, half of the social security benefits received, and the amount of tax-free interest (such as interest on municipal bonds) received. This sum is reduced by a base amount of \$32,000 for a married couple filing a joint return or \$25,000 for a single individual; the remainder is divided by two. The portion of social security benefits equal to this amount (but not more than half the benefits) will then be counted as income.

FISCAL EFFECT: The provision generates approximately \$8.0 million additional revenue to the general fund annually.

- Allows a taxpayer who claims the optional standard deduction to claim the direct charitable contributions deduction which is allowed under federal law (reference Section 28). This provision is retroactive to January 1, 1984 for tax years beginning on or after that date. Federal tax law provides a charitable deduction for standard filers of 25 percent of donations up to \$300 for tax year 1984; 50 percent of donations with no maximum for tax year 1985; and 100 percent of donations with no maximum for tax years 1986 and beyond.

FISCAL EFFECT: For fiscal 1985 this provision represents an approximate \$1.0 million loss to the general fund. While unknown, for fiscal years after 1985 the effect of this provision is significantly greater than the \$1.0 million revenue loss as both the percentage base and the maximum allowable donation levels increase.

- The balance of Division III changes references to the IRC Code and makes conforming amendments to the Iowa code. This division of the bill also includes clarifying/consolidating language. There is no additional fiscal impact within this division.

DIVISION IV. Division IV increases the number of years for which drivers licenses will be issued and increases the fees proportionately (reference Section 41). Assuming the number of fees collected will remain constant with those collected during the 1983 calendar year, the division has the following effects:

<u>Fee Type</u>	<u>Current Length</u>	<u>Proposed Length</u>	<u>Number Issued</u>	<u>Increased Collections</u>	<u>Increase to General Fund</u>
Operators	4 years	6 years	395,280	\$ 5.00	\$ 1,976,400
Chauffeurs	4 years	6 years	56,886	10.00	568,860
Instruction Permit	2 years	2 years	53,932	2.00	107,864
Chauffeurs					
Instruction Permit	2 years	2 years	2,507	4.00	10,028
<b>TOTAL INCREASE TO GENERAL FUND:</b>					<b>\$ 2,663,152</b>

FISCAL NOTE

DIVISION VI, Cont'd.

FISCAL EFFECT Division IV. The total annual increase to the general fund for the next four years would be \$2,663,152. After these four years, there will be a decline in the number of fees as compared to the previous four years. The lessening in the number of fees will result in a decline in the workload of the drivers' license stations.

DIVISION V. Division V imposes an additional individual income tax of two percent of taxable income in excess of \$30,000 for the tax year beginning after December 31, 1983 (reference Section 42). Married taxpayers electing to file separate returns or filing separately on a combined return must combine their respective taxable incomes for purposes of the additional tax. If this combined income exceeds \$30,000, that portion in excess shall be subject to the additional tax. This tax is applicable for the tax year beginning after December 31, 1983 only if the Governor finds that the estimated budget resources during the 1985 fiscal year are insufficient to pay all appropriations in full and the Governor's findings are concurred in by the Executive Council. The Governor shall make the determination not later than October 1, 1984 and the Governor shall not make any reductions in allotments as allowed under Section 8.31.

FISCAL EFFECT Division V. If the Governor determines that the estimated budget resources during the 1985 fiscal year are insufficient to pay all appropriations in full and the Executive Council concurs, this tax change would generate approximately an additional \$20.0 million to the state general fund for fiscal 1985.

DIVISION VI. Division VI delays payment on one-half of the additional personal property tax credit funds in the fiscal years beginning July 1, 1984 and ending June 30, 1985 with the remainder paid not later than July 15, 1985 (reference Section 43). The payment received by the respective county treasurers is an account receivable for the previous fiscal year.

FISCAL EFFECT Division VI. Current law has the personal property tax credit paid in May. According to Division V, one-half of this \$46.2 million payment (or \$23.1 million) would be deferred until no later than July 15 of fiscal 1986. This has the effect of reducing the obligation on the fiscal 1985 budget by a corresponding \$23.1 million and increasing the fiscal 1986 by a like amount.

DIVISION VII. Division VII imposes a tax of one percent on the investment income of life insurance companies or associations that are subject to the state gross premiums tax (reference Section 44). The tax is imposed on the amount of net capital gains, total interest income, and total dividend income received in a calendar year. This amount is adjusted by multiplying it by the fraction of the total premiums and annuity considerations received by the taxpayer in the calendar year that are a result of covering risks resident in Iowa for the calendar year. This Division is retroactive to January 1, 1984.

FISCAL EFFECT Division VII. This division is estimated to increase revenues to the general fund beginning in fiscal 1985 by an annual amount of \$13.0 million.



SUMMARY EFFECTS

EFFECT TO GENERAL FUND APPROPRIATIONS:

DIVISION I.	<u>Fiscal 1984 Deappropriation</u>	<u>Fiscal 1985 Reappropriation</u>	
	\$ 22,396,319	\$ 13,718,686	
DIVISION II.		<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Appropriation to the Iowa Economic Emer- gency Fund.		Declines by the balance of 1984 general fund	Increases by an amount not to exceed \$200.0 M less carryover balance
DIVISION VI.		\$23.1 million	(\$23.1 million)
Personal Property Tax Replacement Credit.			

EFFECT TO GENERAL FUND REVENUES:

DIVISION III.	<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Social Security Benefits. Charitable Deductions.	\$ 8.0 million (1.0 million)	\$ 8.0 million unknown reduction
DIVISION IV.	\$ 2.7 million	\$ 2.7 million
Drivers License Fees.		
DIVISION V. (if affected)	\$20.0 million	
Individual Income Tax.		
Division VII.	\$13.0 million	\$13.0 million
Investment Income Tax, Life Insurance Companies.		

Source: Department of Revenue  
Department of Transportation  
Insurance Department

(4221S, 84-277E, CMG)

S-5465

1 Amend Senate File 2330 as follows:

2 1. Page 3, line 23, by inserting after the period  
3 the words "Unobligated or unencumbered funds remaining  
4 on June 30, 1986, from funds appropriated by this  
5 section shall revert to the general fund of the state  
6 on September 30, 1986."

7 2. Page 8, by striking lines 10 through 14 and  
8 inserting in lieu thereof the following:

9 "3. The moneys in the Iowa economic emergency  
10 fund may be appropriated by the general assembly only  
11 for the fiscal year in which the appropriation is  
12 made and only for a purpose for which the general  
13 assembly previously appropriated funds for that fiscal  
14 year."

15 3. Page 13, line 5, by striking the figure "1984"  
16 and inserting in lieu thereof the figure "1983".

17 4. Page 13, line 6, by striking the figure "1984"  
18 and inserting in lieu thereof the figure "1983".

19 5. Page 14, by inserting after line 11 the  
20 following new division:

21 "DIVISION \_\_\_\_\_

22 Sec. 43. Section 422.43, subsection 9, Code  
23 Supplement 1983, is amended to read as follows:

24 9. The following enumerated services are subject  
25 to the tax imposed on gross taxable services:  
26 Alteration and garment repair; armored car; automobile  
27 repair; battery, tire and allied; investment counseling  
28 (excluding investment services of trust departments);  
29 bank service charges; barber and beauty; boat repair;  
30 car wash and wax; carpentry; roof, shingle, and glass  
31 repair; dance schools and dance studios; dry cleaning,  
32 pressing, dyeing, and laundering; electrical and  
33 electronic repair and installation; engraving,  
34 photography, and retouching; equipment rental of  
35 tangible personal property; excavating and grading;  
36 farm implement repair of all kinds; flying service,  
37 except agricultural aerial application services and  
38 aerial commercial and charter transportation services;  
39 furniture, rug, upholstery repair and cleaning; fur  
40 storage and repair; golf and country clubs and all  
41 commercial recreation; house and building moving;  
42 household appliance, television, and radio repair;  
43 jewelry and watch repair; machine operator; machine  
44 repair of all kinds; motor repair; motorcycle, scooter,  
45 and bicycle repair; oilers and lubricators; office  
46 and business machine repair; painting, papering, and  
47 interior decorating; parking facilities; pipe fitting  
48 and plumbing; wood preparation; private employment  
49 agencies, excluding services for placing a person  
50 in employment where the principal place of employment

S-5465  
PAGE 2

1 of that person is to be located outside of the state;  
2 printing and binding; sewing and stitching; shoe  
3 repair and shoeshine; storage warehousing of raw  
4 agricultural products; telephone answering service;  
5 test laboratories, except tests on humans; termite,  
6 bug, roach, and pest eradicators; tin and sheet metal  
7 repair; turkish baths, massage, and reducing salons;  
8 vulcanizing, recapping, and retreading; weighing;  
9 welding; well drilling; wrapping, packing, and  
10 packaging of merchandise other than processed meat,  
11 fish, fowl and vegetables; wrecking service; wrecker  
12 and towing.

13 Sec. 44. Section 422.45, subsection 12, Code  
14 Supplement 1983, is amended to read as follows:

15 12. Gross receipts from the sale of all foods  
16 for human consumption which are eligible for purchase  
17 with food coupons issued by the United States  
18 department of agriculture pursuant to regulations  
19 in effect on July 1, 1974, regardless of whether the  
20 retailer from which the foods are purchased is  
21 participating in the food stamp program. However,  
22 as used in this subsection, "foods" does not include  
23 meals prepared for immediate consumption on or off  
24 the premises of the retailer, ~~and does not include~~  
25 foods sold through vending machines, or beverages  
26 as defined in section 455C.1, subsection 1.

27 Sec. 45. Section 43 and 44 are effective July  
28 1 following enactment."

29 6. By striking page 14, line 26 through page 15,  
30 line 26.

31 7. Page 15, by striking lines 27 through 31 and  
32 inserting in lieu thereof the following:

33 "Sec. \_\_\_\_\_. This Act, being deemed of immediate  
34 importance, takes effect from and after its publication  
35 in the Audubon News-Advocate, a newspaper published  
36 in Audubon, Iowa, and in The Winterset Madisonian,  
37 a newspaper published in Winterset, Iowa.

38 8. Amend the title, lines 19 and 20, by striking  
39 the words "a tax of one percent on gross investment  
40 income of insurance companies" and inserting in lieu  
41 thereof the words "the sales and use tax on beverages,  
42 electronic repair and installation, and rental of  
43 tangible personal property".

44 9. Renumber sections and correct internal  
45 references as necessary in accordance with this  
46 amendment.

S-5465 FILED  
MARCH 21, 1984  
*Adopted 2/22 (p. 964)*

BY COMMITTEE ON FINANCE  
NORMAN G. RODGERS, CHAIR

SENATE FILE 2330

S-5470

1 Amend Senate File 2330 as follows:  
2 1. Page 10, by striking lines 16 through 27 and  
3 inserting in lieu thereof the following:  
4 "NEW SUBSECTION. 19. Subtract the amount of any  
5 social security benefit received under Title II of  
6 the federal Social Security Act as amended to January  
7 1, 1984, or any tier 1 railroad retirement benefit  
8 under section 3(a), 4(a), or 4(f) of the federal  
9 Railroad Retirement Act of 1974, and included in the  
10 adjusted gross income computed for federal income  
11 tax purposes."

S-5470 FILED & LOST  
MARCH 22, 1984 (p. 969)

BY EDGAR H. HOLDEN

SENATE FILE 2330

S-5474

1 Amend Senate File 2330 as follows:  
2 1. By striking page 14, line 26 through page 15  
3 line 26.

S-5474 FILED  
MARCH 22, 1984  
RULED OUT OF ORDER (p. 966)

BY CALVIN O. HULTMAN

SENATE FILE 2330

S-5475

1 Amend Senate File 2330 as follows:  
2 1. Page 13, lines 26 and 27, by striking the words  
3 "thirty thousand dollars" and inserting in lieu thereof  
4 the words "twenty-five thousand dollars for a single  
5 person and forty thousand dollars for married  
6 taxpayers".  
7 2. Page 13, line 32, by striking the word "thirty"  
8 and inserting in lieu thereof the word "forty".  
9 3. Page 13, line 33, by striking the word "thirty"  
10 and inserting in lieu thereof the word "forty".

S-5475 FILED  
MARCH 22, 1984  
ADOPTED (p. 971)

BY ARTHUR L. GRATIAS  
WILLIAM D. PALMER  
NORMAN G. RODGERS

SENATE FILE 2330

S-5462

- 1 Amend Senate File 2330 as follows:
- 2 1. Page 7, line 33, by inserting after the word
- 3 "state" the words ", except for purposes of determining
- 4 the annual inflation factor under section 422.4,
- 5 subsection 18, the balance in the fund shall be
- 6 considered part of the general fund of the state".

S-5462 FILED

BY EDGAR H. HOLDEN

MARCH 21, 1984

*4/18 3/22 (p. 965)*

SENATE FILE 2330

S-5463

- 1 Amend Senate File 2330 as follows:
- 2 1. Page 14, line 10, by striking the word and
- 3 figures "October 1, 1984" and inserting in lieu
- 4 thereof the word and figures "January 15, 1985".

S-5463 FILED

BY EDGAR H. HOLDEN

MARCH 21, 1984

*Lost 3/22 (p. 972)*

SENATE FILE 2330

S-5466

- 1 Amend Senate File 2330 as follows:
- 2 1. By striking page 13, line 21 through page 14,
- 3 line 11.
- 4 2. Renumber sections and correct internal
- 5 references as necessary in accordance with this
- 6 amendment.

S-5466 FILED

BY CALVIN O. HULTMAN

MARCH 21, 1984

*Lost 3/22 (p. 971)*

SENATE FILE 2330

S-5467

- 1 Amend Senate File 2330 as follows:
- 2 1. Page 14, by striking lines 12 through 25,
- 3 2. Renumber sections and correct internal
- 4 references as necessary in accordance with this
- 5 amendment.

S-5467 FILED

BY CALVIN O. HULTMAN

MARCH 21, 1984

*Lost 3/22 (p. 972)*

SENATE FILE 2330

S-5468

- 1 Amend Senate File 2330 as follows:
- 2 1. Page 7, line 33, by inserting after the word
- 3 "state" the words ", except for purposes of determining
- 4 the annual inflation factor under section 422.4,
- 5 subsection 18, the balance in the fund shall be
- 6 considered part of the general fund of the state".

S-5468 FILED

BY CALVIN O. HULTMAN

MARCH 21, 1984

*Adopted 3/22 (p. 961)*

SENATE FILE 2330

S-5471

Amend Senate File 2330 as follows:

1. Page 1, by inserting before line 1 the following new section:

"Section 1. Section 18.117, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:

A state officer or employee shall not use a state-owned motor vehicle for personal private use, nor shall the officer or employee be compensated for driving a privately owned motor vehicle unless it is done on state business with the approval of the state vehicle dispatcher, and in that case the officer or employee shall receive ~~twenty-two~~ twenty and one-half cents per mile ~~effective July 1, 1981, and twenty-four cents per mile effective July 1, 1982.~~ A statutory provision stipulating necessary mileage, travel, or actual expenses reimbursement to a state officer falls under the mileage reimbursement limitation provided in this section unless specifically provided otherwise. Any peace officer employed by the state as defined in section 801.4 who is required to use a private vehicle in the performance of official duties shall receive reimbursement for mileage expense at the rate specified in this section. However, the state vehicle dispatcher may delegate authority to officials of the state, and department heads, for the use of private vehicles on state business up to a yearly mileage figure established by the director of general services and approved by the executive council. If a state motor vehicle has been assigned to a state officer or employee, the officer or employee shall not collect mileage for the use of a privately owned vehicle unless the state vehicle assigned is not usable."

2. Renumber sections and correct internal references as necessary in accordance with this amendment.

S-5471 FILED  
MARCH 22, 1984

BY EDGAR H. HOLDEN

RULED OUT OF ORDER (p. 967)

SENATE FILE 2330

S-5476

Amend Senate File 2330 as follows:

1. Page 13, line 26, by striking the word "thirty" and inserting in lieu thereof the word "fifty".

2. Page 13, line 32, by striking the word "thirty" and inserting in lieu thereof the word "fifty".

3. Page 13, line 33, by striking the word "thirty" and inserting in lieu thereof the word "fifty".

S-5476 FILED  
MARCH 22, 1984

BY BERL E. PRIEBE

RULED OUT OF ORDER (p. 971)

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SENATE FILE 2330  
FISCAL NOTE

REQUESTED BY SENATOR RODGERS

In compliance with a written request there is hereby submitted a Fiscal Note for S-5465 to Senate File 2330, pursuant to Joint Rule 17.

Amendment S-5465 to Senate File 2330 makes the following changes or additions to the bill:

- DIVISION I. Changes the reversion date for oil overcharge funds from September of 1984 to September of 1986.
- DIVISION II. Clarifies language relating to the Iowa economic emergency fund stating that the emergency fund is separate from the general fund and that appropriations can be made only for a purpose for which the general assembly previously appropriated funds for that fiscal year.
- NEW DIVISION. Subjects electronic repair and installation to sales, use, and service tax and, within the same tax base, expands the equipment rental base to tangible personal property. (Reference section 43).

This division also subjects beverages as defined in section 455C, subsection (bottle deposit law) to sales tax. (Reference section 44). All changes to the sales tax area are effective July 1, 1984.

- DIVISION VII. Strikes division VII.
- Corrects the title and publication clause.

FISCAL EFFECT. The changes in tax areas have the following effect on SF 2330:

	<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Electronic repair & installation/ tangible personal property	unknown increase	unknown increase
Beverage sales tax	\$ 4.5 M. increase	\$ 4.5 M. increase
Deletion of Division VII	\$13.0 M. decrease	\$13.0 M. decrease

(4221S.001, 84-288, CMG)

FILED:  
MARCH 22, 1984

BY DENNIS C. PROUTY, DIRECTOR  
LEGISLATIVE FISCAL BUREAU



SENATE FILE 2330  
as passed by the Senate  
FISCAL NOTE  
REQUESTED BY REPRESENTATIVE DODERER

In compliance with a written request received March 23, 1984, there is hereby submitted a Fiscal Note for SENATE FILE 2330, AS PASSED BY THE SENATE pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the General Assembly upon request.

Senate File 2330 as passed by the Senate relates to the financing of state government as follows:

DIVISION I. Division I reduces the area schools appropriation for the fiscal year beginning July 1983 by one-fourth. The majority of this reduction is reappropriated for the fiscal year beginning July 1, 1984. This shift does not affect the date that payments are made, but accounts for the expenditure in fiscal 1985 rather than fiscal 1984. The division also reduces or eliminates capitals appropriations for the fiscal year beginning July 1, 1983 and ending June 30, 1984 for the agencies listed below.

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>MERGED AREA SCHOOLS</u>		
<u>Section 1.</u> Deappropriation/reappropriation outlined above.	\$ 14,113,875	\$ 13,718,686
<u>BOARD OF REGENTS</u>		
<u>Section 4.</u> Oil overcharge funds appropriated in this section can be used for energy conservation projects.	0	
<u>Section 5.</u> Deappropriates funds for:		
- SUI fire safety deficiency corrections (\$500,000);		
- ISU fire safety deficiency corrections (\$750,000);		
- SUI theatre addition (\$700,000);		
- SUI field house under construction (\$230,000);		
- ISU mechanical engineering under const. (\$1,800,000);		
- UNI renovate HVAC - Gilchrist Hall (\$134,000);		
- ISU old vet clinic remodel (\$75,000);		
- ISSS utility system master plan (\$50,000).	\$ 4,239,000	
<u>Section 15.</u> Deappropriates tuition replacement funds.	552,304	
<u>Section 16.</u> Deappropriates funds for the statewide energy management program.	<u>500,000</u>	
Board of Regents SUBTOTAL	\$ 5,691,304	

Page Two, Fiscal Note, Senate File 2330, as passed by the Senate

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>COMMISSION FOR THE BLIND</u>		
<u>Section 6.</u> Deappropriates funds for the rebuilding of a cooling tower.	\$ 840	
<u>CONSERVATION COMMISSION</u>		
<u>Section 2.</u> Deappropriates 1983 funds for the Wildlife Den Dam and Grist Mill renovation.	\$ 40,000	
<u>Section 13.</u> Deappropriates funds for:		
- Swan Lake restoration (\$95,000);		
- George Wyth State Park (\$75,000);		
- Pleasant Creek development (\$150,000);		
- Ledges campground development; (\$96,500);		
- Wapello Campground (\$10,000);		
- Volga River Silt Dam (\$250,000).	\$ 676,500	
Conservation Commission SUBTOTAL	\$ 716,500	
<u>DEPARTMENT OF HUMAN SERVICES</u>		
<u>Section 3.</u> Deappropriates funds for Hospital Schools.	\$ 278,450	
<u>Section 8.</u> Deappropriates funds for DHS institutions to correct life safety code violations.	<u>937,000</u>	
Department of Human Services SUBTOTAL	\$ 1,215,450	
<u>DEPARTMENT OF CORRECTIONS</u>		
<u>Section 7.</u> Deappropriates funds for construction of a laundry at Mt. Pleasant MSU and a handicapped bathroom at the Iowa Correctional Institution for Women.	\$ 255,000	
<u>DEPARTMENT OF GENERAL SERVICES</u>		
<u>Section 9.</u> Deappropriates funds for the Capitol Complex.	\$ 115,000	
<u>Section 10.</u> Deappropriates funds for the:		
- Installation of individual water heaters in Capitol Complex buildings (\$61,600);		
- Replacement of incandescent lamps in the upper portions of the Capitol (\$5,250);		

Page Three, Fiscal Note, Senate File 2330 as passed by the Senate

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>DEPARTMENT OF GENERAL SERVICES, cont.</u>		
- Automation of the north Capitol elevator (\$13,500).	80,350	
Department of General Services SUBTOTAL	\$ 195,350	
<u>HISTORICAL DEPARTMENT</u>		
<u>Section 11.</u> Deappropriates funds for repair of the roof and dome of the state historical building.	\$ 80,000	
<u>Section 12.</u> Deappropriates funds for the State Historical Build- ing and the Centennial Building in Iowa City.	28,000	
Historical Department SUBTOTAL	\$ 108,000	
<u>TREASURER OF STATE</u>		
<u>Section 14.</u> Deappropriates funds for an investment machine and system.	\$ 100,000	
	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>DIVISION I. TOTALS.</u>	\$ 22,396,319	\$ 13,718,686

DIVISION II. Division II establishes an Iowa economic emergency fund. (Reference Section 18). The fund and its balance are separate from the general fund of the state except for the purposes of determining the annual inflation factor under Section 422.2, subsection 18. The moneys in the fund do not revert to the general fund unless the fund would exceed the maximum balance. The maximum balance in the Iowa economic emergency fund is ten percent of the appropriations from the general fund during the preceding fiscal year. Each year the surplus in the general fund, if any, is appropriated to the emergency fund to the extent necessary to achieve the maximum balance.

The Iowa economic emergency fund may be appropriated by the general assembly only for the fiscal year for which the appropriation is made and only for a purpose for which the general assembly previously appropriated funds for that fiscal year.

FISCAL EFFECT Division II. For fiscal 1985, any surplus amount in the general fund as of the end of fiscal 1984 would shift to the Iowa economic emergency fund, leaving a general fund balance of zero. An additional appropriation to this fund from the general fund may be made during fiscal 1985 to a maximum amount of ten percent of the fiscal 1984 appropriations. For a \$2.0 billion budget, the ceiling of this fund would then be \$200.0 million.

Page Four, Fiscal Note, Senate File 2330 as passed by the Senate

DIVISION III. Division III updates the individual, fiduciary, corporate and franchise tax references to the Internal Revenue Code of 1954 up to and including January 1, 1984 to coordinate the federal and state tax laws. The updating includes the following areas of impact:

- Imposes the state individual income tax on the portion of social security benefits and railroad retirement benefits received by certain taxpayers that are subject to federal income tax in tax years beginning on or after January 1, 1984 (reference Section 22). The provision essentially "couples" state tax laws to federal changes, subjecting social security benefits to tax. A taxpayer will have to add together his or her adjusted gross income, half of the social security benefits received, and the amount of tax-free interest (such as interest on municipal bonds) received. This sum is reduced by a base amount of \$32,000 for a married couple filing a joint return or \$25,000 for a single individual; the remainder is divided by two. The portion of social security benefits equal to this amount (but not more than half the benefits) will then be counted as income.

FISCAL EFFECT: The provision generates approximately \$8.0 million additional revenue to the general fund annually.

- Allows a taxpayer who claims the optional standard deduction to claim the direct charitable contributions deduction which is allowed under federal law (reference Section 28). This provision is retroactive to January 1, 1984 for tax years beginning on or after that date. Federal tax law provides a charitable deduction for standard filers of 25 percent of donations up to \$300 for tax year 1984; 50 percent of donations with no maximum for tax year 1985; and 100 percent of donations with no maximum for tax years 1986 and beyond.

FISCAL EFFECT: For fiscal 1985 this provision represents an approximate \$1.0 million loss to the general fund. While unknown, for fiscal years after 1985 the effect of this provision is significantly greater than the \$1.0 million revenue loss as both the percentage base and the maximum allowable donation levels increase.

- The balance of Division III changes references to the IRC Code and makes conforming amendments to the Iowa code. This division of the bill also includes clarifying/consolidating language. There is no additional fiscal impact within this division.

DIVISION IV. Division IV increases the number of years for which drivers licenses will be issued and increases the fees proportionately (reference Section 41). Assuming the number of fees collected will remain constant with those collected during the 1983 calendar year, the division has the following effects:

<u>Fee Type</u>	<u>Current Length</u>	<u>Proposed Length</u>	<u>Number Issued</u>	<u>Increased Collections</u>	<u>Increase to General Fund</u>
Operators	4 years	6 years	395,280	\$ 5.00	\$ 1,976,400
Chauffeurs	4 years	6 years	56,886	10.00	568,860
Instruction Permit	2 years	2 years	53,932	2.00	107,864
Chauffeurs Instruction Permit	2 years	2 years	2,507	4.00	<u>10,028</u>
TOTAL INCREASE TO GENERAL FUND:					\$ 2,663,152

Page 11A, Fiscal Note, Senate File 2330 as passed by the Senate  
SENATE FILE 2330 AS PASSED BY THE SENATE, SUMMARY EFFECTS

EFFECT TO GENERAL FUND APPROPRIATIONS:

DIVISION I.	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>	
	\$ 22,396,319	\$ 13,718,686	
DIVISION II.		<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Appropriation to the Iowa Economic Emer- gency Fund.		Declines by the balance of 1984 general fund	Increases by an amount not to exceed \$200.0 M less carryover balance
DIVISION VII.		\$23.1 million	(\$23.1 million)
Personal Property Tax Replacement Credit.			

EFFECT TO GENERAL FUND REVENUES:

DIVISION III.	<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Social Security Benefits. Charitable Deductions.	\$ 8.0 million (1.0 million)	\$ 8.0 million unknown decrease
DIVISION IV.	\$ 2.7 million	\$ 2.7 million
Drivers License Fees.		
DIVISION V. (if affected)	\$16.0 million	
Individual Income Tax.		
DIVISION VI.		
Electronic repair & installation/tangible personal property	unknown increase	unknown increase
Beverage sales tax	\$4.5 M. increase	\$4.5 M. increase

Source: Department of Revenue  
 Department of Transportation  
 Insurance Department

(4221S.003, 84-290E, CMG)

WYOMING MARCH 23, 1984

BY DENNIS PROUTY, FISCAL DIRECTOR

Page Five, Fiscal Note, Senate File 2330 as passed by the Senate

DIVISION IV, Cont'd.

FISCAL EFFECT Division IV. The total annual increase to the general fund for the next four years would be \$2,663,152. After these four years, there will be a decline in the number of fees as compared to the previous four years. The lessening in the number of fees will result in a decline in the workload of the drivers' license stations.

DIVISION V. Division V imposes an additional individual income tax of two percent of taxable income in excess of \$25,000 for single taxpayers and \$40,000 for married taxpayers for the tax year beginning after December 31, 1983 (reference Section 42). Married taxpayers electing to file separate returns or filing separately on a combined return must combine their respective taxable incomes for purposes of the additional tax. If this combined income exceeds the \$25,000 or \$40,000 excess, that portion in excess shall be subject to the additional tax.

This tax is applicable for the tax year beginning after December 31, 1983 only if the Governor finds that the estimated budget resources during the 1985 fiscal year are insufficient to pay all appropriations in full and the Governor's findings are concurred in by the Executive Council. The Governor shall make the determination not later than October 1, 1984 and the Governor shall not make any reductions in allotments as allowed under Section 8.31.

FISCAL EFFECT Division V. If the Governor determines that the estimated budget resources during the 1985 fiscal year are insufficient to pay all appropriations in full and the Executive Council concurs, this tax change would generate approximately an additional \$16.0 million to the state general fund for fiscal 1985.

DIVISION VI. Division VI subjects electronic repair and installation to sales, use, and service tax and, within the same tax base, expands the equipment rental base to tangible personal property. (Reference section 43). This division also subjects beverages as defined in section 455C, subsection (bottle deposit law) to sales tax. (Reference section 44). All changes to the sales tax area are effective July 1, 1984.

FISCAL EFFECT Division VI. The division has the following fiscal effects:

	<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Electronic repair & installation/tangible personal property sales tax	unknown increase	unknown increase
Beverage sales tax	\$ 4.5 M. increase	\$ 4.5 M. increase

DIVISION VII. Division VII delays payment on one-half of the additional personal property tax credit funds in the fiscal years beginning July 1, 1984 and ending June 30, 1985 with the remainder paid not later than July 15, 1985 (reference Section 46). The payment received by the respective county treasurers is an account receivable for the previous fiscal year.

FISCAL EFFECT Division VII. Current law has the personal property tax credit paid in May. According to Division VII, one-half of this \$46.2 million payment (or \$23.1 million) would be deferred until no later than July 15 of fiscal 1986. This has the effect of reducing the obligation on the fiscal 1985 budget by a corresponding \$23.1 million and increasing the fiscal 1986 by a like amount.

## SENATE FILE 2330

PASSED BY THE SENATE AND AMENDED BY HOUSE WAYS AND MEANS  
 COMMITTEE AMENDMENT H-6024  
 REQUESTED BY REPRESENTATIVE DODERER

In compliance with a written request received March 30, 1984, there is hereby submitted a Fiscal Note for Senate File 2330, as passed by the Senate and amended by the House Ways and Means Committee Amendment H-6024 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the General Assembly upon request.

Senate File 2330 as passed by the Senate and amended by the House Ways and Means Subcommittee relates to the financing of state government as follows:

DIVISION I. Division I reduces the area schools appropriation for the fiscal year beginning July 1983 by one-fourth. The majority of this reduction is reappropriated for the fiscal year beginning July 1, 1984. This shift does not affect the date that payments are made, but accounts for the expenditure in fiscal 1985 rather than fiscal 1984. The division also reduces or eliminates capitals appropriations for the fiscal year beginning July 1, 1983 and ending June 30, 1984 for the agencies listed below.

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>MERGED AREA SCHOOLS</u>		
<u>Section 1.</u> Deappropriation/reappropriation outlined above.	\$ 14,113,875	\$ 13,718,686
<u>BOARD OF REGENTS</u>		
<u>Section 4.</u> Oil overcharge funds appropriated in this section can be used for energy conservation projects.	0	
<u>Section 5.</u> Deappropriates funds for:		
- SUI fire safety deficiency corrections (\$500,000);		
- ISU fire safety deficiency corrections (\$750,000);		
- SUI theatre addition (\$700,000);		
- SUI field house under construction (\$230,000);		
- ISU mechanical engineering under const. (\$1,800,000);		
- UNI rennovate HVAC - Gilchrist Hall (\$134,000);		
- ISU old vet clinic remodel (\$75,000);		
- IBSSS utility system master plan (\$50,000).	\$ 4,239,000	
<u>Section 15.</u> Deappropriates tuition replacement funds.	852,304	
<u>Section 16.</u> Deappropriates funds for the statewide energy management program.	<u>600,000</u>	
Board of Regents SUBTOTAL	\$ 5,691,304	

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>COMMISSION FOR THE BLIND</u>		
<u>Section 6.</u> Deappropriates funds for the rebuilding of a cooling tower.	\$ 840	
<u>CONSERVATION COMMISSION</u>		
<u>Section 2.</u> Deappropriates 1983 funds for the Wildlife Den Dam and Grist Mill renovation.	\$ 40,000	
<u>Section 13.</u> Deappropriates/reappropriates:		
- Swan Lake restoration (\$95,000);		
- George Wyth State Park (\$75,000);		
- Pleasant Creek development (\$150,000);		
- Ledges campground development; (\$96,500);		
- Wapello Campground (\$10,000);		
- Volga River Silt Dam (\$250,000).	\$ 676,500	\$ 676,500
Conservation Commission SUBTOTAL	\$ 716,500	\$ 676,500
<u>DEPARTMENT OF HUMAN SERVICES</u>		
<u>Section 3.</u> Deappropriates funds for Hospital Schools.	\$ 278,450	
<u>Section 8.</u> Deappropriates funds for DHS institutions to correct life safety code violations.	937,000	
Department of Human Services SUBTOTAL	\$ 1,215,450	
<u>DEPARTMENT OF CORRECTIONS</u>		
<u>Section 7.</u> Deappropriates funds for construction of a laundry at Mt. Pleasant MSU and a handicapped bathroom at the Iowa Correctional Institution for Women.	\$ 255,000	
<u>DEPARTMENT OF GENERAL SERVICES</u>		
<u>Section 9.</u> Deappropriates/reappropriates funds for the Capitol Complex.	\$ 115,000	\$ 115,000
<u>Section 10.</u> Deappropriates/reappropriates:		
- Installation of individual water heaters in Capitol Complex buildings (\$61,600);		
- Replacement of incandescent lamps in the upper portions of the Capitol (\$5,250);		



SENATE FILE 2330 as passed by the Senate and amended by  
the House Ways and Means Subcommittee, page 3.

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>DEPARTMENT OF GENERAL SERVICES, cont.</u>		
- Automation of the north Capitol elevator (\$13,500).	80,350	\$ 80,350
Department of General Services SUBTOTAL	\$ 195,350	\$ 195,350
<u>HISTORICAL DEPARTMENT</u>		
<u>Section 11.</u> Deappropriates/reappropriates funds for repair of the roof and dome of the state histor- ical building.	\$ 80,000	\$ 80,000
<u>Section 12.</u> Deappropriates/reappropriates funds for the State Historical Building and the Centennial Building in Iowa City.	28,000	28,000
Historical Department SUBTOTAL	\$ 108,000	\$ 108,000
<u>TREASURER OF STATE</u>		
<u>Section 14.</u> Deappropriates/reappropriates funds for an investment machine and system.	\$ 100,000	\$ 100,000
	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>DIVISION I. Deapprop./Repprop. Subtotals.</u>	\$ 22,396,319	\$ 14,798,536

<u>New Section.</u> Appropriates funds from the Road Use Tax Fund to the Department of Public Safety for expenses rela- ting to the division of highway safety and uniformed force.	<u>Fiscal 1985</u> <u>Appropriation</u>
	\$ 16,747,000

DIVISION II. Division II establishes an Iowa economic emergency fund. (Refer-  
ence Section 18). The fund and its balance are separate from the general fund  
of the state except for the purposes of determining the annual inflation factor  
under Section 422.2, subsection 18. The moneys in the fund do not revert to the  
general fund unless the fund would exceed the maximum balance. The maximum  
balance in the Iowa economic emergency fund is ten percent of the appropriations  
from the general fund during the preceding fiscal year. Each year the surplus  
in the general fund, if any, is appropriated to the emergency fund to the extent  
necessary to achieve the maximum balance.

The Iowa economic emergency fund may be appropriated by the general assembly  
only for the fiscal year for which the appropriation is made and only for a  
purpose for which the general assembly previously appropriated funds for that  
fiscal year. However, the balance in the Iowa economic emergency fund may be  
used in determining the cash position of the state for payment of state obliga-  
tions.

SENATE FILE 2330 as passed by the Senate and amended by  
the House Ways and Means Subcommittee, page 4.

DIVISION II, Cont'd.

FISCAL EFFECT Division II. For fiscal 1985, any surplus amount in the general fund as of the end of fiscal 1984 would shift to the Iowa economic emergency fund, leaving a general fund balance of zero. An additional appropriation to this fund from the general fund may be made during fiscal 1985 to a maximum amount of ten percent of the fiscal 1984 appropriations. For a \$2.0 billion budget, the ceiling of this fund would then be \$200.0 million.

DIVISION III. Division III updates the individual, fiduciary, corporate and franchise tax references to the Internal Revenue Code of 1954 up to and including January 1, 1984 to coordinate the federal and state tax laws. The updating includes the following areas of impact:

- Imposes the state individual income tax on the portion of social security benefits and railroad retirement benefits received by certain taxpayers that are subject to federal income tax in tax years beginning on or after January 1, 1984 (reference Section 22). The provision essentially "couples" state tax laws to federal changes, subjecting social security benefits to tax. A taxpayer will have to add together his or her adjusted gross income, half of the social security benefits received, and the amount of tax-free interest (such as interest on municipal bonds) received. This sum is reduced by a base amount of \$32,000 for a married couple filing a joint return or \$25,000 for a single individual; the remainder is divided by two. The portion of social security benefits equal to this amount (but not more than half the benefits) will then be counted as income.

FISCAL EFFECT: The provision generates approximately \$8.0 million additional revenue to the general fund annually.

- Allows a taxpayer who claims the optional standard deduction to claim the direct charitable contributions deduction similar to that allowed under federal law (reference Section 28). This provision is retroactive to January 1, 1984 for tax years beginning on or after that date through the 1986 tax year. The charitable deduction for standard filers is 25 percent of donations up to \$300.

FISCAL EFFECT: This provision represents an approximate \$1.0 million loss annually to the general fund for the years it is in effect.

- The balance of Division III changes references to the IRC Code and makes conforming amendments to the Iowa code. This division of the bill also includes clarifying/consolidating language. There is no additional fiscal impact within this division.

DIVISION IV. (Replaced division).

Division IV includes odometer law enforcement regulation and refunds the program by taking \$.25 per title issuance beginning July 1, 1984 and ending June 30, 1989. An additional \$209,469 would go to the Department of Transportation for administration of the program and delegation to the Attorney General's Office and law enforcement agencies for enforcement of this program.

SENATE FILE 2330 as passed by the Senate and amended by  
the House Ways and Means Subcommittee, page 5.

DIVISION IV, Cont'd.

Division IV also includes adjustments to the RUTF and various licensing fees as follows:

- Increases the vehicle title fee from \$2 to \$10.
- Increases the cost of duplicate titles from \$5 to \$10.
- Increases the fee for liens against vehicles from \$2 to \$5.
- Repeals the exemption that insurers currently have pertaining to salvage certificates and requires that they purchase a salvage certificate within 14 days of the assignment of the certificate.
- Deals with removing the requirement for mandatory inspection of vehicles.
- Changes the in-transit plate fee from \$5 to \$10. This section also increases from \$2 to \$10 the fee for a certificate of title for a non-resident purchaser.
- Raises the annual registration for motorcycles from \$10 to \$14. For motorcycles over five years old the annual registration fee will be increased from \$5 to \$10.
- Increases the registration fee for some trailers from \$4 to \$6.
- Changes the percent of fees counties collect as follows:

<u>Type of Fee</u>	<u>% of Fees Collected Now</u>	<u>% of Fees Under This Bill</u>
Vehicle Registration	2.6%	2.6%
Duplicate Registration	2.6	2.6
Certificates of Title	65.0	20.0
Notation of Security Interests	100.0	60.0
Certified Copies of Certificate of Title	65.0	40.0

- Raises the fee for a non operator's identification fee from \$1 to \$5. Duplicates of these cards shall also cost \$5 rather than \$1.
- Changes the fees for operator's driving permits as follows:

	<u>Currently</u>	<u>As Amended</u>
Operator's license (2 years)	\$ 5	\$ 10
Operator's license (4 Years)	10	20
Chauffeur's license (2 years)	10	20
Chauffeur's license (4 years)	20	40
Instruction permit	3	6
Chauffeur's instruction permit	6	12
Temporary driver's permit	5	10
Moped license	5	10

- Allows peace officers to conduct spot inspections at any time or place. DOT may designate the transportation regulation and safety division to do these spot inspections.
- Inspection stations which have a valid inspection state permit may receive a reimbursement for the unexpired portion of the permit fee.

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the House Ways and Means Subcommittee, page 6.

DIVISION IV, Cont'd.

Fiscal Effect, Division IV. Assumption: The number of fees paid would remain constant with 1983 receipts.

Calculations: <u>Annual Fee Increase</u>	<u>Total Fee Increase</u>	<u>General Fund</u>	<u>Increase Distribution</u>	
			<u>RUTF</u>	<u>Counties</u>
Title	6,703,000		6,116,488	586,512
In Transit plates	20,000		19,840	520
Trailer Plates	300,000		292,200	7,800
Duplicate Titles	300,000		157,250	27,750
Leins	937,341		624,894	312,447
Motorcycle plates (new)	292,000		284,408	7,592
Motorcycle plates (old)	550,000		535,700	14,300
Driver's License Increase	6,100,000	(6,100,000)	12,200,000	
Non-Operator's I.D.	74,820		74,820	
Reimbursement to Insp.				
Transfer of Driv. License		3,700,000	(3,700,000)	

Doing away with inspection is basically a trade off with the amount taken in and the cost of doing inspections both being approximately \$170,000 annually.

<u>SUMMARY FISCAL EFFECT, DIVISION IV:</u>	<u>Annual Effect</u>
Increase to General Fund:	(\$ 2.4 M)
Increase to RUTF:	16.6 M
Increase to Counties:	1.0 M

DIVISION V. Deleted.

DIVISION VI. Division VI subjects electronic repair and installation to sales, use, and service tax and, within the same tax base, expands the equipment rental base to tangible personal property. (Reference section 43). This division also subjects beverages as defined in section 455C, subsection (bottle deposit law) to sales tax. (Reference section 44). All changes to the sales tax area are effective July 1, 1984.

FISCAL EFFECT Division VI. The division has the following fiscal effects:

	<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Electronic repair & installation/tangible personal property sales tax	unknown increase	unknown increase
Beverage sales tax	\$ 4.5 M. increase	\$ 4.5 M. increase

DIVISION VII. Division VII delays payment on one-half of the additional personal property tax credit funds in the fiscal years beginning July 1, 1984 and ending June 30, 1985 with the remainder paid not later than July 1, 1985 (reference Section 46). The payment received by the respective county treasurers is an account receivable for the previous fiscal year.

FISCAL EFFECT Division VII. Current law has the personal property tax credit paid in May. According to Division VII, one-half of this \$46.2 million payment (or \$23.1 million) would be deferred until no later than July 1 of fiscal 1986. This has the effect of reducing the obligation on the fiscal 1985 budget by a corresponding \$23.1 million and increasing the fiscal 1986 by a like amount.

SENATE FILE 2330 as passed by the Senate and amended by  
the House Ways and Means Subcommittee, page 7.

SENATE FILE 2330 AS PASSED BY THE SENATE AND AMENDED BY  
THE HOUSE WAYS AND MEANS SUBCOMMITTEE, SUMMARY EFFECTS

EFFECT TO GENERAL FUND APPROPRIATIONS:

DIVISION I.	<u>Fiscal 1984 Deappropriation</u>	<u>Fiscal 1985 Reappropriation</u>	
	\$ 22,396,319	\$ 14,798,536	
New Section (RUTF appropriation to Dept. of Public Safety)		<u>Fiscal 1985 Appropriation</u>	
		\$ 16,747,000	
DIVISION II.		<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Appropriation to the Iowa Economic Emer- gency Fund.		Declines by the balance of 1984 general fund	Increases by an amount not to exceed \$200.0 M less carryover balance
DIVISION VII.		\$23.1 million	(\$23.1 million)
Personal Property Tax Replacement Credit.			

EFFECT TO FUND REVENUES:

DIVISION III.	<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Social Security Benefits.	\$ 8.0 million	\$ 8.0 million
Charitable Deductions.	( 1.0 million)	( 1.0 million)
NEW DIVISION IV.		
Increase to General Fund:	(\$ 2.4 million)	(\$ 2.4 million)
Increase to RUTF:	16.6 million	16.6 million
Increase to Counties:	1.0 million	1.0 million
DIVISION VI.		
Electronic repair & installation/tangible personal property	unknown increase	unknown increase
Beverage sales tax	\$4.5 M. increase	\$4.5 M. increase

Source: Department of Revenue  
Department of Transportation  
Insurance Department

(4221S.004, 84-304F, CMG)

FILED APRIL 2, 1984

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2330

H-6024

1 Amend Senate File 2330, as amended; passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 7, by inserting after line 28 the following  
 4 new sections:  
 5 "Sec. \_\_\_\_ There is appropriated from the general  
 6 fund of the state to the following state agencies  
 7 for the fiscal year beginning July 1, 1984 and ending  
 8 June 30, 1985, the following amounts, or so much  
 9 thereof as may be necessary, to be used in the manner  
 10 designated:

	1984-1985
	<u>Fiscal Year</u>
11	
12	
13 1. DEPARTMENT OF GENERAL SERVICES	
14 a. For emergency major repairs or	
15 replacements of equipment, roofs or	
16 windows .....	\$ 25,000
17 b. For repair of the roof of the	
18 vehicle dispatcher building and the	
19 repair of the roof of the micrographics	
20 building .....	\$ 90,000
21 c. For the installation of indi-	
22 vidual water heaters in capitol com-	
23 plex buildings .....	\$ 61,600
24 d. For replacement of the incan-	
25 descent lamps in the upper portions of	
26 the capitol .....	\$ 5,250
27 e. For automation of the north	
28 capitol elevator .....	\$ 13,500
29 2. IOWA STATE HISTORICAL DEPART-	
30 MENT	
31 a. For repair of the roof and	
32 dome of the state historical build-	
33 ing .....	\$ 80,000
34 b. For construction of a handi-	
35 capped entrance to the centennial	
36 building in Iowa City .....	\$ 13,000
37 c. For the renovation of restroom	
38 and drinking facilities in the state	
39 historical building to make them ac-	
40 cessible to handicapped persons .....	\$ 10,000
41 d. For construction of a handi-	
42 capped entrance ramp to the state	
43 historical building .....	\$ 5,000
44 3. STATE CONSERVATION COMMISSION	
45 a. For Swan lake restoration .....	\$ 95,000
46 b. For construction, replacement,	
47 development and alterations to state	
48 parks and preserves, state forest	
49 facilities and state waters, including	
50 artificial lake development; shoreline	

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1 erosion and siltation control; river,  
2 stream and lake access; and engineer-  
3 ing and planning services or to sup-  
4 plement any prior appropriation for  
5 such purposes ..... \$ 581,500

6 4. TREASURER OF STATE  
7 For the purchase of an investment  
8 machine and system ..... \$ 100,000

9 Unobligated or unencumbered funds appropriated  
10 by this section for the fiscal year beginning July  
11 1, 1984 and ending June 30, 1985 remaining on June  
12 30, 1985 shall revert to the general fund of the state  
13 on June 30, 1985.

14 Sec. \_\_\_\_\_. There is appropriated from the road  
15 use tax fund to the department of public safety for  
16 the fiscal year beginning July 1, 1984 and ending  
17 June 30, 1985, the following amount, or so much thereof  
18 as is necessary, to be used for funding the following  
19 functions and programs for the purposes designated:

20 For salaries, support, mainte-  
21 nance, and miscellaneous purposes  
22 of the division of highway safety  
23 and uniformed force including the  
24 state's contribution to the peace  
25 officers' retirement, accident,  
26 and disability system provided in  
27 chapter 97A in the amount of six-  
28 teen percent of the salaries for  
29 which the funds are appropriated ..... \$ 16,747,000"

30 2. Page 8, line 20, by inserting after the period  
31 the words "However, the balance in the Iowa economic  
32 emergency fund may be used in determining the cash  
33 position of the general fund of the state for the  
34 payment of state obligations."

35 3. Page 11, line 8, by inserting after the period  
36 the words "However, the deduction shall be computed  
37 as provided under section 170 (i) of the Internal  
38 Revenue Code of 1954 as applied to tax year 1984."

39 4. Page 13, by striking lines 16 through 26 and  
40 inserting in lieu thereof the following new sections:

41 "Sec. \_\_\_\_\_. Chapter 307, Code 1983, is amended  
42 by adding the following new section:

43 NEW SECTION. 307.36 ODOMETER LAW ENFORCEMENT.  
44 The department shall investigate and prosecute  
45 violators of the state and federal odometer law.  
46 The department shall refer available evidence  
47 concerning a possible violation of section 321.71  
48 or the federal odometer law or a rule or order issued  
49 under section 321.71 or the federal odometer law to  
50 the attorney general. The attorney general, with

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1 or without the referral, may institute appropriate  
2 criminal proceedings or may direct the case to the  
3 appropriate county attorney to institute appropriate  
4 criminal proceedings. The attorney general may use  
5 those funds available to the department for this  
6 purpose and law enforcement agencies may be reimbursed  
7 for expenses incurred in the enforcement of the state  
8 and federal odometer laws with the approval of the  
9 attorney general and concurrence by the department.

10 Sec. \_\_\_\_ . Section 312.2, Code Supplement 1983,  
11 is amended by adding the following new subsection:  
12 NEW SUBSECTION. 16. The treasurer of state,  
13 before making the allotments provided for in this  
14 section, shall credit annually to the state department  
15 of transportation from the road use tax fund an amount  
16 equal to twenty-five cents on each title issuance  
17 for state and federal odometer law enforcement  
18 purposes. This subsection is effective for the fiscal  
19 period beginning July 1, 1984 and ending June 30,  
20 1989.

21 Sec. \_\_\_\_ . Section 312.2, Code Supplement 1983,  
22 is amended by adding the following new subsection:  
23 NEW SUBSECTION. 17. The treasurer of state,  
24 before making the allotments provided for in this  
25 section, shall credit annually to the state department  
26 of transportation from the road use tax fund the sum  
27 of three million seven hundred thousand (3,700,000)  
28 dollars to fund the operation and administration  
29 of the driver's license program within the state  
30 department of transportation.

31 Sec. \_\_\_\_ . Section 321.20, unnumbered paragraph  
32 1, Code 1983, is amended to read as follows:  
33 Except as provided in this chapter, every owner  
34 of a vehicle subject to registration shall make  
35 application to the county treasurer, of the county  
36 of the owner's residence, or if a nonresident, to  
37 the county treasurer of the county where the primary  
38 users of the vehicle are located, for the registration  
39 and issuance of a certificate of title for the vehicle  
40 upon the appropriate form furnished by the department,  
41 accompanied by a fee of two ten dollars, and every  
42 application shall bear the signature of the owner  
43 written with pen and ink. However, a nonresident  
44 owner of two or more vehicles subject to registration  
45 may make application for registration and issuance  
46 of a certificate of title for all vehicles subject  
47 to registration to the county treasurer of the county  
48 where the primary user of any of the vehicles is  
49 located. The owner of a mobile home shall make  
50 application for a certificate of title under this



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1 section. The application shall contain:

2 Sec. \_\_\_\_\_. Section 321.23, subsections 1 and 4,  
3 Code Supplement 1983, are amended to read as follows:

4 1. If the vehicle to be registered is a specially  
5 constructed, reconstructed, remanufactured or foreign  
6 vehicle, such fact shall be stated in the application.  
7 A fee of ~~two~~ ten dollars shall be paid by the person  
8 making the application upon issuance of a certificate  
9 of title by the county treasurer. With reference  
10 to every specially constructed or reconstructed motor  
11 vehicle subject to registration the application shall  
12 be accompanied by a statement from the department  
13 authorizing the motor vehicle to be titled and  
14 registered in this state. The department shall cause  
15 a physical inspection to be made of all specially  
16 constructed or reconstructed motor vehicles, upon  
17 application for a certificate of title by the owner,  
18 to determine whether the motor vehicle is in a safe  
19 operating condition and that the integral component  
20 parts are properly identified and that the rightful  
21 ownership is established before issuing the owner  
22 the authority to have the motor vehicle registered  
23 and titled. With reference to every foreign vehicle  
24 which has been registered outside of this state the  
25 owner shall surrender to the treasurer all registration  
26 plates, registration cards, and certificates of title,  
27 or, if vehicle to be registered is from a nontitle  
28 state, the evidence of foreign registration and  
29 ownership as may be prescribed by the department  
30 except as provided in subsection 2.

31 4. Any vehicle which does not meet the equipment  
32 requirements of this chapter due to the particular  
33 use for which it is designed or intended, may be  
34 registered by the department upon payment of  
35 appropriate fees and after inspection and certification  
36 by the department that the vehicle is not in an unsafe  
37 condition and will not endanger any person. A person  
38 is not required to have a certificate of title to  
39 register a vehicle under this subsection. If the  
40 owner elects to have a certificate of title issued  
41 for the vehicle, a fee of ~~two~~ ten dollars shall be  
42 paid by the person making the application upon issuance  
43 of a certificate of title. If the department's  
44 inspection reveals that that vehicle may be safely  
45 operated only under certain conditions or on certain  
46 types of roadways, the department may restrict the  
47 registration to limit operation of the vehicle to  
48 the appropriate conditions or roadways. This  
49 subsection shall not apply to snowmobiles as defined  
50 in section 321G.1. Section 321.382 does not apply

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1 to a vehicle registered under this subsection which  
2 is operated exclusively by a handicapped person who  
3 has obtained a special identification device as  
4 provided in section 601E.6, providing the special  
5 identification device is carried in the vehicle and  
6 shown to any peace officer on request.

6123<sup>7</sup>  
6196  
7 Sec. \_\_\_\_ . Section 321.42, unnumbered paragraph  
8 2, Code 1983, is amended to read as follows:

9 If a certificate of title is lost or destroyed,  
10 the owner or lienholder shall apply for a certified  
11 copy of the original certificate of title. The  
12 application shall be made to the department or county  
13 treasurer who issued the original certificate of  
14 title. The application shall be signed by the owner  
15 or lienholder and accompanied by a fee of ~~five~~ ten  
16 dollars. After five days, the department or county  
17 treasurer shall issue a certified copy to the applicant  
18 at the applicant's most recent address. The certified  
19 copy shall be clearly marked "duplicate" and shall  
20 be identical to the original, including notation of  
21 liens or encumbrances. When a certified copy has  
22 been issued, the previous certificate is void. A  
23 new purchaser or transferee is entitled to receive  
24 an original title upon presenting the assigned  
25 duplicate copy to the treasurer of the county where  
26 ~~he or she~~ the new purchaser or transferee resides.  
27 At the time of purchase, a purchaser may require the  
28 seller to indemnify the purchaser and all future  
29 purchasers of the vehicle against any loss which may  
30 be suffered due to claims on the original certificate.  
31 A person recovering an original certificate of title  
32 for which a duplicate has been issued shall surrender  
33 the original certificate to the county treasurer or  
34 the department.

35 Sec. \_\_\_\_ . Section 321.46, subsection 2, Code  
36 Supplement 1983, is amended to read as follows:

37 2. Upon filing the application for a new  
38 registration and a new title, the applicant shall  
39 pay a title fee of ~~two~~ ten dollars and a registration  
40 fee prorated for the remaining unexpired months of  
41 the registration year. The county treasurer, if  
42 satisfied of the genuineness and regularity of the  
43 application, and in the case of a mobile home, that  
44 taxes are not owing under chapter 135D, and that  
45 applicant has complied with all the requirements of  
46 this chapter, shall issue a new certificate of title  
47 and, except for a mobile home, a registration card  
48 to the purchaser or transferee, shall cancel the prior  
49 registration for the vehicle, and shall forward the  
50 necessary copies to the department on the date of

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1 issuance, as prescribed in section 321.24.  
2 Sec. Section 321.47, unnumbered paragraph  
3 1, Code 1983, is amended to read as follows:  
4 In the event of the transfer of ownership of any  
5 vehicle by operation of law as upon inheritance,  
6 devise or bequest, order in bankruptcy, insolvency,  
7 replevin, foreclosure or execution sale, or whenever  
8 the engine of a motor vehicle is replaced by another  
9 engine, or whenever a vehicle is sold to satisfy an  
10 artisan's lien as provided in chapter 577, or is sold  
11 to satisfy a landlord's lien as provided in chapter  
12 570, or a storage lien as provided in chapter 579,  
13 or repossession is had upon default in performance  
14 of the terms of a security agreement, the treasurer  
15 of the county in which the last certificate of title  
16 to any such vehicle was issued, upon the surrender  
17 of the prior certificate of title or the manufacturer's  
18 or importer's certificate, or when that is not  
19 possible, upon presentation of satisfactory proof  
20 to the county treasurer of ownership and right of  
21 possession to such vehicle and upon payment of a fee  
22 of ~~two~~ ten dollars and the presentation of an  
23 application for registration and certificate of title,  
24 may issue to the applicant a registration card for  
25 such vehicle and a certificate of title thereto.  
26 The person or persons entitled under the laws of  
27 descent and distribution of an intestate's property  
28 to the possession and ownership of a vehicle owned  
29 in whole or in part by a decedent, upon filing an  
30 affidavit stating the name and date of death of the  
31 decedent, the right to possession and ownership of  
32 the persons filing said affidavit, and that there  
33 has been no administration of the said decedent's  
34 estate, which instrument shall also contain an  
35 agreement to indemnify any creditors of the decedent  
36 who would be entitled to levy execution upon said  
37 motor vehicle to the extent of the value of said motor  
38 vehicle, shall be entitled upon fulfilling the other  
39 requirements of this chapter, to the issuance of a  
40 registration card for the interest of the decedent  
41 in such vehicle and a certificate of title thereto.  
42 No requirement of either chapter 450 or 451 shall  
43 be considered satisfied by the filing of the affidavit  
44 provided for in this section. If, from the records  
45 in the office of the county treasurer, there appear  
46 to be any lien or liens on such vehicle, such  
47 certificate of title shall contain a statement of  
48 such liens unless the application is accompanied by  
49 proper evidence of their satisfaction or extinction.  
50 Evidence of extinction may consist of, but is not

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1 limited to, an affidavit of the applicant stating  
2 that a security interest was foreclosed as provided  
3 in Uniform Commercial Code, chapter 554, Article 9,  
4 Part 5.

5 Sec. \_\_\_\_\_. Section 321.48, subsection 2, Code  
6 Supplement 1983, is amended to read as follows:

7 2. Any foreign registered vehicle purchased or  
8 otherwise acquired by a dealer for the purpose of  
9 resale shall be issued a certificate of title ~~therefor~~  
10 for the vehicle by the county treasurer of the dealer's  
11 residence upon proper application ~~therefor~~ as provided  
12 in this chapter and upon payment of a fee of ~~two ten~~  
13 dollars and ~~such the~~ dealer shall be exempt from the  
14 payment of any and all registration fees for ~~such~~  
15 the vehicle. ~~Such The~~ application for certificate  
16 of title shall be made within forty-eight hours after  
17 ~~said the~~ vehicle comes within the border of the state.

18 Sec. \_\_\_\_\_. Section 321.50, subsection 1, Code  
19 Supplement 1983, is amended to read as follows:

20 1. A security interest in a vehicle subject to  
21 registration under the laws of this state or a mobile  
22 home, except trailers whose empty weight is two  
23 thousand pounds or less, and except new or used  
24 vehicles held by a dealer or manufacturer as inventory  
25 for sale, is perfected by the delivery to the county  
26 treasurer of the county where the certificate of title  
27 was issued or, in the case of a new certificate, to  
28 the county treasurer where the certificate will be  
29 issued of an application for certificate of title  
30 which lists the security interest, or an application  
31 for notation of security interest signed by the owner,  
32 or by one owner of a vehicle owned jointly by more  
33 than one person, or a certificate of title from another  
34 jurisdiction which shows the security interest, and  
35 a fee of ~~two five~~ five dollars for each security interest  
36 shown. If the owner or secured party is in possession  
37 of the certificate of title, it must also be delivered  
38 at this time in order to perfect the security interest.  
39 If a vehicle is subject to a security interest when  
40 brought into this state, the validity of the security  
41 interest and the date of perfection is determined  
42 by section 554.9103. Delivery as provided in this  
43 subsection is an indication of a security interest  
44 on a certificate of title for purposes of chapter  
45 554.

46 Sec. \_\_\_\_\_. Section 321.52, subsection 4, unnumbered  
47 paragraph 1, Code 1983, is amended to read as follows:

48 A vehicle rebuilder or a motor vehicle dealer  
49 licensed under chapter 322, upon acquisition of a  
50 wrecked or salvage vehicle, shall surrender the

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1 certificate of title and registration receipt or  
2 manufacturer's or importer's statement of origin  
3 properly assigned, together with an application for  
4 a salvage certificate of title to the county treasurer  
5 of the county of residence of the purchaser or  
6 transferee within fourteen days after the date of  
7 assignment of the certificate of title for the wrecked  
8 or salvage motor vehicle. This subsection applies  
9 only to vehicles with a fair market value of five  
10 hundred dollars or more, based on the value before  
11 the vehicle became wrecked or salvage. Upon payment  
12 of a fee of two dollars, the county treasurer shall  
13 issue a salvage certificate of title which shall bear  
14 the word "SALVAGE" stamped on the face of the title  
15 in bold letters and coded in a manner prescribed by  
16 the department. A salvage certificate of title may  
17 be assigned to any person. Notwithstanding any other  
18 provisions in this section a vehicle on which ownership  
19 has transferred to an insurer of the vehicle, as a  
20 result of a settlement with the owner of the vehicle  
21 arising out of damage to, or unrecovered theft of  
22 the vehicle, shall be deemed to be a wrecked or salvage  
23 vehicle and the insurer shall comply with this  
24 subsection to obtain a salvage certificate of title  
25 within fourteen days after the date of assignment  
26 of the certificate of title of the vehicle. Any  
27 ~~owner, except an insurer of vehicles, who transfers~~  
28 ~~a wrecked or salvage vehicle with a fair market value~~  
29 ~~less than five hundred dollars, based on the value~~  
30 ~~before it became wrecked or salvage, shall comply~~  
31 ~~with section 321.51.~~

32 Sec. \_\_\_\_ Section 321.71, subsection 11, Code  
33 1983, is amended to read as follows:

34 11. Any person who violates the provisions of  
35 this section shall be punished by a fine of not less  
36 than four hundred dollars and not more than one  
37 thousand dollars or by imprisonment in the county  
38 jail for a period not to exceed ninety days, or  
39 punished by both such fine and imprisonment is guilty  
40 of an aggravated misdemeanor if the value of the motor  
41 vehicle exceeds five hundred dollars or a serious  
42 misdemeanor if the value of the motor vehicle is five  
43 hundred dollars or less.

44 Sec. \_\_\_\_ Section 321.89, subsection 4, Code 1983,  
45 is amended to read as follows:

46 4. AUCTION OF ABANDONED VEHICLES. If an abandoned  
47 vehicle has not been reclaimed as provided for in  
48 subsection 3, the police authority shall make a  
49 determination as to whether or not the vehicle shall  
50 be sold for use upon the highways. ~~if it is to be~~

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1 ~~sold-as-a-vehicle-for-use-upon-the-highways,-it-shall~~  
2 ~~first-be-inspected-as-required-by-section-321-238~~  
3 ~~and-have-a-valid-certificate-of-inspection-affixed-~~  
4 If the vehicle is not sold for use upon the highways,  
5 it shall be sold for junk, or demolished and sold  
6 as scrap ~~or-sold-as-provided-in-section-321-51-with~~  
7 ~~a-restricted-certificate-of-title-and-not-for-use~~  
8 upon-the-highways. The police authority shall sell  
9 the vehicle at public auction. Notwithstanding any  
10 other provision of this section, any police authority,  
11 which has taken into possession any abandoned vehicle  
12 which lacks an engine or two or more wheels or ~~other~~  
13 another part which renders the vehicle totally  
14 inoperable may dispose of the vehicle to a demolisher  
15 for junk after complying with the notification  
16 procedures enumerated in subsection 3 and without  
17 public auction. The purchaser of the vehicle shall  
18 ~~take~~ takes title free and clear of all liens and  
19 claims of ownership, shall receive a sales receipt  
20 from the police authority, and ~~shall-be~~ is entitled  
21 to register the vehicle and receive a certificate  
22 of title if sold for use upon the highways ~~or-a~~  
23 ~~restricted-certificate-of-title~~. However, if the  
24 vehicle is sold or disposed of to a demolisher for  
25 junk, the sales receipt by itself ~~shall-be~~ is  
26 sufficient title only for purposes of transferring  
27 the vehicle to the demolisher for demolition, wrecking,  
28 or dismantling and, when so transferred, no further  
29 titling of the vehicle ~~shall-be~~ is permitted. From  
30 the proceeds of the sale of an abandoned vehicle the  
31 police authority shall reimburse itself for the  
32 expenses of the auction, the costs of towing,  
33 preserving, and storing which resulted from placing  
34 the abandoned vehicle in custody, all notice and  
35 publication costs incurred pursuant to subsection  
36 3, the cost of inspection, and any other costs incurred  
37 except costs of bookkeeping and other administrative  
38 costs. Any remainder from the proceeds of a sale  
39 shall be held for the owner of the vehicle or entitled  
40 lienholder for ninety days, and shall then be deposited  
41 in the road use tax fund. The costs to police  
42 authorities of auction, towing, preserving, storage,  
43 and all notice and publication costs, ~~inspection-costs~~  
44 and all other costs which result from placing abandoned  
45 vehicles in custody, whenever the proceeds from a  
46 sale of the abandoned vehicles are insufficient to  
47 meet these expenses and costs, shall be paid from  
48 the road use tax fund.

49 Sec. \_\_\_\_ Section 321.109, subsection 1, Code  
50 1983, is amended to read as follows:

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1 1. The annual fee for all motor vehicles including  
2 vehicles designated by manufacturers as station wagons,  
3 except motor trucks, motor homes, multipurpose  
4 vehicles, ambulances, hearses, motorcycles, and motor  
5 bicycles, shall be equal to one percent of the value  
6 as fixed by the department plus forty cents for each  
7 one hundred pounds or fraction thereof of weight of  
8 vehicle, as fixed by the department. The weight of  
9 a motor vehicle, fixed by the department for  
10 registration purposes, shall include the weight of  
11 a battery, heater, bumpers, spare tire, and wheel.  
12 Provided, however, that for any new vehicle purchased  
13 in this state by a nonresident for removal to the  
14 nonresident's state of residence the purchaser may  
15 make application to the county treasurer in the county  
16 of purchase for a transit plate for which a fee of  
17 ~~five ten~~ dollars shall be paid. And provided, however,  
18 that for any used vehicle held by a registered dealer  
19 and not currently registered in this state, or for  
20 any vehicle held by an individual and currently  
21 registered in this state, when purchased in this state  
22 by a nonresident for removal to the nonresident's  
23 state of residence, the purchaser may make application  
24 to the county treasurer in the county of purchase  
25 for a transit plate for which a fee of three dollars  
26 shall be paid. The county treasurer shall issue a  
27 nontransferable certificate of registration for which  
28 no refund shall be allowed; and the transit plates  
29 shall be void thirty days after issuance. Such  
30 purchaser may apply for a certificate of title by  
31 surrendering the manufacturer's or importer's  
32 certificate or certificate of title, duly assigned  
33 as provided in this chapter. In this event, the  
34 treasurer in the county of purchase shall, when  
35 satisfied with the genuineness and regularity of the  
36 application, and upon payment of a fee of ~~two ten~~  
37 dollars, issue a certificate of title in the name  
38 and address of ~~such the~~ nonresident purchaser  
39 delivering the same to the person entitled thereto  
40 to the title as provided in this chapter.

41 Sec. \_\_\_\_ . Section 321.117, Code Supplement 1983,  
42 is amended to read as follows:

43 321.117 MOTORCYCLE, AMBULANCE, AND HEARSE FEES.

44 For all motorcycles the annual fee shall be ~~ten~~  
45 fourteen dollars. For all motorized bicycles the  
46 annual fee shall be five dollars. When the motorcycle  
47 is more than five model years old, the annual  
48 registration fee shall be ~~five ten~~ dollars. The  
49 annual registration fee for ambulances and hearses  
50 shall be fifty dollars. Passenger car plates shall

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1 be issued for ambulances and hearses.

2 Sec. \_\_\_\_ Section 321.119, Code 1983, is amended  
3 to read as follows:

4 321.119 CHURCH BUSES. For motor vehicles designed  
5 to carry nine passengers or more which are owned and  
6 used exclusively by a church or religious organization  
7 to transport passengers to and from activities of  
8 or sponsored by the church or religious organization  
9 and not operated for rent or hire for purposes  
10 unrelated to the activities of the church or religious  
11 organization, the annual fee shall be twenty-five  
12 dollars. ~~At the initial registration and at every~~  
13 ~~other annual registration thereafter, the county~~  
14 ~~treasurer shall not register a motor vehicle under~~  
15 ~~this section unless there is affixed to the motor~~  
16 ~~vehicle a valid certificate of inspection issued for~~  
17 ~~the motor vehicle within the last sixty days.~~

18 Sec. \_\_\_\_ Section 321.123, unnumbered paragraph  
19 1, Code Supplement 1983, is amended to read as follows:

20 All trailers except farm trailers and mobile homes,  
21 unless otherwise provided in this section, are subject  
22 to a registration fee of ~~four~~ six dollars for trailers  
23 with a gross weight of one thousand pounds or less  
24 and ten dollars for other trailers. Trailers for  
25 which the empty weight is two thousand pounds or less  
26 are exempt from the certificate of title and lien  
27 provisions of this chapter. Fees collected under  
28 this section shall not be reduced or prorated under  
29 chapter 326.

30 Sec. \_\_\_\_ Section 321.152, Code Supplement 1983,  
31 is amended by striking the section and inserting in  
32 lieu thereof the following:

33 321.152 FEE FOR COUNTY. A county treasurer may  
34 retain for deposit in the county general fund the  
35 following:

36 1. Two point six percent of the total collection  
37 for each annual or semiannual vehicle registration  
38 and each duplicate registration card or plate issued.

39 2. Twenty percent of all fees collected for  
40 certificates of title.

41 3. Forty percent of all fees collected for  
42 certified copies of certificates of title.

43 4. Sixty percent of all fees collected for notation  
44 of security interests.

45 The moneys retained shall be deducted, and reported  
46 to the department when the county treasurer transfers  
47 the money collected under this chapter. However,  
48 a deduction is not lawful unless the county treasurer  
49 has complied with sections 321.24 and 321.153.

50 Sec. \_\_\_\_ Section 321.190, subsection 1, unnumbered



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1 paragraph 3, Code 1983, is amended to read as follows:

2 The fee for a nonoperator's identification card  
3 shall be ~~one-dollar~~ five dollars and the card shall  
4 be valid for the purpose of identification for a  
5 period of four years from the date of issuance. A  
6 fee of ~~one-dollar~~ five dollars shall be charged for  
7 the voluntary replacement of an identification card.

8 Sec. \_\_\_\_ . Section 321.191, unnumbered paragraph  
9 1, Code 1983, is amended to read as follows:

10 The fee for an operator's license shall be ~~five~~  
11 ten dollars if issued for a period of two years, and  
12 ~~ten~~ twenty dollars if issued for a period of four  
13 years. The fee for a chauffeur's license shall be  
14 ~~ten~~ twenty dollars if issued for a period of two  
15 years, and twenty forty dollars if issued for a period  
16 of four years. The fee for an instruction permit  
17 shall be ~~three~~ six dollars, for a chauffeur's  
18 instruction permit, ~~six~~ twelve dollars, for a temporary  
19 driver's permit, ~~five~~ ten dollars and for a motorized  
20 bicycle license, ~~five~~ ten dollars.

21 Sec. \_\_\_\_ . Section 321.192, Code 1983, is amended  
22 to read as follows:

23 321.192 DISPOSAL OF FEES. ~~Such~~ The license fees  
24 shall be forwarded by the department to the treasurer  
25 of state who shall ~~place same in~~ credit the fees to  
26 ~~the general road use tax fund of the state,~~ provided  
27 that for each operator's and motorized bicycle license  
28 issued by a county sheriff for which a license fee  
29 is paid, the sheriff issuing the ~~same shall be entitled~~  
30 ~~to~~ license may retain the sum of fifteen cents and  
31 for each chauffeur's license, the sum of fifty cents,  
32 which shall be credited to the county general fund.

33 Sec. \_\_\_\_ . Section 321.492, Code 1983, is amended  
34 by adding the following new unnumbered paragraphs:  
35 NEW UNNUMBERED PARAGRAPH. All peace officers as  
36 defined in section 801.4, subsection 7, paragraphs  
37 "a", "c", and "h" may, having reasonable grounds that  
38 equipment violations exist, conduct spot inspections.

39 NEW UNNUMBERED PARAGRAPH. The state department  
40 of transportation may designate employees of the  
41 transportation regulation and safety division of the  
42 department to conduct spot inspections.

43 Sec. \_\_\_\_ . Any inspection station which has a valid  
44 inspection state permit may apply for a refund of  
45 the unexpired portion of the permit fee. However,  
46 a refund shall not be allowed on a claim of any amount  
47 which is less than two dollars and fifty cents. All  
48 applications for refund must be filed no more than  
49 ninety days following the repeal of section 321.238.

50 Sec. \_\_\_\_ . Section 331.557, Code 1983, is amended

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Page Thirteen

- 1 by striking subsection 3.
- 2 Sec. \_\_\_\_\_. Section 321.238, Code 1983, and section
- 3 321.51, Code Supplement 1983, are repealed.
- 4 Sec. \_\_\_\_\_. This division takes effect July 1
- 5 following enactment."
- 6 5. By striking page 13, line 27 through page 14,
- 7 line 19.
- 8 6. Page 16, line 13, by striking the figure "15"
- 9 and inserting in lieu thereof the figure "1".
- 10 7. Page 16, line 14, by striking the figure "15"
- 11 and inserting in lieu thereof the figure "1".
- 12 8. Amend the title by striking lines 6 through
- 13 20 and inserting in lieu thereof the words "July 1,
- 14 1983 and appropriating funds for capital projects
- 15 for the fiscal year beginning July 1, 1984, by updating
- 16 references to the Internal Revenue Code for individual
- 17 and corporate income tax, franchise tax, and
- 18 inheritance tax purposes with coordinating amendments,
- 19 by restructuring the fee for operator's and chauffeur's
- 20 licenses, increasing certificate of title fees,
- 21 duplicate title fees, trailer and motorized bicycle
- 22 fees, including allocation of those fees to the road
- 23 use tax fund and county treasurers, repealing mandatory
- 24 vehicle inspections and providing for spot inspections,
- 25 funding from the road use tax fund the driver's license
- 26 program of the state department of transportation
- 27 and the division of the highway safety and uniformed
- 28 force of the department of public safety by providing
- 29 for the creation of an Iowa economic emergency fund
- 30 including its funding, by providing for the payment
- 31 of one-half of the additional personal property tax
- 32 credit in the fiscal year beginning July 1, 1984,
- 33 by imposing the sales, service and use tax on
- 34 beverages, electronic repair and installation and
- 35 the rental of tangible personal property,".
- 36 9. Renumber sections and correct internal
- 37 references as necessary in accordance with this
- 38 amendment.

H-6024 FILED MARCH 30, 1984 BY COMMITTEE ON WAYS AND MEANS

*Adopted as amended by 6062A, 6091,  
6119, 6130, 6126, 6128, 6130, 6183,  
6191, 6196, 6197 4/9 (p. 1203)*

SENATE FILE 2330

H-6069

- 1 Amend Senate File 2330 as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 15, line 33, by inserting after the word
- 4 "machines" the words "candy, candy-coated items,
- 5 and other candy products including gum".
- 6 2. Amend the title, line 19, by inserting after
- 7 the word "beverages," the word "candy,".

H-6069 FILED APRIL 3, 1984 BY COMMITTEE ON FINANCE  
*Let 4/5 (p. 1719)*

SENATE FILE 2330  
as amended by H-6069  
FISCAL NOTE

REQUESTED BY REPRESENTATIVE CONNOLLY

In compliance with a written request received April 3, 1984, there is hereby submitted a Fiscal Note for H-6069 to SENATE FILE 2330 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the General Assembly upon request.

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H-6069 to Senate File 2330 subjects candy, candy-coated items, and other candy products, including gum, to the state sales tax. This amendment addresses Division VII of the bill. The provision takes effect July 1, 1984.

FISCAL EFFECT: An additional \$1.5 million in sales tax revenues would be generated annually by this tax base change starting Fiscal 1985.

(4221S.007, 84-310F, CMG)

FILED APRIL 4, 1984

BY DENNIS PROUTY, FISCAL DIRECTOR

## SENATE FILE 2330

H-6062

1 Amend the Committee on Ways and Means amendment  
2 H-6024 to Senate File 2330 as amended, passed and  
3 reprinted by the Senate as follows:

4 1. Page 2, by inserting after line 13 the  
5 following:

6 "Sec. \_\_\_\_\_. There is appropriated from the primary  
7 road fund to the general fund of the state for the  
8 fiscal year beginning July 1, 1983 and ending June  
9 30, 1984, the sum of three million six hundred forty-  
10 eight thousand eight hundred fifty-two (3,648,852)  
11 dollars to fund the operation and administration of  
12 the driver's license program within the state  
13 department of transportation.

14 Sec. \_\_\_\_\_. There is appropriated from the road  
15 use tax fund to the general fund of the state for  
16 the fiscal year beginning July 1, 1984 and ending  
17 June 30, 1985, the sum of three million seven hundred  
18 thousand (3,700,000) dollars to fund the operation  
19 and administration of the driver's license program  
20 within the state department of transportation."

21 2. Page 2, by inserting after line 29 the  
22 following:

23 "\_\_\_\_\_. Page 7, by striking lines 17 through 28."

24 3. Page 3, by striking lines 21 through 30.

25 4. By striking page 7, line 46 through page 8,  
26 line 31.

27 5. Page 10, line 46, by striking the word "five"  
28 and inserting in lieu thereof the words "five seven".

29 6. Page 11, by striking lines 2 through 17.

30 7. Page 12, by striking lines 21 through 32 and  
31 inserting in lieu thereof the following:

32 "Sec. \_\_\_\_\_. Section 321.192, Code Supplement 1983,  
33 is amended to read as follows:

34 321.192 DISPOSAL OF FEES. The license fees shall  
35 be forwarded by the department to the treasurer of  
36 state who shall ~~place them in~~ credit the fees to the  
37 ~~general road use tax fund of the state~~. However,  
38 for each operator's and motorized bicycle license  
39 issued by a county sheriff for which a license fee  
40 is paid, the sheriff issuing it may retain the sum  
41 of fifteen cents and for each chauffeur's license,  
42 the sum of fifty cents."

43 8. By striking page 12, line 43 through page 13,  
44 line 3.

45 9. Page 13, by striking lines 23 and 24 and  
46 inserting in lieu thereof the words "use tax fund  
47 and county treasurers, providing for spot inspections  
48 and odometer law enforcement,".

H-6062 FILED APRIL 3, 1984 BY COMMITTEE ON APPROPRIATIONS

A- Adopted 4/5 (p. 1706)

B- Adopted (1717)

Motion to reconsider

B- Reconsidered & lost 4/7 (p. 1796)

SENATE FILE 2330

H-6196

1 Amend the Committee on Ways and Means amendment,  
2 H-6024, to Senate File 2330 as amended, passed and  
3 reprinted by the Senate, as follows:  
4 1. Page 5, by inserting after line 6 the following:  
5 "Sec. \_\_\_\_ Section 321.34, subsection 5, paragraph  
6 a, Code Supplement 1983, is amended to read as follows:  
7 a. Upon application and the payment of a fee of  
8 twenty-five dollars, the director may issue to the  
9 owner of a motor vehicle registered in this state  
10 or a trailer with a gross weight of one thousand  
11 pounds or less, personalized registration plates  
12 marked with the initials, letters, or a combination  
13 of numerals and letters requested by the owner. Upon  
14 receipt of the personalized registration plates, the  
15 applicant shall surrender the regular registration  
16 plates to the county treasurer. The fee for issuance  
17 of the personalized registration plates shall be in  
18 addition to the regular annual registration fee."

H-6196 FILED APRIL 9, 1984 BY PEICK of Linn  
ADOPTED 4/9 (p. 1823)

SENATE FILE 2330

H-6197

1 Amend amendment H-6024, the Committee on Ways and  
2 Means Committee amendment, to Senate File 2330 as  
3 amended, passed and reprinted by the Senate as follows:  
4 1. Page 13, line 28, by striking the word "safety"  
5 and inserting in lieu thereof the word "safety,".

H-6197 FILED APRIL 9, 1984 BY DODERER of Johnson  
ADOPTED BY UNANIMOUS CONSENT (p. 1803)

SENATE FILE 2330

H-6202

1 Amend amendment H-6122 to Senate File 2330 as  
2 amended, passed and reprinted by the Senate as follows:  
3 1. Page 1, line 5, by inserting after the word  
4 "Alteration" the words "of a garment".

H-6202 FILED APRIL 9, 1984 BY SPEAR of Lee  
ADOPTED BY UNANIMOUS CONSENT  
(p. 1811)

SENATE FILE 2330

H-6183

1 Amend the Committee on Ways and Means amendment  
 2 H-6024 to Senate File 2330 as amended, passed and  
 3 reprinted by the Senate as follows:  
 4 1. Page 10, line 45, by striking the word  
 5 "fourteen" and inserting in lieu thereof the word  
 6 "twenty".  
 7 2. Page 12, by inserting after line 42 the  
 8 following:  
 9 "Sec. \_\_\_\_ . Notwithstanding section 321.145, for  
 10 the fiscal year beginning July 1, 1984 and ending  
 11 June 30, 1985 the treasurer of state shall credit  
 12 to the general fund of the state the first two  
 13 hundred thousand dollars of certificate of title fees  
 14 collected under chapter 321."

BY SHOULTZ of Black Hawk  
 RUNNING of Linn  
 LLOYD-JONES of Johnson

H-6183 FILED APRIL 9, 1984  
 ADOPTED (j. 1797)

SENATE FILE 2330

H-6191

1 Amend the Committee on Ways and Means amendment  
 2 H-6024 to Senate File 2330, as amended, passed, and  
 3 reprinted by the Senate, as follows:  
 4 1. Page 2, by inserting after line 8 the following:  
 5 "5. COMMISSION FOR THE BLIND  
 6 For rebuilding of the cooling  
 7 tower.....\$ 840".

H-6191 FILED APRIL 9, 1984 BY CARPENTER of Polk  
 ADOPTED (j. 1798)

SENATE FILE 2330

H-6194

1 Amend amendment H-6024 to Senate File 2330 as amended,  
 2 passed and reprinted by the Senate as follows:  
 3 1. Page 6, by inserting after line 1, the following:  
 4 "Sec. \_\_\_\_ . Section 321.46, subsection 3, Code Supplement  
 5 1983, is amended by striking the subsection."

H-6194 FILED APRIL 9, 1984 BY SCHROEDER of Pottawattamie  
 LOST (j. 1802)

SENATE FILE 2330

H-6174

1 Amend the Committee on Ways and Means amendment  
2 H-6024 to Senate File 2330 as amended, passed and  
3 reprinted by the Senate as follows:

4 1. Page 11, by inserting after line 29 the  
5 following:

6 "Sec. \_\_\_\_ . Section 321.126, Code Supplement 1983,  
7 is amended by inserting after subsection 4 the  
8 following new subsection:

9 NEW SUBSECTION. 5. If the motor vehicle is sold  
10 by the owner and after thirty days from the date of  
11 the sale, the owner has not received a credit under  
12 section 321.46, the owner may make application for  
13 a refund for the unexpired portion of the registration  
14 fee. The application for refund shall be filed with  
15 the department. The refund shall be computed on a  
16 quarterly basis with no refund allowed for the quarter  
17 in which the claim for refund is filed."

BY MUHLBAUER of Crawford  
LAGESCHULTE of Bremer  
PELETT of Cass

H-6174 FILED APRIL 6, 1984

*Adopted 4/9 (p. 1798)  
Recommended - Sent 4/9 (p. 1801)*

SENATE FILE 2330

H-6177

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate as follows:

3 1. Page 15, lines 13 and 14, by striking the words  
4 "storage warehousing of raw agricultural products;"  
5 and inserting in lieu thereof the words "storage  
6 warehousing-of-raw-agricultural-products;"

BY HANDORF of Marshall  
SCHNEKLOTH of Scott

H-6177 FILED APRIL 6, 1984

*Sent 4/9 (p. 1812)*

SENATE FILE 2330

H-6131

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate as follows:

3 1. Page 13, by inserting after line 14 the  
4 following new division:

5 "DIVISION

6 Sec. \_\_\_\_ Section 123.136, unnumbered paragraph  
7 1, Code 1983, is amended to read as follows:

8 In addition to the annual permit fee to be paid  
9 by all class "A" permittees under ~~the provisions of~~  
10 this chapter there shall be levied and collected from  
11 such permittees on all beer manufactured for sale  
12 or sold in this state at wholesale and on all beer  
13 imported into this state for sale at wholesale and  
14 sold in this state at wholesale, a tax of ~~four~~ seven  
15 and thirty-four hundredths dollars for every barrel  
16 containing thirty-one gallons, and at a like rate  
17 for any other quantity or for the fractional part  
18 of a barrel. However, no tax shall be levied or  
19 collected on beer shipped outside this state by a  
20 class "A" permittee or sold by one class "A" permittee  
21 to another class "A" permittee.

22 Sec. \_\_\_\_ The receipts in an amount equal to three  
23 dollars for every barrel of beer containing thirty-  
24 one gallons upon which the tax is collected under  
25 section 123.136 shall be distributed quarterly by  
26 the treasurer of state to the department of substance  
27 abuse. The department of substance abuse shall  
28 distribute the funds immediately to the counties on  
29 a per capita basis for program grants for county  
30 substance abuse programs.

31 Sec. \_\_\_\_ This division takes effect July 1  
32 following enactment."

H-6131 FILED APRIL 5, 1984 BY SCHROEDER of Pottawattamie

*Not german 4/9 (p. 1807)*

SENATE FILE 2330

H-6138

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate as follows:

3 1. Page 15, by inserting after line 34 the  
4 following new section:

5 "Sec. \_\_\_\_ When the first return is filed after  
6 the effective date of this division and the taxes  
7 due are paid in full on or before the due date provided  
8 in section 422.51, the taxpayer may deduct an amount  
9 equal to the actual costs incurred for the  
10 reprogramming of electronic scanning devices used  
11 by the taxpayer for imposition of the tax on those  
12 items subjected to the sales, service, and use tax  
13 on the effective date of this division."

BY JAY of Appanoose

H-6138 FILED APRIL 5, 1984

SCHROEDER of Pottawattamie

*Lost 4/9 (p. 1815)*



SENATE FILE 2330

H-6127

1 Amend the Committee on Ways and Means amendment  
2 H-6024 to Senate File 2330 as amended, passed and  
3 reprinted by the Senate as follows:

4 1. Page 3, by inserting after line 30 the  
5 following:

6 "Sec. . . . NEW SECTION. 312.10 FUNDING PATROL  
7 AND DRIVER'S LICENSE OPERATIONS. It is the intent  
8 of the general assembly that in appropriating funds  
9 to the department of public safety from the road use  
10 tax fund for the operation of the division of highway  
11 safety and uniformed division and to the state  
12 department of transportation from the road use tax  
13 fund for the operation and administration of its  
14 driver's license program that in fiscal year beginning  
15 on or after July 1, 1985, and each succeeding fiscal  
16 year, that the general assembly shall appropriate  
17 not more than sixteen million seven hundred thousand  
18 dollars from the road use tax fund to the department  
19 of public safety for the operation of the highway  
20 safety and uniformed division and not more than three  
21 million seven hundred thousand dollars to the state  
22 department of transportation for the operation and  
23 administration of the driver's license program within  
24 the department. Any additional funds necessary for  
25 these functions shall be appropriated from the general  
26 fund of the state."

MUHLBAUER of Crawford  
BLACK of Jasper  
CARTER of Henry  
PAVICH of Pottawattamie  
COOPER of Lucas

BY FOGARTY of Palo Alto  
SKOW of Guthrie  
COCHRAN of Webster  
GRUHN of Dickinson  
WOODS of Polk  
KNAPP of Dubuque  
KOENIGS of Mitchell

H-6127 FILED APRIL 5, 1984

LOST (p. 1714)

SENATE FILE 2330

H-6132

1 Amend amendment H-6125 to the Committee on Ways  
2 and Means amendment H-6024 to Senate File 2330 as  
3 amended, passed and reprinted by the Senate, as  
4 follows:

5 1. Page 1, line 6, by striking the figure  
6 "321.209" and inserting in lieu thereof the figure  
7 "321.210".

H-6132 FILED APRIL 5, 1984  
ADOPTED BY UNANIMOUS CONSENT

BY COPENHAVER of Buchanan

(p. 1714)

SENATE FILE 2330

H-6130

1 Amend the Committee on Ways and Means amendment  
2 H-6024 to Senate File 2330, as amended, passed and  
3 reprinted by the Senate as follows:  
4 1. Page 8, by striking lines 39 through 43 and  
5 inserting in lieu thereof the following: "~~punished~~  
6 ~~by both such fine and imprisonment~~ commits a fraudulent  
7 practice."  
8 2. Page 13, by inserting after line 1 the  
9 following:  
10 "Sec. \_\_\_\_ . Section 714.8, Code 1983, is amended  
11 by adding the following new subsection:  
12 NEW SUBSECTION. 13. Violates section 321.71.  
13 Sec. \_\_\_\_ . Section 714.10, Code 1983, is amended  
14 by adding the following new subsection:  
15 NEW SUBSECTION. A fraudulent practice as set forth  
16 in section 714.8, subsection 13, where six or more  
17 motor vehicles are involved.  
18 Sec. \_\_\_\_ . Section 714.11, Code 1983, is amended  
19 by adding the following new subsection:  
20 NEW SUBSECTION. A fraudulent practice as set forth  
21 in section 714.8, subsection 13, where at least two  
22 but not more than five motor vehicles are involved.  
23 Sec. \_\_\_\_ . Section 714.12, Code 1983, is amended  
24 by striking the section and inserting in lieu thereof  
25 the following:  
26 714.12 FRAUDULENT PRACTICE IN THE FOURTH DEGREE.  
27 Fraudulent practice in the fourth degree is the  
28 following:  
29 1. A fraudulent practice where the amount of money  
30 or value of property or services involved exceeds  
31 fifty dollars but does not exceed one hundred dollars.  
32 2. A fraudulent practice as set forth in section  
33 714.8, subsection 13, where only one motor vehicle  
34 is involved.  
35 Fraudulent practice in the fourth degree is a  
36 serious misdemeanor."

H-6130 FILED APRIL 5, 1984 BY ROSENBERG of Story  
ADOPTED (p. 1716)

SENATE FILE 2330

H-6128

1 Amend the Committee on Ways and Means amendment  
2 H-6024 to Senate File 2330 as amended, passed and  
3 reprinted by the Senate as follows:  
4 1. Page 5, by inserting after line 6 the following:  
5 "Sec. \_\_\_\_ . Section 321.37, Code 1983, is amended  
6 by adding the following new unnumbered paragraph:  
7 NEW UNNUMBERED PARAGRAPH. It is unlawful for the  
8 owner of a vehicle to place any frame around or over  
9 the registration plate which does not permit full  
10 view of all numerals and letters printed on the  
11 registration plate."

H-6128 FILED APRIL 5, 1984 BY HOFFMANN-BRIGHT of Muscatine  
ADOPTED (p. 1715)

SENATE FILE 2330

H-6122

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 14, by striking lines 24 and 25 and in-  
4 serting in lieu thereof the following: "tax imposed  
5 on gross taxable services: Alteration and-garment  
6 repair; armored car; ~~automobile-repair~~; battery, tire  
7 and".

8 2. Page 14, by striking lines 28 and 29 and in-  
9 serting in lieu thereof the following: "heat-repair;  
10 car wash and wax; carpentry; ~~roof-shingle-and-glass~~  
11 repair; dance schools and dance studios; dry clean-  
12 ing,".

13 3. Page 14, line 31, by striking the words "repair  
14 and" and inserting in lieu thereof the following:  
15 "repair-and".

16 4. Page 14, by striking line 33 and inserting in  
17 lieu thereof the following: "excavating and grading;  
18 ~~farm-implemment-repair-of-all-kinds~~,".

19 5. Page 15, by striking lines 1 through 21 and in-  
20 serting in lieu thereof the following: "furniture,  
21 rug, and upholstery repair-and cleaning; fur storage  
22 and-repair; golf and country clubs and all commercial  
23 recreation; house and building moving; household-ap-  
24 pliance, ~~television, and radio-repair~~; jewelry-and  
25 watch-repair; machine operator; machine-repair-of-all  
26 kinds; ~~motor-repair, motorcycle, scooter, and bicycle~~  
27 repair; oilers and lubricators; office-and-business  
28 machine-repair; painting, papering, and interior dec-  
29 orating; parking facilities; pipe fitting and plumb-  
30 ing; wood preparation; private employment agencies,  
31 excluding services for placing a person in employ-  
32 ment where the principal place of employment of that  
33 person is to be located outside of the state; print-  
34 ing and binding; sewing and stitching; shoe-repair  
35 and shoeshine; storage warehousing of raw agricultural  
36 products; telephone answering service; test labora-  
37 tories, except tests on humans; termite, bug, roach,  
38 and pest eradicators; ~~tin-and-sheet-metal-repair~~;  
39 turkish baths, massage, and reducing salons; vulca-  
40 nizing, recapping, and retreading; weighing; welding;  
41 well drilling; wrapping, packing, and packaging of  
42 merchandise other than processed meat, fish, fowl  
43 and vegetables; wrecking service; wrecker and towing."

H-6122 FILED APRIL 5, 1984 BY STROMER of Hancock

*Look 4/9 (p. 1811)*

SENATE FILE 2330

H-6120

- A  
B
- 1 Amend the Committee on Ways and Means amendment
  - 2 H-6024 to Senate File 2330 as amended, passed and
  - 3 reprinted by the Senate as follows:
  - 4 1. Page 2, by striking lines 14 through 29.
  - 5 2. Page 12, by striking lines 21 through 32.

H-6120 FILED APRIL 5, 1984 BY SCHROEDER of Pottawattamie  
DIVISION A - LOST, DIVISION B - WITHDRAWN  
(p.171)

SENATE FILE 2330

H-6125

- A  
B
- 1 Amend the Committee on Ways and Means amendment
  - 2 H-6024 to Senate File 2330 as amended, passed and
  - 3 reprinted by the Senate, as follows:
  - 4 1. Page 12, by inserting after line 32 the
  - 5 following:
  - 6 "Sec. \_\_\_\_ . Section 321.209, Code Supplement 1983,
  - 7 is amended by adding the following new subsection:
  - 8 NEW SUBSECTION. 9. Has been convicted of a
  - 9 violation of section 321.381 for failure to comply
  - 10 with equipment standards specified in section 321.394,
  - 11 321.430 and 321.431, 321.436, 321.440, 321.449, or
  - 12 321.450.
  - 13 Sec. \_\_\_\_ . Section 321.210, Code 1983, is amended
  - 14 by striking unnumbered paragraph 6."
  - 15 2. Page 12, by striking line 37 and inserting
  - 16 in lieu thereof the words "'a", "b", "c", and "h"
  - 17 may, having reasonable grounds that".

H-6125 FILED APRIL 5, 1984 BY COPENHAVER of Buchanan  
DIVISION A - LOST, DIVISION B - WITHDRAWN (p.1715)

SENATE FILE 2330

H-6129

- 1 Amend amendment H-6127 to the Committee on Ways
- 2 and Means amendment H-6024 to Senate File 2330 as
- 3 amended, passed and reprinted by the Senate as follows:
- 4 1. Page 1, line 17, by inserting after the word
- 5 "hundred" the words "forty-seven".

H-6129 FILED APRIL 5, 1984 BY OSTERBERG of Linn  
ADOPTED BY UNANIMOUS CONSENT  
(p.1713)

SENATE FILE 2330

H-6126

- 1 Amend the Committee on Ways and Means amendment
- 2 H-6024 to Senate File 2330 as amended, passed and
- 3 reprinted by the Senate as follows:
- 4 1. Page 2, by inserting after line 29 the
- 5 following:
- 6 "However, the unfunded liability of the
- 7 Peace Officers Retirement Accident and Disability
- 8 System, as of July 1, 1984, shall in no way be
- 9 considered a liability of the road use tax fund."

H-6126 FILED APRIL 5, 1984 BY WELDEN of Hardin  
ADOPTED (p.1712)

SENATE FILE 2330

H-6121

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate as follows:

3 1. Page 14, by inserting after line 20 the  
4 following:

5 "Sec. \_\_\_\_ Section 422.43, subsection 2, Code  
6 Supplement 1983, is amended to read as follows:

7 2. There is imposed a tax of four percent upon  
8 the gross receipts derived from the operation of all  
9 forms of amusement devices and games of skill, games  
10 of chance, raffles and bingo games as defined in  
11 chapter 99B, and ~~commercial-amusement-enterprises~~  
12 operated or conducted within the state of Iowa, the  
13 tax to be collected from the operator in the same  
14 manner as is provided for the collection of taxes  
15 upon the gross receipts of tickets or admission as  
16 provided in this section."

17 2. Page 15, line 9, by inserting after the word  
18 "preparation;" the words "licensed executive search  
19 agencies;".

20 3. Page 15, line 21, by inserting after the period  
21 the words "For purposes of this subsection, gross  
22 taxable services from rental includes rents, royalties,  
23 and copyright and license fees."

24 4. Page 15, by striking lines 24 through 34 and  
25 inserting in lieu thereof the following:

26 "12. Gross receipts from the sale of all foods  
27 for human consumption which are eligible for purchase  
28 with food coupons issued by the United States  
29 department of agriculture pursuant to regulations  
30 in effect on July 1, 1974, regardless of whether the  
31 retailer from which the foods are purchased is  
32 participating in the food stamp program. However,  
33 as used in this subsection, "foods" does not include  
34 ~~meals-prepared-for-immediate-consumption-on-or-off~~  
35 ~~the-premises-of-the-retailer,-and-does-not-include~~  
36 ~~foods-sold-through-vending-machines~~ foods prepared  
37 on or off the premises of the retailer which are  
38 consumed on the premises of the retailer; food sold  
39 by caterers; hot or cold foods prepared for immediate  
40 consumption off the premises of the retailer; food  
41 sold through vending machines or beverages as defined  
42 in section 455C.1, subsection 1. "Foods prepared  
43 for immediate consumption" include any food product  
44 upon which an act of preparation, including but not  
45 limited to, cooking, mixing, sandwich making, blending,  
46 heating or pouring, has been performed by the retailer  
47 so the food product may be immediately consumed by  
48 the purchaser."

49 5. Amend the title, line 19, by inserting after  
50 the word "on" the words "licensed executive search  
Page Two

1 agencies,".

2 6. Renumber sections and correct internal  
3 references as necessary in accordance with this  
amendment.

H-6121 FILED APRIL 5, 1984

BY GRONINGA of Cerro Gordo

A- Adopted 4/9 (p. 1816)

B- Lost (p. 1814)

SENATE FILE 2330  
Amendment H-6121  
FISCAL NOTE

REQUESTED BY REPRESENTATIVE DODERER

In compliance with a written request received April 5, 1984, there is hereby submitted a Fiscal Note for the AMENDMENT H-6121 TO SENATE FILE 2330 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the General Assembly upon request.

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Amendment H-6121 to Senate File 2330 makes the following changes in the bill:

- Strikes "commercial amusement enterprises" from the gross receipts tax concerning amusement devises and games of chance;
- Adds licensed executive search agencies to those services subject to the tax imposed on gross taxable services;
- Includes rents, royalties, and copyright and license fees in the definition of gross taxable services of rental tangible personal property.
- Defines "foods prepared for immediate consumption" and outlines which foods are not subject to gross receipts from the sale of all foods for human consumption.

FISCAL EFFECT: The changes to Senate File 2330 have the following fiscal effects:

- Commercial Amusement Enterprises:  
According to the Department of Revenue, gross receipts taxes are currently not collected in this area. Thus, there is little fiscal effect in striking this area.
- Licensed Executive Search Agencies:  
The effect of adding this area to the tax base would be an increase in tax collections. However, the amount of the increase is not known.
- Rents, Royalties, and Copyright and License Fees:  
By including rents, royalties, and copyright and license fees in the definition of gross taxable services from rental of tangible personal property, the tax base broadens. It is not known what the additional revenues from this area would be.
- Foods Prepared for Immediate Consumption:  
Clarifying this definition removes inconsistencies in the Code. There is no fiscal effect to this area.

(4221S.005, 84-307F, CMG)

Source: Department of Revenue  
FILED APRIL 5, 1984

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2330

H-6115

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 10, by inserting after line 33 the  
4 following: "However, married taxpayers who file  
5 separate returns or separate filings on a combined  
6 return for Iowa income tax purposes may elect to  
7 utilize as a base amount twenty-five thousand dollars  
8 for each taxpayer in lieu of the thirty-two thousand  
9 dollar base amount provided for married taxpayers  
10 in section 86 of the Internal Revenue Code of 1954."

BY MULLINS of Kossuth  
VAN CAMP of Scott  
TORRENCE of Muscatine  
GRANDIA of Marion  
HERMANN of Scott  
RENSINK of Sioux  
BENNETT of Ida  
MCKEAN of Jones

H-6115 FILED APRIL 5, 1984

*Law 4/9 (p. 1265)*

SENATE FILE 2330

H-6119

1 Amend the Committee on Ways and Means amendment  
2 H-6024 to Senate File 2330 as amended, passed and  
3 reprinted by the Senate as follows:  
4 1. Page 8, by inserting after line 31 the  
5 following:  
6 "Sec. \_\_\_\_ Section 321.60, Code 1983, is amended  
7 to read as follows:  
8 321.60 ISSUANCE OF SPECIAL PLATES. The department  
9 shall also issue special plates as applied for, which  
10 shall ~~have displayed~~ display the general distinguishing  
11 number assigned to the applicant. Each plate so  
12 issued shall also contain a number or symbol  
13 identifying the same plate and distinguishing it from  
14 every other plate bearing the same general  
15 distinguishing number. The fee for each special plate  
16 shall be ~~ten~~ twenty dollars.  
17 Special plates may be validated in the same manner  
18 as regular registration plates under this chapter  
19 at an annual fee of ~~ten~~ twenty dollars."

BY RUNNING of Linn  
SCHROEDER of Pottawattamie  
TABOR of Jackson  
FEY of Scott

H-6119 FILED APRIL 5, 1984

ADOPTED (*p. 1707*)

1 Amend Senate File 2330, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 8, line 17, by striking the word "for"  
4 and inserting in lieu thereof the word "in".  
5 2. Page 8, line 18, by striking the word "in"  
6 and inserting in lieu thereof the word "for".

H-6110 FILED APRIL 5, 1984 BY WELDEN of Hardin  
*Adopted 4/9 (p. 1303)* JOCHUM of Dubuque  
SENATE FILE 2330

H-6112

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. Page 15, by striking lines 22 through 34.  
4 2. Page 15, line 35, by striking the words and  
5 numeral "and 44 are" and inserting in lieu thereof  
6 the word "is".  
7 3. By renumbering as necessary.

ROYER of Page BY HARBOR of Mills  
RENKEN of Grundy HERMANN of Scott  
PAULIN of Plymouth GRANDIA of Marion  
MAULSBY of Calhoun TORRENCE of Muscatine  
HANDORF of Marshall VAN CAMP of Scott  
BENNETT of Ida KREWSON of Polk  
HALVORSON of Clayton PELLETT of Cass  
VAN GERPEN of Black Hawk MULLINS of Kossuth  
STROMER of Hancock STUELAND of Clinton  
RENSINK of Sioux  
COREY of Louisa

H-6112 FILED APRIL 5, 1984

*Law 4/9 (p. 1215)*

SENATE FILE 2330

H-6113

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate, as follows:  
3 1. By striking page 14, line 21 through page  
4 15, line 21.  
5 2. Page 15, line 35, by striking the words and  
6 numerals "43 and 44 are" and inserting in lieu thereof  
7 the word and numeral "44 is".

H-6113 FILED APRIL 5, 1984 BY STROMER of Hancock

*N/S 4/9 (p. 1813)*

SENATE FILE 2330

H-6114

1 Amend amendment H-6024 to Senate File 2330 as  
2 amended, passed, and reprinted by the Senate as follows:  
3 1. Page 12, by striking lines 10 through 20 and  
4 inserting in lieu thereof the following:  
5 "The fee for an operator's license shall be five  
6 seven dollars fifty cents if issued for a period of two  
7 years, and ten fifteen dollars if issued for a period  
8 of four years. The fee for a chauffeur's license shall  
9 be ten fifteen dollars if issued for a period of two  
10 years, and twenty thirty dollars if issued for a period  
11 of four years. The fee for an instruction permit shall  
12 be three four dollars fifty cents, for a chauffeur's  
13 instruction permit, ~~six~~ nine dollars, for a temporary  
14 driver's permit, five seven dollars fifty cents and for  
15 a motorized bicycle license, five seven dollars fifty cents."

H-6114 FILED APRIL 5, 1984

*LOST (p. 1709)*

BY LAGESCHULTE of Bremer  
CLARK of Cerro Gordo



SENATE FILE 2330

H-6096

1 Amend the Committee on Ways and Means amendment  
2 H-6024 to Senate File 2330 as amended, passed and  
3 reprinted by the Senate as follows:

4 1. Page 11, by inserting after line 29 the  
5 following:

6 "Sec. \_\_\_\_ . Section 321.126, Code Supplement 1983,  
7 is amended by inserting after subsection 4 the  
8 following new subsection:

9 NEW SUBSECTION. 5. If the motor vehicle is sold  
10 by the owner and after thirty days from the date of  
11 the sale, the owner has not received a credit under  
12 section 321.46, the owner may make application for  
13 a refund for the unexpired portion of the registration  
14 fee."

H-6096 FILED APRIL 4, 1984 BY LAGESCHULTE of Bremer

*Law 4/5 (p. 1709)*

SENATE FILE 2330

H-6102

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 14, line 33, by striking the words  
4 "farm implement repair of all kinds;" and inserting in  
5 lieu thereof the following: "~~farm-implement-repair-of-all~~  
6 ~~kinds~~".

BY SCHNEKLOTH of Scott  
STUELAND of Clinton  
RENSINK of Sioux  
BENNETT of Ida

H-6102 FILED APRIL 4, 1984

ANDERSON of Audubon

*Law 4/4 (p. 1712)*

SENATE FILE 2330

H-6111

1 Amend Senate File 2330, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 13, by inserting after line 9 the following  
4 new section:

5 "Sec. \_\_\_\_ . It is the intent of the general assembly  
6 that the department of revenue shall conduct a study  
7 during the 1984 interim to determine a feasible method  
8 of disallowing certain interest expense deductions  
9 on tangible personal property which is manufactured  
10 or substantially assembled outside of the United  
11 States and which is purchased by a taxpayer. The  
12 department shall submit its report to the Seventy-  
13 first General Assembly not later than February 1,  
14 1985."

15 2. Renumber sections and correct internal  
16 references as necessary in accordance with this  
17 amendment.

BY VAN CAMP of Scott  
HALVORSON of Clayton  
McKEAN of Jones

H-6111 FILED APRIL 5, 1984

*Adopted 4/9 (p. 1806)*

SENATE FILE 2330

H-6090

1 Amend the Committee on Ways and Means amendment  
 2 H-6024 to Senate File 2330 as amended, passed and  
 3 reprinted by the Senate as follows:  
 4 1. Page 6, by inserting after line 1 the following:  
 5 "Sec.     . Section 321.46, subsection 3, unnumbered  
 6 paragraph   , Code Supplement 1983, is amended to read  
 7 as follows:  
 8 3. The applicant shall be entitled to a credit  
 9 for that portion of the registration fee of the vehicle  
 10 sold, traded, or junked ~~within the state~~ which had  
 11 not expired prior to the transfer of ownership of  
 12 the vehicle. The registration fee for the new  
 13 registration for the vehicle acquired shall be reduced  
 14 by the amount of the credit. The credit shall be  
 15 computed on the basis of the number of months remaining  
 16 in the registration year, rounded to the nearest whole  
 17 dollar. The credit shall be subject to the following  
 18 limitations:"

H-6090 FILED APRIL 4, 1984 BY VAN CAMP of Scott

*Adopted 4/5 (p. 1799)  
List 4/9 (p. 1799)*

SENATE FILE 2330

H-6091

1 Amend the Committee on Ways and Means amendment  
 2 H-6024 to Senate File 2330 as amended, passed and  
 3 reprinted by the Senate as follows:  
 4 1. Page 12, line 37, by inserting after the letter  
 5 "'a'," the following: "'b",,".

H-6091 FILED APRIL 4, 1984 BY MILLER of Woodbury

*Adopted 4/5 (p. 1711)*

SENATE FILE 2330

H-6092

Amend Senate File 2330 as follows:

1. Page 16, by striking lines 3 through 15.

BY WELDEN of Hardin

RENSINK of Sioux  
 PELLETT of Cass  
 SCHNEKLOTH of Scott  
 McINTEE of Black Hawk  
 VAN MAANEN of Mahaska  
 MENKE of O'Brien  
 STUELAND of Clinton  
 McKEAN of Jones  
 SCHROEDER of Pottawattamie  
 HARBOR of Mills  
 HERMANN of Scott  
 VAN GERPEN of Black Hawk  
 VAN CAMP of Scott  
 HOFFMANN-BRIGHT of Muscatine

MULLINS of Kossuth  
 TOFTE of Winneshiek  
 LAGESCHULTE of Bremer  
 TORRENCE of Muscatine  
 GRANDIA of Marion  
 MAULSBY of Calhoun  
 DAGGETT of Taylor  
 ANDERSON of Audubon  
 RENKEN of Grundy  
 HANDORF of Marshall  
 KREWSON of Polk  
 BRANSTAD of Winnebago  
 SWEARINGEN of Keokuk  
 HUMMEL of Benton  
 ROYER of Page  
 COREY of Louisa

H-6092 FILED APRIL 4, 1984

*List 4/9 (p. 1816)*

SENATE FILE 2330  
FISCAL NOTE

PASSED BY SENATOR PALMER

In compliance with written request there is hereby submitted a Fiscal Note for Senate File 2330, As PASSED BY THE HOUSE pursuant to Joint Rule 17.

Senate File 2330 as passed by the House relates to the financing of state government as follows:

DIVISION I. Division I reduces the area schools appropriation for the fiscal year beginning July 1983 by one-fourth. The majority of this reduction is reappropriated for the fiscal year beginning July 1, 1984. This shift does not affect the date that payments are made, but accounts for the expenditure in fiscal 1985 rather than fiscal 1984. The division also reduces or eliminates capitals appropriations for the fiscal year beginning July 1, 1983 and ending June 30, 1984 for the agencies listed below.

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>MERGED AREA SCHOOLS</u>		
<u>Section 1.</u> Deappropriation/reappropriation outlined above.	\$ 14,113,875	\$ 13,718,686
<u>BOARD OF REGENTS</u>		
<u>Section 4.</u> Oil overcharge funds appropriated in this section can be used for energy conservation projects.		0
<u>Section 5.</u> Deappropriates funds for: - SUI fire safety deficiency corrections (\$500,000); - ISU fire safety deficiency corrections (\$750,000); - SUI theatre addition (\$700,000); - SUI field house under construction (\$230,000); - ISU mechanical engineering under const. (\$1,800,000); - UNI rennovate HVAC - Gilchrist Hall (\$134,000); - ISU old vet clinic remodel (\$75,000); - IBSSS utility system master plan (\$50,000).	\$ 4,239,000	
<u>Section 15.</u> Deappropriates tuition replacement funds.		852,304
<u>Section 16.</u> Deappropriates funds for the statewide energy management program.		<u>600,000</u>
Board of Regents SUBTOTAL	\$ 5,691,304	

SENATE 3  
 APRIL 13, 1984

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>COMMISSION FOR THE BLIND</u>		
<u>Section 6.</u> Deappropriates funds for the rebuilding of a cooling tower.	\$ 840	\$ 840
<u>CONSERVATION COMMISSION</u>		
<u>Section 2.</u> Deappropriates 1983 funds for the Wildlife Den Dam and Grist Mill renovation.	\$ 40,000	
<u>Section 13.</u> Deappropriates/reappropriates:		
- Swan Lake restoration (\$95,000);		
- George Wyth State Park (\$75,000);		
- Pleasant Creek development (\$150,000);		
- Ledges campground development; (\$96,500);		
- Wapello Campground (\$10,000);		
- Volga River Silt Dam (\$250,000).	\$ 676,500	\$ 676,500
Conservation Commission SUBTOTAL	\$ 716,500	\$ 676,500
<u>DEPARTMENT OF HUMAN SERVICES</u>		
<u>Section 3.</u> Deappropriates funds for Hospital Schools.	\$ 278,450	
<u>Section 8.</u> Deappropriates funds for DHS institutions to correct life safety code violations.	<u>937,000</u>	
Department of Human Services SUBTOTAL	\$ 1,215,450	
<u>DEPARTMENT OF CORRECTIONS</u>		
<u>Section 7.</u> Deappropriates funds for construction of a laundry at Mt. Pleasant MSU and a handicapped bathroom at the Iowa Correctional Institution for Women.	\$ 255,000	
<u>DEPARTMENT OF GENERAL SERVICES</u>		
<u>Section 9.</u> Deappropriates/reappropriates funds for the Capitol Complex.	\$ 115,000	\$ 115,000
<u>Section 10.</u> Deappropriates/reappropriates:		
- Installation of individual water heaters in Capitol Complex buildings (\$61,600);		
- Replacement of incandescent lamps in the upper portions of the Capitol (\$5,250);		

SENATE 4  
APRIL 13, 1984

	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>DEPARTMENT OF GENERAL SERVICES, cont.</u>		
- Automation of the north Capitol elevator (\$13,500).	80,350	\$ 80,350
Department of General Services SUBTOTAL	\$ 195,350	\$ 195,350
<u>HISTORICAL DEPARTMENT</u>		
<u>Section 11.</u> Deappropriates/reappropriates funds for repair of the roof and dome of the state histor- ical building.	\$ 80,000	\$ 80,000
<u>Section 12.</u> Deappropriates/reappropriates funds for the State Historical Building and the Centennial Building in Iowa City.	28,000	28,000
Historical Department SUBTOTAL	\$ 108,000	\$ 108,000
<u>TREASURER OF STATE</u>		
<u>Section 14.</u> Deappropriates/reappropriates funds for an investment machine and system.	\$ 100,000	\$ 100,000
	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>
<u>DIVISION I. Deapprop./Reprop. Subtotals.</u>	\$ 22,396,319	\$ 14,798,536
<u>New Section.</u> Appropriates funds from the Road Use Tax Fund to the Department of Public Safety for expenses rela- ting to the division of highway safety and uniformed force. Does not include liability for the Peace Officer's Retirement Accident and Disability System.		<u>Fiscal 1985</u> <u>Appropriation</u> \$ 16,747,000
<u>New Section.</u> Appropriates funds for FY 1984 from the Primary Road Fund for Dept. of Transportation to fund the operation and administration of the driver's license program.	<u>Fiscal 1984</u> <u>Appropriation</u> \$ 3,648,852	
<u>New Section.</u> Appropriates funds for FY 1985 rather than annually from the Road Use Tax Fund for the Department of Transpor- tation to fund the operation and administration of the driver's license program.		\$ 3,700,000
<u>DIVISION II.</u> Division II establishes an Iowa economic emergency fund. (Refer- ence Section 18). The fund and its balance are separate from the general fund of the state except for the purposes of determining the annual inflation factor under Section 422.2, subsection 18. The moneys in the fund do not revert to the		

DIVISION II, Cont'd.

general fund unless the fund would exceed the maximum balance. The maximum balance in the Iowa economic emergency fund is ten percent of the appropriations from the general fund during the preceding fiscal year. Each year the surplus in the general fund, if any, is appropriated to the emergency fund to the extent necessary to achieve the maximum balance.

The Iowa economic emergency fund may be appropriated by the general assembly only in the fiscal year for which the appropriation is made and only for a purpose for which the general assembly previously appropriated funds for that fiscal year. However, the balance in the Iowa economic emergency fund may be used in determining the cash position of the state for payment of state obligations.

FISCAL EFFECT Division II. For fiscal 1985, any surplus amount in the general fund as of the end of fiscal 1984 would shift to the Iowa economic emergency fund, leaving a general fund balance of zero. An additional appropriation to this fund from the general fund may be made during fiscal 1985 to a maximum amount of ten percent of the fiscal 1984 appropriations. For a \$2.0 billion budget, the ceiling of this fund would then be \$200.0 million.

DIVISION III. Division III updates the individual, fiduciary, corporate and franchise tax references to the Internal Revenue Code of 1954 up to and including January 1, 1984 to coordinate the federal and state tax laws. The updating includes the following areas of impact:

- Imposes the state individual income tax on the portion of social security benefits and railroad retirement benefits received by certain taxpayers that are subject to federal income tax in tax years beginning on or after January 1, 1984 (reference Section 22). The provision essentially "couples" state tax laws to federal changes, subjecting social security benefits to tax. A taxpayer will have to add together his or her adjusted gross income, half of the social security benefits received, and the amount of tax-free interest (such as interest on municipal bonds) received. This sum is reduced by a base amount of \$32,000 for a married couple filing a joint return or \$25,000 for a single individual; the remainder is divided by two. The portion of social security benefits equal to this amount (but not more than half the benefits) will then be counted as income.

FISCAL EFFECT: The provision generates approximately \$8.0 million additional revenue to the general fund annually.

- Allows a taxpayer who claims the optional standard deduction to claim the direct charitable contributions deduction similar to that allowed under federal law (reference Section 28). This provision is retroactive to January 1, 1984 for tax years beginning on or after that date through the 1986 tax year. The charitable deduction for standard filers is 25 percent of donations up to \$300.

FISCAL EFFECT: This provision represents an approximate \$1.0 million loss annually to the general fund for the years it is in effect.

- Requests a study of the Department of Revenue. The study is to determine a feasible method of disallowing certain interest expenses deductions on tangible personal property which is manufactured or substantially assembled outside of the United States and which is purchased by a taxpayer.

SENATE 6

APRIL 13, 1984

DIVISION III, Cont'd.

- The balance of Division III changes references to the IRC Code and makes conforming amendments to the Iowa code. This division of the bill also includes clarifying/consolidating language. There is no additional fiscal impact within this division.

DIVISION IV. (Replaced division).

Division IV includes odometer law enforcement regulation and refunds the program by taking \$.25 per title issuance beginning July 1, 1984 and ending June 30, 1989. An additional \$209,469 would go to the Department of Transportation for administration of the program and delegation to the Attorney General's Office and law enforcement agencies for enforcement of this program.

Division IV also includes adjustments to the RUTF and various licensing fees as follows:

- Increases the vehicle title fee from \$2 to \$10.
- Increases the cost of duplicate titles from \$5 to \$10.
- Increases the fee for liens against vehicles from \$2 to \$5.
- Repeals the exemption that insurers currently have pertaining to salvage certificates and requires that they purchase a salvage certificate within 14 days of the assignment of the certificate.
- Deals with removing the requirement for mandatory inspection of vehicles.
- Changes the in-transit plate fee from \$5 to \$10. This section also increases from \$2 to \$10 the fee for a certificate of title for a non-resident purchaser.
- Raises the annual registration for motorcycles from \$10 to \$20. For motorcycles over five years old the annual registration fee will be increased from \$5 to \$10. The moped fee will be increased from \$5 to \$7. For FY '85 \$200,000 of this increase will go to the General Fund.
- Increases the registration fee for some trailers from \$4 to \$6.
- Allows purchase of personalized plates for trailer weighing 1,000 lbs. or less for \$25. The fiscal impact of this plate availability is not known at this time.
- Changes the percent of fees counties collect as follows:

<u>Type of Fee</u>	<u>% of Fees Collected Now</u>	<u>% of Fees Under This Bill</u>
Vehicle Registration	2.6%	2.6%
Duplicate Registration	2.6	2.6
Certificates of Title	65.0	20.0
Notation of Security Interests	100.0	60.0
Certified Copies of Certificate of Title	65.0	40.0

- Raises the fee for a non operator's identification fee from \$1 to \$5. Duplicates of these cards shall also cost \$5 rather than \$1.

SENATE 7

APRIL 13, 1984  
DIVISION IV. (Replaced division).

- Changes the fees for operator's driving permits as follows:

	<u>Currently</u>	<u>As Amended</u>
Operator's license (2 years)	\$ 5	\$ 10
Operator's license (4 Years)	10	20
Chauffeur's license (2 years)	10	20
Chauffeur's license (4 years)	20	40
Instruction permit	3	6
Chauffeur's instruction permit	6	12
Temporary driver's permit	5	10
Moped license	5	10

- Increases penalty for odometer tampering. Fiscal effect is not known at this time.
- Allows peace officers to conduct spot inspections at any time or place. DOT may designate the transportation regulation and safety division to do these spot inspections.
- Inspection stations which have a valid inspection state permit may receive a reimbursement for the unexpired portion of the permit fee.

Fiscal Effect, Division IV. Assumption: The number of fees paid would remain constant with 1983 receipts.

<u>Calculations:</u>	<u>Total Fee</u>	<u>General Fund</u>	<u>Increase Distribution</u>	
			<u>RUTF</u>	<u>Counties</u>
<u>Annual Fee Increase</u>	<u>Increase</u>			
Title	6,703,000		6,116,488	586,512
In Transit plates	20,000		19,840	520
Trailer Plates	300,000		292,200	7,800
Duplicate Titles	300,000		157,250	27,750
Leins	937,341		624,894	312,447
Motorcycle plates (new)	730,000		711,020	18,980
Motorcycle plates (old)	550,000		535,700	14,300
Mopeds	110,000		107,140	2,860
Special Plates	258,360		251,643	6,717
Driver's License Increase	6,100,000	(6,100,000)	12,200,000	
Non-Operator's I.D.	74,820		74,820	
Reimbursement to Insp.				
Transfer of Driv. License		3,700,000	(3,700,000)	

Doing away with inspection is basically a trade off with the amount taken in and the cost of doing inspections both being approximately \$170,000 annually.

<u>SUMMARY FISCAL EFFECT, DIVISION IV:</u>	<u>Annual Effect*</u>
Increase to General Fund:	(\$ 2.4 M)
Increase to RUTF:	17.4 M
Increase to Counties:	1.0 M

\* For FY '85, the General Fund increase will be \$200,000 greater while the RUTF will be \$200,000 less.

DIVISION V. Deleted.

DIVISION VI. Division VI subjects electronic repair and installation and licensed executive search agencies to sales, use, and service tax and, within the same tax base, expands the equipment rental base to tangible personal



SENATE 8

FILE 13, 1984

DIVISION VI. cont'd.

property (including rents, royalties, and copyright and license fees). (Reference section 43). The division strikes "commercial amusement enterprises" from the gross receipts tax. This division also subjects beverages as defined in section 455C, subsection (bottle deposit law) to sales tax. (Reference section 44). All changes to the sales tax area are effective July 1, 1984.

FISCAL EFFECT Division VI. The division has the following fiscal effects:

	<u>Fiscal 1985</u>	<u>Fiscal 1986</u>
Electronic repair, installation/tangible personal property sales tax, licensed executive search agencies	unknown increase	unknown increase
Beverage sales tax	\$ 4.5 M. increase	\$ 4.5 M. increase
Commercial Amusement Enterprises	no change as tax currently not collected in this area	

DIVISION VII. Division VII delays payment on one-half of the additional personal property tax credit funds in the fiscal years beginning July 1, 1984 and ending June 30, 1985 with the remainder paid not later than July 1, 1985 (reference Section 46). The payment received by the respective county treasurers is an account receivable for the previous fiscal year.

FISCAL EFFECT Division VII. Current law has the personal property tax credit paid in May. According to Division VII, one-half of this \$46.2 million payment (or \$23.1 million) would be deferred until no later than July 1 of fiscal 1986. This has the effect of reducing the obligation on the fiscal 1985 budget by a corresponding \$23.1 million and increasing the fiscal 1986 by a like amount.

SENATE FILE 2330 AS PASSED BY THE HOUSE, SUMMARY EFFECTS

EFFECT TO GENERAL FUND APPROPRIATIONS:

<u>DIVISION I.</u>	<u>Fiscal 1984</u> <u>Deappropriation</u>	<u>Fiscal 1985</u> <u>Reappropriation</u>	
	\$ 22,396,319	\$ 14,799,376	
New Section: (RUTF appropriation to Dept. of Public Safety)		<u>Fiscal 1985</u> <u>Appropriation</u>	\$ 16,747,000
New Section:	<u>Fiscal 1984</u> <u>Appropriation</u>		
Primary Road Fund appropriation to DOT for Driver's License Operations	\$ 3,648,852		
New Section: RUTF appropriation for Driver's License Operations		\$ 3,700,000	
<u>DIVISION II.</u> Appropriation to the Iowa Economic Emergency Fund.		<u>Fiscal 1985</u> Declines by the balance of 1984 general fund	<u>Fiscal 1986</u> Increases by an amount not to exceed \$200.0 M less carryover balance
		\$23.1 million	(\$23.1 million)
<u>DIVISION VII.</u> Personal Property Tax Replacement Credit.			
<u>EFFECT TO FUND REVENUES:</u>			
<u>DIVISION III.</u> Social Security Benefits. Charitable Deductions.		<u>Fiscal 1985</u> \$ 8.0 million ( 1.0 million)	<u>Fiscal 1986</u> \$ 8.0 million ( 1.0 million)
<u>NEW DIVISION IV.</u> Increase to General Fund: Increase to RUTF: Increase to Counties:		(\$ 2.2 million) 17.2 million 1.0 million	(\$ 2.4 million) 17.4 million 1.0 million
<u>DIVISION VI.</u> Electronic repair, installation/tangible personal property & licensed executive search agencies Beverage sales tax Commercial Amusement Ent.		unknown increase \$4.5 M. increase no fiscal effect	unknown increase \$4.5 M. increase no fiscal effect

(4221S.008, 84-314F, CMG)

Source: Dept. of Revenue, Dept. of Transportation, Insurance Dept.

RECEIVED BY THE SECRETARY OF THE SENATE, APRIL 10, 1984

FILED BY DENNIS C. PROUTY, DIRECTOR

APRIL 12, 1984

LEGISLATIVE FISCAL BUREAU

Ways and Means 3/26 Amend per 60244 Jo Pass 2/30 (1546)

Senate File 2330

Ways and Means: Doderer, Chair; Carpenter, De Groot, Osterberg and Rosenberg.

~~Appropriation Amend per 60627 Jo Pass 3/27 (p. 1618)~~ SENATE FILE **2330**

Finance Amend per 60694 Jo Pass 4/3 (p. 1619) BY COMMITTEE ON WAYS AND MEANS

Senate File 2330

Finance: Doderer, Chair; Branstad and Connolly.

(AS AMENDED AND PASSED BY THE SENATE MARCH 22, 1984)

RePassed Senate, Date 4-11-84 (p. 1456) Passed House, Date 4-9-84 (p. 1817)

Vote: Ayes 27 Nays 22 Vote: Ayes 52 Nays 46

Approved Item Veto May 19, 1984

motion to reconsider (p. 1457) w/2 4/20 Re-passed House 4-20-84 (p. 2444)  
52-45

# A BILL FOR

1 An Act relating to the financing of state government by  
 2 providing for a reduction in general fund appropriations  
 3 through reallocation of general fund financial aid to  
 4 merged area schools, by reducing or eliminating certain  
 5 capital appropriations for the fiscal year beginning  
 6 July 1, 1983, by updating references to the Internal  
 7 Revenue Code for individual and corporate income,  
 8 franchise tax, and inheritance tax purposes with  
 9 coordinating amendments, by imposing an additional  
 10 income tax of two percent on the amount of taxable  
 11 income exceeding thirty thousand dollars for the  
 12 tax year beginning after December 31, 1983 subject to  
 13 certain limitations, by restructuring the fee for  
 14 operator's and chauffeur's licenses, by providing for  
 15 the creation of an Iowa economic emergency fund in-  
 16 cluding its funding, by providing for the payment  
 17 of one-half of the additional personal property tax credit  
 18 in the fiscal year beginning July 1, 1984, by imposing  
 19 the sales and use tax on beverages, electronic repair and  
 20 installation, and rental of tangible personal property,  
 21 and making certain provisions of the Act retroactive.

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

23  
24  
25

\_\_\_\_\_ = New Language  
 by the Senate  
 \* = Language Stricken  
 by the Senate

DIVISION I

Section 1. 1983 Iowa Acts, chapter 197, section 8, subsection 12, paragraph a, is amended to read as follows:

a. For general state financial aid to merged areas as defined in section 280A.2 .....	\$56,455,501
	<u>42,341,626</u>

It is the intent of the general assembly that funds appropriated in this paragraph shall be used only for allocation to merged area schools for general aid purposes. Funds appropriated in this paragraph shall not be allocated to the merged area schools pursuant to chapter 286A, but shall be allocated by a formula approved by the state board of public instruction. The formula shall provide each merged area school with the same amount of state financial aids as the merged area school received during the fiscal year beginning July 1, 1982 and ending June 30, 1983 and a proportionate amount of the remaining funds appropriated in this paragraph. The remaining funds shall be allocated to each merged area school based upon the proportion that the student contact hours of enrollment eligible to receive general state financial aid for the merged area school for the fiscal year beginning July 1, 1982 and ending June 30, 1983 bears to the total number of student contact hours of enrollment for all merged area schools for the fiscal year beginning July 1, 1982 and ending June 30, 1983.

General state aid paid to area schools under this paragraph for expenditures incurred during the fiscal year beginning July 1, 1983 and ending June 30, 1984, shall be paid by the state comptroller in installments due on or about November 15, February 15, and May 15 of the fiscal year. The payment received on August 15 is an account receivable for the previous fiscal year. The installments shall be as nearly equal as possible as determined by the state comptroller, taking into consideration the relative budget and cash position of the

1 state resources.

2 There is appropriated from the general fund of the state  
3 to the department of public instruction for the fiscal year  
4 beginning July 1, 1984 and ending June 30, 1985, for general  
5 state aid to merged areas, as defined in section 280A.2, the  
6 amount of thirteen million seven hundred eighteen thousand  
7 six hundred eighty-seven (13,718,687) dollars to be accrued  
8 as income and used for expenditures incurred by the area  
9 schools during the fiscal year beginning July 1, 1983 and  
10 ending June 30, 1984. Funds appropriated by this paragraph  
11 shall be allocated pursuant to this paragraph and paid on  
12 or about August 15, 1984.

13 Sec. 2. 1982 Iowa Acts, chapter 1264, section 1, is amended  
14 to read as follows:

15 SECTION 1. There is appropriated from the general fund  
16 of the state to the state conservation commission for the  
17 fiscal period beginning July 1, 1982 and ending June 30, 1985  
18 the amount of seven hundred ~~forty-four~~ four thousand ~~(744,000)~~  
19 (704,000) dollars, or as much as is necessary to be expended  
20 by the commission for projects highest on the priority list  
21 submitted to the joint appropriations subcommittee and approved  
22 by the commission for construction, replacement, development,  
23 and alterations to state parks and preserves, state forest  
24 facilities and state waters, engineering and planning services,  
25 or to supplement any prior appropriation for such purposes  
26 or for the open spaces land acquisition program. Any  
27 unencumbered or unobligated funds appropriated by this section  
28 remaining on June 30, 1985 shall revert to the general fund  
29 on September 30, 1985.

30 Sec. 3. 1983 Iowa Acts, chapter 191, section 11, is amended  
31 to read as follows:

32 SEC. 11. There is appropriated from the general fund of  
33 the state to the department of social services, for the fiscal  
34 year beginning July 1, 1983, and ending June 30, 1984, for  
35 capital improvements at the state hospital-schools, the

1 following amount, or so much thereof as is necessary:

2	1983-1984
3	<u>Fiscal Year</u>
4	\$ 3,000,000
5	<u>2,721,550</u>

6 Unobligated or unencumbered funds appropriated by this  
7 section for the fiscal year beginning July 1, 1983, and ending  
8 June 30, 1984, remaining on June 30, 1987, shall revert to  
9 the general fund of the state on September 30, 1987. However,  
10 if the projects for which these funds are appropriated are  
11 completed prior to June 30, 1987, the remaining unobligated  
12 or unencumbered funds shall revert to the general fund of  
13 the state on September 30 following the end of the fiscal  
14 year in which the projects are completed.

15 Sec. 4. 1983 Iowa Acts, chapter 195, section 2, is amended  
16 to read as follows:

17 SEC. 2. There is appropriated from the federal oil  
18 overcharge funds apportioned to Iowa under Pub. L. No. 97-  
19 377, to the energy policy council, the sum of five hundred  
20 seventy-five thousand (575,000) dollars, or so much thereof  
21 as is necessary, to be used in conjunction with the funds  
22 appropriated available to the board of regents under-section  
23 ~~of-this-Act~~ for energy conservation projects. Unobligated  
24 or unencumbered funds remaining on June 30, 1986, from funds  
25 appropriated by this section shall revert to the general fund  
26 of the state on September 30, 1986.

27 Sec. 5. 1983 Iowa Acts, chapter 195, section 3, is amended  
28 to read as follows:

29 SEC. 3. There is appropriated from the general fund of  
30 the state for the fiscal year beginning July 1, 1983 and  
31 ending June 30, 1984, to the state board of regents, the sum  
32 of ~~eight~~ four million ~~nine~~ six hundred ~~five~~ sixty-six thousand  
33 ~~(8,905,000)~~ (4,666,000) dollars, or so much thereof as  
34 necessary, for allocation by the state board of regents to  
35 the state university of Iowa, the Iowa state university of

1 science and technology, the university of northern Iowa, and  
 2 the Iowa braille and sight-saving school to undertake the  
 3 following capital projects:

4 1. State university of Iowa:

5 a. Fire safety deficiency corrections.

6 b. Communications facility and field house/athletic office  
 7 building equipment.

8 c. Chemistry/botany remodeling.

9 2. Iowa state university of science and technology:

10 a. Fire safety deficiency corrections.

11 b. Mechanical engineering equipment.

12 c. Planning for phase 2 of the college of education  
 13 building.

14 3. University of northern Iowa:

15 a. Fire safety deficiency corrections.

16 b. Gilchrist hall renovations.

17 4. Iowa braille and sight-saving school:

18 Utility system master plan and other campus improvements.

19 Sec. 6. 1983 Iowa Acts, chapter 195, section 6, subsection  
 20 1, paragraph b, is amended by striking the paragraph.

21 Sec. 7. 1983 Iowa Acts, chapter 195, section 8, subsection  
 22 1, unnumbered paragraph 1, is amended to read as follows:

23 There is appropriated from the general fund of the state  
 24 to the department of ~~human-services,-division-of-adult~~  
 25 corrections, for the fiscal year beginning July 1, 1983, and

26 ending June 30, 1984, the sum of ~~eight five~~ eight five hundred ~~fifty-~~

27 ~~two ninety-seven~~ thousand ~~(852,000)~~ (597,000) dollars, or

28 so much thereof as necessary for capital improvements at the  
 29 Iowa state penitentiary to bring the penitentiary into

30 compliance with the federal court order which requires such  
 31 improvements, for construction at the Luster Heights work

32 camp, for construction of an Iowa state industries' laundry  
 33 facility at the medium security correctional facility at Mt.

34 Pleasant and to renovate a bathroom for use of the handicapped  
 35 at the Iowa correctional institution for women, ~~however, it~~

1 is-a-condition-of-this-appropriation-that-if-funds-for-each  
2 project-are-not-allocated-the-total-sum-appropriated-shall  
3 revert-to-the-general-fund-of-the-state.

4 Sec. 8. 1983 Iowa Acts, chapter 195, section 9, subsection  
5 1, unnumbered paragraph 1, is amended to read as follows:

6 There is appropriated from the general fund of the state  
7 to the department of human services for the fiscal year  
8 beginning July 1, 1983, and ending June 30, 1984 for capital  
9 improvements, including major maintenance projects, at the  
10 institutions under the control of the department of human  
11 services, the following amount, or so much thereof as is  
12 necessary:

13		1983-1984
14		<u>Fiscal Year</u>
15		\$ 978,000
16		<u>41,000</u>

17 Sec. 9. 1983 Iowa Acts, chapter 195, section 12, subsection  
18 1, paragraphs b and d, are amended to read as follows:

19 b. For emergency major repairs or  
20 replacements of equipment, roofs or

21	windows .....	\$ 45,000
22		<u>20,000</u>

23 d. For repair of the roof of the  
24 vehicle dispatcher building and the  
25 repair of the roof of the micrographics

26	building .....	\$ 94,500
27		<u>4,500</u>

28 Sec. 10. 1983 Iowa Acts, chapter 195, section 12,  
29 subsection 1, paragraphs e, f, and g, are amended by striking  
30 the paragraphs.

31 Sec. 11. 1983 Iowa Acts, chapter 195, section 12,  
32 subsection 2, paragraph b, is amended to read as follows:

33 b. For repair of the roof and dome  
34 of the state historical building .....

35		\$ 100,000
		<u>20,000</u>



1 Sec. 12. 1983 Iowa Acts, chapter 195, section 12,  
2 subsection 2, paragraphs c, d, and e, are amended by striking  
3 the paragraphs.

4 Sec. 13. 1983 Iowa Acts, chapter 195, section 15,  
5 subsection 3, paragraphs b and c, are amended to read as  
6 follows:

7	b. For Swan lake restoration .....	\$	<del>110,000</del>
8			<u>15,000</u>

9	c. For construction, replacement,		
10	development and alterations to state		
11	parcs and preserves, state forest		
12	facilities and state waters including		
13	artificial lake development; shoreline		
14	erosion and siltation control; river,		
15	stream and lake access; and engineer-		
16	ing and planning services or to sup-		
17	plement any prior appropriation for		
18	such purposes .....	\$	<del>906,500</del>
19			<u>325,000</u>

20 Sec. 14. 1983 Iowa Acts, chapter 195, section 18, is  
21 amended to read as follows:

22 SEC. 18. There is appropriated from the general fund of  
23 the state for the fiscal year beginning July 1, 1983 and  
24 ending June 30, 1984 to the treasurer of state the sum of  
25 ~~one-hundred~~ thirty-nine thousand ~~(139,000)~~ (39,000) dollars,  
26 or so much thereof as necessary, to be used for the purchase  
27 of an investment machine and system.

28 Sec. 15. 1983 Iowa Acts, chapter 197, section 9, subsection  
29 1, paragraph c, is amended to read as follows:

30 c. For allocation by the state  
31 board of regents to the state uni-  
32 versity of Iowa, the Iowa state uni-  
33 versity of science and technology,  
34 and the university of northern Iowa  
35 in amounts as may be necessary to

1 reimburse the institutions for de-  
 2 ficiencies in their operating funds  
 3 resulting from the pledging of tui-  
 4 tions, student fees and charges and  
 5 institutional income to finance the  
 6 cost of providing academic and ad-  
 7 ministrative buildings and facili-  
 8 ties and utility services at the  
 9 institutions ..... \$ 13,270,000  
 10 12,417,696

11 Any unexpended funds appropriated in this section shall  
 12 revert to the general fund on June 30, 1985. Such unexpended  
 13 funds may be used for tuition replacement needs in the fiscal  
 14 year beginning July 1, 1984.

15 Sec. 16. 1983 Iowa Acts, chapter 195, section 1, is  
 16 repealed on the effective date of this Act.

17 Sec. 17. Section 8.33, 1983 Code Supplement, unnumbered  
 18 paragraph 2, is amended to read as follows:

19 No payment of an obligation for goods and services shall  
 20 be charged to an appropriation subsequent to the last day  
 21 of the fiscal term for which the appropriation is made unless  
 22 such goods or services are received contracted for on or  
 23 before the last day of the fiscal term, ~~except that repair~~  
 24 ~~projects and other contracts for services and capital~~  
 25 ~~expenditures for the purchase of land or the erection of~~  
 26 ~~buildings or new construction, which were committed and in~~  
 27 ~~progress prior to the end of the fiscal term are excluded~~  
 28 ~~from this provision.~~

29 DIVISION II

30 Sec. 18. Chapter 8, Code 1983, is amended by adding the  
 31 following new section:

32 NEW SECTION. IOWA ECONOMIC EMERGENCY FUND.

33 1. The Iowa economic emergency fund is created. The fund  
 34 shall be separate from the general fund of the state and the  
 35 balance in the fund shall not be considered part of the balance

1 of the general fund of the state, except for purposes of  
2 determining the annual inflation factor under section 422.4,  
3 subsection 18, the balance in the fund shall be considered  
4 part of the general fund of the state. The moneys in the  
5 fund shall not revert to the general fund, notwithstanding  
6 section 8.33, unless and to the extent the fund exceeds the  
7 maximum balance.

8 2. The maximum balance of the Iowa economic emergency  
9 fund is the amount equal to ten percent of the funds  
10 appropriated from the general fund of the state during the  
11 preceding fiscal year. There is appropriated from any surplus  
12 existing in the general fund of the state at the conclusion  
13 of the fiscal year to the Iowa economic emergency fund an  
14 amount equal to the smaller of the amount of the surplus or  
15 the amount necessary to achieve the maximum balance.

16 3. The moneys in the Iowa economic emergency fund may  
17 be appropriated by the general assembly only for the fiscal  
18 year in which the appropriation is made and only for a purpose  
19 for which the general assembly previously appropriated funds  
20 for that fiscal year.

21 DIVISION III

22 Sec. 19. Section 99B.7, subsection 1, paragraph m, Code  
23 Supplement 1983, is amended to read as follows:

24 m. The person or organization conducting the game can  
25 show to the satisfaction of the department that the person  
26 or organization is eligible for exemption from federal income  
27 taxation under either section 501(c)(3), 501(c)(5), 501(c)(6),  
28 501(c)(10) or 501(c)(19) of the Internal Revenue Code of 1954,  
29 as defined in section ~~422-4~~ 422.3. However, this paragraph  
30 does not apply to a political party as defined in section  
31 43.2, to a nonparty political organization that has qualified  
32 to place a candidate as its nominee for statewide office  
33 pursuant to chapter 44, or to a candidate committee as defined  
34 in section 56.2.

35 Sec. 20. Section 175.2, subsection 7, Code Supplement

1 1983, is amended to read as follows:

2 7. "Depreciable agricultural property" means personal  
3 property suitable for use in farming for which an income tax  
4 deduction for depreciation is allowable in computing federal  
5 income tax under the Internal Revenue Code of 1954 as defined  
6 in section ~~422-4~~ 422.3.

7 Sec. 21. Section 220.45, unnumbered paragraph 1, Code  
8 1983, is amended to read as follows:

9 For purposes of this section, "Internal Revenue Code of  
10 1954" means the same as defined in section ~~422-4~~ 422.3, "state  
11 ceiling" means the same as defined in section 103A(g)(4) of  
12 the Internal Revenue Code of 1954, and "qualified mortgage  
13 bonds" means the same as defined in section 103A(c) of the  
14 Internal Revenue Code of 1954.

15 Sec. 22. Section 422.3, Code 1983, is amended by adding  
16 the following new subsection:

17 NEW SUBSECTION. 5. "Internal Revenue Code of 1954" means  
18 the Internal Revenue Code of 1954, as amended to and including  
19 January 1, 1984.

20 Sec. 23. Section 422.4, subsection 17, Code Supplement  
21 1983, is amended by striking the subsection.

22 Sec. 24. Section 422.4, subsection 19, Code Supplement  
23 1983, is amended to read as follows:

24 19. For purposes of section ~~422-4~~ 422.3, subsection ~~17~~  
25 5, the Internal Revenue Code of 1954 shall be interpreted  
26 to include the provisions of Pub. L. No. 98-4.

27 Sec. 25. Section 422.6, unnumbered paragraph 1, Code  
28 Supplement 1983, is amended to read as follows:

29 The tax imposed by section 422.5 ~~and-credit-for-increasing~~  
30 ~~research-activities-granted~~ less the credits allowed under  
31 section 422.10, ~~shall~~ section 422.11, and the personal  
32 exemption credit allowed under section 422.12 apply to and  
33 ~~become~~ are a charge against estates and trusts with respect  
34 to their taxable income, and the rates ~~shall-be~~ are the same  
35 as those applicable to individuals. The fiduciary shall be

1 ~~responsible-for-making~~ make the return of income for the  
2 estate or trust for which the fiduciary acts, whether the  
3 income is taxable to the estate or trust or to the  
4 beneficiaries ~~thereon~~.

5 Sec. 26. Section 422.7, subsection 6, Code Supplement  
6 1983, is amended to read as follows:

7 6. Individual taxpayers and married taxpayers who file  
8 a joint federal income tax return and who elect to file a  
9 joint return, separate returns or separate filing on a combined  
10 return for Iowa income tax purposes, may avail themselves  
11 of the ~~sick-pay~~ disability income exclusion and shall compute  
12 the amount of ~~sick-pay~~ the disability income exclusion subject  
13 to the limitations for joint federal income tax return filers  
14 provided by section 105(d) of the Internal Revenue Code of  
15 1954. The disability income exclusion provided in section  
16 105(d) of the Internal Revenue Code of 1954, as amended up  
17 to and including December 31, 1982, continues to apply for  
18 state income tax purposes for tax years beginning on or after  
19 January 1, 1984.

20 Sec. 27. Section 422.7, Code Supplement 1983, is amended  
21 by adding the following new subsection:

22 NEW SUBSECTION. 19. Married taxpayers, who file a joint  
23 federal income tax return and who elect to file separate  
24 returns or who elect separate filing on a combined return  
25 for state income tax purposes, shall include in net income  
26 any social security benefits or tier 1 railroad retirement  
27 benefits received to the same extent as those benefits are  
28 taxable on the taxpayer's joint federal return for that year  
29 under section 86 of the Internal Revenue Code of 1954. The  
30 benefits included in net income must be allocated between  
31 the spouses in the ratio of the social security benefits or  
32 tier 1 railroad retirement benefits received by each spouse  
33 to the total of these benefits received by both spouses.

34 Sec. 28. Section 422.9, subsection 1, Code Supplement  
35 1983, is amended by adding the following new unnumbered

1 paragraph:

2 NEW UNNUMBERED PARAGRAPH. A taxpayer who claims the  
3 optional standard deduction under this subsection may, after  
4 claiming the optional standard deduction, claim the direct  
5 charitable contribution as allowed and subject to the same  
6 limitations provided under section 170(i) of the Internal  
7 Revenue Code of 1954 for tax years ending on or before December  
8 31, 1986. Married taxpayers who have filed a joint federal  
9 return and who elect to file separate returns or separately  
10 on a combined state return must allocate their allowable  
11 charitable deduction to each spouse in the proportion that  
12 each spouse's respective net income bears to the total combined  
13 net income. Taxpayers affected by the allocation provisions  
14 of section 422.8 shall be permitted a deduction in the amount  
15 as is fairly and equitably allocable to Iowa under rules  
16 prescribed by the director.

17 Sec. 29. Section 422.12, subsection 1, paragraph a, Code  
18 Supplement 1983, is amended to read as follows:

19 a. For an estate or trust, a single individual, or a  
20 married person filing a separate return, fifteen dollars.

21 Sec. 30. Section 422.32, subsection 12, Code Supplement  
22 1983, is amended to read as follows:

23 12. For purposes of section ~~422.32~~ 422.3, subsection 4  
24 5, the Internal Revenue Code of 1954 shall be interpreted  
25 to include the provisions of Pub. L. No. 98-4.

26 Sec. 31. Section 422.32, subsection 4, Code Supplement  
27 1983, is amended by striking the subsection.

28 Sec. 32. Section 425.23, subsection 3, paragraph b, Code  
29 Supplement 1983, is amended to read as follows:

30 b. For purposes of this subsection, a totally disabled  
31 person in computing household income shall deduct all medical  
32 and necessary care expenses paid during the twelve-month  
33 income tax accounting periods used in computing household  
34 income which are attributable to the person's total disability.  
35 "Medical and necessary care expenses" are those used in

1 computing the federal income tax deduction under section 213  
2 of the Internal Revenue Code of 1954 as defined in section  
3 ~~422-4~~ 422.3.

4 Sec. 33. Section 442.15, unnumbered paragraph 2, Code  
5 1983, is amended to read as follows:

6 The school district income surtax shall be imposed on the  
7 state individual income tax for the calendar year during which  
8 the school's budget year begins, or for a taxpayer's fiscal  
9 year ending during the second half of that calendar year or  
10 the first half of the succeeding calendar year, and shall  
11 be imposed on all individuals residing in the school district  
12 on the last day of the applicable tax year. As used in this  
13 section, "state individual income tax" means the tax computed  
14 under section 422.5, less the deductions allowed in ~~section~~  
15 sections 422.10, 422.11 and 422.12.

16 Sec. 34. Section 450.37, subsection 1, paragraph b, Code  
17 Supplement 1983, is amended to read as follows:

18 b. The alternate value of the property, if the personal  
19 representative so elects, that has been established for federal  
20 estate tax purposes under section 2032 of the Internal Revenue  
21 Code of 1954 as defined in section ~~422-4~~ 422.3. The election  
22 shall be exercised on the return by the personal representative  
23 or other person signing the return, within the time prescribed  
24 by law for filing the return or before the expiration of any  
25 extension of time granted for filing the return.

26 Sec. 35. Section 450A.1, subsection 2, Code 1983, is  
27 amended to read as follows:

28 2. "Internal Revenue Code of 1954" means the ~~Internal~~  
29 ~~Revenue-Code-of-1954~~ same as defined in section ~~422-4~~ 422.3.

30 Sec. 36. Section 450B.1, subsection 1, Code Supplement  
31 1983, is amended to read as follows:

32 1. "Internal Revenue Code of 1954" means the same as  
33 defined in section ~~422-4~~ 422.3.

34 Sec. 37. Section 451.1, subsection 8, Code 1983, is amended  
35 to read as follows:

1 8. The term "Internal Revenue Code of 1954" shall have  
2 means the same meaning as ascribed-to-it defined in section  
3 ~~422-4~~ 422.3.

4 Sec. 38. Section 634.5, Code 1983, is amended to read  
5 as follows:

6 634.5 INTERNAL REVENUE CODE DEFINED. All references to  
7 sections of the Internal Revenue Code of 1954 shall mean the  
8 ~~Code as amended to and including January 1, 1971~~ mean the  
9 Internal Revenue Code of 1954 as defined in section 422.3.

10 Sec. 39. This Division, except sections 26, 27, and 28,  
11 is retroactive to January 1, 1983 for tax years beginning  
12 on or after January 1, 1983.

13 Sec. 40. Sections 26, 27, and 28 are retroactive to January  
14 1, 1984 for tax years beginning on or after January 1, 1984.

15 DIVISION IV

16 Sec. 41. Section 321.191, unnumbered paragraph 1, Code  
17 1983, is amended to read as follows:

18 The fee for an operator's license shall be five dollars  
19 if issued for a period of two years, and ~~ten~~ fifteen dollars  
20 if issued for a period of ~~four~~ six years. The fee for a  
21 chauffeur's license shall be ten dollars if issued for a  
22 period of two years, and ~~twenty~~ thirty dollars if issued for  
23 a period of ~~four~~ six years. The fee for an instruction permit  
24 shall be ~~three~~ five dollars, for a chauffeur's instruction  
25 permit, ~~six~~ ten dollars, for a temporary driver's permit,  
26 five dollars and for a motorized bicycle license, five dollars.

27 DIVISION V

28 Sec. 42. Section 422.5, Code Supplement 1983, is amended  
29 by adding the following new unnumbered paragraph:

30 NEW UNNUMBERED PARAGRAPH. There is imposed for the first  
31 tax year beginning after December 31, 1983, an additional  
32 tax equal to two percent of taxable income in excess of twenty-  
33 five thousand dollars for a single person and forty thousand  
34 dollars for married taxpayers. Married taxpayers electing  
35 to file separate returns or filing separately on a combined



1 return must combine their respective taxable incomes for  
 2 purposes of the additional tax. If the combined income of  
 3 the married taxpayers electing to file separate returns or  
 4 filing separately on a combined return exceeds forty thousand  
 5 dollars, that portion of the combined income in excess of  
 6 forty thousand dollars shall be subject to the additional  
 7 tax. The liability of each spouse shall be in the proportion  
 8 that each spouse's taxable income bears to the total combined  
 9 taxable income. Subsection 14 of this section is applicable  
 10 to the additional tax imposed by this unnumbered paragraph.  
 11 This unnumbered paragraph is applicable for the tax year  
 12 beginning after December 31, 1983 only if the governor finds  
 13 that the estimated budget resources during the fiscal year  
 14 beginning July 1, 1984 and ending June 30, 1985 are  
 15 insufficient to pay all appropriations in full and the  
 16 governor's findings are concurred in by the executive council.  
 17 The governor shall make the determination not later than  
 18 October 1, 1984 and the governor shall not make any reductions  
 19 in allotments as allowed under section 8.31.

20

DIVISION VI

21 Sec. 43. Section 422.43, subsection 9, Code Supplement  
 22 1983, is amended to read as follows:

23 9. The following enumerated services are subject to the  
 24 tax imposed on gross taxable services: Alteration and garment  
 25 repair; armored car; automobile repair; battery, tire and  
 26 allied; investment counseling (excluding investment services  
 27 of trust departments); bank service charges; barber and beauty;  
 28 boat repair; car wash and wax; carpentry; roof, shingle, and  
 29 glass repair; dance schools and dance studios; dry cleaning,  
 30 pressing, dyeing, and laundering; electrical and electronic  
 31 repair and installation; engraving, photography, and  
 32 retouching; equipment rental of tangible personal property;  
 33 excavating and grading; farm implement repair of all kinds;  
 34 flying service, except agricultural aerial application services  
 35 and aerial commercial and charter transportation services;

1 furniture, rug, upholstery repair and cleaning; fur storage  
2 and repair; golf and country clubs and all commercial  
3 recreation; house and building moving; household appliance,  
4 television, and radio repair; jewelry and watch repair; machine  
5 operator; machine repair of all kinds; motor repair;  
6 motorcycle, scooter, and bicycle repair; oilers and  
7 lubricators; office and business machine repair; painting,  
8 papering, and interior decorating; parking facilities; pipe  
9 fitting and plumbing; wood preparation; private employment  
10 agencies, excluding services for placing a person in employment  
11 where the principal place of employment of that person is  
12 to be located outside of the state; printing and binding;  
13 sewing and stitching; shoe repair and shoeshine; storage  
14 warehousing of raw agricultural products; telephone answering  
15 service; test laboratories, except tests on humans; termite,  
16 bug, roach, and pest eradicators; tin and sheet metal repair;  
17 turkish baths, massage, and reducing salons; vulcanizing,  
18 recapping, and retreading; weighing; welding; well drilling;  
19 wrapping, packing, and packaging of merchandise other than  
20 processed meat, fish, fowl and vegetables; wrecking service;  
21 wrecker and towing.

22 Sec. 44. Section 422.45, subsection 12, Code Supplement  
23 1983, is amended to read as follows:

24 12. Gross receipts from the sale of all foods for human  
25 consumption which are eligible for purchase with food coupons  
26 issued by the United States department of agriculture pursuant  
27 to regulations in effect on July 1, 1974, regardless of whether  
28 the retailer from which the foods are purchased is  
29 participating in the food stamp program. However, as used  
30 in this subsection, "foods" does not include meals prepared  
31 for immediate consumption on or off the premises of the  
32 retailer, and does not include foods sold through vending  
33 machines, or beverages as defined in section 455C.1, subsection  
34 1.

35 Sec. 45. Section 43 and 44 are effective July 1 following

1 enactment.

2 DIVISION VII

3 Sec. 46. Notwithstanding section 427A.12, subsection 7,  
 4 in the fiscal year beginning July 1, 1984 and ending June  
 5 30, 1985, the state comptroller shall pay from the personal  
 6 property tax replacement fund to the respective county  
 7 treasurers on May 15, 1985 an amount equal to one-half of  
 8 the amount due and payable for the fiscal year beginning July  
 9 1, 1984 and ending June 30, 1985. The remaining one-half  
 10 of the funds payable from the personal property tax replacement  
 11 fund for the fiscal year beginning July 1, 1984 and ending  
 12 June 30, 1985 shall be paid by the state comptroller to the  
 13 respective county treasurers not later than July 15, 1985.  
 14 The payment received on July 15, 1985 is an account receivable  
 15 for the previous fiscal year.

\* 16 Sec. 47. This Act, being deemed of immediate importance,  
 17 takes effect from and after its publication in the Audubon  
 18 News-Advocate, a newspaper published in Audubon, Iowa, and  
 19 in The Winterset Madisonian, a newspaper published in  
 20 Winterset, Iowa.

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House Amendment to Senate File 2330

**S 5845**

1 Amend Senate File 2330 as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 7, by inserting after line 28 the following  
4 new sections:

5 "Sec. \_\_\_\_\_. There is appropriated from the general  
6 fund of the state to the following state agencies  
7 for the fiscal year beginning July 1, 1984 and ending  
8 June 30, 1985, the following amounts, or so much  
9 thereof as may be necessary, to be used in the manner  
10 designated:

	1984-1985
	<u>Fiscal Year</u>
13 1. DEPARTMENT OF GENERAL SERVICES	
14 a. For emergency major repairs or	
15 replacements of equipment, roofs or	
16 windows .....	\$ 25,000
17 b. For repair of the roof of the	
18 vehicle dispatcher building and the	
19 repair of the roof of the micrographics	
20 building .....	\$ 90,000
21 c. For the installation of indi-	
22 vidual water heaters in capitol com-	
23 plex buildings .....	\$ 61,600
24 d. For replacement of the incan-	
25 descent lamps in the upper portions of	
26 the capitol .....	\$ 5,250
27 e. For automation of the north	
28 capitol elevator .....	\$ 13,500
29 2. IOWA STATE HISTORICAL DEPART-	
30 MENT	
31 a. For repair of the roof and	
32 dome of the state historical build-	
33 ing .....	\$ 80,000
34 b. For construction of a handi-	
35 capped entrance to the centennial	
36 building in Iowa City .....	\$ 13,000
37 c. For the renovation of restroom	
38 and drinking facilities in the state	
39 historical building to make them ac-	
40 cessible to handicappd persons .....	\$ 10,000
41 d. For construction of a handi-	
42 capped entrance ramp to the state	
43 historical building .....	\$ 5,000
44 3. STATE CONSERVATION COMMISSION	
45 a. For Swan lake restoration .....	\$ 95,000
46 b. For construction, replacement,	
47 development and alterations to state	
48 parks and preserves, state forest	
49 facilities and state waters including	
50 artificial lake development; shoreline	

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1 erosion and siltation control; river,  
2 stream and lake access; and engineer-  
3 ing and planning services or to sup-  
4 plement any prior appropriation for  
5 such purposes ..... \$ 581,500  
6 4. TREASURER OF STATE  
7 For the purchase of an investment  
8 machine and system ..... \$ 100,000  
9 5. COMMISSION FOR THE BLIND  
10 For rebuilding of the cooling  
11 tower..... \$ 840  
12 Unobligated or unencumbered funds appropriated  
13 by this section for the fiscal year beginning July  
14 1, 1984 and ending June 30, 1985 remaining on June  
15 30, 1985 shall revert to the general fund of the state  
16 on June 30, 1985.  
17 Sec. \_\_\_\_\_. There is appropriated from the primary  
18 road fund to the general fund of the state for the  
19 fiscal year beginning July 1, 1983 and ending June  
20 30, 1984, the sum of three million six hundred forty-  
21 eight thousand eight hundred fifty-two (3,648,852)  
22 dollars to fund the operation and administration of  
23 the driver's license program within the state  
24 department of transportation.  
25 Sec. \_\_\_\_\_. There is appropriated from the road  
26 use tax fund to the general fund of the state for  
27 the fiscal year beginning July 1, 1984 and ending  
28 June 30, 1985, the sum of three million seven hundred  
29 thousand (3,700,000) dollars to fund the operation  
30 and administration of the driver's license program  
31 within the state department of transportation.  
32 Sec. \_\_\_\_\_. There is appropriated from the road  
33 use tax fund to the department of public safety for  
34 the fiscal year beginning July 1, 1984 and ending  
35 June 30, 1985, the following amount, or so much thereof  
36 as is necessary, to be used for funding the following  
37 functions and programs for the purposes designated:  
38 For salaries, support, mainte-  
39 nance, and miscellaneous purposes  
40 of the division of highway safety  
41 and uniformed force including the  
42 state's contribution to the peace  
43 officers' retirement, accident,  
44 and disability system provided in  
45 chapter 97A in the amount of six-  
46 teen percent of the salaries for  
47 which the funds are appropriated ..... \$ 16,747,000  
48 However, the unfunded liability of the Peace  
49 Officers Retirement Accident and Disability System,  
50 as of July 1, 1984, shall in no way be considered

- 1 a liability of the road use tax fund."
- 2 2. Page 7, by striking lines 17 through 28:
- 3 3. Page 8, line 17, by striking the word "for"
- 4 and inserting in lieu thereof the word "in".
- 5 4. Page 8, line 18, by striking the word "in"
- 6 and inserting in lieu thereof the word "for".
- 7 5. Page 8, line 20, by inserting after the period
- 8 the words "However, the balance in the Iowa economic
- 9 emergency fund may be used in determining the cash
- 10 position of the general fund of the state for the
- 11 payment of state obligations."
- 12 6. Page 11, line 8, by inserting after the period
- 13 the words "However, the deduction shall be computed
- 14 as provided under section 170 (i) of the Internal
- 15 Revenue Code of 1954 as applied to tax year 1984."
- 16 7. Page 13, by inserting after line 9 the following
- 17 new section:
- 18 "Sec. \_\_\_\_\_. It is the intent of the general assembly
- 19 that the department of revenue shall conduct a study
- 20 during the 1984 interim to determine a feasible method
- 21 of disallowing certain interest expense deductions
- 22 on tangible personal property which is manufactured
- 23 or substantially assembled outside of the United
- 24 States and which is purchased by a taxpayer. The
- 25 department shall submit its report to the Seventy-
- 26 first General Assembly not later than February 1,
- 27 1985."
- 28 8. Page 13, by striking lines 16 through 26 and
- 29 inserting in lieu thereof the following new sections:
- 30 "Sec. \_\_\_\_\_. Chapter 307, Code 1983, is amended
- 31 by adding the following new section:
- 32 NEW SECTION. 307.36 ODOMETER LAW ENFORCEMENT.
- 33 The department shall investigate and prosecute
- 34 violators of the state and federal odometer law.
- 35 The department shall refer available evidence
- 36 concerning a possible violation of section 321.71
- 37 or the federal odometer law or a rule or order issued
- 38 under section 321.71 or the federal odometer law to
- 39 the attorney general. The attorney general, with
- 40 or without the referral, may institute appropriate
- 41 criminal proceedings or may direct the case to the
- 42 appropriate county attorney to institute appropriate
- 43 criminal proceedings. The attorney general may use
- 44 those funds available to the department for this
- 45 purpose and law enforcement agencies may be reimbursed
- 46 for expenses incurred in the enforcement of the state
- 47 and federal odometer laws with the approval of the
- 48 attorney general and concurrence by the department.
- 49 Sec. \_\_\_\_\_. Section 312.2, Code Supplement 1983,
- 50 is amended by adding the following new subsection:

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NEW SUBSECTION. 16. The treasurer of state,  
2 before making the allotments provided for in this  
3 section, shall credit annually to the state department  
4 of transportation from the road use tax fund an amount  
5 equal to twenty-five cents on each title issuance  
6 for state and federal odometer law enforcement  
7 purposes. This subsection is effective for the fiscal  
8 period beginning July 1, 1984 and ending June 30,  
9 1989.

10 Sec. \_\_\_\_ . Section 321.20, unnumbered paragraph  
11 1, Code 1983, is amended to read as follows:

12 Except as provided in this chapter, every owner  
13 of a vehicle subject to registration shall make  
14 application to the county treasurer, of the county  
15 of the owner's residence, or if a nonresident, to  
16 the county treasurer of the county where the primary  
17 users of the vehicle are located, for the registration  
18 and issuance of a certificate of title for the vehicle  
19 upon the appropriate form furnished by the department,  
20 accompanied by a fee of two ten dollars, and every  
21 application shall bear the signature of the owner  
22 written with pen and ink. However, a nonresident  
23 owner of two or more vehicles subject to registration  
24 may make application for registration and issuance  
25 of a certificate of title for all vehicles subject  
26 to registration to the county treasurer of the county  
27 where the primary user of any of the vehicles is  
28 located. The owner of a mobile home shall make  
29 application for a certificate of title under this  
30 section. The application shall contain:

31 Sec. \_\_\_\_ . Section 321.23, subsections 1 and 4,  
32 Code Supplement 1983, are amended to read as follows:

33 1. If the vehicle to be registered is a specially  
34 constructed, reconstructed, remanufactured or foreign  
35 vehicle, such fact shall be stated in the application.  
36 A fee of two ten dollars shall be paid by the person  
37 making the application upon issuance of a certificate  
38 of title by the county treasurer. With reference  
39 to every specially constructed or reconstructed motor  
40 vehicle subject to registration the application shall  
41 be accompanied by a statement from the department  
42 authorizing the motor vehicle to be titled and  
43 registered in this state. The department shall cause  
44 a physical inspection to be made of all specially  
45 constructed or reconstructed motor vehicles, upon  
46 application for a certificate of title by the owner,  
47 to determine whether the motor vehicle is in a safe  
48 operating condition and that the integral component  
49 parts are properly identified and that the rightful  
50 ownership is established before issuing the owner

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1 the authority to have the motor vehicle registered  
2 and titled. With reference to every foreign vehicle  
3 which has been registered outside of this state the  
4 owner shall surrender to the treasurer all registration  
5 plates, registration cards, and certificates of title,  
6 or, if vehicle to be registered is from a nontitle  
7 state, the evidence of foreign registration and  
8 ownership as may be prescribed by the department  
9 except as provided in subsection 2.

10 4. Any vehicle which does not meet the equipment  
11 requirements of this chapter due to the particular  
12 use for which it is designed or intended, may be  
13 registered by the department upon payment of  
14 appropriate fees and after inspection and certification  
15 by the department that the vehicle is not in an unsafe  
16 condition and will not endanger any person. A person  
17 is not required to have a certificate of title to  
18 register a vehicle under this subsection. If the  
19 owner elects to have a certificate of title issued  
20 for the vehicle, a fee of two ten dollars shall be  
21 paid by the person making the application upon issuance  
22 of a certificate of title. If the department's  
23 inspection reveals that that vehicle may be safely  
24 operated only under certain conditions or on certain  
25 types of roadways, the department may restrict the  
26 registration to limit operation of the vehicle to  
27 the appropriate conditions or roadways. This  
28 subsection shall not apply to snowmobiles as defined  
29 in section 321G.1. Section 321.382 does not apply  
30 to a vehicle registered under this subsection which  
31 is operated exclusively by a handicapped person who  
32 has obtained a special identification device as  
33 provided in section 601E.6, providing the special  
34 identification device is carried in the vehicle and  
35 shown to any peace officer on request.

36 Sec. \_\_\_\_\_. Section 321.34, subsection 5, paragraph  
37 a, Code Supplement 1983, is amended to read as follows:

38 a. Upon application and the payment of a fee of  
39 twenty-five dollars, the director may issue to the  
40 owner of a motor vehicle registered in this state  
41 or a trailer with a gross weight of one thousand  
42 pounds or less, personalized registration plates  
43 marked with the initials, letters, or a combination  
44 of numerals and letters requested by the owner. Upon  
45 receipt of the personalized registration plates, the  
46 applicant shall surrender the regular registration  
47 plates to the county treasurer. The fee for issuance  
48 of the personalized registration plates shall be in  
49 addition to the regular annual registration fee.

50 Sec. \_\_\_\_\_. Section 321.37, Code 1983, is amended



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1 by adding the following new unnumbered paragraph:

2 NEW UNNUMBERED PARAGRAPH. It is unlawful for the  
3 owner of a vehicle to place any frame around or over  
4 the registration plate which does not permit full  
5 view of all numerals and letters printed on the  
6 registration plate.

7 Sec. \_\_\_\_ . Section 321.42, unnumbered paragraph  
8 2, Code 1983, is amended to read as follows:

9 If a certificate of title is lost or destroyed,  
10 the owner or lienholder shall apply for a certified  
11 copy of the original certificate of title. The  
12 application shall be made to the department or county  
13 treasurer who issued the original certificate of  
14 title. The application shall be signed by the owner  
15 or lienholder and accompanied by a fee of five ten  
16 dollars. After five days, the department or county  
17 treasurer shall issue a certified copy to the applicant  
18 at the applicant's most recent address. The certified  
19 copy shall be clearly marked "duplicate" and shall  
20 be identical to the original, including notation of  
21 liens or encumbrances. When a certified copy has  
22 been issued, the previous certificate is void. A  
23 new purchaser or transferee is entitled to receive  
24 an original title upon presenting the assigned  
25 duplicate copy to the treasurer of the county where  
26 he-or-she the new purchaser or transferee resides.  
27 At the time of purchase, a purchaser may require the  
28 seller to indemnify the purchaser and all future  
29 purchasers of the vehicle against any loss which may  
30 be suffered due to claims on the original certificate.  
31 A person recovering an original certificate of title  
32 for which a duplicate has been issued shall surrender  
33 the original certificate to the county treasurer or  
34 the department.

35 Sec. \_\_\_\_ . Section 321.46, subsection 2, Code  
36 Supplement 1983, is amended to read as follows:

37 2. Upon filing the application for a new  
38 registration and a new title, the applicant shall  
39 pay a title fee of two ten dollars and a registration  
40 fee prorated for the remaining unexpired months of  
41 the registration year. The county treasurer, if  
42 satisfied of the genuineness and regularity of the  
43 application, and in the case of a mobile home, that  
44 taxes are not owing under chapter 135D, and that  
45 applicant has complied with all the requirements of  
46 this chapter, shall issue a new certificate of title  
47 and, except for a mobile home, a registration card  
48 to the purchaser or transferee, shall cancel the prior  
49 registration for the vehicle, and shall forward the  
50 necessary copies to the department on the date of

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1 issuance, as prescribed in section 321.24.  
2 Sec. . Section 321.47, unnumbered paragraph  
3 1, Code 1983, is amended to read as follows:  
4 In the event of the transfer of ownership of any  
5 vehicle by operation of law as upon inheritance,  
6 devise or bequest, order in bankruptcy, insolvency,  
7 replevin, foreclosure or execution sale, or whenever  
8 the engine of a motor vehicle is replaced by another  
9 engine, or whenever a vehicle is sold to satisfy an  
10 artisan's lien as provided in chapter 577, or is sold  
11 to satisfy a landlord's lien as provided in chapter  
12 570, or a storage lien as provided in chapter 579,  
13 or repossession is had upon default in performance  
14 of the terms of a security agreement, the treasurer  
15 of the county in which the last certificate of title  
16 to any such vehicle was issued, upon the surrender  
17 of the prior certificate of title or the manufacturer's  
18 or importer's certificate, or when that is not  
19 possible, upon presentation of satisfactory proof  
20 to the county treasurer of ownership and right of  
21 possession to such vehicle and upon payment of a fee  
22 of two ten dollars and the presentation of an  
23 application for registration and certificate of title,  
24 may issue to the applicant a registration card for  
25 such vehicle and a certificate of title thereto.  
26 The person or persons entitled under the laws of  
27 descent and distribution of an intestate's property  
28 to the possession and ownership of a vehicle owned  
29 in whole or in part by a decedent, upon filing an  
30 affidavit stating the name and date of death of the  
31 decedent, the right to possession and ownership of  
32 the persons filing said affidavit, and that there  
33 has been no administration of the said decedent's  
34 estate, which instrument shall also contain an  
35 agreement to indemnify any creditors of the decedent  
36 who would be entitled to levy execution upon said  
37 motor vehicle to the extent of the value of said motor  
38 vehicle, shall be entitled upon fulfilling the other  
39 requirements of this chapter, to the issuance of a  
40 registration card for the interest of the decedent  
41 in such vehicle and a certificate of title thereto.  
42 No requirement of either chapter 450 or 451 shall  
43 be considered satisfied by the filing of the affidavit  
44 provided for in this section. If, from the records  
45 in the office of the county treasurer, there appear  
46 to be any lien or liens on such vehicle, such  
47 certificate of title shall contain a statement of  
48 such liens unless the application is accompanied by  
49 proper evidence of their satisfaction or extinction.  
50 Evidence of extinction may consist of, but is not

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1 limited to, an affidavit of the applicant stating  
2 that a security interest was foreclosed as provided  
3 in Uniform Commercial Code, chapter 554, Article 9,  
4 Part 5.

5 Sec. \_\_\_\_\_. Section 321.48, subsection 2, Code  
6 Supplement 1983, is amended to read as follows:

7 2. Any foreign registered vehicle purchased or  
8 otherwise acquired by a dealer for the purpose of  
9 resale shall be issued a certificate of title ~~thereto~~  
10 for the vehicle by the county treasurer of the dealer's  
11 residence upon proper application ~~therefor~~ as provided  
12 in this chapter and upon payment of a fee of ~~two ten~~  
13 dollars and ~~such the~~ dealer shall be exempt from the  
14 payment of any and all registration fees for ~~such~~  
15 the vehicle. ~~Such~~ The application for certificate  
16 of title shall be made within forty-eight hours after  
17 ~~said the~~ vehicle comes within the border of the state.

18 Sec. \_\_\_\_\_. Section 321.50, subsection 1, Code  
19 Supplement 1983, is amended to read as follows:

20 1. A security interest in a vehicle subject to  
21 registration under the laws of this state or a mobile  
22 home, except trailers whose empty weight is two  
23 thousand pounds or less, and except new or used  
24 vehicles held by a dealer or manufacturer as inventory  
25 for sale, is perfected by the delivery to the county  
26 treasurer of the county where the certificate of title  
27 was issued or, in the case of a new certificate, to  
28 the county treasurer where the certificate will be  
29 issued of an application for certificate of title  
30 which lists the security interest, or an application  
31 for notation of security interest signed by the owner,  
32 or by one owner of a vehicle owned jointly by more  
33 than one person, or a certificate of title from another  
34 jurisdiction which shows the security interest, and  
35 a fee of ~~two five~~ five dollars for each security interest  
36 shown. If the owner or secured party is in possession  
37 of the certificate of title, it must also be delivered  
38 at this time in order to perfect the security interest.  
39 If a vehicle is subject to a security interest when  
40 brought into this state, the validity of the security  
41 interest and the date of perfection is determined  
42 by section 554.9103. Delivery as provided in this  
43 subsection is an indication of a security interest  
44 on a certificate of title for purposes of chapter  
45 554.

46 Sec. \_\_\_\_\_. Section 321.52, subsection 4, unnumbered  
47 paragraph 1, Code 1983, is amended to read as follows:

48 A vehicle rebuilder or a motor vehicle dealer  
49 licensed under chapter 322, upon acquisition of a  
50 wrecked or salvage vehicle, shall surrender the

1 certificate of title and registration receipt or  
2 manufacturer's or importer's statement of origin  
3 properly assigned, together with an application for  
4 a salvage certificate of title to the county treasurer  
5 of the county of residence of the purchaser or  
6 transferee within fourteen days after the date of  
7 assignment of the certificate of title for the wrecked  
8 or salvage motor vehicle. This subsection applies  
9 only to vehicles with a fair market value of five  
10 hundred dollars or more, based on the value before  
11 the vehicle became wrecked or salvage. Upon payment  
12 of a fee of two dollars, the county treasurer shall  
13 issue a salvage certificate of title which shall bear  
14 the word "SALVAGE" stamped on the face of the title  
15 in bold letters and coded in a manner prescribed by  
16 the department. A salvage certificate of title may  
17 be assigned to any person. Notwithstanding any other  
18 provisions in this section a vehicle on which ownership  
19 has transferred to an insurer of the vehicle, as a  
20 result of a settlement with the owner of the vehicle  
21 arising out of damage to, or unrecovered theft of  
22 the vehicle, shall be deemed to be a wrecked or salvage  
23 vehicle and the insurer shall comply with this  
24 subsection to obtain a salvage certificate of title  
25 within fourteen days after the date of assignment  
26 of the certificate of title of the vehicle. Any  
27 ~~owner, except an insurer of vehicles, who transfers~~  
28 ~~a wrecked or salvage vehicle with a fair market value~~  
29 ~~less than five hundred dollars, based on the value~~  
30 ~~before it became wrecked or salvage, shall comply~~  
31 ~~with section 321.51.~~

32 Sec. \_\_\_\_\_. Section 321.60, Code 1983, is amended  
33 to read as follows:

34 321.60 ISSUANCE OF SPECIAL PLATES. The department  
35 shall also issue special plates as applied for, which  
36 shall ~~have displayed~~ display the general distinguishing  
37 number assigned to the applicant. Each plate so  
38 issued shall also contain a number or symbol  
39 identifying the same plate and distinguishing it from  
40 every other plate bearing the same general  
41 distinguishing number. The fee for each special plate  
42 shall be ten twenty dollars.

43 Special plates may be validated in the same manner  
44 as regular registration plates under this chapter  
45 at an annual fee of ten twenty dollars.

46 Sec. \_\_\_\_\_. Section 321.71, subsection 11, Code  
47 1983, is amended to read as follows:

48 11. Any person who violates ~~the provisions of~~  
49 ~~this section shall be punished by a fine of not less~~  
50 ~~than four hundred dollars and not more than one~~

1 ~~thousand-dollars-or-by-imprisonment-in-the-county~~  
2 ~~jail-for-a-period-not-to-exceed-ninety-days,-or~~  
3 ~~punished-by-both-such-fine-and-imprisonment~~ commits  
4 a fraudulent practice.

5 Sec. \_\_\_\_ Section 321.89, subsection 4, Code 1983,  
6 is amended to read as follows:

7 4. AUCTION OF ABANDONED VEHICLES. If an abandoned  
8 vehicle has not been reclaimed as provided for in  
9 subsection 3, the police authority shall make a  
10 determination as to whether or not the vehicle shall  
11 be sold for use upon the highways. ~~if-it-is-to-be~~  
12 ~~sold-as-a-vehicle-for-use-upon-the-highways,-it-shall~~  
13 ~~first-be-inspected-as-required-by-section-321.238~~  
14 ~~and-have-a-valid-certificate-of-inspection-affixed.~~  
15 If the vehicle is not sold for use upon the highways,  
16 it shall be sold for junk, or demolished and sold  
17 as scrap ~~or-sold-as-provided-in-section-321.51-with~~  
18 ~~a-restricted-certificate-of-title-and-not-for-use~~  
19 ~~upon-the-highways.~~ The police authority shall sell  
20 the vehicle at public auction. Notwithstanding any  
21 other provision of this section, any police authority,  
22 which has taken into possession any abandoned vehicle  
23 which lacks an engine or two or more wheels or ~~other~~  
24 another part which renders the vehicle totally  
25 inoperable may dispose of the vehicle to a demolisher  
26 for junk after complying with the notification  
27 procedures enumerated in subsection 3 and without  
28 public auction. The purchaser of the vehicle ~~shall~~  
29 take ~~takes~~ title free and clear of all liens and  
30 claims of ownership, shall receive a sales receipt  
31 from the police authority, and ~~shall-be~~ is entitled  
32 to register the vehicle and receive a certificate  
33 of title if sold for use upon the highways ~~or-a~~  
34 ~~restricted-certificate-of-title.~~ However, if the  
35 vehicle is sold or disposed of to a demolisher for  
36 junk, the sales receipt by itself ~~shall-be~~ is  
37 sufficient title only for purposes of transferring  
38 the vehicle to the demolisher for demolition, wrecking,  
39 or dismantling and, when so transferred, no further  
40 titling of the vehicle ~~shall-be~~ is permitted. From  
41 the proceeds of the sale of an abandoned vehicle the  
42 police authority shall reimburse itself for the  
43 expenses of the auction, the costs of towing,  
44 preserving, and storing which resulted from placing  
45 the abandoned vehicle in custody, all notice and  
46 publication costs incurred pursuant to subsection  
47 3, the cost of inspection, and any other costs incurred  
48 except costs of bookkeeping and other administrative  
49 costs. Any remainder from the proceeds of a sale  
50 shall be held for the owner of the vehicle or entitled

1 lienholder for ninety days, and shall then be deposited  
2 in the road use tax fund. The costs to police  
3 authorities of auction, towing, preserving, storage,  
4 and all notice and publication costs, ~~inspection-costs~~  
5 and all other costs which result from placing abandoned  
6 vehicles in custody, whenever the proceeds from a  
7 sale of the abandoned vehicles are insufficient to  
8 meet these expenses and costs, shall be paid from  
9 the road use tax fund.

10 Sec. \_\_\_\_ . Section 321.109, subsection 1, Code  
11 1983, is amended to read as follows:

12 1. The annual fee for all motor vehicles including  
13 vehicles designated by manufacturers as station wagons,  
14 except motor trucks, motor homes, multipurpose  
15 vehicles, ambulances, hearses, motorcycles, and motor  
16 bicycles, shall be equal to one percent of the value  
17 as fixed by the department plus forty cents for each  
18 one hundred pounds or fraction thereof of weight of  
19 vehicle, as fixed by the department. The weight of  
20 a motor vehicle, fixed by the department for  
21 registration purposes, shall include the weight of  
22 a battery, heater, bumpers, spare tire, and wheel.  
23 Provided, however, that for any new vehicle purchased  
24 in this state by a nonresident for removal to the  
25 nonresident's state of residence the purchaser may  
26 make application to the county treasurer in the county  
27 of purchase for a transit plate for which a fee of  
28 five ten dollars shall be paid. And provided, however,  
29 that for any used vehicle held by a registered dealer  
30 and not currently registered in this state, or for  
31 any vehicle held by an individual and currently  
32 registered in this state, when purchased in this state  
33 by a nonresident for removal to the nonresident's  
34 state of residence, the purchaser may make application  
35 to the county treasurer in the county of purchase  
36 for a transit plate for which a fee of three dollars  
37 shall be paid. The county treasurer shall issue a  
38 nontransferable certificate of registration for which  
39 no refund shall be allowed; and the transit plates  
40 shall be void thirty days after issuance. Such  
41 purchaser may apply for a certificate of title by  
42 surrendering the manufacturer's or importer's  
43 certificate or certificate of title, duly assigned  
44 as provided in this chapter. In this event, the  
45 treasurer in the county of purchase shall, when  
46 satisfied with the genuineness and regularity of the  
47 application, and upon payment of a fee of two ten  
48 dollars, issue a certificate of title in the name  
49 and address of ~~such~~ the nonresident purchaser  
50 delivering the same to the person entitled thereto

1 to the title as provided in this chapter.

2 Sec. \_\_\_\_\_. Section 321.117, Code Supplement 1983,

3 is amended to read as follows:

4 321.117 MOTORCYCLE, AMBULANCE, AND HEARSE FEES.

5 For all motorcycles the annual fee shall be ~~ten~~ twenty  
6 dollars. For all motorized bicycles the annual fee  
7 shall be ~~five~~ seven dollars. When the motorcycle  
8 is more than ~~five~~ model years old, the annual  
9 registration fee shall be ~~five~~ ten dollars. The  
10 annual registration fee for ambulances and hearses  
11 shall be fifty dollars. Passenger car plates shall  
12 be issued for ambulances and hearses.

13 Sec. \_\_\_\_\_. Section 321.119, Code 1983, is amended  
14 to read as follows:

15 321.119 CHURCH BUSES. For motor vehicles designed  
16 to carry nine passengers or more which are owned and  
17 used exclusively by a church or religious organization  
18 to transport passengers to and from activities of  
19 or sponsored by the church or religious organization  
20 and not operated for rent or hire for purposes  
21 unrelated to the activities of the church or religious  
22 organization, the annual fee shall be twenty-five  
23 dollars. ~~At the initial registration and at every  
24 other annual registration thereafter, the county  
25 treasurer shall not register a motor vehicle under  
26 this section unless there is affixed to the motor  
27 vehicle a valid certificate of inspection issued for  
28 the motor vehicle within the last sixty days.~~

29 Sec. \_\_\_\_\_. Section 321.123, unnumbered paragraph  
30 1, Code Supplement 1983, is amended to read as follows:

31 All trailers except farm trailers and mobile homes,  
32 unless otherwise provided in this section, are subject  
33 to a registration fee of ~~four~~ six dollars for trailers  
34 with a gross weight of one thousand pounds or less  
35 and ten dollars for other trailers. Trailers for  
36 which the empty weight is two thousand pounds or less  
37 are exempt from the certificate of title and lien  
38 provisions of this chapter. Fees collected under  
39 this section shall not be reduced or prorated under  
40 chapter 326.

41 Sec. \_\_\_\_\_. Section 321.152, Code Supplement 1983,  
42 is amended by striking the section and inserting in  
43 lieu thereof the following:

44 321.152 FEE FOR COUNTY. A county treasurer may  
45 retain for deposit in the county general fund the  
46 following:

47 1. Two point six percent of the total collection  
48 for each annual or semiannual vehicle registration  
49 and each duplicate registration card or plate issued.

50 2. Twenty percent of all fees collected for

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1 certificates of title.

2 3. Forty percent of all fees collected for  
3 certified copies of certificates of title.

4 4. Sixty percent of all fees collected for notation  
5 of security interests.

6 The moneys retained shall be deducted, and reported  
7 to the department when the county treasurer transfers  
8 the money collected under this chapter. However,  
9 a deduction is not lawful unless the county treasurer  
10 has complied with sections 321.24 and 321.153.

11 Sec. \_\_\_\_\_. Section 321.190, subsection 1, unnumbered  
12 paragraph 3, Code 1983, is amended to read as follows:

13 The fee for a nonoperator's identification card  
14 shall be ~~one-dollar~~ five dollars and, the card shall  
15 be valid for the purpose of identification for a  
16 period of four years from the date of issuance. A  
17 fee of ~~one-dollar~~ five dollars shall be charged for  
18 the voluntary replacement of an identification card.

19 Sec. \_\_\_\_\_. Section 321.191, unnumbered paragraph  
20 1, Code 1983, is amended to read as follows:

21 The fee for an operator's license shall be ~~five~~  
22 ten dollars if issued for a period of two years, and  
23 ~~ten twenty~~ twenty dollars if issued for a period of four  
24 years. The fee for a chauffeur's license shall be  
25 ~~ten twenty~~ twenty dollars if issued for a period of two  
26 years, and ~~twenty forty~~ forty dollars if issued for a period  
27 of four years. The fee for an instruction permit  
28 shall be ~~three six~~ six dollars, for a chauffeur's  
29 instruction permit, ~~five ten~~ twelve dollars, for a temporary  
30 driver's permit, ~~five ten~~ ten dollars and for a motorized  
31 bicycle license, ~~five ten~~ ten dollars.

32 Sec. \_\_\_\_\_. Section 321.192, Code Supplement 1983,  
33 is amended to read as follows:

34 321.192 DISPOSAL OF FEES. The license fees shall  
35 be forwarded by the department to the treasurer of  
36 state who shall ~~place them in~~ credit the fees to  
37 ~~the general road use tax fund of the state.~~ However,  
38 for each operator's and motorized bicycle license  
39 issued by a county sheriff for which a license fee  
40 is paid, the sheriff issuing it may retain the sum  
41 of fifteen cents and for each chauffeur's license,  
42 the sum of fifty cents.

43 Sec. \_\_\_\_\_. Section 321.492, Code 1983, is amended  
44 by adding the following new unnumbered paragraphs:

45 NEW UNNUMBERED PARAGRAPH. All peace officers as  
46 defined in section 801.4, subsection 7, paragraphs  
47 "a", "b", "c", and "h" may, having reasonable grounds  
48 that equipment violations exist, conduct spot  
49 inspections.

50 NEW UNNUMBERED PARAGRAPH. The state department



1 of transportation may designate employees of the  
2 transportation regulation and safety division of the  
3 department to conduct spot inspections.

4 Sec. \_\_\_\_\_. Notwithstanding section 321.145, for  
5 the fiscal year beginning July 1, 1984 and ending  
6 June 30, 1985 the treasurer of state shall credit  
7 to the general fund of the state the first two hundred  
8 thousand dollars of certificate of title fees collected  
9 under chapter 321.

10 Sec. \_\_\_\_\_. Any inspection station which has a valid  
11 inspection state permit may apply for a refund of  
12 the unexpired portion of the permit fee. However,  
13 a refund shall not be allowed on a claim of any amount  
14 which is less than two dollars and fifty cents. All  
15 applications for refund must be filed no more than  
16 ninety days following the repeal of section 321.238.

17 Sec. \_\_\_\_\_. Section 331.557, Code 1983, is amended  
18 by striking subsection 3.

19 Sec. \_\_\_\_\_. Section 714.8, Code 1983, is amended  
20 by adding the following new subsection:

21 NEW SUBSECTION. 13. Violates section 321.71.

22 Sec. \_\_\_\_\_. Section 714.10, Code 1983, is amended  
23 by adding the following new subsection:

24 NEW SUBSECTION. A fraudulent practice as set forth  
25 in section 714.8, subsection 13, where six or more  
26 motor vehicles are involved.

27 Sec. \_\_\_\_\_. Section 714.11, Code 1983, is amended  
28 by adding the following new subsection:

29 NEW SUBSECTION. A fraudulent practice as set forth  
30 in section 714.8, subsection 13, where at least two  
31 but not more than five motor vehicles are involved.

32 Sec. \_\_\_\_\_. Section 714.12, Code 1983, is amended  
33 by striking the section and inserting in lieu thereof  
34 the following:

35 714.12 FRAUDULENT PRACTICE IN THE FOURTH DEGREE.  
36 Fraudulent practice in the fourth degree is the  
37 following:

38 1. A fraudulent practice where the amount of money  
39 or value of property or services involved exceeds  
40 fifty dollars but does not exceed one hundred dollars.

41 2. A fraudulent practice as set forth in section  
42 714.8, subsection 13, where only one motor vehicle  
43 is involved.

44 Fraudulent practice in the fourth degree is a  
45 serious misdemeanor.

46 Sec. \_\_\_\_\_. Section 321.238, Code 1983, and section  
47 321.51, Code Supplement 1983, are repealed.

48 Sec. \_\_\_\_\_. This division takes effect July 1  
49 following enactment."

50 9. Striking page 13, line 27 through page 14,

- 1 line 19.  
2 10. Page 14, by inserting after line 20 the  
3 following:  
4 "Sec. . . . Section 422.43, subsection 2, Code  
5 Supplement 1983, is amended to read as follows:  
6 2. There is imposed a tax of four percent upon  
7 the gross receipts derived from the operation of all  
8 forms of amusement devices and games of skill, games  
9 of chance, raffles and bingo games as defined in  
10 chapter 99B, ~~and-commercial-amusement-enterprises~~  
11 operated or conducted within the state of Iowa, the  
12 tax to be collected from the operator in the same  
13 manner as is provided for the collection of taxes  
14 upon the gross receipts of tickets or admission as  
15 provided in this section."  
16 11. Page 15, line 9, by inserting after the word  
17 "preparation;" the words "licensed executive search  
18 agencies;".  
19 12. Page 15, line 21, by inserting after the  
20 period the words "For purposes of this subsection,  
21 gross taxable services from rental includes rents,  
22 royalties, and copyright and license fees."  
23 13. Page 16, line 13, by striking the figure "15"  
24 and inserting in lieu thereof the figure "1".  
25 14. Page 16, line 14, by striking the figure "15"  
26 and inserting in lieu thereof the figure "1".  
27 15. Amend the title by striking lines 6 through  
28 20 and inserting in lieu thereof the words "July 1,  
29 1983 and appropriating funds for capital projects  
30 for the fiscal year beginning July 1, 1984, by updating  
31 references to the Internal Revenue Code for individual  
32 and corporate income tax, franchise tax, and  
33 inheritance tax purposes with coordinating amendments,  
34 by restructuring the fee for operator's and chauffeur's  
35 licenses, increasing certificate of title fees,  
36 duplicate title fees, trailer and motorized bicycle  
37 fees, including allocation of those fees to the road  
38 use tax fund and county treasurers, providing for  
39 spot inspections and odometer law enforcement, funding  
40 from the road use tax fund the driver's license program  
41 of the state department of transportation and the  
42 division of the highway safety and uniformed force  
43 of the department of public safety, by providing for  
44 the creation of an Iowa economic emergency fund  
45 including its funding, by providing for the payment  
46 of one-half of the additional personal property tax  
47 credit in the fiscal year beginning July 1, 1984,  
48 by imposing the sales, service and use tax on licensed  
49 executive search agencies, beverages, electronic  
50 repair and installation and the rental of tangible

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1 personal property,".

2 16. Renumber sections and correct internal

3 references as necessary in accordance with this

4 amendment.

S-5845 FILED  
APRIL 10, 1984

RECEIVED FROM THE HOUSE

*Amended by 5851A, 5858, 5862 A, B, C, D, E, & 5864*  
*Concurred 4/11 (p. 1456)*

S-5857

Amend House amendment S-5845 to Senate File 2330,  
as amended, passed and reprinted by the Senate as  
follows:

1. Page 2, by striking lines 32 through 47 and  
inserting in lieu thereof the following:

"Sec. \_\_\_\_ . There is appropriated from the general  
fund of the state for the administration and  
supervision of the public highways to the department  
of public safety for the fiscal year beginning July  
1, 1984 and ending June 30, 1985, the following amount,  
or so much thereof as is necessary, to be used for  
funding the following functions and programs for the  
purposes designated:

For salaries, support, maintenance, and miscellaneous purposes  
of the division of highway safety  
and uniformed force for the  
administration and supervision of  
the public highways, including the  
state's contribution to the peace  
officers' retirement, accident,  
and disability system provided in  
chapter 97A in the amount of six-  
teen percent of the salaries for  
which the funds are appropriated ..... \$16,747,000".

2. Page 14, by inserting after line 3 the following  
new section:

"Sec. \_\_\_\_ . Notwithstanding section 321.145, there  
is transferred from the road use tax fund to the  
general fund of the state the sum of sixteen million  
seven hundred forty-seven thousand (16,747,000) dollars  
for the fiscal year beginning July 1, 1984 and ending  
June 30, 1985 which funds shall be appropriated to  
the department of public safety for the highway patrol  
and uniformed force for the administration and  
supervision of the public highways."

S-5857 FILED  
APRIL 10, 1984

BY RICHARD F. DRAKE

*Placed out of order 4/11 (p. 1455)*

SENATE FILE 2330

S-5849

1 Amend House amendment S-5845 to Senate File 2330  
 2 as amended, passed and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 15, by inserting after line 15 the  
 5 following:  
 6 "\_\_\_\_. Page 14, line 33, by striking the words  
 7 "farm implement repair of all kinds;" and inserting  
 8 in lieu thereof the words "farm-implement-repair-of  
 9 all-kinds"."

S-5849 FILED  
 APRIL 10, 1984

BY JACK RIFE  
 JOHN SOORHOLTZ

*Out of order 4/11 (p. 1456)*

SENATE FILE 2330

S-5850

1 Amend House amendment S-5845 to Senate File 2330  
 2 as amended, passed and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 3, by striking line 2.

S-5850 FILED

BY RICHARD F. DRAKE

APRIL 10, 1984

*Placed out of order 4/11 (p. 1456)*

SENATE FILE 2330

S-5851

1 Amend House amendment S-5845 to Senate File 2330  
 2 as amended, passed and reprinted by the Senate as  
 3 follows:  
 4 1. Page 2, lines 17 and 18, by striking the words  
 5 "primary road" and inserting in lieu thereof the words  
 6 "road use tax".  
 7 2. Page 8, line 12, by striking the word "ten"  
 8 and inserting in lieu thereof the word "five".  
 9 3. Page 9, line 42, by striking the word "twenty"  
 10 and inserting in lieu thereof the word "twelve".  
 11 4. Page 9, line 45, by striking the word "twenty"  
 12 and inserting in lieu thereof the word "twelve".  
 13 5. Page 14, by striking lines 4 through 9.

S-5851 FILED

BY RICHARD F. DRAKE

APRIL 10, 1984

*A. Adopted 4/11 (p. 1453)*

*B. Done (p. 1454)*

SENATE FILE 2330

S-5853

1 Amend the House amendment S-5845 to Senate File  
 2 2330 as amended, passed, and reprinted by the Senate  
 3 as follows:  
 4 1. Page 1, by striking lines 27 and 28.  
 5 2. Page 14, by striking lines 19 through 45.

S-5853 FILED

BY JULIA GENTLEMAN

APRIL 10, 1984

*Placed out of order 4/11 (p. 1453)*

SENATE 35  
APRIL 11, 1984

SENATE FILE 2330

S-5859

1 Amend the House amendment S-5845 to Senate File  
2 2330, as amended, passed, and reprinted by the Senate,  
3 as follows:  
4 1. Page 4, by inserting after line 9 the following  
5 section:  
6 "Sec. \_\_\_\_ Section 312.2, Code Supplement 1983,  
7 is amended by adding the following new subsection:  
8 NEW SUBSECTION. 17. The treasurer of state,  
9 before making allotments provided for in this section,  
10 shall credit annually in each fiscal year beginning  
11 with the fiscal year beginning July 1, 1984, an amount  
12 as determined by the general assembly to fund the  
13 division of highway patrol and uniformed force of  
14 the department of public safety."

S-5859 FILED  
APRIL 10, 1984

BY TOM SLATER  
ARTHUR A. SMALL, JR.

*Recd 4/11 (J. 1455)*

SENATE FILE 2330

S-5861

1 Amend amendment S-5845 to Senate File 2330 as  
2 amended, passed and reprinted by the Senate as follows:  
3 ~~1. Page 4, by striking line 10 through page 5,  
4 line 35.~~  
5 2. Page 6, by striking line 35 through page 8,  
6 line 45.  
~~7 3. Page 9, by striking lines 32 through 45.~~  
8 4. Page 11, by striking line 10 through page 12,  
9 line 1.  
A 10 5. Page 12, line 50, by striking the word "twenty"  
11 and inserting in lieu thereof the word "sixty-five".  
12 6. Page 13, line 2, by striking the word "forty"  
13 and inserting in lieu thereof the word "sixty-five".  
14 7. Page 13, lines 21 and 22, by striking the words  
15 "~~five~~ ten" and inserting in lieu thereof the word  
16 "five".  
C 17 8. Page 13, line 23, by striking the words "~~ten~~  
18 twenty" and inserting in lieu thereof the word "ten".  
19 9. Page 16, by inserting after line 4 the  
20 following:  
21 "17. Amend the title, line 14, by striking the  
22 words "operator's and"."

S-5861 FILED  
APRIL 11, 1984

BY EDGAR H. HOLDEN

DIVISIONS A, B, C--LOST (J. 1452)

S-5858

1 Amend House amendment S-5845 to Senate File 2330,  
2 as amended, passed and reprinted by the Senate as  
3 follows:

4 1. Page 2, by striking lines 32 through 47 and  
5 inserting in lieu thereof the following:

6 "Sec. \_\_\_\_\_. There is appropriated from the general  
7 fund of the state for the administration and  
8 supervision of the public highways to the department  
9 of public safety for the fiscal year beginning July  
10 1, 1984 and ending June 30, 1985, the following amount,  
11 or so much thereof as is necessary, to be used for  
12 funding the following functions and programs for the  
13 purposes designated:

14 For salaries, support, mainte-  
15 nance, and miscellaneous purposes  
16 of the division of highway safety  
17 and uniformed force for the  
18 administration and supervision of  
19 the public highways, including the  
20 state's contribution to the peace  
21 officers' retirement, accident,  
22 and disability system provided in  
23 chapter 97A in the amount of six-  
24 teen percent of the salaries for  
25 which the funds are appropriated ..... \$16,232,000".

26 2. Page 14, by inserting after line 3 the following  
27 new section:

28 "Sec. \_\_\_\_\_. Notwithstanding section 321.145, there  
29 is transferred from the road use tax fund to the  
30 general fund of the state the sum of sixteen million  
31 two hundred thirty-two thousand (16,232,000) dollars  
32 for the fiscal year beginning July 1, 1984 and ending  
33 June 30, 1985 which funds shall be appropriated to  
34 the department of public safety for the highway patrol  
35 and uniformed force for the administration and  
36 supervision of the public highways."

S-5858 FILED  
APRIL 10, 1984

BY RICHARD F. DRAKE  
JOE WELSH

*Adopted 4/11 (p. 1455)*

S-5990

1 Amend the House amendment S-5845 to Senate File  
2 2330, as amended, passed and reprinted by the Senate  
3 as follows:

4 1. Page 15, by striking lines 23 through 26 and  
5 inserting in lieu thereof the following:

6 " \_\_\_\_\_. Page 16, by striking lines 2 through 15  
7 and inserting in lieu thereof the following:

8 "Sec. \_\_\_\_\_. Section 427A.12, subsection 7, Code  
9 Supplement 1983, is amended to read as follows:

10 7. The amount due each taxing district shall be  
11 paid in the form of warrants payable to the respective  
12 county treasurers by the state comptroller on May  
13 15 of each fiscal year, taking into consideration  
14 the relative budget and cash position of the state  
15 resources. For the fiscal year beginning July 1,  
16 1984 and ending June 30, 1985, one-half of the amount  
17 due each taxing district shall be paid to the  
18 respective county treasurers by the state comptroller  
19 on May 15, 1985. For the fiscal year beginning July  
20 1, 1985 and ending June 30, 1986, and for each  
21 succeeding fiscal year the amount due each taxing  
22 district shall be paid in the form of warrants payable  
23 to the respective county treasurers by the state  
24 comptroller on July 15 and May 15 of that fiscal year,  
25 taking into consideration the relative budget and  
26 cash position of the state resources. The July 15  
27 payment shall be equal to the amount paid on May 15  
28 of the preceding fiscal year and the payments received  
29 shall be an account receivable for each taxing district  
30 for the preceding fiscal year. The May 15 payment  
31 is equal to one-half of the amount of the additional  
32 personal property tax credit payable for the fiscal  
33 year. The county treasurer shall pay the proceeds  
34 to the various taxing districts in the county.

35 Sec. \_\_\_\_\_. Section 427A.13, Code 1983, is amended  
36 to read as follows:

37 427A.13 APPROPRIATION. There is hereby  
38 appropriated from the general fund of the state of  
39 Iowa to the personal property tax replacement fund  
40 the following sums, or so much thereof as may be  
41 necessary, to carry out the provisions of this chapter  
42 as amended by this division. For the fiscal year  
43 beginning July 1, 1973, and ending June 30, 1974,  
44 there is appropriated the sum of thirty-one million  
45 nine hundred thousand dollars. For the fiscal year  
46 beginning July 1, 1974, and ending June 30, 1975,  
47 and each succeeding fiscal year, there is appropriated  
48 the sum of thirty-five million seven hundred thousand  
49 dollars. For each year of the fiscal period beginning  
50 July 1, 1977 and ending June 30, 1979 the total



1 appropriation shall be thirty-eight million six hundred  
2 thousand dollars. ~~and-for~~ For the fiscal year  
3 beginning July 1, 1983 and ending June 30, 1984, the  
4 total appropriation shall be forty-six million two  
5 hundred thousand dollars. For the fiscal year  
6 beginning July 1, 1984 and ending June 30, 1985, the  
7 total appropriation shall be twenty-three million  
8 one hundred thousand dollars. For the fiscal year  
9 beginning July 1, 1985 and ending June 30, 1986, and  
10 each succeeding fiscal year, the total appropriation  
11 shall be an amount equal to the amount paid on May  
12 15 of the preceding fiscal year plus one-half of the  
13 amount needed to fund the additional personal property  
14 tax credit payable in that fiscal year. In each  
15 fiscal year for which an increase in the additional  
16 personal property tax credit becomes effective as  
17 provided in this division, the appropriation under  
18 this section shall be increased by three million eight  
19 hundred thousand dollars, and such increased  
20 appropriation shall continue for each succeeding  
21 fiscal year. For the fiscal year for which the ninth  
22 increase in the additional personal property tax  
23 credit becomes effective as provided in this division,  
24 and for each succeeding fiscal year, the total  
25 appropriation shall be sixty-eight million dollars  
26 per year."

S-5990 FILED  
APRIL 18, 1984

BY ARTHUR A. SMALL, JR.

*Checked and of order 4/30 (p 1159)*

SENATE FILE 2330

S-5864

1 Amend House amendment S-5845 to Senate File 2330  
2 as amended, passed and reprinted by the Senate as  
3 follows:  
4 1. Page 3, line 2, by inserting after the figure  
5 "28" the following: "and inserting in lieu thereof  
6 the following:  
7 Sec. \_\_\_\_ Section 8.33, 1983 Code Supplement,  
8 unnumbered paragraph 2, is amended to read as follows:  
9 No payment of an obligation for goods and services  
10 shall be charged to an appropriation subsequent to  
11 the last day of the fiscal term for which the  
12 appropriation is made unless such goods or services  
13 are received on or before ~~the last day of the fiscal~~  
14 term September 15 of the following fiscal year, except  
15 that repair projects, purchase of specialized equipment  
16 and furnishings, and other contracts for services  
17 and capital expenditures for the purchase of land  
18 or the erection of buildings or new construction or  
19 remodeling, which were committed and in progress prior  
20 to the end of the fiscal term are excluded from this  
21 provision "  
22 2. By renumbering as necessary.

S-5864 FILED & ADOPTED  
APRIL 11, 1984 (p. 1456)

BY BILL HUTCHINS

S-5962

1 Amend the House amendment S-5845 to Senate File  
2 2330, as amended, passed, and reprinted by the Senate,  
3 as follows:

A 4 1. By striking page 1, line 3 through page 2,  
5 line 16.

6 2. Page 13, line 22, by striking the word "ten"  
7 and inserting in lieu thereof the word "seven".

B 8 3. Page 13, line 23, by striking the word "four"  
9 and inserting in lieu thereof the words "~~four~~ six".

10 4. Page 13, line 25, by striking the word "twenty"  
11 and inserting in lieu thereof the word "fourteen".

12 5. Page 13, line 27, by striking the word "four"  
13 and inserting in lieu thereof the words "~~four~~ six".

14 6. Page 13, by inserting after line 42 the follow-  
15 ing new section:

16 "Sec. \_\_\_\_ Section 321.197, Code 1983, is amended  
17 to read as follows:

C 18 321.197 EXPIRATION OF CHAUFFEUR'S LICENSE. Every  
19 chauffeur's license shall expire every ~~two-or-four~~  
20 six years ~~at-the-option-of-the-applicant~~ on the  
21 licensee's birthday anniversary. A chauffeur's license  
22 may be renewed within thirty days after the applicant's  
23 license expiration date without written examination  
24 or penalty. A person shall not be considered to be  
25 driving with an invalid license during a period of  
26 thirty days following the license expiration date.  
27 However, if the licensee is seventy years of age or  
28 older on the date of issuance of the license, the  
29 license shall be issued to be valid for two years.  
30 For the purposes of this section the birthday  
31 anniversary of a person born on February 29 shall  
32 be deemed to occur on March 1. The department in  
33 its discretion may waive the examination of any  
34 applicant previously licensed as a chauffeur under  
35 this chapter, provided that the person satisfactorily  
36 passes a vision test as prescribed by the department.  
37 An application for the renewal of a chauffeur's license  
38 shall be made under the direct supervision of a  
39 uniformed member of the department and shall be  
40 approved by the uniformed member."

D 41 7. Page 14, by striking lines 19 through 45.

E 42 8. By striking page 14, line 50 through page 15,  
43 line 1.

F 44 9. Page 15, line 39, by striking the words "and  
45 odometer law enforcement".

S-5862 FILED

BY WILLIAM D. PALMER

APRIL 11, 1984

DIVISIONS A, B, C, D, E, ADOPTED (p.p. 1450-51, 453)

DIVISION F - WITHDRAWN (p. 1451)

SENATE AMENDMENT TO  
HOUSE AMENDMENT TO SENATE FILE 2330

H-6505

1 Amend the House amendment, S-5845, to Senate File  
2 2330 as amended, passed and reprinted by the Senate  
3 as follows:

4 1. By striking page 1, line 5 through page 2,  
5 line 16.

6 2. Page 2, lines 17 and 18, by striking the words  
7 "primary road" and inserting in lieu thereof the words  
8 "road use tax".

9 3. Page 2, by striking lines 32 through 47 and  
10 inserting in lieu thereof the following:

11 "Sec. \_\_\_\_\_. There is appropriated from the general  
12 fund of the state for the administration and  
13 supervision of the public highways to the department  
14 of public safety for the fiscal year beginning July  
15 1, 1984 and ending June 30, 1985, the following amount,  
16 or so much thereof as is necessary, to be used for  
17 funding the following functions and programs for the  
18 purposes designated:

19 For salaries, support, mainte-  
20 nance, and miscellaneous purposes  
21 of the division of highway safety  
22 and uniformed force for the  
23 administration and supervision of  
24 the public highways, including the  
25 state's contribution to the peace  
26 officers' retirement, accident,  
27 and disability system provided in  
28 chapter 97A in the amount of six-  
29 teen percent of the salaries for  
30 which the funds are appropriated ..... \$16,232,000".

31 4. Page 3, line 2, by inserting after the figure  
32 "28" the following: "and inserting in lieu thereof  
33 the following:

34 Sec. \_\_\_\_\_. Section 8.33, 1983 Code Supplement,  
35 unnumbered paragraph 2, is amended to read as follows:

36 No payment of an obligation for goods and services  
37 shall be charged to an appropriation subsequent to  
38 the last day of the fiscal term for which the  
39 appropriation is made unless such goods or services  
40 are received on or before ~~the last day of the fiscal~~  
41 ~~term~~ September 15 of the following fiscal year, except  
42 that repair projects, purchase of specialized equipment  
43 and furnishings, and other contracts for services  
44 and capital expenditures for the purchase of land  
45 or the erection of buildings or new construction or  
46 remodeling, which were committed and in progress prior  
47 to the end of the fiscal term are excluded from this  
48 provision".

49 5. Page 8, line 12, by striking the word "ten"  
50 and inserting in lieu thereof the word "five".

H-6505

Page Two

- 1 6. Page 13, line 22, by striking the word "ten"
- 2 and inserting in lieu thereof the word "seven".
- 3 7. Page 13, line 23, by striking the word "four"
- 4 and inserting in lieu thereof the words "four six".
- 5 8. Page 13, line 25, by striking the word "twenty"
- 6 and inserting in lieu thereof the word "fourteen".
- 7 9. Page 13, line 27, by striking the word "four"
- 8 and inserting in lieu thereof the words "four six".
- 9 10. Page 13, by inserting after line 42 the follow-
- 10 ing new section:
- 11 "Sec. \_\_\_\_ . Section 321.197, Code 1983, is amended
- 12 to read as follows:
- 13 321.197 EXPIRATION OF CHAUFFEUR'S LICENSE. Every
- 14 chauffeur's license shall expire every ~~two-or-four~~
- 15 ~~six~~ years ~~at-the-option-of-the-applicant~~ on the
- 16 licensee's birthday anniversary. A chauffeur's license
- 17 may be renewed within thirty days after the applicant's
- 18 license expiration date without written examination
- 19 or penalty. A person shall not be considered to be
- 20 driving with an invalid license during a period of
- 21 thirty days following the license expiration date.
- 22 However, if the licensee is seventy years of age or
- 23 older on the date of issuance of the license, the
- 24 license shall be issued to be valid for two years.
- 25 For the purposes of this section the birthday
- 26 anniversary of a person born on February 29 shall
- 27 be deemed to occur on March 1. The department in
- 28 its discretion may waive the examination of any
- 29 applicant previously licensed as a chauffeur under
- 30 this chapter, provided that the person satisfactorily
- 31 passes a vision test as prescribed by the department.
- 32 An application for the renewal of a chauffeur's license
- 33 shall be made under the direct supervision of a
- 34 uniformed member of the department and shall be
- 35 approved by the uniformed member."
- 36 11. Page 14, by inserting after line 3 the
- 37 following new section:
- 38 "Sec. \_\_\_\_ . Notwithstanding section 321.145, there
- 39 is transferred from the road use tax fund to the
- 40 general fund of the state the sum of sixteen million
- 41 two hundred thirty-two thousand (16,232,000) dollars
- 42 for the fiscal year beginning July 1, 1984 and ending
- 43 June 30, 1985 which funds shall be appropriated to
- 44 the department of public safety for the highway patrol
- 45 and uniformed force for the administration and
- 46 supervision of the public highways."
- 47 12. Page 14, by striking lines 4 through 9.
- 48 13. Page 14, by striking lines 19 through 45.
- 49 14. By striking page 14, line 50 through page
- 50 15, line 1.

Page Three

- 1 15. By renumbering as necessary.



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD  
GOVERNOR

May 19, 1984

The Honorable Mary Jane Odell  
Secretary of State  
State Capitol Building  
L O C A L

Dear Madam Secretary:

✓ I hereby transmit Senate File 2330, an act relating to the financing of state government by providing for a reduction in general fund appropriations through reallocation of general fund financial aid to merged area schools, by reducing or eliminating certain capital appropriations for the fiscal year beginning July 1, 1983 and appropriating funds for capital projects for the fiscal year beginning July 1, 1984, by updating references to the internal revenue code for individual and corporate income tax, franchise tax, and inheritance tax purposes with coordinating amendments, by restructuring the fee for operator's and chauffeur's licenses, increasing certificate of title fees, duplicate title fees, trailer and motorized bicycle fees, including allocation of those fees to the road use tax fund and county treasurers, providing for spot inspections and odometer law enforcement, funding from the road use tax fund the driver's license program of the state department of transportation and the division of the highway safety and uniformed force of the department of public safety, by providing for the creation of an Iowa economic emergency fund including its funding, by providing for the payment of one-half of the additional personal property tax credit in the fiscal year beginning July 1, 1984, by imposing the sales, service and use tax on licensed executive search agencies, beverages, electronic repair and installation and the rental of tangible personal property, and making certain provisions of the act retroactive.

Senate File 2330 is approved May 19, 1984, with the following exceptions which I hereby disapprove.

The Honorable Mary Jane Odell  
May 19, 1984  
Page 2

I am unable to approve Section 42, which reads as follows:

Sec. 42. It is the intent of the general assembly that the department of revenue shall conduct a study during the 1984 interim to determine a feasible method of disallowing certain interest expense deductions on tangible personal property which is manufactured or substantially assembled outside of the United States and which is purchased by a taxpayer. The department shall submit its report to the Seventy-first General Assembly not later than February 1, 1985.

This section requires the Iowa Department of Revenue to conduct a study which would consider various methods for disallowing the interest on foreign made personal property purchased by Iowans. Such a study can only lead to further discussion of legislation detrimental to both Iowa's consumers and producers.

While this legislation is directed solely at making the purchase of foreign made personal property less attractive, we must consider its implications for Iowa's exporters.

If we impose punitive policies on foreign producers, then foreign countries will surely impose retaliatory measures on Iowa producers and products. Iowa is a leading exporter, and action in this area could cost Iowans' jobs and reduce foreign markets for Iowa's agricultural commodities.

This section also requires the Department of Revenue to conduct and complete the study of a complicated issue within a short time. If the study were to be of value, it should address such matters as who would be affected, the impact on taxpayers and the state treasury, the policy question of whether we should no longer conform to the Internal Revenue Code in this area, and the administrative impact on the Department of Revenue. The department has made and will continue to make a considerable commitment of resources to the Tax Study Committee. A diversion of department resources to this matter at this time would not be wise.

Two discrepancies in this bill should be corrected by the next legislative session. First, Section 66 increases operator license fees and extends the license from four to six years for persons between ages 18 and 70. The legislature neglected

The Honorable Mary Jane Odell  
May 19, 1984  
Page 3

to conform 321.196 of the Code to this change. That section states that an operator's license shall expire four years from the licensee's birthdate.

Secondly, Section 66 provides for a two-year and a six-year chauffeur's license. The legislature, in attempting to conform Section 321.197 to this change provided only for the expiration of the six-year license. Thus there is a question as to whether they intended to eliminate the two-year license. These conflicting sections should be corrected by the next General Assembly.

I am also unable to approve Division V, Section 75, which reads as follows:

#### DIVISION V

Sec. 75. Section 422.5, Code Supplement 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. There is imposed for the first tax year beginning after December 31, 1983, an additional tax equal to two percent of taxable income in excess of twenty-five thousand dollars for a single person and forty thousand dollars for married taxpayers. Married taxpayers electing to file separate returns or filing separately on a combined return must combine their respective taxable incomes for purposes of the additional tax. If the combined income of the married taxpayers electing to file separate returns or filing separately on a combined return exceeds forty thousand dollars, that portion of the combined income in excess of forty thousand dollars shall be subject to the additional tax. The liability of each spouse shall be in the proportion that each spouse's taxable income bears to the total combined taxable income. Subsection 14 of this section is applicable to the additional tax imposed by this unnumbered paragraph. This unnumbered paragraph is applicable for the tax year beginning after December 31, 1983 only if the governor finds that the estimated budget resources during the fiscal year beginning July 1, 1984 and ending June 30, 1985 are insufficient to pay all appropriations in full and the governor's findings are concurred in by the executive council. The governor shall make the determination not later than October 1, 1984 and the governor shall not make any reductions in allotments as allowed under section 8.31.

This section provides for an additional tax of two percent on individual's taxable income in excess of \$25,000 for a single person and \$40,000 for married taxpayers' combined taxable



The Honorable Mary Jane Odell  
May 19, 1984  
Page 4

income for the tax year 1984. The additional tax would be imposed if I find, with concurrence of the Executive Council, that the estimated budget resources for the fiscal year ending June 30, 1985 are insufficient to pay all appropriations. The section further provides that I shall not make any reductions in allotments as allowed under section 8.31.

This new income tax would raise an estimated \$20 million. If the projection indicates that the budget resources are \$5 million short, the tax would go into effect raising the \$20 million even though only \$5 million is needed. If the shortfall were determined to be in excess of \$20 million, an income tax would be imposed and I would be prohibited from implementing any across-the-board reduction in order to balance the budget. The result could be the imposition of a state-wide property tax levy.

Two other important points should be made. First, the way Iowa's personal income tax rates compare with other states is a major factor in our economic development efforts. Iowa's individual income tax already ranks higher than the U.S. average when measured as a percent of personal income. Businesses considering whether to locate or expand here will be deterred by further increases in our personal income tax.

Second, while many Iowans have seen their income drop in our recent economic difficulties, the budget for the state has continued to grow each year. Should state revenue fall short in a given year, the problem should be addressed by reducing spending rather than raising the tax burden on our citizens.

I am also unable to approve Section 78 which reads as follows:

Sec. 78. Section 422.45, subsection 12, Code Supplement 1983, is amended to read as follows:

12. Gross receipts from the sale of all foods for human consumption which are eligible for purchase with food coupons issued by the United States department of agriculture pursuant to regulations in effect on July 1, 1974, regardless of whether the retailer from which the foods are purchased is participating in the food stamp program. However, as used in this subsection, "foods" does not include meals prepared for immediate consumption on or off the premises of the retailer, ~~and does not include~~ foods sold through vending machines, or beverages as defined in section 455C.1, subsection 1.

The Honorable Mary Jane Odell  
May 19, 1984  
Page 5

This section places the four percent sales tax on soft drinks sold by retailers.

This tax signals a willingness to tax consumable food items, which have been exempted from the sales tax since July 1, 1974. It represents a return to a policy rejected for good reasons. It hits hardest at low income families and their children. Further, accepting this tax could encourage attempts to tax other food items in future years. Any return to such regressive taxes is not appropriate public policy.

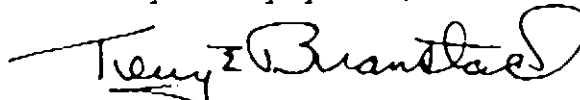
Finally, I am unable to approve Section 80 which reads as follows:

Sec. 80. Notwithstanding section 427A.12, subsection 7, in the fiscal year beginning July 1, 1984 and ending June 30, 1985, the state comptroller shall pay from the personal property tax replacement fund to the respective county treasurers on May 15, 1985 an amount equal to one-half of the amount due and payable for the fiscal year beginning July 1, 1984 and ending June 30, 1985. The remaining one-half of the funds payable from the personal property tax replacement fund for the fiscal year beginning July 1, 1984 and ending June 30, 1985 shall be paid by the state comptroller to the respective county treasurers not later than July 1, 1985. The payment received on July 1, 1985 is an account receivable for the previous fiscal year.

This section failed to accomplish the legislature's intent and was corrected by language included in Senate File 2365. This section is no longer necessary and should be deleted.

For the above reasons, I hereby respectfully disapprove of these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 2330 are hereby approved as of this date.

Very truly yours,



Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of the Senate  
Chief Clerk of the House

*Item Veto*

VIDING FOR SPOT INSPECTIONS AND OUGMETER LAW ENFORCEMENT, FUNDING FROM THE ROAD USE TAX FUND THE DRIVER'S LICENSE PROGRAM OF THE STATE DEPARTMENT OF TRANSPORTATION AND THE DIVISION OF THE HIGHWAY SAFETY AND UNIFORMED FORCE OF THE DEPARTMENT OF PUBLIC SAFETY, BY PROVIDING FOR THE CREATION OF AN IOWA ECONOMIC EMERGENCY FUND INCLUDING ITS FUNDING, BY PROVIDING FOR THE PAYMENT OF ONE-HALF OF THE ADDITIONAL PERSONAL PROPERTY TAX CREDIT IN THE FISCAL YEAR BEGINNING JULY 1, 1984, BY IMPOSING THE SALES, SERVICE AND USE TAX ON LICENSED EXECUTIVE SEARCH AGENCIES, BEVERAGES, ELECTRONIC REPAIR AND INSTALLATION AND THE RENTAL OF TANGIBLE PERSONAL PROPERTY, AND MAKING CERTAIN PROVISIONS OF THE ACT RETROACTIVE.

SENATE FILE 2330

AN ACT

RELATING TO THE FINANCING OF STATE GOVERNMENT BY PROVIDING FOR A REDUCTION IN GENERAL FUND APPROPRIATIONS THROUGH REALLOCATION OF GENERAL FUND FINANCIAL AID TO MERGED AREA SCHOOLS, BY REDUCING OR ELIMINATING CERTAIN CAPITAL APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983 AND APPROPRIATING FUNDS FOR CAPITAL PROJECTS FOR THE FISCAL YEAR BEGINNING JULY 1, 1984, BY UPDATING REFERENCES TO THE INTERNAL REVENUE CODE FOR INDIVIDUAL AND CORPORATE INCOME TAX, FRANCHISE TAX, AND INHERITANCE TAX PURPOSES WITH COORDINATING AMENDMENTS, BY RESTRUCTURING THE FEE FOR OPERATOR'S AND CHAUFFEUR'S LICENSES, INCREASING CERTIFICATE OF TITLE FEES, DUPLICATE TITLE FEES, TRAILER AND MOTORIZED BICYCLE FEES, INCLUDING ALLOCATION OF THOSE FEES TO THE ROAD USE TAX FUND AND COUNTY TREASURERS, PRO-

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

DIVISION I

Section 1. 1983 Iowa Acts, chapter 197, section 8, subsection 12, paragraph a, is amended to read as follows:

a. For general state financial aid to merged areas as defined in section 280A.2 ..... \$56,455,501  
42,341,626

It is the intent of the general assembly that funds appropriated in this paragraph shall be used only for allocation to merged area schools for general aid purposes. Funds appropriated in this paragraph shall not be allocated to the merged area schools pursuant to chapter 286A, but shall be allocated by a formula approved by the state board of public instruction. The formula shall provide each merged area school with the same amount of state financial aids as the merged area school received during the fiscal year beginning July 1, 1982 and ending June 30, 1983 and a proportionate amount of the remaining funds appropriated in this paragraph. The remaining funds shall be allocated to

S.F. 2330

each merged area school based upon the proportion that the student contact hours of enrollment eligible to receive general state financial aid for the merged area school for the fiscal year beginning July 1, 1982 and ending June 30, 1983 bears to the total number of student contact hours of enrollment for all merged area schools for the fiscal year beginning July 1, 1982 and ending June 30, 1982.

General state aid paid to area schools under this paragraph for expenditures incurred during the fiscal year beginning July 1, 1983 and ending June 30, 1984, shall be paid by the state comptroller in installments due on or about November 15, February 15, and May 15 of the fiscal year. The payment received on August 15 is an account receivable for the previous fiscal year. The installments shall be as nearly equal as possible as determined by the state comptroller, taking into consideration the relative budget and cash position of the state resources.

There is appropriated from the general fund of the state to the department of public instruction for the fiscal year beginning July 1, 1984 and ending June 30, 1985, for general state aid to merged areas, as defined in section 280A.2, the amount of thirteen million seven hundred eighteen thousand six hundred eighty-seven (13,718,687) dollars to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1983 and ending June 30, 1984. Funds appropriated by this paragraph shall be allocated pursuant to this paragraph and paid on or about August 15, 1984.

Sec. 2. 1982 Iowa Acts, chapter 1264, section 1, is amended to read as follows:

SECTION 1. There is appropriated from the general fund of the state to the state conservation commission for the fiscal period beginning July 1, 1982 and ending June 30, 1985 the amount of seven hundred ~~forty-four~~ four thousand ~~(744,896)~~ [704,000] dollars, or as much as is necessary to be expended

by the commission for projects highest on the priority list submitted to the joint appropriations subcommittee and approved by the commission for construction, replacement, development, and alterations to state parks and preserves, state forest facilities and state waters, engineering and planning services, or to supplement any prior appropriation for such purposes or for the open spaces land acquisition program. Any unencumbered or unobligated funds appropriated by this section remaining on June 30, 1985 shall revert to the general fund on September 30, 1985.

Sec. 3. 1983 Iowa Acts, chapter 191, section 11, is amended to read as follows:

SEC. 11. There is appropriated from the general fund of the state to the department of social services, for the fiscal year beginning July 1, 1983, and ending June 30, 1984, for capital improvements at the state hospital-schools, the following amount, or so much thereof as is necessary:

1983-1984
Fiscal Year
\$ 4,596,000
2,321,350

Unobligated or unencumbered funds appropriated by this section for the fiscal year beginning July 1, 1983, and ending June 30, 1984, remaining on June 30, 1987, shall revert to the general fund of the state on September 30, 1987. However, if the projects for which these funds are appropriated are completed prior to June 30, 1987, the remaining unobligated or unencumbered funds shall revert to the general fund of the state on September 30 following the end of the fiscal year in which the projects are completed.

Sec. 4. 1983 Iowa Acts, chapter 195, section 2, is amended to read as follows:

SEC. 2. There is appropriated from the federal oil overcharge funds apportioned to Iowa under Pub. L. No. 97-373, to the energy policy council, the sum of five hundred

seventy-five thousand (\$75,000) dollars, or so much thereof as is necessary, to be used in conjunction with the funds appropriated available to the board of regents ~~under section 16 of this Act~~ for energy conservation projects. Unobligated or unencumbered funds remaining on June 30, 1986, from funds appropriated by this section shall revert to the general fund of the state on September 30, 1986.

Sec. 5. 1983 Iowa Acts, chapter 195, section 3, is amended to read as follows:

SEC. 3. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984, to the state board of regents, the sum of ~~eight~~ four million ~~and six~~ hundred ~~and fifty~~ ~~six~~ thousand ~~and 905,900~~ (4,666,000) dollars, or so much thereof as necessary, for allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, the university of northern Iowa, and the Iowa braille and sight-saving school to undertake the following capital projects:

1. State university of Iowa:
    - a. Fire safety deficiency corrections.
    - b. Communications facility and field house/athletic office building equipment.
    - c. Chemistry/botany remodeling.
  2. Iowa state university of science and technology:
    - a. Fire safety deficiency corrections.
    - b. Mechanical engineering equipment.
    - c. Planning for phase 2 of the college of education building.
  3. University of northern Iowa:
    - a. Fire safety deficiency corrections.
    - b. Gilchrist hall renovations.
  4. Iowa braille and sight-saving school:
 

Utility system master plan and other campus improvements.
- Sec. 6. 1983 Iowa Acts, chapter 195, section 6, subsection 1, paragraph b, is amended by striking the paragraph

Sec. 7. 1983 Iowa Acts, chapter 195, section 8, subsection 1, unnumbered paragraph 1, is amended to read as follows:

There is appropriated from the general fund of the state to the department of ~~human services, division of adult~~ corrections, for the fiscal year beginning July 1, 1983, and ending June 30, 1984, the sum of ~~eight~~ five hundred ~~fifty-two~~ ninety-seven thousand ~~(852,800)~~ (597,000) dollars, or so much thereof as necessary for capital improvements at the Iowa state penitentiary to bring the penitentiary into compliance with the federal court order which requires such improvements, for construction at the Luster Heights work camp, for construction of an Iowa state industries' laundry facility at the medium security correctional facility at Mt. Pleasant and to renovate a bathroom for use of the handicapped at the Iowa correctional institution for women; ~~however, it is a condition of this appropriation that if funds for each project are not allocated the total sum appropriated shall revert to the general fund of the state.~~

Sec. 8. 1983 Iowa Acts, chapter 195, section 9, subsection 1, unnumbered paragraph 1, is amended to read as follows:

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1983, and ending June 30, 1984 for capital improvements, including major maintenance projects, at the institutions under the control of the department of human services, the following amount, or so much thereof as is necessary:

	1983-1984
	Fiscal Year:
	\$ 928,000
	41,000

Sec. 9. 1983 Iowa Acts, chapter 195, section 12, subsection 1, paragraphs b and d, are amended to read as follows:

- b. For emergency major repairs or replacements of equipment, roofs or

windows ..... \$ ~~45,500~~  
20,000

d. For repair of the roof of the vehicle dispatcher building and the repair of the roof of the micrographics building .....

..... \$ ~~94,500~~  
4,500

Sec. 10. 1983 Iowa Acts, chapter 195, section 12, subsection 1, paragraphs e, f, and g, are amended by striking the paragraphs.

Sec. 11. 1983 Iowa Acts, chapter 195, section 12, subsection 2, paragraph b, is amended to read as follows:

b. For repair of the roof and dome of the state historical building ..... \$ ~~100,000~~  
20,000

Sec. 12. 1983 Iowa Acts, chapter 195, section 12, subsection 2, paragraphs c, d, and e, are amended by striking the paragraphs.

Sec. 13. 1983 Iowa Acts, chapter 195, section 15, subsection 3, paragraphs a and c, are amended to read as follows:

b. For Swan lake restoration ..... \$ ~~110,000~~  
15,000

c. For construction, replacement, development and alterations to state parks and preserves, state forest facilities and state waters including artificial lake development; shoreline erosion and siltation control; river, stream and lake access; and engineering and planning services or to supplement any prior appropriation for such purposes .....

..... \$ ~~986,500~~  
325,000

Sec. 14. 1981 Iowa Acts, chapter 150, section 18, is amended to read as follows:

SEC. 18. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984 to the treasurer of state the sum of ~~one-hundred thirty-nine thousand +139,000+ (59,200)~~ dollars, or so much thereof as necessary, to be used for the purchase of an investment machine and system.

Sec. 15. 1983 Iowa Acts, chapter 197, section 9, subsection 1, paragraph c, is amended to read as follows:

c. For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa in amounts as may be necessary to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions ..... \$ ~~13,240,000~~  
12,410,000

Any unexpended funds appropriated in this section shall revert to the general fund on June 30, 1985. Such unexpended funds may be used for tuition replacement needs in the fiscal year beginning July 1, 1984.

Sec. 16. 1985 Iowa Acts, chapter 155, section 1, is repealed on the effective date of this Act.

Sec. 17. Section 2.33, 1985 Code Supplement, unnumbered paragraph 2, is amended to read as follows.

No payment of an obligation for goods and services shall be charged to an appropriation subsequent to the last day of the fiscal term for which the appropriation is made unless such goods or services are received on or before ~~the last day of the fiscal term~~ September 15 of the following fiscal year, except that repair projects, purchase of specialized equipment and furnishings, and other contracts for services and capital expenditures for the purchase of land or the erection of buildings or new construction or remodeling, which were committed and in progress prior to the end of the fiscal term are excluded from this provision.

Sec. 18. There is appropriated from the road use tax fund to the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the sum of three million six hundred forty-eight thousand eight hundred fifty-two (3,648,852) dollars to fund the operation and administration of the driver's license program within the state department of transportation.

Sec. 19. There is appropriated from the road use tax fund to the general fund of the state for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of three million seven hundred thousand (3,700,000) dollars to fund the operation and administration of the driver's license program within the state department of transportation.

Sec. 20. There is appropriated from the general fund of the state for the administration and supervision of the public highways to the department of public safety for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as is necessary, to be used for funding the following functions and programs for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes of the division of highway safety and uniformed force for the

administration and supervision of the public highways, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated ..... \$16,232,000

However, the unfunded liability of the peace officers retirement accident and disability system, as of July 1, 1984, shall in no way be considered a liability of the road use tax fund.

DIVISION II

Sec. 21. Chapter 8, Code 1983, is amended by adding the following new section:

NEW SECTION. IOWA ECONOMIC EMERGENCY FUND.

1. The Iowa economic emergency fund is created. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state, except for purposes of determining the annual inflation factor under section 422.4, subsection 18, the balance in the fund shall be considered part of the general fund of the state. The moneys in the fund shall not revert to the general fund, notwithstanding section 8.33, unless and to the extent the fund exceeds the maximum balance.

2. The maximum balance of the Iowa economic emergency fund is the amount equal to ten percent of the funds appropriated from the general fund of the state during the preceding fiscal year. There is appropriated from any surplus existing in the general fund of the state at the conclusion of the fiscal year to the Iowa economic emergency fund an amount equal to the smaller of the amount of the surplus or the amount necessary to achieve the maximum balance.

3. The moneys in the Iowa economic emergency fund may be appropriated by the general assembly only in the fiscal year for which the appropriation is made and only for a purpose for which the general assembly previously appropriated funds for that fiscal year. However, the balance in the Iowa economic emergency fund may be used in determining the cash position of the general fund of the state for the payment of state obligations.

#### DIVISION III

Sec. 22. Section 998.7, subsection 1, paragraph m, Code Supplement 1983, is amended to read as follows:

m. The person or organization conducting the race can show to the satisfaction of the department that the person or organization is eligible for exemption from federal income taxation under either section 501(c)(3), 501(c)(5), 501(c)(6), 501(c)(10) or 501(c)(19) of the Internal Revenue Code of 1954 as defined in section ~~422.4~~ 422.3. However, this paragraph does not apply to a political party as defined in section 43.2, to a nonparty political organization that has qualified to place a candidate as its nominee for statewide office pursuant to chapter 44, or to a candidate committee as defined in section 56.2.

Sec. 23. Section 175.2, subsection 7, Code Supplement 1983, is amended to read as follows:

7. "Depreciable agricultural property" means personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the Internal Revenue Code of 1954 as defined in section ~~422.4~~ 422.3.

Sec. 24. Section 220.45, unnumbered paragraph 1, Code 1983, is amended to read as follows:

For purposes of this section, "Internal Revenue Code of 1954" means the same as defined in section ~~422.4~~ 422.3, "state ceiling" means the same as defined in section 103A(g)(4) of the Internal Revenue Code of 1954, and "qualified mortgage

bonds" means the same as defined in section 103A(c) of the Internal Revenue Code of 1954.

Sec. 25. Section 422.5, Code 1983, is amended by adding the following new subsection:

**NEW SUBSECTION. 5** "Internal Revenue Code of 1954" means the Internal Revenue Code of 1954, as amended to and including January 1, 1984.

Sec. 26. Section 422.4, subsection 17, Code Supplement 1982, is amended by striking the subsection.

Sec. 27. Section 422.4, subsection 19, Code Supplement 1983, is amended to read as follows:

19. For purposes of section ~~422.4~~ 422.3, subsection 19 5, the Internal Revenue Code of 1954 shall be interpreted to include the provisions of Pub. L. No. 98-4.

Sec. 28. Section 422.6, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:

The tax imposed by section 422.5 ~~and credit for increasing research activities granted less the credits allowed under section 422.10, shall~~ section ~~422.11, and the personal exemption credit allowed under section 422.12 apply to and~~ ~~be~~ ~~be~~ are a charge against estates and trusts with respect to their taxable income, and the rates ~~shall be~~ are the same as those applicable to individuals. The fiduciary shall be ~~responsible for making~~ make the return of income for the estate or trust for which the fiduciary acts, whether the income is taxable to the estate or trust or to the beneficiaries ~~thereof~~.

Sec. 29. Section 422.7, subsection 5, Code Supplement 1983, is amended to read as follows:

5. Individual taxpayers and married taxpayers who file a joint federal income tax return and who elect to file a joint return, separate returns or separate filing on a combined return for Iowa income tax purposes, may avail themselves of the sick-pay disability income exclusion and shall compute the amount of ~~sick-pay the disability income~~ the disability income exclusion subject



to the limitations for joint federal income tax return filers provided by section 105(d) of the Internal Revenue Code of 1954. The disability income exclusion provided in section 105(d) of the Internal Revenue Code of 1954, as amended up to and including December 31, 1982, continues to apply for state income tax purposes for tax years beginning on or after January 1, 1984.

Sec. 30. Section 422.7, Code Supplement 1983, is amended by adding the following new subsection:

**NEW SUBSECTION.** 19. Married taxpayers, who file a joint federal income tax return and who elect to file separate returns or who elect separate filing on a combined return for state income tax purposes, shall include in net income any social security benefits or tier 1 railroad retirement benefits received to the same extent as those benefits are taxable on the taxpayer's joint federal return for that year under section 86 of the Internal Revenue Code of 1954. The benefits included in net income must be allocated between the spouses in the ratio of the social security benefits or tier 1 railroad retirement benefits received by each spouse to the total of these benefits received by both spouses.

Sec. 31. Section 422.9, subsection 1, Code Supplement 1983, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** A taxpayer who claims the optional standard deduction under this subsection may, after claiming the optional standard deduction, claim the direct charitable contribution as allowed and subject to the same limitations provided under section 170(1) of the Internal Revenue Code of 1954 for tax years ending on or before December 31, 1986. However, the deduction shall be computed as provided under section 170(1) of the Internal Revenue Code of 1954 as applied to tax year 1984. Married taxpayers who have filed a joint federal return and who elect to file separate returns or separately on a combined state return must allocate their

allowable charitable deduction to each spouse in the proportion that each spouse's respective net income bears to the total combined net income. Taxpayers affected by the allocation provisions of section 422.8 shall be permitted a deduction in the amount as is fairly and equitably allocable to Iowa under rules prescribed by the Director.

Sec. 32. Section 422.12, subsection 1, paragraph a, Code Supplement 1983, is amended to read as follows:

a. For an estate or trust, a single individual, or a married person filing a separate return, fifteen dollars.

Sec. 33. Section 422.32, subsection 12, Code Supplement 1983, is amended to read as follows:

12. For purposes of section ~~422.32~~ 422.3, subsection 4 ~~5~~, the Internal Revenue Code of 1954 shall be interpreted to include the provisions of Pub. L. No. 98-4.

Sec. 34. Section 422.32, subsection 4, Code Supplement 1983, is amended by striking the subsection.

Sec. 35. Section 425.23, subsection 3, paragraph b, Code Supplement 1983, is amended to read as follows:

b. For purposes of this subsection, a totally disabled person in computing household income shall deduct all medical and necessary care expenses paid during the twelve-month income tax accounting periods used in computing household income which are attributable to the person's total disability. "Medical and necessary care expenses" are those used in computing the federal income tax deduction under section 213 of the Internal Revenue Code of 1954 as defined in section ~~422.4~~ 422.3.

Sec. 36. Section 442.15, unnumbered paragraph 2, Code Supplement 1983, is amended to read as follows:

The school district income surtax shall be imposed on the state individual income tax for the calendar year during which the school's budget year begins, or for a taxpayer's fiscal year ending during the second half of that calendar year or the first half of the succeeding calendar year, and shall

be imposed on all individuals residing in the school district on the last day of the applicable tax year. As used in this section, "state individual income tax" means the tax computed under section 422.5, less the deductions allowed in ~~sect+on~~ sections 422.10, 422.11 and 422.12.

Sec. 37. Section 450.37, subsection 1, paragraph b, Code Supplement 1983, is amended to read as follows:

b. The alternate value of the property, if the personal representative so elects, that has been established for federal estate tax purposes under section 2032 of the Internal Revenue Code of 1954 as defined in section ~~422+4~~ 422.3. The election shall be exercised on the return by the personal representative or other person signing the return, within the time prescribed by law for filing the return or before the expiration of any extension of time granted for filing the return.

Sec. 38. Section 450A.1, subsection 2, Code 1983, is amended to read as follows:

2. "Internal Revenue Code of 1954" means the ~~internal~~ Revenue Code of 1954 same as defined in section ~~422+4~~ 422.3.

Sec. 39. Section 450B.1, subsection 1, Code Supplement 1983, is amended to read as follows:

1. "Internal Revenue Code of 1954" means the same as defined in section ~~422+4~~ 422.3.

Sec. 40. Section 451.1, subsection 8, Code 1983, is amended to read as follows:

8. ~~The term~~ "Internal Revenue Code of 1954" ~~shall have~~ means the same meaning as ~~ascribed to it~~ defined in section ~~422+4~~ 422.3.

Sec. 41. Section 634.5, Code 1983, is amended to read as follows:

634.5 INTERNAL REVENUE CODE DEFINED. All references to sections of the Internal Revenue Code of 1954 ~~shall mean the~~ Code as amended to and including January 1, 1977 mean the Internal Revenue Code of 1954 as defined in section 422.3.

*Vertical* → Sec. 42. It is the intent of the general assembly that

the department of revenue shall conduct a study during the 1984 interim to determine a feasible method of disallowing certain interest expense deductions on tangible personal property which is manufactured or substantially assembled outside of the United States and which is purchased by a taxpayer. The department shall submit its report to the Seventy-first General Assembly not later than February 1, 1985.

Sec. 43. This Division, except sections 29, 30, and 41, is retroactive to January 1, 1983 for tax years beginning on or after January 1, 1983.

Sec. 44. Sections 29, 30, and 31 are retroactive to January 1, 1984 for tax years beginning on or after January 1, 1984.

#### DIVISION IV

Sec. 45. Chapter 307, Code 1983, is amended by adding the following new section:

NEW SECTION. 307.36 ODOMETER LAW ENFORCEMENT. The department shall investigate and prosecute violators of the state and federal odometer law. The department shall refer available evidence concerning a possible violation of section 321.71 or the federal odometer law or a rule or order issued under section 321.71 or the federal odometer law to the attorney general. The attorney general, with or without the referral, may institute appropriate criminal proceedings or may direct the case to the appropriate county attorney to institute appropriate criminal proceedings. The attorney general may use those funds available to the department for this purpose and law enforcement agencies may be reimbursed for expenses incurred in the enforcement of the state and federal odometer laws with the approval of the attorney general and concurrence by the department.

Sec. 46. Section 312.2, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 10. The treasurer of state, before making the allotments provided for in this section, shall credit

annually to the state department of transportation from the road use tax fund an amount equal to twenty-five cents on each title issuance for state and federal odometer law enforcement purposes. This subsection is effective for the fiscal period beginning July 1, 1984 and ending June 30, 1989.

Sec. 47. Section 321.20, unnumbered paragraph 1, Code 1983, is amended to read as follows:

Except as provided in this chapter, every owner of a vehicle subject to registration shall make application to the county treasurer, of the county of the owner's residence, or if a nonresident, to the county treasurer of the county where the primary users of the vehicle are located, for the registration and issuance of a certificate of title for the vehicle upon the appropriate form furnished by the department, accompanied by a fee of ~~two~~ ten dollars, and every application shall bear the signature of the owner written with pen and ink. However, a nonresident owner of two or more vehicles subject to registration may make application for registration and issuance of a certificate of title for all vehicles subject to registration to the county treasurer of the county where the primary user of any of the vehicles is located. The owner of a mobile home shall make application for a certificate of title under this section. The application shall contain:

Sec. 48. Section 321.23, subsections 1 and 4, Code Supplement 1983, are amended to read as follows:

1. If the vehicle to be registered is a specially constructed, reconstructed, remanufactured or foreign vehicle, such fact shall be stated in the application. A fee of ~~two~~ ten dollars shall be paid by the person making the application upon issuance of a certificate of title by the county treasurer. With reference to every specially constructed or reconstructed motor vehicle subject to registration the application shall be accompanied by a statement from the department authorizing the motor vehicle to be titled and registered in this state. The department shall cause a

physical inspection to be made of all specially constructed or reconstructed motor vehicles, upon application for a certificate of title by the owner, to determine whether the motor vehicle is in a safe operating condition and that the integral component parts are properly identified and that the rightful ownership is established before issuing the owner the authority to have the motor vehicle registered and titled. With reference to every foreign vehicle which has been registered outside of this state the owner shall surrender to the treasurer all registration plates, registration cards, and certificates of title, or, if vehicle to be registered is from a non-title state, the evidence of foreign registration and ownership as may be prescribed by the department except as provided in subsection 2.

4. Any vehicle which does not meet the equipment requirements of this chapter due to the particular use for which it is designed or intended, may be registered by the department upon payment of appropriate fees and after inspection and certification by the department that the vehicle is not in an unsafe condition and will not endanger any person. A person is not required to have a certificate of title to register a vehicle under this subsection. If the owner elects to have a certificate of title issued for the vehicle, a fee of ~~two~~ ten dollars shall be paid by the person making the application upon issuance of a certificate of title. If the department's inspection reveals that that vehicle may be safely operated only under certain conditions or on certain types of roadways, the department may restrict the registration to limit operation of the vehicle to the appropriate conditions or roadways. This subsection shall not apply to snowmobiles as defined in section 321G.1. Section 321.382 does not apply to a vehicle registered under this subsection which is operated exclusively by a handicapped person who has obtained a special identification device as provided in section 601E.6, providing the special identification device is carried in the vehicle and shown to any peace officer on request.

Sec. 49. Section 321.34, subsection 5, paragraph a, Code Supplement 1983, is amended to read as follows:

a. Upon application and the payment of a fee of twenty-five dollars, the director may issue to the owner of a motor vehicle registered in this state or a trailer with a gross weight of one thousand pounds or less, personalized registration plates marked with the initials, letters, or a combination of numerals and letters requested by the owner. Upon receipt of the personalized registration plates, the applicant shall surrender the regular registration plates to the county treasurer. The fee for issuance of the personalized registration plates shall be in addition to the regular annual registration fee.

Sec. 50. Section 321.37, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. It is unlawful for the owner of a vehicle to place any frame around or over the registration plate which does not permit full view of all numerals and letters printed on the registration plate.

Sec. 51. Section 321.42, unnumbered paragraph 2, Code 1983, is amended to read as follows:

If a certificate of title is lost or destroyed, the owner or lienholder shall apply for a certified copy of the original certificate of title. The application shall be made to the department or county treasurer who issued the original certificate of title. The application shall be signed by the owner or lienholder and accompanied by a fee of ~~five~~ ten dollars. After five days, the department or county treasurer shall issue a certified copy to the applicant at the applicant's most recent address. The certified copy shall be clearly marked "duplicate" and shall be identical to the original, including notation of liens or encumbrances. When a certified copy has been issued, the previous certificate is void. A new purchaser or transferee is entitled to receive an original title upon presenting the assigned duplicate copy

to the treasurer of the county where ~~he or she~~ the new purchaser or transferee resides. At the time of purchase, a purchaser may require the seller to indemnify the purchaser and all future purchasers of the vehicle against any loss which may be suffered due to claims on the original certificate. A person recovering an original certificate of title for which a duplicate has been issued shall surrender the original certificate to the county treasurer or the department.

Sec. 52. Section 321.46, subsection 2, Code Supplement 1983, is amended to read as follows:

2. Upon filing the application for a new registration and a new title, the applicant shall pay a title fee of ~~two~~ ten dollars and a registration fee prorated for the remaining unexpired months of the registration year. The county treasurer, if satisfied of the genuineness and regularity of the application, and in the case of a mobile home, that taxes are not owing under chapter 180, and that applicant has complied with all the requirements of this chapter, shall issue a new certificate of title and, except for a mobile home, a registration card to the purchaser or transferee, shall cancel the prior registration for the vehicle, and shall forward the necessary copies to the department on the date of issuance, as prescribed in section 321.24.

Sec. 53. Section 321.47, unnumbered paragraph 1, Code 1983, is amended to read as follows:

In the event of the transfer of ownership of any vehicle by operation of law as upon inheritance, devise or bequest, order in bankruptcy, insolvency, replevin, foreclosure or execution sale, or whenever the engine of a motor vehicle is replaced by another engine, or whenever a vehicle is sold to satisfy an artisan's lien as provided in chapter 577, or is sold to satisfy a landlord's lien as provided in chapter 579, or repossession is had upon default in performance of the terms

of a security agreement, the treasurer of the county in which the last certificate of title to any such vehicle was issued, upon the surrender of the prior certificate of title or the manufacturer's or importer's certificate, or when that is not possible, upon presentation of satisfactory proof to the county treasurer of ownership and right of possession to such vehicle and upon payment of a fee of two ten dollars and the presentation of an application for registration and certificate of title, may issue to the applicant a registration card for such vehicle and a certificate of title thereto. The person or persons entitled under the laws of descent and distribution of an intestate's property to the possession and ownership of a vehicle owned in whole or in part by a decedent, upon filing an affidavit stating the name and date of death of the decedent, the right to possession and ownership of the persons filing said affidavit, and that there has been no administration of the said decedent's estate, which instrument shall also contain an agreement to indemnify any creditors of the decedent who would be entitled to levy execution upon said motor vehicle to the extent of the value of said motor vehicle, shall be entitled upon fulfilling the other requirements of this chapter, to the issuance of a registration card for the interest of the decedent in such vehicle and a certificate of title thereto. No requirement of either chapter 450 or 451 shall be considered satisfied by the filing of the affidavit provided for in this section. If, from the records in the office of the county treasurer, there appear to be any lien or liens on such vehicle, such certificate of title shall contain a statement of such liens unless the application is accompanied by proper evidence of their satisfaction or extinction. Evidence of extinction may consist of, but is not limited to, an affidavit of the applicant stating that a security interest was foreclosed as provided in Uniform Commercial Code, chapter 554, Article 9, Part 5.

Sec. 54. Section 321.48, subsection 2, Code Supplement 1983, is amended to read as follows:

2. Any foreign registered vehicle purchased or otherwise acquired by a dealer for the purpose of resale shall be issued a certificate of title ~~thereto~~ for the vehicle by the county treasurer of the dealer's residence upon proper application ~~therefor~~ as provided in this chapter and upon payment of a fee of ~~two~~ five dollars and ~~such the~~ dealer shall be exempt from the payment of any and all registration fees for ~~such the~~ vehicle. ~~Such The~~ application for certificate of title shall be made within forty-eight hours after ~~said the~~ vehicle comes within the border of the state.

Sec. 55. Section 321.50, subsection 1, Code Supplement 1983, is amended to read as follows:

1. A security interest in a vehicle subject to registration under the laws of this state or a mobile home, except trailers whose empty weight is two thousand pounds or less, and except new or used vehicles held by a dealer or manufacturer as inventory for sale, is perfected by the delivery to the county treasurer of the county where the certificate of title was issued or, in the case of a new certificate, to the county treasurer where the certificate will be issued of an application for certificate of title which lists the security interest, or an application for notation of security interest signed by the owner, or by one owner of a vehicle owned jointly by more than one person, or a certificate of title from another jurisdiction which shows the security interest, and a fee of ~~two~~ five dollars for each security interest shown. If the owner or secured party is in possession of the certificate of title, it must also be delivered at this time in order to perfect the security interest. If a vehicle is subject to a security interest when brought into this state, the validity of the security interest and the date of perfection is determined by section 554.9103. Delivery as provided in this subsection is an indication of a security interest on a certificate of title for purposes of chapter 554.

Sec. 56. Section 321.52, subsection 4, unnumbered paragraph 1, Code 1983, is amended to read as follows:

A vehicle rebuilder or a motor vehicle dealer licensed under chapter 322, upon acquisition of a wrecked or salvage vehicle, shall surrender the certificate of title and registration receipt or manufacturer's or importer's statement of origin properly assigned, together with an application for a salvage certificate of title to the county treasurer of the county of residence of the purchaser or transferee within fourteen days after the date of assignment of the certificate of title for the wrecked or salvage motor vehicle. This subsection applies only to vehicles with a fair market value of five hundred dollars or more, based on the value before the vehicle became wrecked or salvage. Upon payment of a fee of two dollars, the county treasurer shall issue a salvage certificate of title which shall bear the word "SALVAGE" stamped on the face of the title in bold letters and coded in a manner prescribed by the department. A salvage certificate of title may be assigned to any person. Notwithstanding any other provisions in this section a vehicle on which ownership has transferred to an insurer of the vehicle, as a result of a settlement with the owner of the vehicle arising out of damage to, or unrecovered theft of the vehicle, shall be deemed to be a wrecked or salvage vehicle and the insurer shall comply with this subsection to obtain a salvage certificate of title within fourteen days after the date of assignment of the certificate of title of the vehicle. ~~Any owner, except an insurer of a vehicle, who transfers a wrecked or salvage vehicle with a fair market value less than five hundred dollars, based on the value before it became wrecked or salvage, shall comply with section 321.51.~~

Sec. 57. Section 321.60, Code 1983, is amended to read as follows:

321.60. ISSUANCE OF SPECIAL PLATES. The department shall also issue special plates as applied for, which shall have ~~displayed~~ display the general distinguishing number assigned to the applicant. Each plate so issued shall also contain a number or symbol identifying the ~~same plate~~ and distinguishing it from every other plate bearing the same general distinguishing number. The fee for each special plate shall be ~~ten~~ twenty dollars.

Special plates may be validated in the same manner as regular registration plates under this chapter at an annual fee of ~~ten~~ twenty dollars.

Sec. 58. Section 321.71, subsection 11, Code 1983, is amended to read as follows:

11. Any person who violates ~~the provisions of this section shall be punished by a fine of not less than four hundred dollars and not more than one thousand dollars or by imprisonment in the county jail for a period not to exceed ninety days, or punished by both such fine and imprisonment commits a fraudulent practice.~~

Sec. 59. Section 321.59, subsection 4, Code 1983, is amended to read as follows:

4. AUCTION OF ABANDONED VEHICLES. If an abandoned vehicle has not been reclaimed as provided for in subsection 3, the police authority shall make a determination as to whether or not the vehicle shall be sold for use upon the highways. ~~It shall not be sold as a vehicle for use upon the highways; it shall first be inspected as required by section 321.23b and have a valid certificate of inspection affixed.~~ If the vehicle is not sold for use upon the highways, it shall be sold for junk, or demolished and sold as scrap or ~~sold as provided in section 321.51 with a restricted certificate of title and not for use upon the highways.~~ The police authority shall sell the vehicle at public auction. Notwithstanding any other provision of this section, any police authority, which has taken into possession any abandoned vehicle which

lacks an engine or two or more wheels or ~~either another~~ another part which renders the vehicle totally inoperable may dispose of the vehicle to a demolisher for junk after complying with the notification procedures enumerated in subsection 3 and without public auction. The purchaser of the vehicle ~~shall take~~ takes title free and clear of all liens and claims of ownership, shall receive a sales receipt from the police authority, and ~~shall be~~ is entitled to register the vehicle and receive a certificate of title if sold for use upon the highways ~~or a restricted certificate of title~~. However, if the vehicle is sold or disposed of to a demolisher for junk, the sales receipt by itself ~~shall be~~ is sufficient title only for purposes of transferring the vehicle to the demolisher for demolition, wrecking, or dismantling and, when so transferred, no further titling of the vehicle ~~shall be~~ is permitted. From the proceeds of the sale of an abandoned vehicle the police authority shall reimburse itself for the expenses of the auction, the costs of towing, preserving, and storing which resulted from placing the abandoned vehicle in custody, all notice and publication costs incurred pursuant to subsection 3, the cost of inspection, and any other costs incurred except costs of bookkeeping and other administrative costs. Any remainder from the proceeds of a sale shall be held for the owner of the vehicle or entitled lienholder for ninety days, and shall then be deposited in the road use tax fund. The costs to police authorities of auction, towing, preserving, storage, and all notice and publication costs, ~~inspection costs~~ and all other costs which result from placing abandoned vehicles in custody, whenever the proceeds from a sale of the abandoned vehicles are insufficient to meet these expenses and costs, shall be paid from the road use tax fund.

Sec. 60. Section 321.109, subsection 1, Code 1993, is amended to read as follows:

1. The annual fee for all motor vehicles including vehicles designated by manufacturers as station wagons, except motor trucks, motor homes, multipurpose vehicles, ambulances, hearses, motorcycles, and motor bicycles, shall be equal to one percent of the value as fixed by the department plus forty cents for each one hundred pounds or fraction thereof of weight of vehicle, as fixed by the department. The weight of a motor vehicle, fixed by the department for registration purposes, shall include the weight of a battery, heater, bumpers, spare tire, and wheel. Provided, however, that for any new vehicle purchased in this state by a nonresident for removal to the nonresident's state of residence the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of ~~five ten~~ five dollars shall be paid. And provided, however, that for any used vehicle held by a registered dealer and not currently registered in this state, or for any vehicle held by an individual and currently registered in this state, when purchased in this state by a nonresident for removal to the nonresident's state of residence, the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of three dollars shall be paid. The county treasurer shall issue a nontransferable certificate of registration for which no refund shall be allowed; and the transit plates shall be void thirty days after issuance. Such purchaser may apply for a certificate of title by surrendering the manufacturer's or importer's certificate or certificate of title, duly assigned as provided in this chapter. In this event, the treasurer in the county of purchase shall, when satisfied with the genuineness and regularity of the application, and upon payment of a fee of ~~two ten~~ two dollars, issue a certificate of title in the name and address of ~~such the~~ the nonresident purchaser delivering the same to the person entitled ~~thereto to the title~~ to the title as provided in this chapter.

Sec. 61. Section 321.117, Code Supplement 1983, is amended to read as follows:

321.117. MOTORCYCLE, AMBULANCE, AND HEARSE FEES. For all motorcycles the annual fee shall be ~~ten~~ twenty dollars. For all motorized bicycles the annual fee shall be ~~five~~ seven dollars. When the motorcycle is more than five model years old, the annual registration fee shall be ~~five~~ ten dollars. The annual registration fee for ambulances and hearses shall be fifty dollars. Passenger car plates shall be issued for ambulances and hearses.

Sec. 62. Section 321.119, Code 1983, is amended to read as follows:

321.119. CHURCH BUSES. For motor vehicles designed to carry nine passengers or more which are owned and used exclusively by a church or religious organization to transport passengers to and from activities of or sponsored by the church or religious organization and not operated for rent or hire for purposes unrelated to the activities of the church or religious organization, the annual fee shall be twenty-five dollars. ~~At the initial registration and at every other annual registration thereafter, the county treasurer shall not register a motor vehicle under this section unless there is affixed to the motor vehicle a valid certificate of inspection issued for the motor vehicle within the last sixty days.~~

Sec. 63. Section 321.123, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:

All trailers except farm trailers and mobile homes, unless otherwise provided in this section, are subject to a registration fee of ~~four~~ six dollars for trailers with a gross weight of one thousand pounds or less and ten dollars for other trailers. Trailers for which the empty weight is two thousand pounds or less are exempt from the certificate of title and lien provisions of this chapter. Fees collected under this section shall not be reduced or prorated under chapter 326.

Sec. 64. Section 321.152, Code Supplement 1983, is amended by striking the section and inserting in lieu thereof the following:

321.152. FEE FOR COUNTY. A county treasurer may retain for deposit in the county general fund the following:

1. Two point six percent of the total collection for each annual or semiannual vehicle registration and each duplicate registration card or plate issued.
2. Twenty percent of all fees collected for certificates of title.
3. Forty percent of all fees collected for certified copies of certificates of title.
4. Sixty percent of all fees collected for notation of security interests.

The moneys retained shall be deducted, and reported to the department when the county treasurer transfers the money collected under this chapter. However, a deduction is not lawful unless the county treasurer has complied with sections 321.24 and 321.153.

Sec. 65. Section 321.190, subsection 1, unnumbered paragraph 3, Code 1983, is amended to read as follows:

The fee for a nonoperator's identification card shall be ~~one-dollar~~ five dollars and the card shall be valid for the purpose of identification for a period of four years from the date of issuance. A fee of ~~one-dollar~~ five dollars shall be charged for the voluntary replacement of an identification card.

Sec. 66. Section 321.193, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The fee for an operator's license shall be ~~five~~ seven dollars if issued for a period of two years, and ~~ten~~ twenty dollars if issued for a period of ~~four~~ six years. The fee for a chauffeur's license shall be ~~ten~~ fourteen dollars if issued for a period of two years, and ~~twenty~~ forty dollars if issued for a period of ~~four~~ six years. The fee for an



instruction permit shall be ~~three~~ six dollars, for a chauffeur's instruction permit, ~~six~~ twelve dollars, for a temporary driver's permit, ~~five~~ ten dollars and for a motorized bicycle license, ~~five~~ ten dollars.

Sec. 67. Section 321.192, Code Supplement 1983, is amended to read as follows:

321.192 DISPOSAL OF FEES. The license fees shall be forwarded by the department to the treasurer of state who shall ~~place them in credit the fees to the general road use tax fund of the state.~~ However, for each operator's and motorized bicycle license issued by a county sheriff for which a license fee is paid, the sheriff issuing it may retain the sum of fifteen cents and for each chauffeur's license, the sum of fifty cents.

Sec. 68. Section 321.197, Code 1983, is amended to read as follows:

321.197 EXPIRATION OF CHAUFFEUR'S LICENSE. Every chauffeur's license shall expire every ~~two or four~~ six years ~~at the option of the applicant~~ on the licensee's birthday anniversary. A chauffeur's license may be renewed within thirty days after the applicant's license expiration date without written examination or penalty. A person shall not be considered to be driving with an invalid license during a period of thirty days following the license expiration date. However, if the licensee is seventy years of age or older on the date of issuance of the license, the license shall be issued to be valid for two years. For the purposes of this section the birthday anniversary of a person born on February 29 shall be deemed to occur on March 1. The department in its discretion may waive the examination of any applicant previously licensed as a chauffeur under this chapter, provided that the person satisfactorily passes a vision test as prescribed by the department. An application for the renewal of a chauffeur's license shall be made under the direct supervision of a uniformed member of the department and shall be approved by the uniformed member.

Sec. 69. Section 321.492, Code 1983, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. All peace officers as defined in section 801.4, subsection 7, paragraphs "a", "b", "c", and "h" may, having reasonable grounds that equipment violations exist, conduct spot inspections.

NEW UNNUMBERED PARAGRAPH. The state department of transportation may designate employees of the transportation regulation and safety division of the department to conduct spot inspections.

Sec. 70. Notwithstanding section 321.145, there is transferred from the road use tax fund to the general fund of the state the sum of sixteen million two hundred thirty-two thousand (16,232,000) dollars for the fiscal year beginning July 1, 1984 and ending June 30, 1985 which funds shall be appropriated to the department of public safety for the highway patrol and uniformed force for the administration and supervision of the public highways.

Sec. 71. Any inspection station which has a valid inspection state permit may apply for a refund of the unexpired portion of the permit fee. However, a refund shall not be allowed on a claim of any amount which is less than two dollars and fifty cents. All applications for refund must be filed no more than ninety days following the repeal of section 321.238.

Sec. 72. Section 331.557, Code 1983, is amended by striking subsection 3.

Sec. 73. Section 321.238, Code 1983, and section 321.51, Code Supplement 1983, are repealed.

Sec. 74. This division takes effect July 1 following enactment.

## DIVISION V

*letted* → Sec. 75. Section 422.5, Code Supplement 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. There is imposed for the first tax year beginning after December 31, 1983, an additional tax equal to two percent of taxable income in excess of twenty-five thousand dollars for a single person and forty thousand dollars for married taxpayers. Married taxpayers electing to file separate returns or filing separately on a combined return must combine their respective taxable incomes for purposes of the additional tax. If the combined income of the married taxpayers electing to file separate returns or filing separately on a combined return exceeds forty thousand dollars, that portion of the combined income in excess of forty thousand dollars shall be subject to the additional tax. The liability of each spouse shall be in the proportion that each spouse's taxable income bears to the total combined taxable income. Subsection 14 of this section is applicable to the additional tax imposed by this unnumbered paragraph. This unnumbered paragraph is applicable for the tax year beginning after December 31, 1983 only if the governor finds that the estimated budget resources during the fiscal year beginning July 1, 1984 and ending June 30, 1985 are insufficient to pay all appropriations in full and the governor's findings are concurred in by the executive council. The governor shall make the determination not later than October 1, 1984 and the governor shall not make any reductions in allotments as allowed under section 8.31.

## DIVISION VI

Sec. 76. Section 422.43, subsection 2, Code Supplement 1983, is amended to read as follows:

2. There is imposed a tax of four percent upon the gross receipts derived from the operation of all forms of amusement devices and games of skill, games of chance, raffles and bingo games as defined in chapter 99B, ~~and commercial amusement enterprises~~ operated or conducted within the state of Iowa, the tax to be collected from the operator in the same manner as is provided for the collection of taxes upon the gross receipts of tickets or admission as provided in this section.

Sec. 77. Section 422.43, subsection 9, Code Supplement 1983, is amended to read as follows:

9. The following enumerated services are subject to the tax imposed on gross taxable services: Alteration and garment repair; armored car; automobile repair; battery, tire and allied; investment counseling (excluding investment services of trust departments); bank service charges; barber and beauty; boat repair; car wash and wax; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dry cleaning, pressing, dyeing, and laundering; electrical and electronic repair and installation; engraving, photography, and retouching; ~~equipment~~ rental of tangible personal property; excavating and grading; farm implement repair of all kinds, flying service, except agricultural aerial application services and aerial commercial and charter transportation services; furniture, rug, upholstery repair and cleaning; for storage and repair; golf and country clubs and all commercial recreation; house and building moving; household appliance, television, and radio repair; jewelry and watch repair; machine operator; machine repair of all kinds, motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pipe fitting and plumbing; wood preparation; licensed executive search agencies; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; printing and binding; sewing and stitching; shoe repair and shoeshine; storage warehousing of raw agricultural products; telephone answering service; test laboratories, except tests on humans; termite, bug, roach, and pest eradicators; tin and sheet metal repair; turkish baths, massage, and reducing salons; vulcanizing, recapping, and retreading; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed

meat, fish, fowl and vegetables; wrecking service; wrecker and towing. For purposes of this subsection, gross taxable services from rental includes rents, royalties, and copyright and license fees.

*Vetoed*

Sec. 78. Section 422.45, subsection 12, Code Supplement 1983, is amended to read as follows:

12. Gross receipts from the sale of all foods for human consumption which are eligible for purchase with food coupons issued by the United States department of agriculture pursuant to regulations in effect on July 1, 1974, regardless of whether the retailer from which the foods are purchased is participating in the food stamp program. However, as used in this subsection, "foods" does not include meals prepared for immediate consumption on or off the premises of the retailer, ~~and does not include~~ foods sold through vending machines, or beverages as defined in section 455C.1, subsection 1.

Sec. 79. Sections 77 and 78 are effective July 1 following enactment.

DIVISION VII

*Vetoed*

Sec. 80. Notwithstanding section 427A.12, subsection 7, in the fiscal year beginning July 1, 1984 and ending June 30, 1985, the state comptroller shall pay from the personal property tax replacement fund to the respective county treasurers on May 15, 1985 an amount equal to one-half of the amount due and payable for the fiscal year beginning July 1, 1984 and ending June 30, 1985. The remaining one-half of the funds payable from the personal property tax replacement fund for the fiscal year beginning July 1, 1984 and ending June 30, 1985 shall be paid by the state comptroller to the respective county treasurers not later than July 1, 1985. The payment received on July 1, 1985 is an account receivable for the previous fiscal year.

Sec. 81. This Act, being deemed of immediate importance, takes effect from and after its publication in the Audubon

News-Advocate, a newspaper published in Audubon, Iowa, and in The Winterset Madisonian, a newspaper published in Winterset, Iowa.

.....  
CHARLES P. MILLER  
President Pro Tempore 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 2330, Seventieth General Assembly.

*Item Veto*  
Approved 5/19 1984

.....  
K. MARIE THAYER  
Secretary of the Senate

.....  
TERRY E. BRANSTAD  
Governor