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**2008 SUMMARY  
OF LEGISLATION  
IOWA GENERAL ASSEMBLY  
LEGISLATIVE SERVICES AGENCY  
REGULAR SESSION**

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**SUMMARY OF LEGISLATION  
ENACTED IN THE YEAR 2008 BY THE SECOND REGULAR SESSION  
OF THE EIGHTY-SECOND GENERAL ASSEMBLY**

**Prepared by the Legislative Services Agency**

**PURPOSE**

This summary of legislation enacted by the 2008 General Assembly has been prepared for the use of legislators and other interested parties. The summary of each legislative enactment has been assigned to a major subject category. This compilation provides interested persons with quick reference to legislation enacted in specific areas and generally informs persons of the contents and effective date of the legislation.

**HOW TO FIND A SUMMARY**

If you know the original file number of a particular bill, you may refer to the charts on pages iii through viii to locate the category in which the summary will be found. Otherwise, each subject category begins with a table of contents listing the file number and the chapter title from the 2008 Iowa Acts and a listing of related legislation directing the reader to the category in which the summary is located and briefly explaining how the category at hand is related.

**EFFECTIVE DATE**

The effective date of the legislative enactments is July 1, 2008, unless otherwise specified in an individual summary.

**FISCAL ANALYSIS**

The Internet version of this summary of legislation provides links to fiscal information for certain legislation. Legislation linked to such information contains the words "Fiscal Analysis" following the title of the legislation.

**FISCAL YEAR**

For purposes of this summary of legislation, "fiscal year 2008-2009," and "FY 2008-2009," for example, both describe the fiscal year beginning July 1, 2008, and ending June 30, 2009.

**VETOED BILLS**

Bills vetoed by the Governor are included and noted in this summary. Item vetoes by the Governor are specified in their particular summary.

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## LOCATION OF SUMMARIES BY FILE NUMBER

### Senate Files

<b><u>Number</u></b>	<b><u>Major Subject</u></b>
<a href="#">SF 249</a>	Human Services
<a href="#">SF 261</a>	Environmental Protection
<a href="#">SF 473</a>	Civil Law, Procedure, and Court Administration
<a href="#">SF 505</a>	Civil Law, Procedure, and Court Administration
<a href="#">SF 517</a>	Energy and Public Utilities
<a href="#">SF 572</a>	Taxation
<a href="#">SF 2036</a>	Criminal Law, Procedure, and Corrections
<a href="#">SF 2054</a>	Local Government
<a href="#">SF 2059</a>	State Government
<a href="#">SF 2089</a>	Elections, Ethics, and Campaign Finance
<a href="#">SF 2101</a>	Education
<a href="#">SF 2108</a>	Natural Resources and Outdoor Recreation
<a href="#">SF 2111</a>	Education
<a href="#">SF 2117</a>	Business, Banking, and Insurance
<a href="#">SF 2123</a>	Taxation
<a href="#">SF 2124</a>	Public Defense and Veterans
<a href="#">SF 2129</a>	State Government
<a href="#">SF 2132</a>	Criminal Law, Procedure, and Corrections
<a href="#">SF 2133</a>	Agriculture
<a href="#">SF 2134</a>	Public Defense and Veterans
<a href="#">SF 2136</a>	Economic Development
<a href="#">SF 2154</a>	Labor and Employment
<a href="#">SF 2156</a>	Transportation
<a href="#">SF 2157</a>	Labor and Employment
<a href="#">SF 2160</a>	Labor and Employment
<a href="#">SF 2161</a>	Human Services
<a href="#">SF 2176</a>	State Government
<a href="#">SF 2177</a>	Health and Safety
<a href="#">SF 2179</a>	Business, Banking, and Insurance
<a href="#">SF 2198</a>	Natural Resources and Outdoor Recreation
<a href="#">SF 2199</a>	Business, Banking, and Insurance
<a href="#">SF 2203</a>	Agriculture
<a href="#">SF 2212</a>	Children and Youth
<a href="#">SF 2214</a>	Civil Law, Procedure, and Court Administration
<a href="#">SF 2216</a>	Education
<a href="#">SF 2217</a>	Criminal Law, Procedure, and Corrections
<a href="#">SF 2221</a>	Labor and Employment
<a href="#">SF 2222</a>	Labor and Employment
<a href="#">SF 2230</a>	Natural Resources and Outdoor Recreation
<a href="#">SF 2246</a>	Business, Banking, and Insurance
<a href="#">SF 2248</a>	Business, Banking, and Insurance
<a href="#">SF 2250</a>	Business, Banking, and Insurance
<a href="#">SF 2251</a>	Education
<a href="#">SF 2269</a>	Human Services
<a href="#">SF 2276</a>	Environmental Protection
<a href="#">SF 2277</a>	Business, Banking, and Insurance
<a href="#">SF 2281</a>	Civil Law, Procedure, and Court Administration
<a href="#">SF 2286</a>	Appropriations
<a href="#">SF 2289</a>	Public Defense and Veterans
<a href="#">SF 2292</a>	Civil Law, Procedure, and Court Administration
<a href="#">SF 2301</a>	State Government
<a href="#">SF 2303</a>	Labor and Employment
<a href="#">SF 2304</a>	Labor and Employment

LOCATION OF SUMMARIES BY FILE NUMBER

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<u>Number</u>	<u>Major Subject</u>
<a href="#">SF 2307</a>	Education
<a href="#">SF 2308</a>	Business, Banking, and Insurance
<a href="#">SF 2316</a>	Business, Banking, and Insurance
<a href="#">SF 2317</a>	State Government
<a href="#">SF 2320</a>	State Government
<a href="#">SF 2321</a>	Environmental Protection
<a href="#">SF 2325</a>	Economic Development
<a href="#">SF 2328</a>	Natural Resources and Outdoor Recreation
<a href="#">SF 2333</a>	Public Defense and Veterans
<a href="#">SF 2335</a>	Criminal Law, Procedure, and Corrections
<a href="#">SF 2337</a>	Business, Banking, and Insurance
<a href="#">SF 2338</a>	Health and Safety
<a href="#">SF 2340</a>	Children and Youth
<a href="#">SF 2341</a>	Health and Safety
<a href="#">SF 2347</a>	Elections, Ethics, and Campaign Finance
<a href="#">SF 2348</a>	Agriculture
<a href="#">SF 2349</a>	Business, Banking, and Insurance
<a href="#">SF 2350</a>	Civil Law, Procedure, and Court Administration
<a href="#">SF 2354</a>	Public Defense and Veterans
<a href="#">SF 2361</a>	Agriculture
<a href="#">SF 2364</a>	Children and Youth
<a href="#">SF 2367</a>	Environmental Protection
<a href="#">SF 2379</a>	Business, Banking, and Insurance
<a href="#">SF 2380</a>	Natural Resources and Outdoor Recreation
<a href="#">SF 2386</a>	Energy and Public Utilities
<a href="#">SF 2392</a>	Business, Banking, and Insurance
<a href="#">SF 2394</a>	Appropriations
<a href="#">SF 2400</a>	Appropriations
<a href="#">SF 2405</a>	Energy and Public Utilities
<a href="#">SF 2406</a>	State Government
<a href="#">SF 2413</a>	Education
<a href="#">SF 2415</a>	Local Government
<a href="#">SF 2417</a>	Appropriations
<a href="#">SF 2418</a>	Human Services
<a href="#">SF 2419</a>	Taxation
<a href="#">SF 2420</a>	Transportation
<a href="#">SF 2422</a>	Energy and Public Utilities
<a href="#">SF 2424</a>	State Government
<a href="#">SF 2425</a>	Appropriations
<a href="#">SF 2427</a>	State Government
<a href="#">SF 2428</a>	Criminal Law, Procedure, and Corrections
<a href="#">SF 2429</a>	Local Government
<a href="#">SF 2430</a>	Appropriations
<a href="#">SF 2432</a>	Appropriations

### Senate Joint Resolutions

<u>Number</u>	<u>Major Subject</u>
<a href="#">SJR 2002</a>	Natural Resources and Outdoor Recreation
<a href="#">SJR 2003</a>	Alcohol Regulation and Substance Abuse
<a href="#">SJR 2005</a>	Alcohol Regulation and Substance Abuse

## LOCATION OF SUMMARIES BY FILE NUMBER House Files

<u>Number</u>	<u>Major Subject</u>
<a href="#">HF 247</a>	Local Government
<a href="#">HF 901</a>	Alcohol Regulation and Substance Abuse
<a href="#">HF 2065</a>	Public Defense and Veterans
<a href="#">HF 2103</a>	Education
<a href="#">HF 2119</a>	Children and Youth
<a href="#">HF 2137</a>	Education
<a href="#">HF 2140</a>	Education
<a href="#">HF 2145</a>	Business, Banking, and Insurance
<a href="#">HF 2151</a>	State Government
<a href="#">HF 2164</a>	Education
<a href="#">HF 2165</a>	Business, Banking, and Insurance
<a href="#">HF 2166</a>	Health and Safety
<a href="#">HF 2167</a>	Alcohol Regulation and Substance Abuse
<a href="#">HF 2177</a>	Natural Resources and Outdoor Recreation
<a href="#">HF 2194</a>	Labor and Employment
<a href="#">HF 2195</a>	Economic Development
<a href="#">HF 2196</a>	Transportation
<a href="#">HF 2197</a>	Education
<a href="#">HF 2212</a>	Health and Safety
<a href="#">HF 2213</a>	Transportation
<a href="#">HF 2215</a>	Economic Development
<a href="#">HF 2233</a>	Taxation
<a href="#">HF 2266</a>	Criminal Law, Procedure, and Corrections
<a href="#">HF 2268</a>	Business, Banking, and Insurance
<a href="#">HF 2283</a>	Public Defense and Veterans
<a href="#">HF 2287</a>	Public Defense and Veterans
<a href="#">HF 2309</a>	Human Services
<a href="#">HF 2310</a>	Children and Youth
<a href="#">HF 2328</a>	Human Services
<a href="#">HF 2338</a>	Children and Youth
<a href="#">HF 2359</a>	Public Defense and Veterans
<a href="#">HF 2364</a>	Education
<a href="#">HF 2366</a>	Local Government
<a href="#">HF 2367</a>	Elections, Ethics, and Campaign Finance
<a href="#">HF 2372</a>	Human Services
<a href="#">HF 2383</a>	Business, Banking, and Insurance
<a href="#">HF 2385</a>	Economic Development
<a href="#">HF 2390</a>	State Government
<a href="#">HF 2392</a>	Local Government
<a href="#">HF 2393</a>	Human Services
<a href="#">HF 2400</a>	Environmental Protection
<a href="#">HF 2407</a>	Transportation
<a href="#">HF 2410</a>	State Government
<a href="#">HF 2411</a>	State Government
<a href="#">HF 2417</a>	Taxation
<a href="#">HF 2423</a>	Local Government
<a href="#">HF 2450</a>	Economic Development
<a href="#">HF 2452</a>	Transportation
<a href="#">HF 2526</a>	Education
<a href="#">HF 2539</a>	Health and Safety
<a href="#">HF 2542</a>	Labor and Employment
<a href="#">HF 2547</a>	State Government

## LOCATION OF SUMMARIES BY FILE NUMBER

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<b><u>Number</u></b>	<b><u>Major Subject</u></b>
<a href="#"><u>HF 2551</u></a>	Agriculture
<a href="#"><u>HF 2553</u></a>	Agriculture
<a href="#"><u>HF 2554</u></a>	Agriculture
<a href="#"><u>HF 2555</u></a>	Business, Banking, and Insurance
<a href="#"><u>HF 2556</u></a>	Business, Banking, and Insurance
<a href="#"><u>HF 2558</u></a>	Economic Development
<a href="#"><u>HF 2564</u></a>	Human Services
<a href="#"><u>HF 2568</u></a>	Labor and Employment
<a href="#"><u>HF 2570</u></a>	Environmental Protection
<a href="#"><u>HF 2580</u></a>	Natural Resources and Outdoor Recreation
<a href="#"><u>HF 2581</u></a>	Natural Resources and Outdoor Recreation
<a href="#"><u>HF 2591</u></a>	Human Services
<a href="#"><u>HF 2601</u></a>	Agriculture
<a href="#"><u>HF 2603</u></a>	Human Services
<a href="#"><u>HF 2606</u></a>	Agriculture
<a href="#"><u>HF 2609</u></a>	Health and Safety
<a href="#"><u>HF 2612</u></a>	Natural Resources and Outdoor Recreation
<a href="#"><u>HF 2620</u></a>	Elections, Ethics, and Campaign Finance
<a href="#"><u>HF 2626</u></a>	Civil Law, Procedure, and Court Administration
<a href="#"><u>HF 2628</u></a>	Civil Law, Procedure, and Court Administration
<a href="#"><u>HF 2633</u></a>	Business, Banking, and Insurance
<a href="#"><u>HF 2642</u></a>	Taxation
<a href="#"><u>HF 2645</u></a>	Labor and Employment
<a href="#"><u>HF 2646</u></a>	State Government
<a href="#"><u>HF 2647</u></a>	Appropriations
<a href="#"><u>HF 2651</u></a>	Transportation
<a href="#"><u>HF 2653</u></a>	Civil Law, Procedure, and Court Administration
<a href="#"><u>HF 2660</u></a>	Appropriations
<a href="#"><u>HF 2662</u></a>	Appropriations
<a href="#"><u>HF 2663</u></a>	Taxation
<a href="#"><u>HF 2668</u></a>	Environmental Protection
<a href="#"><u>HF 2669</u></a>	Environmental Protection
<a href="#"><u>HF 2672</u></a>	Environmental Protection
<a href="#"><u>HF 2673</u></a>	Taxation
<a href="#"><u>HF 2674</u></a>	Appropriations
<a href="#"><u>HF 2679</u></a>	Appropriations
<a href="#"><u>HF 2685</u></a>	Environmental Protection
<a href="#"><u>HF 2687</u></a>	Economic Development
<a href="#"><u>HF 2688</u></a>	Agriculture
<a href="#"><u>HF 2689</u></a>	Agriculture
<a href="#"><u>HF 2690</u></a>	Education
<a href="#"><u>HF 2694</u></a>	Business, Banking, and Insurance
<a href="#"><u>HF 2699</u></a>	Appropriations
<a href="#"><u>HF 2700</u></a>	Appropriations

## AGRICULTURE

- [SENATE FILE 2133](#) - Iowa Crop Improvement Association
- [SENATE FILE 2203](#) - Animal Contest Events — Spectators
- [SENATE FILE 2348](#) - Management of Cooperative Associations
- [SENATE FILE 2361](#) - State Purchase of Biobased Products
- [HOUSE FILE 2551](#) - Commercial Aerial Pesticide Applicator Licensing — Nonresidents
- [HOUSE FILE 2553](#) - Iowa Soybean Association Board — Per Diem Compensation
- [HOUSE FILE 2554](#) - Levee and Drainage Districts — Repair and Improvement Procedure Thresholds
- [HOUSE FILE 2601](#) - State Interagency Missouri River Authority
- [HOUSE FILE 2606](#) - Regulation of Grain Dealers and Warehouse Operators — Grain Indemnity Fund Administration
- [HOUSE FILE 2688](#) - Livestock Operation Odor Mitigation
- [HOUSE FILE 2689](#) - Renewable Fuels — Miscellaneous Changes

## RELATED LEGISLATION

- [SENATE FILE 2328](#) - Wild Animal Depredation Management — Deer Harvesting  
**SEE NATURAL RESOURCES AND OUTDOOR RECREATION.** This Act establishes the Deer Depredation Management Program, requires educational materials about the program be made available to farmers and farm and commodity organizations by June 30, 2008, and establishes a Deer Study Advisory Committee. The Act takes effect April 8, 2008.
- [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME-21  
**SEE TRANSPORTATION.** This Act increases annual registration fees for certain motor trucks and special trucks purchased on or after January 1, 2009. The Act establishes the "business-trade truck" as a new vehicle classification for registration of trucks weighing 10,000 pounds or less owned by qualifying business entities or farmers beginning with the 2010 model year.
- [SENATE FILE 2432](#) - Appropriations — Infrastructure and Capital Projects  
**SEE APPROPRIATIONS.** Division IX of this Act creates a Fairgrounds Infrastructure Aid Fund in the State Treasury under the control of the Treasurer of State. Moneys in the fund are appropriated exclusively to support the payment of infrastructure aid to a fair for fairground improvements.
- [S.J.R. 2002](#) - Proposed Constitutional Amendment — Natural Resources and Outdoor Recreation Trust Fund  
**SEE NATURAL RESOURCES AND OUTDOOR RECREATION.** This Joint Resolution proposes an amendment to the Constitution of the State of Iowa to dedicate a portion of state sales and service tax revenue for the benefit of water quality, natural areas, and agricultural soils in this state.
- [HOUSE FILE 2212](#) - Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas, but specifically exempts from the prohibition farm tractors, farm trucks, and implements of husbandry when being used for their intended purpose, and outdoor areas that are places of employment except if otherwise prohibited specifically under the Act.

- [HOUSE FILE 2400](#) - Surface Water Quality — Assessment, Protection, and Improvement  
**SEE ENVIRONMENTAL PROTECTION.** This Act relates to the protection of surface water by establishing a Water Resources Coordinating Council, authorizing a marketing campaign, directing assistance to local communities for monitoring and measurement, providing for a wastewater and storm water infrastructure assessment and for community-based watershed improvement plans, and creating a Regional Watershed Assessment Program.
- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act eases restrictions on the movement of certain self-propelled implements of husbandry known as "floaters" by permitting the vehicles to cross bridges, subject to posted weight limitations.
- [HOUSE FILE 2662](#) - Appropriations — Agriculture and Natural Resources  
**SEE APPROPRIATIONS.** This Act relates to agriculture and natural resources by making appropriations for FY 2008-2009 to support related entities, including the Department of Agriculture and Land Stewardship. The Act appropriates moneys to the department to support the department's administration, regulation efforts, and a wide variety of programs, especially soil conservation; and provides moneys to support specific programs or projects administered by the department from a number of sources, including the General Fund of the State, the Agricultural Remediation Fund, the Groundwater Protection Fund, and the Environment First Fund. The Act provides that voting public members serving on the Watershed Improvement Review Board are entitled to receive per diem and expenses.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters, including changes to the eligibility requirements for the Beginning Farming Program in Division IV and matters relating to the regulation of animal feeding operations and open feedlot operations contained in Division VIII.

## AGRICULTURE

### [SENATE FILE 2133](#) - Iowa Crop Improvement Association

BY COMMITTEE ON AGRICULTURE. This Act amends Code Chapter 177, which provides for the Iowa Crop Improvement Association, by amending each Code section relating to the association's recognition, its duties and objectives, and its management by a board of directors and employees. The Act does all of the following:

1. Provides that the association, which must be incorporated by the Secretary of State, is no longer required to file proof of the organization's existence with the Department of Agriculture and Land Stewardship.
2. Defines "association" to mean the Iowa Crop Improvement Association and "department" as the Department of Agriculture and Land Stewardship for purposes of the Code chapter.
3. Rewrites the powers and purposes of the association, which include: (1) acting as the official seed certification agency for Iowa as provided by rules adopted by the department, (2) providing procedures for conducting seed certification and planting stock assurance, pursuant to departmental rule, (3) influencing public policy regarding issues affecting crop improvement, (4) promoting the adaptation and performance of crop cultivars, (5) practicing environmentally sound agricultural practices, and (6) providing for commodity identity preservation.
4. Amends provisions providing for the members of the association's board of directors by increasing the membership from 9 to 10 members, by eliminating the head of farm crops at the Iowa Agricultural Experiment Station at Iowa State University, and adding two persons from Iowa State University's College of Agriculture (the chair of the Agronomy Department of the College of Agriculture and the Director of the Seed Science Center). Persons remaining on the board include the Secretary of Agriculture, the Director of Iowa State University's Agricultural Experiment Station, and six persons representing the association's shareholders.
5. Amends provisions which provide for the employment of staff by providing for the employment of part-time personnel, and expressly allows the board to employ an executive director. The Act also eliminates a provision which requires that board members be reimbursed for expenses. Under the Act, such payments are made according to Code Section 7E.6 as determined by the board.

### [SENATE FILE 2203](#) - Animal Contest Events — Spectators

BY COMMITTEE ON AGRICULTURE. This Act amends Code Chapter 717D, which prohibits activities associated with a contest event, organized for entertainment or profit, where an animal is injured, tormented, or killed. Code Section 717D.2 prohibits a person from acting as a spectator at a contest event, regardless of whether the person paid admission to witness it. Prior to this Act, Code Section 717D.4 provided that a person classified as a spectator committed an aggravated misdemeanor, while a person who violated any other provision of the Code chapter committed a class "D" felony (e.g., owning or operating an establishment where a contest event occurs; promoting a contest event; possessing, transporting, transferring, or training an animal engaged in a contest event; or possessing a device used to enhance animal fighting).

The Act provides that in order to be classified as a spectator, a person must attend the establishment to knowingly watch the contest event. A person classified as a spectator commits an aggravated misdemeanor, but only for the first offense. For a second or subsequent offense, the person classified as a spectator commits a class "D" felony.

The Act prohibits a person from engaging in gambling at a contest event. It also provides that such person commits a class "D" felony.

An aggravated misdemeanor is punishable by confinement for no more than two years and a fine of at least \$500 but not more than \$5,000. A class "D" felony is punishable by confinement for no more than five years and a fine of at least \$750 but not more than \$7,500.

**SENATE FILE 2348 - Management of Cooperative Associations**

BY COMMITTEE ON AGRICULTURE. This Act amends a number of provisions related to the management of a cooperative association.

*STANDARD OF CONDUCT FOR BOARD MEMBERS.* The Act provides for the standard of conduct for an association's board of directors. Generally, the standard is one of good faith and reasonableness and allows a director to base a decision upon information normally considered reliable (competent persons, professionals, or designated committees). The Act establishes procedures for a director's approval of board decisions. It also provides that in making a decision, the director may consider so-called community interest factors which include: (1) the effects of the action on the association's employees, suppliers, creditors, and customers, (2) the interests of and effects on communities and the cooperative system in which the cooperative and its members operate, and (3) the long-term as well as short-term interests of the association and its members.

*STANDARD OF CONDUCT FOR OFFICERS.* The Act provides a standard of conduct for an association's officers. Generally, the standard is one of good faith using ordinary care and in a manner that the officer reasonably believes is in the association's best interest. The officer is entitled to rely upon persons who the officer has reason to believe are reliable and competent, information prepared by such persons, and professionals. An officer is not liable for actions which are performed on the basis of these standards of care.

*GREATER VOTING REQUIREMENTS.* The Act provides that an amendment to an association's articles of incorporation that modifies a quorum or voting margin that is greater than that required by statute must be adopted by the quorum or voting requirement then in effect or proposed to be adopted, whichever is greater. For example, if a proposed amendment to the articles requires a vote of 66 and two-thirds percent of the members present or represented by mailed ballots, the amendment must be adopted by that percentage (Code Section 499.41). See also provisions relating to the sale or other disposition of an association's assets other than in the regular course of business and consideration of acquisition proposals.

*SALE OF OR OTHER DISPOSITION OF ASSETS OTHER THAN IN THE REGULAR COURSE OF BUSINESS.* The Act amends provisions which allow a board of directors to adopt a resolution recommending a vote by the association's membership for the sale, lease, exchange, or other disposition of all or substantially all of the association's assets. The board may condition its recommendation upon any basis. The Act also accounts for the voting on the measure by the members. Under current law the members must approve the disposition by a two-thirds majority. The Act provides that the association's articles of incorporation may require that the vote be by a greater than two-thirds majority.

*CONSIDERATION OF ACQUISITION PROPOSALS.* The Act provides that the board of directors, when determining whether to recommend an acquisition proposal, including a merger or consolidation proposal, may consider community interest factors and may reject the proposal if the board determines that it is not in the best interests of the association.

The board of directors may condition its recommendation to approve a merger or consolidation to the members on any basis. Generally, the members must approve the board's recommendation by a two-thirds majority vote in the same way in which a proposal to dispose of all of the association's assets must be approved by a super-majority.

The Act also provides that the association's articles of incorporation may require that the vote be by a greater than two-thirds majority.

**SENATE FILE 2361 - State Purchase of Biobased Products**

BY COMMITTEE ON STATE GOVERNMENT. This Act provides that when purchasing products, the Department of Administrative Services, other state agencies, and the board of directors of a merged area must give a preference to purchasing designated biobased products (other than food or feed) that are comprised in significant part of biological products, such as renewable agricultural materials, according to procedures and specifications adopted by the state governmental entity after consulting applicable guidelines or regulations for

bio-based products promulgated by the U.S. Department of Agriculture. The Act is similar to provisions applicable to biobased hydraulic fluids, greases, and other industrial lubricants formally enacted into law.

The Act provides that the purchase of biobased products must be based on the greatest percentage of biobased materials contained in the designated biobased product, but provides for the following exceptions: (1) the product is not available, (2) it does not meet performance requirements of a manufacturer, (3) it does not meet functional requirements or evaluation criteria in bid documents, or, (4) it is a noncompetitive item or is purchased in lots too small to be effectively purchased or it is prohibitively expensive. The Act requires the establishment of a preference program for procuring the maximum content of biobased materials in designated biobased products, which includes advertising and soliciting bids for such products.

The Act does not apply to the procurement of designated biobased products which are subject to preexisting requirements, including soybean-based ink, degradable loose foam packing material manufactured from grain starches or other renewable resources, and biobased hydraulic fluid, grease, or other industrial lubricant.

The Act provides that when evaluating a bid for the purchase of a designated biobased product, the department or other state governmental entity may consider warranty provisions and life cycle cost estimates.

The Act specifically amends provisions in Code chapters affecting state governmental entities having procurement authority independent of the Department of Administrative Services, including the Department for the Blind, community colleges, State Board of Regents institutions, the Department of Transportation, and the Department of Corrections.

**[HOUSE FILE 2551](#) - Commercial Aerial Pesticide Applicator Licensing — Nonresidents**

BY COMMITTEE ON AGRICULTURE. This Act amends Code Section 206.6 which, in part, requires a person who is in the business of applying pesticides to be issued a commercial applicator license by the Department of Agriculture and Land Stewardship (DALs), and includes requirements for nonresident aerial applicators.

The Act eliminates special requirements for a person licensed as an aerial commercial applicator in another state who applies pesticides in this state, including being under the direct supervision of an aerial commercial applicator licensed in this state. The resident aerial commercial licensee is subject to the following requirements: (1) being jointly liable with the nonresident aerial commercial applicator, and (2) immediately notifying DALs of the commencement and termination of the nonresident's service.

The Act amends Code Section 206.6(5), which regulates all commercial applicators, including pesticide aerial applicators. The Act provides that DALs must adopt additional requirements for issuing a license to a person who is a nonresident of this state engaged in the aerial application of pesticides. The additional requirements may include conditions for the operation of the aircraft and the application of the pesticides under the supervision of a person who is a resident of this state and licensed as a commercial applicator or as a pesticide dealer (see Code Section 206.8). The Act provides that DALs' authority does not include adopting rules concerning the operation of an aircraft when not engaged in the commercial application of pesticides.

Generally, a person who violates a provision of Code Section 206.6 is guilty of a serious misdemeanor (see Code Section 206.22). A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$315 but not more than \$1,875. A person may also be subject to a civil penalty as determined by DALs of up to \$500 (see Code Section 206.19).

The Act takes effect April 8, 2008.

**[HOUSE FILE 2553](#) - Iowa Soybean Association Board — Per Diem Compensation**

BY COMMITTEE ON AGRICULTURE. This Act raises the per diem payment to \$100 for directors of the Iowa Soybean Association Board.

**[HOUSE FILE 2554](#) - Levee and Drainage Districts — Repair and Improvement Procedure Thresholds**

BY COMMITTEE ON AGRICULTURE. This Act amends provisions in Code Section 468.126, which authorizes a governing board of a drainage or levee district (e.g., a county board of supervisors) to make improvements to a

drainage or levee district by increasing the amount of money required to be paid by the board for making the improvement before triggering the right of public participation in decision making.

*REPAIRS.* Under current law, a board may provide for an improvement to make a repair to maintain or restore the district without conducting a public hearing on the matter if the cost of the repairs does not exceed \$15,000 or 75 percent of the original cost of the district counting subsequent improvements. The Act increases the ceiling amount to \$20,000. The Act also increases the ceiling amount from \$15,000 to \$20,000 when the board makes a minor repair or eradicates weeds or brush from a ditch using Secondary Road Fund equipment or Weed Fund equipment, provided that the board subsequently repays that fund.

*INCREASING CAPACITY.* Under current law, the board is authorized to make an improvement to increase the capacity of a ditch, tile drain, or other facility without a notice or hearing if the cost of the improvement does not exceed \$15,000 or 25 percent to the original cost of the district and subsequent improvement, whichever is greater. The Act increases the ceiling amount to \$20,000. Finally, the Act amends a provision which allows a landowner to file a remonstrance against such proposed improvement if the costs of making an improvement exceed the greater of \$20,000 or the cost of the district plus subsequent improvements. The Act increases the threshold amount to \$25,000.

**HOUSE FILE 2601 - State Interagency Missouri River Authority**

BY COMMITTEE ON AGRICULTURE. This Act amends Code Section 28L.1, which creates the State Interagency Missouri River Authority. The authority is responsible for representing the interests of this state on the Missouri River Basin Association and for promoting the management of the Missouri River in a manner that does not negatively impact landowners along the river or the state's economy. The members of the authority include the Governor or the Governor's designee and the heads of five state agencies or their designees. Those state agencies are the Department of Natural Resources (DNR), the Department of Agriculture and Land Stewardship, the Department of Transportation, the Iowa Utilities Board, and the Department of Economic Development. The DNR director serves as the association's chairperson in the Governor's absence.

The Act changes the name of the Missouri River Basin Association to the Missouri River Association of States and Tribes. It provides that the authority must also promote the management of the Missouri River in a manner that positively impacts this state's interests along, in, and on the river. It requires the DNR director or the director's designee to coordinate authority meetings, and requires the authority's membership to achieve consensus on the state's position regarding issues to be considered by the Missouri River Association of States and Tribes. However, it also allows the authority to vote on an issue before the Missouri River Association of States and Tribes without unanimous agreement by the agency heads or their designees so long as a majority of the members or their designees agree. The authority is no longer required to regularly meet with stakeholder groups or receive their recommendations prior to voting upon an issue of interest, but the authority must seek their comments regarding issues that impact the Missouri River basin.

**HOUSE FILE 2606 - Regulation of Grain Dealers and Warehouse Operators — Grain Indemnity Fund Administration**

BY COMMITTEE ON AGRICULTURE. This Act amends a number of Code chapters relating to grain transactions involving grain dealers and grain warehouse operators licensed by the Department of Agriculture and Land Stewardship (DALs) and the administration of the Grain Indemnity Fund. Code Chapter 203 regulates grain dealers, Code Chapter 203C regulates warehouse operators, and Code Chapter 203D provides for the Grain Indemnity Fund and the payment of claims to producers classified as sellers or depositors.

*FINANCIAL INSTITUTIONS.* The Act amends provisions in Code Chapters 203 and 203C by modifying the definition of a financial institution to include in-state and out-of-state banks and savings and loan associations and by replacing the specific reference to the National Bank for Cooperatives with any bank or association chartered by the federal farm credit system. The Code chapters refer to financial institutions when addressing requirements for issuing letters of credit and for payment by electronic transfer.

*FINANCIAL STATEMENTS.* The Act amends Code Chapter 203 providing for the licensure of grain dealers (class 1 or class 2) and Code Chapter 203C providing for the licensure of warehouse operators (class 1 or class 2).

The Act authorizes DALS to demand that a grain dealer or warehouse operator submit financial statements to DALS as it determines necessary to verify the financial status of the grain dealer or warehouse operator or compliance with licensure requirements.

*FEDERALLY LICENSED WAREHOUSES.* The Act amends several provisions in Code Chapter 203 regulating credit sale contracts which refer to federally licensed warehouses by citing the relevant federal statute, the United States Warehouse Act. It also amends Code Chapter 203D by striking an extraneous reference to operators of federal warehouses who were allowed to participate in the fund.

*ELECTRONIC DOCUMENTS.* The Act amends Code Chapters 203 and 203C by authorizing DALS to adopt rules regarding electronic documents, including for their transmission, receipt, authentication, and archiving. For grain dealers, such documents include scale tickets, settlement sheets, daily position records, and credit-sale contracts, and for warehouse operators such documents include scale tickets, warehouse receipts, settlement sheets, and daily position records. The Act eliminates a reference to shipping ledgers.

*LICENSURE TERMINOLOGY.* The Act amends provisions in Code Chapter 203D to change the term "state warehouse" to "licensed warehouse" to be compatible with provisions in Code Chapter 203C regulating warehouses licensed by DALS. Code Section 203D.2 provides that persons participating in the fund are licensed grain dealers and licensed warehouse operators, and the Act makes a number of corresponding changes to provide that a grain dealer or warehouse operator means a person who is licensed under Code Chapter 203 or 203C. The Act amends Code Section 203D.4 to require that members of the Iowa Grain Indemnity Fund Board representing grain dealers and warehouse operators be licensed.

*SELLERS ELIGIBLE FOR INDEMNIFICATION.* The Act amends the definition of a "seller" who is entitled to file a claim for indemnification from the fund. Specifically, the Act amends Code Section 203D.1 to provide that a seller does not include a person who sells grain that is not produced in this state unless it is delivered to a licensed grain dealer at a location in the state as the first point of sale.

*TIME LIMIT ON CLAIMS FOR INDEMNIFICATION.* The Act provides for the expiration of claims for indemnification which would otherwise be eligible to be paid. It provides for a five-year limitation upon a claimant who fails to provide for the subrogation of an indemnity claim or to provide necessary documentation or information required to process the claim. The Act provides that, for persons with eligible claims outstanding, the five-year limitation period commences on July 1, 2008, the effective date of the Act.

**HOUSE FILE 2688 - Livestock Operation Odor Mitigation**

**BY COMMITTEE ON WAYS AND MEANS.** This Act provides for the establishment and administration of efforts by Iowa State University (ISU) to mitigate odor emitted from livestock operations involving swine, beef or dairy cattle, chickens, or turkeys. In conducting the efforts, ISU is to cooperate with the Department of Agriculture and Land Stewardship and the Department of Natural Resources (DNR). The Act is divided into a research effort to mitigate the impact of odor emitted from livestock operations generally and an evaluation effort to assist livestock producers in siting specific livestock operations.

*RESEARCH EFFORT.* One purpose of the Act is to accelerate the adoption of affordable and effective odor mitigation technologies and strategies by livestock producers. The Act authorizes ISU to conduct research based on three specific project classifications: (1) on-site applied research to address whether technologies and strategies can be successfully implemented across many livestock operations, locations, and situations; (2) basic or applied research to evaluate technologies or strategies that have not been subject to comprehensive scientific scrutiny but which demonstrate promise; and (3) basic research to investigate emerging technologies and strategies.

The Act establishes a cost-share program to support research efforts by providing for contributions by livestock producers and other interested persons. A livestock producer participating in a research effort must contribute to the research effort by providing in-kind contributions (e.g., labor, property, or taxes). However, a livestock producer classified as a habitual violator or chronic violator of environmental laws must contribute 100 percent of the costs.

The Act provides that ISU is the custodian of information obtained in connection with research projects and information obtained in connection with the research projects conducted on the site of a livestock operation is confidential, unless confidentiality is waived by the livestock producer.

The Act requires that ISU submit annual interim reports which describe the university's progress in carrying out the research projects and make recommendations for improving, continuing, or expanding research and for disseminating the results of the research to livestock producers. The university must submit a final report to the General Assembly six months after it completes its research effort.

*EVALUATION EFFORT.* A second purpose of the Act is to develop a livestock odor mitigation evaluation effort which determines the potential odor exposure to persons who would neighbor a livestock operation as proposed to be constructed. Iowa State University is authorized to assist a livestock producer to evaluate a potential construction site. The evaluation effort provides for three levels of possible participation by a livestock producer, corresponding to the complexity of the proposed construction site, and provides for an increasing degree of involvement by the livestock producer and the university. At the completion of an evaluation, the university must provide the livestock producer with a report including findings and recommendations. A livestock producer who has completed the level of evaluation as recommended by the university may request that the university issue the livestock producer a livestock odor mitigation evaluation certificate. Information obtained as a part of the evaluation process is confidential.

The Act provides that the DNR cannot issue a permit for the construction of a confinement feeding operation structure which is associated with a confinement feeding operation until the applicant has been issued a livestock odor mitigation evaluation certificate. However, the applicant is not required to obtain the certificate if an exception applies including: (1) the confinement feeding operation is twice the minimum separation distance required from the nearest object or location from which a separation distance is required, (2) the owner of each object or location which is less than twice the minimum separation distance required from the confinement feeding operation executes a document consenting to the construction, (3) the applicant submits a document swearing that ISU failed to furnish a certificate to the applicant within 45 days after the applicant requested the university to conduct a livestock odor mitigation evaluation, (4) the application is for a permit to expand a confinement feeding operation which was established prior to the effective date of the Act's provisions, or (5) the university does not provide for a livestock odor mitigation evaluation effort for any reason, including lack of funding. In addition, an applicant is not required to submit a certificate if an application was submitted prior to January 1, 2009.

The Act's provisions are to be implemented only when ISU first receives moneys to carry out its provisions.

**HOUSE FILE 2689 - Renewable Fuels — Miscellaneous Changes**

BY COMMITTEE ON WAYS AND MEANS. This Act amends Code provisions relating to renewable fuel, and specifically biofuels used in motor fuels, including ethanol (ethyl alcohol) and biodiesel (derived from vegetable oils or animal fats). Ethanol is blended into gasoline and biodiesel used without blending or blending into diesel fuel. The Act refers to biodiesel and biodiesel blended fuel known commonly as biodiesel fuel. The Act also refers to the percentage of biofuel contained in a gallon of motor fuel as E-xx (where "xx" equals the percentage of ethanol by volume) and B-xx (where "xx" equals the percentage of biodiesel by volume). Generally, motor fuel pumps and motor fuel are regulated by the Department of Agriculture and Land Stewardship (DALS).

*RENEWABLE FUEL INFRASTRUCTURE PROGRAMS — GENERAL.* The Act provides for programs administered by the Renewable Fuel Infrastructure Board (see Code Section 15G.202) established within the Department of Economic Development (DED) and supported by moneys appropriated from the Grow Iowa Values Fund (see Code Section 15G.111(7)). The programs include the Renewable Fuel Infrastructure Program for Retail Motor Fuel Sites (see Code Section 15G.203) and the Renewable Fuel Infrastructure Program for Terminal Facilities (see Code Section 15G.204), both of which provide grants on a cost-share basis to participating persons upgrading infrastructure associated with storing and dispensing ethanol or ethanol blended gasoline or biodiesel fuel. The program designed to improve motor fuel sites is divided between financing infrastructure associated with either ethanol infrastructure or biodiesel infrastructure.

*RENEWABLE FUEL INFRASTRUCTURE FOR RETAIL MOTOR FUEL SITES — ELIGIBLE INFRASTRUCTURE.* The Act provides for a new type of motor fuel pump referred to as a motor fuel blender pump (blender pump) which dispenses a blend of two or more types of motor fuel and may allow a retail customer to select the percent of biofuel, either ethanol or biodiesel. The Act expands the program to provide financial incentive to support the installation, replacement, or conversion of infrastructure associated with using a blender pump to dispense ethanol blended gasoline or biodiesel fuel.

The Act provides that renewable fuel infrastructure must be part of the premises of a retail motor fuel site and does not include a tank vehicle used to transport ethanol, ethanol blended gasoline, or biodiesel fuel off-site. However, the infrastructure board may approve financing for a participating person to acquire a tank vehicle pursuant to a cost-share agreement for a three-year period as a standard financial incentive for ethanol infrastructure or biodiesel infrastructure, not to exceed 50 percent of the actual cost of the acquisition of the tank vehicle or \$30,000, whichever is less. In order to participate, the person must apply to DED not later than December 31, 2008.

*RENEWABLE FUEL INFRASTRUCTURE FOR RETAIL MOTOR FUEL SITES — COST-SHARE AGREEMENTS.* The Act amends provisions which provide for financing used to improve a motor fuel site's renewable fuel infrastructure. Such financing must be made pursuant to a cost-share agreement awarding standard financial incentives or standard and supplemental financial incentives to a participating person. The infrastructure board may approve multiple improvements to the same retail motor fuel site for the full amount available for both ethanol infrastructure and biodiesel infrastructure so long as the improvements are made under separate cost-share agreements. A cost-share agreement may be for (1) a three-year period under which the infrastructure board awards 50 percent of the actual cost of making the improvement or \$30,000, whichever is less or (2) a five-year period under which the infrastructure board awards 70 percent of the actual cost of making the improvement or \$50,000, whichever is less.

In addition to standard financial incentives, the infrastructure board may award supplemental financial incentives to the participating person. The Act expands supplemental financial incentives to install an additional tank and associated infrastructure at each of four additional retail motor fuel sites within a 12-month period, not to exceed \$6,000, for improvements made to each additional motor fuel site.

*RENEWABLE FUEL INFRASTRUCTURE PROGRAM FOR TERMINAL FACILITIES.* The Act amends provisions establishing a Renewable Fuel Infrastructure Program for Terminal Facilities, which provides financial incentives to participating persons storing, blending, or dispensing of biodiesel fuel. The Act establishes two different cost-share schedules based on the percentage of biodiesel fuel stored, blended, or dispensed. For biodiesel fuel classified from B-2 or higher but not as high as B-99, the rate continues to be 50 percent of the actual cost of making the improvement or \$50,000, whichever is less, and for biodiesel fuel classified from B-99 to B-100, an enhanced rate of 50 percent of the actual cost of making the improvement or \$100,000, whichever is less. In the case of the enhanced rate, a participating person cannot be awarded more than a total of \$800,000 during any period of time and pursuant to all cost-share agreements in which the person participates.

*REGULATION OF MOTOR FUEL INFRASTRUCTURE AND MOTOR FUEL.* The Act amends Code Chapter 214, which provides for the regulation of motor fuel infrastructure (e.g., motor fuel tanks and motor fuel pumps, also referred to as dispensers) by making technical changes to enhance the readability of its provisions. The Act makes technical and substantive changes in Code Chapter 214A. It provides a definition of unleaded gasoline, including by providing that it must meet an octane number of at least 87, limits the amount of lead and phosphorus, and provides standards for blending unleaded gasoline with ethanol based on A.S.T.M. International specifications, presumably to achieve an 87 octane number for regular grade gasoline.

The Act reduces the minimum percentage of ethanol contained in ethanol blended gasoline from 10 to 9 percent by volume. In order to accomplish the 9 percent allowable ethanol content, the Act waives standards for the content of ethanol in ethanol blended gasoline provided in A.S.T.M. International specifications from September 16 through May 31, and recognizes a waiver granted by the U.S. Environmental Protection Agency (EPA) requirements for ethanol blended gasoline from June 1 to September 15. It allows standard ethanol blended gasoline classified higher than E-10 but less than E-85 to be sold in this state if authorized by DAL

pursuant to approval by EPA. The Act requires the Secretary of Agriculture to make application the EPA to obtain approval for the use of the increased blend of ethanol, and to publish notice of the approval in the Iowa Administrative Bulletin. A person advertising ethanol blended gasoline formulated between 70 and 85 percent by volume of ethanol must designate it as E-85, and a motor fuel pump that dispenses ethanol blended gasoline classified higher than standard ethanol blended gasoline must contain a warning that it is for flexible fuel vehicles only.

*BIODIESEL BLENDED FUEL TAX CREDIT.* The Act amends provisions relating to the biodiesel blended fuel tax credit available to a retail dealer of biodiesel blended fuel during each tax year until the tax credit expires on January 1, 2012. The tax credit must be calculated separately for each retail motor fuel site operated by the taxpayer. The changes to the tax credit are applicable on and after January 1, 2009.

*GOVERNMENT FLEET PURCHASES OF BIODIESEL FUEL.* The Act amends a number of provisions that currently require state government gasoline-powered vehicles to operate using ethanol blended gasoline and restrict the use of a state-issued credit card by state agencies to purchase gasoline other than ethanol blended gasoline. The Act provides that state diesel-powered vehicles must use biodiesel fuel whenever available and restricts the use of a state-issued credit card by state agencies to purchase diesel fuel other than biodiesel fuel. State Board of Regents institutions are not required to meet the renewable fuel purchase requirement if doing so would violate a motor vehicle manufacturer's warranty or if nonbiodiesel fuel is used under emergency circumstances.

The Act declares that it is the policy of the state to encourage the use of biodiesel fuel by schools, counties, cities, and community colleges.

*DIRECT MARKETING CAMPAIGN — FLEXIBLE FUEL VEHICLES AND DIESEL-POWERED VEHICLES.* The Act requires the Office of Energy Independence to develop a Renewable Fuel Marketing Plan specifically targeted to owners of flexible fuel vehicles and diesel-powered vehicles in order to increase owner awareness and knowledge regarding E-85 and biodiesel fuel alternative fuel choices. The Department of Transportation must assist the office in carrying out the campaign. The office may collaborate with public or private organizations to carry out the campaign. The office must use moneys received from all sources, including moneys available from its standing appropriation codified in Code Section 469.10.

*EFFECTIVE AND APPLICABILITY DATES.* Generally, the provisions of the Act take effect May 12, 2008, but there are a number of exceptions.

The Renewable Fuel Infrastructure Board may approve financial incentives to participating persons to improve motor fuel sites or terminal facilities based on applications received on or after February 19, 2008. However, provisions that allow the participating person to receive the increased financial incentives to improve a terminal facility cannot be awarded enhanced financial incentives until January 1, 2009.

The requirement that state government vehicle fleets purchase biodiesel fuel takes effect July 1, 2008.

The biodiesel blended tax credit is applicable to tax years beginning on and after January 1, 2009. For an amendment to the provision that also makes the provisions effective on that same date, see H.F. 2700 (see Appropriations).

## ALCOHOL REGULATION AND SUBSTANCE ABUSE

- [S.J.R. 2003](#) - Hy-Vee World Cup Triathlon Awards Ceremony
- [S.J.R. 2005](#) - World Food Prize Awards Ceremony
- [HOUSE FILE 901](#) - Alcoholic Beverage Licensee or Permittee Security Personnel Training
- [HOUSE FILE 2167](#) - Controlled Substances — Schedules and Reporting Requirements

### RELATED LEGISLATION

- [SENATE FILE 2286](#) - Federal Block Grant Appropriations  
**SEE APPROPRIATIONS.** This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009, and for the state fiscal year beginning July 1, 2008, and ending June 30, 2009. The Act includes funding for various substance abuse and drug enforcement programs.
- [SENATE FILE 2425](#) - Appropriations — Health and Human Services  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations for health and human services for FY 2008-2009, and includes funding for tobacco cessation, substance abuse, and gambling treatment. It also requires the Department of Public Health to implement a process to create a system for delivery of gambling and substance abuse treatment, including joint licensure of such treatment programs.
- [HOUSE FILE 2212](#) - Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas, specifically including bars.
- [HOUSE FILE 2310](#) - Substance Abuse and Child Abuse — Study  
**SEE CHILDREN AND YOUTH.** This Act requires the departments of Public Health and Human Services to perform a study, collect data, and develop a protocol to address the substance misuse, abuse, or dependency by a child's parent, guardian, custodian, or other person responsible for the child's care and its relationship to child abuse.
- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act allows state correctional facilities to provide approved courses for drinking drivers, which are required for reinstatement of driving privileges following conviction for operating while intoxicated. The courses are currently offered only by community colleges and substance abuse treatment programs.



## ALCOHOL REGULATION AND SUBSTANCE ABUSE

### [SENATE JOINT RESOLUTION 2003](#) - Hy-Vee World Cup Triathlon Awards Ceremony

BY GRONSTAL. This Joint Resolution authorizes the use and consumption of alcoholic beverages at an awards ceremony for the Hy-Vee BG World Cup Triathlon to be held on the State Capitol Complex grounds. Current law and rules prohibit the use and consumption of alcoholic beverages within the State Capitol Complex.

The Joint Resolution takes effect May 7, 2008.

### [SENATE JOINT RESOLUTION 2005](#) - World Food Prize Awards Ceremony

BY GRONSTAL. This Joint Resolution authorizes the consumption of wine and beer at an awards ceremony to be held by the World Food Prize Foundation at the State Capitol on or around October 16, 2008. The Joint Resolution also authorizes the display of three ceremonial banners on a temporary basis either inside or outside the State Capitol in conjunction with the ceremony.

### [HOUSE FILE 901](#) - Alcoholic Beverage Licensee or Permittee Security Personnel Training

BY COMMITTEE ON WAYS AND MEANS. This Act concerns the training of designated security personnel working at commercial establishments that have a license or permit for on-premises consumption of alcohol. The Act provides that if, under current law, a city or county requires training as a condition of holding a liquor license, the training shall include, in addition to the items already provided by law, de-escalation and anger management techniques, recognition of fake identification, and appropriate use of force in safely removing patrons.

The Act also establishes a pilot project in Polk County, beginning January 1, 2009, which provides that Polk County, or a city located in Polk County, shall require that a commercial establishment with a license for on-premises consumption of alcohol have at least one trained designated security person on the premises during an event on the premises if the occupancy of the premises is at least 200 persons and at least a \$5 cover charge to enter is required for the event. As part of the pilot project, the Act requires the Labor Services Division of the Department of Workforce Development to establish an eight-hour training program for designated security employees and authorizes the division to assess a \$50 fee for each person attending the training. The Act provides that a report on the effectiveness of the pilot project be submitted to the General Assembly by January 1, 2011, and further provides that the pilot project be repealed June 30, 2011.

### [HOUSE FILE 2167](#) - Controlled Substances — Schedules and Reporting Requirements

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to controlled substance schedules and the requirements for reporting to the Board of Pharmacy.

The Act adds the substance "oripavine" to the list of schedule II controlled substances.

The Act also adds the substance "lisdexamfetamine," its salts, isomers, and salts of its isomers to the list of stimulants classified as schedule II controlled substances. A schedule II controlled substance is a substance appropriate for medical use but has a high potential for abuse.

The substance "embutramide" is added to the list of depressants classified as schedule III controlled substances by the Act.

The Act makes any drug product in a tablet or capsule form containing natural or synthetic "dronabinol" (derived from the cannabis plant) a schedule III controlled substance. Currently, any product in capsule form containing synthetic dronabinol approved by the U.S. Food and Drug Administration a schedule III controlled substance. A schedule III controlled substance is a substance appropriate for medical use but has a lower potential for abuse than substances classified as schedule II controlled substances.

The Act also strikes references to pseudoephedrine and phenylpropanolamine as precursor substances which require reporting to the Board of Pharmacy under Code Chapter 124B. Under the Act, and currently,

pseudoephedrine and phenylpropanolamine are regulated as schedule V controlled substances pursuant to Code Section 124.212.

The scheduling amendments in the Act conform with scheduling actions of the federal Drug Enforcement Agency.

The Act makes it a class "C" felony pursuant to Code Section 124.401, subsection 1, for illegally selling or delivering oripavine, lisdexamfetamine, or embutramide.

The Act also makes it a serious misdemeanor pursuant to Code Section 124.401, subsection 5, for any unauthorized person to possess oripavine, lisdexamfetamine, or embutramide.

## APPROPRIATIONS

- [SENATE FILE 2286](#) - Federal Block Grant Appropriations
- [SENATE FILE 2394](#) - Appropriations — Transportation
- [SENATE FILE 2400](#) - Appropriations — Administration and Regulation
- [SENATE FILE 2417](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations
- [SENATE FILE 2425](#) - Appropriations — Health and Human Services
- [SENATE FILE 2430](#) - Economic Assistance for Microenterprises, River and Lake Enhancements, and Individual Development
- [SENATE FILE 2432](#) - Appropriations — Infrastructure and Capital Projects
- [HOUSE FILE 2647](#) - Appropriations — Judicial Branch
- [HOUSE FILE 2660](#) - Appropriations — Justice System
- [HOUSE FILE 2662](#) - Appropriations — Agriculture and Natural Resources
- [HOUSE FILE 2674](#) - Grants Enterprise Management Office Appropriation — Continuation
- [HOUSE FILE 2679](#) - Appropriations — Education
- [HOUSE FILE 2699](#) - Appropriations — Economic Development
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes

## RELATED LEGISLATION

- [SENATE FILE 2347](#) - Elections, Voting Systems, and Infrastructure — Funding  
**SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE.** This Act appropriates moneys from the Rebuild Iowa Infrastructure Fund (RIIF) to the Optical Scan Voting System Fund created in the Act, and reduces FY 2007-2008 appropriations to the Department of Administrative Services from RIIF. The Act takes effect April 1, 2008.
- [SENATE FILE 2429](#) - Budget Requirements for Qualified Cities  
**SEE LOCAL GOVERNMENT.** This Act excuses a city having a population of 75 persons or less according to the 2000 federal census from failing to comply with certain state budgetary requirements in 2005 and 2006 if the city complies with the requirements by July 1, 2008. The Act takes effect May 7, 2008.
- [HOUSE FILE 2539](#) - Health Care Reform and Funding  
**SEE HEALTH AND SAFETY.** This Act relates to health care reform and includes appropriations to the Department of Human Services, Department of Public Health, the Insurance Division of the Department of Commerce, and the Department of Elder Affairs for various health care reform-related measures.
- [HOUSE FILE 2672](#) - Water Use — Permit Fees and Funding  
**SEE ENVIRONMENTAL PROTECTION.** This Act relates to water use permit fees for diverting, storing, or withdrawing water by providing for the calculation of fees, creating a Water Use Permit Fund, and making appropriations.
- [HOUSE FILE 2694](#) - Long-Term Care Insurance and Benefits  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act repeals existing provisions regulating long-term care insurance and creates new ones, and provides for penalties, repeals, and an appropriation to the Senior Health Insurance Information Program. The new provisions apply to policies delivered or issued for delivery in this state on or after July 1, 2008.



## APPROPRIATIONS

### [SENATE FILE 2286](#) - Federal Block Grant Appropriations [Fiscal Analysis](#)

BY COMMITTEE ON APPROPRIATIONS. This Act appropriates moneys to various state agencies for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009, from the following federal block grants: Substance Abuse Prevention and Treatment, Community Mental Health Services, Maternal and Child Health Services, Preventive Health and Health Services, Stop Violence Against Women Grant Program, Community Services, Community Development, Low-Income Home Energy Assistance Program (LIHEAP), Social Services, and Child Care and Development. In addition, the Act appropriates funding from the following federal formula grants: Residential Substance Abuse Treatment for State Prisoners and Edward Byrne Justice Assistance (see S.F. 2425 for appropriations of the federal Temporary Assistance for Needy Families Block Grant).

The Act requires that moneys be distributed in accordance with the applicable federal requirements. The Act establishes a procedure if more or less federal funding is received than predicted.

In addition, the Act appropriates for each state agency the other federal grants, receipts, and funds and other nonstate grants, receipts, and funds available in whole and in part for the state fiscal year beginning July 1, 2008, and ending June 30, 2009.

### [SENATE FILE 2394](#) - Appropriations — Transportation [Fiscal Analysis](#)

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations from the Road Use Tax Fund and the Primary Road Fund to the Department of Transportation.

Appropriations from the Road Use Tax Fund for FY 2008-2009 include appropriations for driver's license production costs, salaries, operations, planning, motor vehicles, utility services provided by the Department of Administrative Services (DAS), unemployment and workers' compensation, indirect cost recoveries, audits, county issuance of driver's licenses and vehicle registration and titling, a system providing toll-free telephone road and weather reports, participation in the Mississippi River Parkway Commission, membership in North America's Supercorridor Coalition (NASCO), development of an overdimension permitting system, and motor vehicle division field facility maintenance projects.

Appropriations from the Primary Road Fund for FY 2008-2009 include appropriations for salaries, operations, planning, highways, motor vehicles, utility services provided by DAS, unemployment and workers' compensation, hazardous waste disposal, indirect cost recoveries, audits, production of transportation maps, inventory and equipment replacement, utility projects, roofing projects, heating and cooling improvements, deferred maintenance at field facilities, replacement of the Waukon garage, various federal Americans With Disabilities Act improvements, and elevator upgrades at the Ames complex.

The Act provides a supplemental appropriation for FY 2007-2008 from the Primary Road Fund to the department to be used for highways. The supplemental appropriation takes effect May 13, 2008.

### [SENATE FILE 2400](#) - Appropriations — Administration and Regulation [Fiscal Analysis](#)

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and appropriates from the General Fund of the State, and from other funds, to various administrative and regulatory state departments, agencies, and funds for FY 2008-2009, and provides for related matters.

#### Division I — Appropriations

Division I appropriates moneys to various state departments and agencies, including the Department of Administrative Services (DAS); Auditor of State; Iowa Ethics and Campaign Disclosure Board; Department of Commerce; Office of Governor, including the Lieutenant Governor, Terrace Hill quarters, and Drug Control Policy Office; Department of Human Rights; Department of Inspections and Appeals (DIA); Department of Management (DOM); Department of Revenue (DOR); Secretary of State; Treasurer of State; and the Iowa Public

## APPROPRIATIONS

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Employees' Retirement System. The division also appropriates funding for the state's membership in the National Governors Association.

The Utilities Board is authorized to use unexpended moneys for FY 2007-2008 and FY 2008-2009 for the Utilities Board's building project. This provision takes effect May 12, 2008.

Moneys appropriated to the Governor's Office of Drug Control Policy for the fiscal year beginning July 1, 2007, for support of multijurisdictional drug enforcement programs, shall not be reduced by any federal funding received and moneys appropriated but unexpended at the close of the fiscal year shall not revert but shall remain available until the close of the next fiscal year. This provision takes effect May 12, 2008.

The Ethics and Campaign Disclosure Board is authorized to develop a searchable Internet site database on information filed with the board.

### Division II — Department of Administrative Services Operations

Division II of this Act concerns DAS operations.

The division provides that DOM, and not DAS, is responsible for determining which services provided by DAS shall be funded by an appropriation and which services will be funded by the government entities receiving the service. For those services solely provided by DAS, the division provides for DOM to establish a customer council responsible for reviewing DAS' business plan and setting the rates charged government entities regarding the services provided.

The lowAccess Advisory Council, in recommending projects, may also include funding recommendations for those proposed projects. If the project is proposed by a political subdivision, the advisory council must verify that the project benefits the state, can be shared with other government entities, and that the state retains ownership of any final product.

The division also requires DAS to develop programs to inform members of the national guard or reserves about job opportunities in state government following their return from active federal military service.

The division eliminates the requirement that DAS develop and maintain an electronic repository for public access to mandated reports for each agency.

### Division III — Commission on Native American Affairs

Division III of this Act establishes a division on Native American affairs within the Department of Human Rights. The Commission on the Native American Affairs is also created and its duties are specified.

The commission consists of 11 members, appointed by the Governor and subject to Senate confirmation. Seven members shall be public members and at least one of the seven shall be a Native American who is an enrolled tribal member living on a tribal settlement or reservation in Iowa and whose tribal government is located in Iowa and one member shall be a Native American who is primarily descended from a tribe not represented by the four members chosen by the tribal governments. Four members shall be selected by and represent tribal governments.

Initial appointment of members to the commission shall be by September 1, 2008. Division employees and a division administrator shall not be hired or appointed prior to July 1, 2009. By June 1, 2009, the commission shall submit a report to include a job description for the administrator, goals, and applicable performance measures for the division.

### Division IV — Department of Revenue Administration

Division IV concerns several tax and DOR-related provisions.

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The division removes the authorization of DIA to suspend a person's sales tax permit for a violation of Code Chapter 99B, relating to games of skill or chance and raffles.

The Director of Revenue may extend the period of time for filing tax returns and suspend any penalty or interest associated with those returns for taxpayers residing in an area declared as a disaster area by the Governor.

Code Section 421.60 is amended to provide that any tax, penalty, or interest due which was voluntarily paid by a taxpayer after the expiration of the statute of limitations for assessment, and a notice of assessment was not issued by the department, shall not be refunded.

Code Section 422.16 is amended to specify that allowances are claimed by employees when determining the amount of Iowa withholding tax, not personal or dependency exemptions or credits.

The sales tax exemption for replacement parts for farm machinery is modified to allow the exemption if the part is used in any necessary repair and not just if the part is essential to the repair of the machinery.

Code Section 422.24A is repealed. This section provided for a start-up business tax deferment whereby taxable income for the first three years that an eligible business is in operation can be deferred. Since this provision was enacted in 2002, no businesses have applied for this deferral. This repeal applies retroactively to January 1, 2008, for tax years beginning on or after that date.

Code Section 423.36 is amended to allow DOR to deny an application for a sales or use tax permit if the applicant had a previous delinquent liability with the department.

Code Section 423A.5 is amended to exempt from the state and local hotel and motel tax transactions that are exempt from state sales tax.

Code Section 423D.3 is amended to exempt from the equipment tax transactions that are exempt from the state sales tax.

Code Section 427.1 is amended to require a claim for a property tax exemption to be filed by privately owned libraries and art galleries used for public purposes and not for private profit to receive the property tax exemption.

Code Section 452A.2 is amended to include in the definition of "supplier" a person that produces or acquires biofuel or biodiesel for storage and distribution from a terminal. The definition is also amended to specify that "supplier" does not include a retail dealer or wholesaler who merely blends biofuel with diesel fuel before sale or distribution of the product.

Code Section 452A.33 is amended to change the date from February 1 to April 1 when DOR is required to submit its reports on information compiled from motor retailers to the Governor and the Legislative Services Agency.

Code Section 452A.59 is amended to authorize the DOR director to regard persons dealing in various fuel products as defined persons contained in Code Chapter 452A if the director determines it is necessary for the efficient administration of the motor fuel chapter.

Code Section 453A.46 is amended to make a technical correction to clarify that the DOR director may require by rule that tobacco "returns" rather than "reports" be filed by electronic transmission.

### Division V — Deputy Sheriff Positions

Division V establishes three deputy sheriffs positions classified as second deputy sheriffs in counties with a population of more than 150,000 but not more than 200,000. Previously, these counties had two sheriff positions classified as second deputy sheriffs.

Division VI — Miscellaneous Provisions

Division VI provides that community colleges may participate in a community-wide area that can present local governance and revenue models to the Local Government Innovation Commission.

The division authorizes a county board of supervisors to reimburse expenses related to an educational course attended by a county officer after the officer is elected but prior to the officer taking office.

The division also requires the Secretary of State to place on the Secretary of State's Internet site a link to a free Internet site with completed IRS forms 990 and 990EZ, the annual returns most tax-exempt organizations must use to report information about their operations.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision that would have required DOM to include funding for staff positions at the Tim Shields Center for Governing Excellence for FY 2009-2010.

**SENATE FILE 2417 - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations Fiscal Analysis**

BY COMMITTEE ON APPROPRIATIONS. This Act relates to the Healthy Iowans Tobacco Trust and the Tobacco Settlement Trust Fund. The Act is organized into divisions.

Division I of the Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust to the following departments for FY 2008-2009:

To the Department of Human Services (DHS):

1. For child and family services including for reimbursement of adoption, independent living, shelter care, and home studies services providers, and other service providers under the purview of DHS; and for a grant to a child welfare services provider to be used for support services for children with autism spectrum disorder and their families.
2. For supplementation of the state Supplementary Assistance Program.
3. For general administration of health-related programs.

To the Iowa Department of Public Health:

1. For the Tobacco Use Prevention and Control Initiative and for additional substance abuse treatment.
2. For the Healthy Iowans 2010 Plan for the following purposes: for essential public health services that promote healthy aging throughout the lifespan, contracted through a formula by local boards of health, to enhance health promotion and disease prevention services; for the continuation and support of a coordinated system of delivery of trauma and emergency medical services; for the poison control center; for development of scientific and medical expertise in environmental epidemiology; and for the Childhood Lead Poisoning Prevention Program.
3. For the Center for Congenital and Inherited Disorders.
4. For a grant program to provide substance abuse prevention programming for children with specific criteria.
5. For a grant program for individuals with phenylketonuria (PKU).
6. For leveraging of federal funds under the federal Ryan White Care Act.
7. For a grant to provide education, programming, and support for people living with epilepsy and their families.

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To the Department of Corrections: for community-based corrections, day programming, dual diagnosis offenders, the Drug Court Program, the Fort Madison Correctional Facility for the Clinical Care Unit, and a transitional housing pilot project for offenders on parole. The Act includes intent language that each judicial district department of correctional services cooperate with and utilize local community-based licensed substance abuse treatment providers. The Act also directs each judicial district department of correctional services to submit a report to the General Assembly and to the co-chairpersons and ranking members of the Joint Appropriations Subcommittee on the Justice System and the Legislative Services Agency by December 15, 2008, detailing the utilization of drug court funds allocated under the Act.

The Act appropriates funds for FY 2008-2009 to the Property Tax Relief Fund for FY 2008-2009, for assistance to counties with limited county mental health, mental retardation, and developmental disabilities services fund balances to pay reimbursement increases in the same amount as provided in the fiscal period beginning July 1, 2000, and ending June 30, 2001.

The Act appropriates funds to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account.

The Act appropriates funds to the Department of Economic Development for allocation to the Iowa Commission on Volunteer Services for the Iowa's Promise and Mentoring Partnership Program.

The Act appropriates funds to the Department of Education to continue the Competitive Grants Program to expand the availability of the Before and After School Grant Program, including a specified portion of funding to be used to retain a contractor to work with the department on long-term planning and development of a statewide infrastructure to provide coordination, support, and technical assistance to before and after school programs. The contractor must be qualified to provide services in policy development, before and after school funding mechanisms, public and private partnerships, data collection, the promotion of quality, and working with various state and local interests.

The Act eliminates an appropriation from the Healthy Iowans Tobacco Trust for FY 2007-2008 for the Center for Congenital and Inherited Disorders. This provision takes effect May 13, 2008.

The Act provides for the transfer of additional funds from the Endowment for Iowa's Health Account to the Healthy Iowans Tobacco Trust for FY 2007-2008. This provision takes effect May 13, 2008.

Division II of this Act repeals Code Section 12.65, which creates the Healthy Iowans Tobacco Trust. New Code Section 12E.3A reaffirms and reenacts the purposes specified in Code Section 12.65 for the Healthy Iowans Tobacco Trust as the purposes for the Endowment for Iowa's Health Account. The purposes are those related to health care, substance abuse treatment and enforcement, tobacco use prevention and control, and other purposes related to the needs of children, adults, and families in the state.

Under existing law, the proceeds of bonds issued and other moneys under the Tobacco Settlement Authority are to be deposited in various accounts, including the Endowment for Iowa's Health Account. Under existing law, a portion of the moneys in the Endowment for Iowa's Health Account were transferred to the Healthy Iowans Tobacco Trust. Under the Act, with the repeal of the Healthy Iowans Tobacco Trust, the moneys deposited in the Endowment for Iowa's Health Account are transferred to the General Fund of the State instead of the Healthy Iowans Tobacco Trust.

Division II takes effect June 30, 2009.

Division III provides that any moneys from an appropriation remaining at the close of FY 2008-2009 or the close of any succeeding fiscal year that are required by law to revert to the Healthy Iowans Tobacco Trust or the Endowment for Iowa's Health Account are required to be credited instead to the General Fund of the State. The unencumbered or unobligated balances of the Healthy Iowans Tobacco Trust and the Endowment for Iowa's Health Account, at the close of FY 2008-2009 or the close of any succeeding fiscal year, are required to be transferred to the General Fund of the State.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

Provisions relating to directives for the expenditure of funds for the Tobacco Use Prevention and Control Initiative and addition substance abuse treatment which are a continuation of directives provided in prior years.

**[SENATE FILE 2425](#) - Appropriations — Health and Human Services [Fiscal Analysis](#)**

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2008-2009, and includes appropriations for other specified periods. The Act is organized into divisions.

Division I — General Fund and Block Grant Appropriations

*DEPARTMENT OF ELDER AFFAIRS (DEA).* Division I appropriates funding to DEA for aging programs and area agencies on aging. Funds are allocated for case management for the frail elderly, and a portion of the allocation is to be transferred to the Department of Human Services (DHS) for reimbursement of case management services provided under the medical assistance (Medicaid) elderly waiver. Funding is transferred to the Department of Economic Development for the Iowa Commission on Volunteer Services to be used for the Retired and Senior Volunteer Program, and funding is allocated for additional long-term care resident's advocate positions, for continuation of the Substitute Decision Maker Act under Code Chapter 231E, for replacement of federal funding for the Aging and Disability Resource Center, and to expand the Elder Abuse Initiative established in Code Section 231.56A.

*DEPARTMENT OF PUBLIC HEALTH (DPH).* The division appropriates funds to DPH, including funding for addictive disorders; healthy children and families, including funding for the Healthy Opportunities to Experience Success (HOPES) — Healthy Families Iowa Program, to continue to address the healthy mental development of children from birth through five years of age, for distribution to the Children's Hospital of Iowa Mother's Milk Bank, for distribution to a statewide dental carrier to continue the Donated Dental Services Program for indigent elderly and disabled individuals, and for transfer to the University of Iowa College of Dentistry for provision of primary dental services to children; chronic conditions including for grants to individual patients with phenylketonuria (PKU) to assist with costs of necessary special foods and for continuation of the contracts for resource facilitator services and for brain injury training services and recruitment of services providers; community capacity, including a child vision screening program and initiatives at the University of Iowa and the State Mental Health Institute at Cherokee to expand and improve the workforce engaged in mental health treatment and services; elderly wellness; environmental hazards, including childhood lead poisoning provisions; infectious diseases including for the bureau chief position for the Center for Acute Disease Epidemiology and for the purchasing of vaccines for immunizations; public protection, including for emergency medical services, the Office of the State Medical Examiner, management of the antiviral stockpile, an increase in sexual violence prevention programming, and start-up costs to implement licensing of plumbers and mechanical professionals; and resource management including for administration of tobacco-related programs. The division appropriates funds from the Gambling Treatment Fund in lieu of the standing appropriation in Code Section 135.150 for addictive disorders and for the benefit of substance abuse treatment for persons with addictions, and provides for the use of the moneys remaining in the fund. The division also directs DPH to implement a process to create a system for delivery of gambling and substance abuse treatment services, including joint licensure of such treatment programs, to be completed by July 1, 2010.

*DEPARTMENT OF VETERANS AFFAIRS AND IOWA VETERANS HOME.* The division appropriates funds from the General Fund of the State to the Department of Veterans Affairs and the Iowa Veterans Home. Of the funds appropriated to the department for administration, \$50,000 is allocated for continuation of the Veterans Counseling Program. Under the appropriation to the Iowa Veterans Home, the facility must submit billings involving DHS to DHS on a monthly basis, and if there is a change in the employer of employees providing services at the Iowa Veterans Home under a collective bargaining agreement, the employees and the agreement shall be continued by the successor employer as though there had not been a change in employer. Appropriations are also made for the county grant program for veterans and for educational assistance for children of deceased veterans.

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*DEPARTMENT OF HUMAN SERVICES.* The division makes appropriations from the General Fund of the State and other funds to DHS and includes other appropriations and provisions involving human services and health care.

*TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) BLOCK GRANT.* The division appropriates moneys from the federal TANF Block Grant for a number of purposes, including the Family Investment Program (FIP); the Job Opportunities and Basic Skills (JOBS) Program; FIP agreements; Family Development and Self-Sufficiency (FDSS) Program; field operations; general administration; local administrative costs; state child care assistance, including funding for provision of educational opportunities to registered child care home providers; mental health and developmental disabilities community services; child and family services; child abuse prevention grants; pregnancy prevention grants; technology needs and other resources to meet federal welfare reform requirements; and the HOPES Program. In addition, block grant moneys are appropriated for community-based programs targeted to children from birth through five years of age and developed by community empowerment areas. New funding of \$800,000 is designated for additional income maintenance and social worker positions. Moneys shifted are to address a shortfall in child care assistance funding. Legislative intent is provided for DHS to work with Indian tribes to develop a formula for providing match funding to tribes expending moneys on TANF services.

*FAMILY INVESTMENT PROGRAM.* Under federal TANF welfare reform provisions, federal funding is provided for FIP in the form of an annual block grant to the state. Consequently, the division includes combined FIP and FIP-related appropriations from the General Fund of the State and the block grant. These appropriations are directed to DHS to coordinate the FDSS Program with the Department of Human Rights (DHR); to DHR for the FDSS Program, including specifications for administration of the program by DHR; to the Food Stamp Employment and Training Program; and for the JOBS Program. The division provides funding to continue a grant to an Iowa-based nonprofit organization with a history of providing tax preparation assistance to low-income Iowans in order to expand the usage of the earned income tax credit.

*CHILD SUPPORT RECOVERY UNIT.* Division I continues the Iowa Child Support Public Awareness Campaign located in the Office of the Attorney General and continues to direct DHS to issue federal access and visitation grant moneys directly to private not-for-profit agencies that provide services designed to increase compliance with child access provisions of court orders, including but not limited to neutral visitation site and mediation services.

*MEDICAL ASSISTANCE (MEDICAID) PROGRAM.* The division continues Medicaid program provisions required in previous years. Approximately \$650 million is appropriated from the General Fund of the State and additional appropriations are made in other divisions for the Medicaid program. The division includes provisions authorizing DHS to transfer funds for implementation and operational costs associated with Part D of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003; directing DHS to initiate planning to address options available under Medicaid or other assistance program relating to individuals with special needs; providing an allocation for a grant to the Iowa Healthcare Collaborative; authorizing use of funds appropriated for the Demonstration to Maintain Independence and Employment (DMIE) if a federal waiver is approved and providing for transfer of a portion of the funds to the Department of Corrections (DOC) for DMIE activities; providing for monitoring of the smoking cessation benefit under the Medicaid program and for an exception to policy process if a prescriber determines that all smoking cessation aids available under the Medicaid program are not effective or medically appropriate for a patient; providing for transfer of funds to be used for the state match to comply with the federal Payment Error Rate Measurement Program for the Medicaid and state children's health insurance programs; directing DHS to implement the recommendations for the Assuring Better Child Health and Development Initiative II clinical panel; providing funding to supplement the incomes of residents of nursing facilities, intermediate care facilities for persons with mental illness, and intermediate care facilities for persons with mental retardation to provide a personal needs allowance of \$50 per month; providing for transfer of funding to the state mental health institutes and allocating funds as the state match for disproportionate share hospital payments for hospitals that meet certain criteria; providing funding for the Iowa Chronic Care Consortium; directing DHS to implement cost-saving initiatives including implementing a surcharge for claims filed on paper when electronic filing is available and collecting a

supplemental rebate for diabetic supplies; providing that beginning July 1, 2009, any new or renewed contract entered into by DHS with a third party to administer behavioral health services under the Medicaid program shall provide that any interest earned on payments from the state during the state fiscal year shall be remitted to DHS for deposit account after the end of the fiscal year, requiring DHS to maintain a separate account beginning July 1, 2008, for deposit of funds remitted pursuant to a contract with a third party to administer behavioral health services, and providing that such funds do not revert at the end of a fiscal year but remain in the account to be used for health and human services-related purposes, requiring DHS to report the results of audits of the third party for the fiscal years beginning July 1, 2006, and July 1, 2007, to the Legislative Services Agency for review, and providing for appropriation of any funds deposited in the separate account during FY 2008-2009 for implementation of the Emergency Mental Health Crisis Services System in Code Section 225C.19 as enacted in the Act, for implementation of the Mental Health Services System for children and youth pursuant to Code Section 225C.52 as enacted in the Act, for the Mental Health, Mental Retardation, and Developmental Disabilities Rise Pool, to reduce the waiting lists of medical assistance home and community-based services waivers, for Medicaid services under the children's mental health waiver, and for training of child welfare services providers; providing funding for existing and new home and community-based services waiver slots for persons with brain injury; providing funding for implementation of the provision relating to certain persons with disabilities under the Medicaid program as directed in a 2007 directive pursuant to the federal Family Opportunity Act; directing DHS to conduct a review of the impact of broadening the list of drugs prescribed for the treatment of diabetes on the preferred drug list under the Medicaid program; and directing DHS to conduct a review of the Medicaid program home and community-based services waivers, including the upper limit of reimbursement.

*HEALTH INSURANCE PREMIUM PAYMENT PROGRAM, MEDICAL CONTRACTS, STATE SUPPLEMENTARY ASSISTANCE (SSA), AND CHILDREN'S HEALTH INSURANCE PROGRAM.* The division makes appropriations to continue the Health Insurance Premium Payment Program, which provides payment for private health insurance in lieu of Medicaid program coverage; provides funding for contracted services associated with the Medicaid program including for electronic cross-matching with state vital records databases through DPH and for increased monitoring of home and community-based services waivers; appropriates funding for SSA; and appropriates funds for the State Children's Health Insurance Program known as the Healthy and Well Kids in Iowa (hawk-i) Program. Under the State Children's Health Insurance Program provision, if sufficient funding is available and if federal law so provides, DHS may expand coverage to certain persons under the State Children's Health Insurance Program. Additionally, the division provides alternatives for maintenance of the State Children's Health Insurance Program if funding is insufficient.

*CHILD CARE ASSISTANCE.* The division provides an appropriation for the State Child Care Assistance Program and child day care resource and referral services. A portion of the funds is to be used for child care quality improvement initiatives, including the Quality Rating System, and a portion of the funds is transferred to the Iowa Empowerment Fund to be used for professional development for the system of early care, health, and education. A portion is allocated for a one-time grant to support child care center services provided to children with mental, physical, or emotional challenges in order for the children to remain in a home or family setting. Funds appropriated for child care assistance from the General Fund of the State for FY 2008-2009 do not revert but remain available for that purpose in FY 2009-2010.

*JUVENILE INSTITUTIONS.* The division makes appropriations to the Iowa Juvenile Home at Toledo and the State Training School at Eldora. A portion of the funds appropriated to each institution is to be used for grants for adolescent pregnancy prevention activities.

*CHILD AND FAMILY SERVICES.* The division appropriates funds for child and family services, provides for continuation of the cap for group foster care, and continues previous requirements for child welfare services. An allocation for "boot camp" programs made in previous years is eliminated. The allocation of approximately \$7 million for shelter care services includes a directive for DHS to work with shelter care services providers to shift funding from guaranteed beds to develop child welfare emergency services offered by the providers. Under 2008 Iowa Acts, H.F. 2700, an additional \$1 million is appropriated for shelter care services.

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New provisions include a requirement for DHS to evaluate the effectiveness of drug testing in child abuse cases, funding for a satellite child protection center project, and a requirement for DHS to develop options for a growth mechanism for child welfare services reimbursement.

Several provisions in the Act shift funding associated with the projects for decategorization of child welfare funding. Existing law allows the moneys designated for the projects to be carried into later fiscal years. Several fiscal years were addressed so that a portion of this funding could be used for child care services.

*ADOPTION SUBSIDY.* The division makes a separate appropriation for the Adoption Subsidy Program.

*JUVENILE DETENTION HOME FUND.* The division addresses the Juvenile Detention Home Fund, consisting of funds collected by the Department of Transportation (DOT) at the time the DOT suspends, revokes, or bars a person's motor vehicle license or nonresident operating privileges. Moneys in the fund are to be used for a percentage of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes. The percentage is to be determined by DHS based on the funds available.

*FAMILY SUPPORT SUBSIDY PROGRAM AND CONNER DECREE.* The division provides appropriations for the Family Support Subsidy Program and to continue coordination and training opportunities associated with disability services in accordance with the Conner decree.

*MENTAL HEALTH INSTITUTES AND STATE RESOURCE CENTERS.* The division provides appropriations to the state mental health institutes at Cherokee, Clarinda, Independence, and Mount Pleasant and for the state resources centers at Glenwood and Woodward utilizing a net General Fund of the State appropriation approach known as "net budgeting." The appropriation to the State Mental Health Institute at Clarinda includes a new allocation for the establishment and operation of an Alzheimer's Patient Mobile Consultation and Assessment Program.

*STATE CASES.* The division makes an appropriation from the General Fund of the State for distribution to counties for mental illness, mental retardation, and developmental disabilities state cases. The division also allocates \$200,000 from the funds received through the federal Community Mental Health Center Block Grant for state cases. Funds appropriated for FY 2008-2009 for state cases do not revert, but remain available for that purpose in FY 2009-2010.

*MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES (MH/MR/DD) SERVICES.* The division includes a number of provisions affecting provision of state funding of MH/MR/DD services provided to adults by counties. One provision relates to funding for MH/MR/DD services growth. Under current law, the state is required to annually provide funding for the growth in county MH/MR/DD services expenditures. The division continues a practice begun in 2001 of combining the moneys appropriated for growth and the moneys appropriated for the MH/MR/DD Community Services Fund and applies a reduction to formula distribution amounts based upon the relative size of a county's ending balance.

*SEXUALLY VIOLENT PREDATORS.* This division appropriates funding for payment of costs associated with the commitment and treatment of sexually violent predators at the State Mental Health Institute at Cherokee.

*FIELD OPERATIONS, GENERAL ADMINISTRATION, AND VOLUNTEERS.* The division includes appropriations for DHS field operations, general administration, and volunteers. The appropriation for field operations includes funding for full-time equivalent positions related to child protection services and eligibility determinations for low-income families. The appropriation for general administration includes an allocation for the Prevention of Disabilities Policy Council and directs DHS to report at least monthly to the Legislative Services Agency concerning the department's operational and program expenditures.

*FAMILY PLANNING SERVICES.* The division provides an appropriation to DHS for family planning services to individuals with incomes not to exceed 200 percent of the federal poverty level, who are not currently receiving the specific benefit under the Medicaid program. Moneys appropriated are prohibited from being used to

provide abortions, and DHS is directed to work with appropriate stakeholders to implement and administer the program.

*PREGNANCY COUNSELING AND SUPPORT SERVICES PROGRAM.* The division appropriates funds to DHS for a pregnancy counseling and support services program. DHS is directed to establish a pregnancy counseling and support services program to provide core services consisting of information, education, counseling, and support services to women who experience unplanned pregnancies by supporting childbirth, assisting pregnant women in remaining healthy and maintaining a healthy pregnancy, and assisting women after the birth of a child.

*CIVIL MONETARY PENALTIES.* The division provides that of the funds received by DHS through federal civil monetary penalties from nursing facilities during FY 2008-2009, \$70,000 shall be used to provide conference scholarships to direct care workers, subject to approval by the Centers for Medicare and Medicaid Services.

*MEDICAID, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICES PROVIDERS REIMBURSED UNDER DHS.* In addition to health care providers, reimbursement rates are established for social services providers. In general, reimbursement rates for health care providers under the Medicaid program are increased by 1 percent over the rate in effect on June 30, 2008. The division provides a limitation to the budget for nursing facilities for FY 2008-2009, and provides for recalculation and readjustment of the patient-day weighted medians used in rate setting for nursing facilities to provide an increase in nursing facility rates by applying the skilled nursing facility market basket inflation factor from the midpoint of the cost report to July 1, 2007, plus 1 percent. The rates calculated cannot, however, exceed the rate component limits established in administrative rule. With regard to inpatient and outpatient hospital services for which reimbursement rates are increased by 1 percent over the rates in effect on July 1, 2008, if the Centers for Medicare and Medicaid Services does not approve the increased reimbursement rate, \$1.7 million is allocated as nonmedical assistance payments to hospitals paid under the prospective payment system methodology under the Medicaid program to address health care workforce shortages by increasing salaries for registered nurses who are permanent employees, eligible for benefits, and who provide direct care to patients. Hospitals paid under the prospective payment methodology are directed to report to DHS the total amount of nurse salary increases compared to the total amount of the medical assistance payment increase for FY 2008-2009. Nurse salary information is only to include information for registered nurses who are permanent employees, eligible for benefits, and who provide direct care to patients. Such reports submitted are a public record. The division provides for an increase in the maximum reimbursement rate for psychiatric medical institutions for children. The reimbursement rate for anesthesiologists is increased by 1 percent over the Medicaid rate in effect on July 1, 2007, and the reimbursement rate for remedial service providers is established as 100 percent of cost-based reimbursement plus 1 percent. Reimbursement rates are increased by 1 percent for shelter care services providers and juvenile shelter care homes. Reimbursement for child care providers is increased, effective October 1, 2008, by 2 percent over the rates in effect on September 30, 2008. The rates are to be set in a manner so as to provide incentives for nonregistered providers to become registered by applying the increase only to registered and licensed providers.

*ACCOUNTABILITY MEASURES.* The division amends 2001 Iowa Acts to restructure the method of disbursement of accountability payments to nursing facilities. Beginning July 1, 2008, accountability payments are to be made at the end of the fiscal year. DHS is directed to request any Medicaid state plan amendment necessary to implement the modified accountability payment methodology and, if the state plan is not approved, the funds designated for the accountability payments are to be disbursed through the Case Mix Reimbursement System. The division specifies the methodology for disbursement of the accountability payments and directs DHS to assemble a workgroup to develop recommendations to redesign the accountability measures for implementation beginning July 1, 2009.

*VISUAL ASSESSMENTS AND REPAIR OF LEAD HAZARDS.* The division directs DHS and the Department of Education to adopt rules to require programs and facilities under the purview of the respective department to conduct visual assessments for lead hazards and to repair lead hazards identified.

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### Division II — Senior Living Trust Fund, Pharmaceutical Settlement Account, IowaCare Account, Health Care Transformation Account, and Property Tax Relief Fund

*SENIOR LIVING TRUST FUND.* Division II makes an appropriation to DEA for a Comprehensive Senior Living Program, including case management and funding to provide dementia-specific education to direct care workers and other providers of long-term care, and to the Department of Inspections and Appeals (DIA) for inspection and certification of assisted living facilities and adult day services. Funds are also appropriated to DHS to supplement the Medicaid appropriation, and to the Iowa Finance Authority for reimbursement for rent expenses under the Rent Subsidy Program.

*PHARMACEUTICAL SETTLEMENT ACCOUNT.* The division appropriates funds from the Pharmaceutical Settlement Account to supplement the appropriations for medical contracts under the Medicaid program.

*IOWACARE ACCOUNT.* The division appropriates funds from the IowaCare Account to the State Board of Regents for distribution to the University of Iowa Hospitals and Clinics (UIHC) for salaries, support, maintenance, equipment, and miscellaneous purposes; medical and surgical treatment of indigent patients; provision of services to members of the IowaCare Program population; and for medical education. An additional amount is appropriated to the board for distribution to UIHC subject to the claims adjudicated and paid for IowaCare members being in excess of the initial appropriation. The division appropriates funds from the IowaCare Account to DHS for distribution to a publicly owned acute care teaching hospital located in a county with a population of over 350,000 for provision of medical and surgical treatment to indigent patients, provision of services to members of the IowaCare Program population, and for medical education. The division also appropriates funds from the IowaCare Account to the state mental health institutes at Cherokee, Clarinda, Independence, and Mount Pleasant.

Division II of the Act provides that additional funds appropriated for FY 2006-2007 to the board for the IowaCare Program are to be distributed only if claims adjudicated and paid exceed the initial appropriation amount.

*ACCOUNT FOR HEALTH CARE TRANSFORMATION.* The division appropriates funds from the Account for Health Care Transformation to DHS for medical examinations and development of personal health improvement plans for the IowaCare population; for provision of a medical information hotline for the IowaCare population; for health promotion partnership activities; for costs related to audits, performance evaluations, and studies; for administrative costs associated with the IowaCare Program; for the Mental Health Transformation Pilot Program; for the tuition assistance for Individuals Serving Individuals with Disabilities Pilot Program enacted in the Act, for payment to the publicly owned Acute Care Teaching Hospital located in a county with a population of over 350,000 that is a participating IowaCare provider; and for planning and development, in cooperation with DPH, of a phased-in program to provide a dental home for children. DHS is directed to issue a request for proposals for a performance-based contract to implement the dental home for children, to apply for any necessary federal waivers to implement the phased-in approach, and to submit progress reports to the Medical Assistance Projections and Assessment Council. DHS is authorized to transfer funds among the appropriations and must report any transfers to the Legislative Services Agency. DHS is directed to review the current IowaCare Program and develop a plan for continuation, expansion, or elimination of the IowaCare Program beyond June 30, 2010, with a report of the department's findings to be submitted to the Medical Assistance Projections and Assessment Council by December 15, 2008.

*PROPERTY TAX RELIEF FUND.* A one-time appropriation is made from the Property Tax Relief Fund to DHS for the Medicaid program. The appropriation made consists of certain utility replacement tax revenue credited to the Property Tax Relief Fund after November 1, 2007, and before April 1, 2008.

*PROPERTY TAX RELIEF STATUTORY CHANGE.* Existing law relating to utility replacement generation tax revenues deposited in the Property Tax Relief Fund is revised to provide for the Department of Management to determine the effect of the revenues on county MH/MR/DD budgets and property tax levies.

*REVERSION TO SENIOR LIVING TRUST FUND.* Appropriations from the General Fund of the State, the Senior Living Trust Fund, the Healthy Iowans Tobacco Trust Fund, the Health Care Trust Fund, and the property tax relief fund to DHS for the Medicaid program for FY 2008-2009 that remain unencumbered or unobligated at the close of the fiscal year do not revert, but are to be transferred to the Senior Living Trust Fund.

Division III — MH/MR/DD Services and Allowed Growth Funding for FY 2008-2009

In addition to allocating allowed growth funding to counties, Division III adds a substance abuse service provider representative to the MH/MR/DD/BI Commission. DHS is directed to implement an Emergency Mental Health Crisis Services System to assist persons in a crisis and a Mental Health Services System for Children and Youth. Both systems receive initial funding in the Act in order to begin implementation through grants to service providers beginning January 1, 2009. DHS is authorized to extend statutory reporting deadlines for county MH/MR/DD services when there is good cause. In regard to future distributions of allowed growth funding, legislative intent is stated for limiting distributions to those counties that levy 90 percent of the maximum authorized for the services.

DHS is authorized to implement a pilot project for regional services, allowing the counties participating in the project to pool funding, waiver slots, and to receive other flexibility considerations. The counties participating will receive at least the same proportion of allowed growth funding in the succeeding year provided the counties maintain their levies for MH/MR/DD services.

The Legislative Council is requested to authorize an interim task force to consider a proposal for shifting responsibilities for the county-state shared funding for the mental health and developmental disability services covered by the Medicaid program.

DHS is required to work with various stakeholders to develop a proposal for updating the statutes and administrative rules for community mental health centers.

Division IV — Health Care Trust Fund Appropriations — Health Care Activities

Division IV makes appropriations from the Health Care Trust Fund, which consists of the first \$127.6 million of revenues generated from the taxes on cigarettes and tobacco products deposited in the General Fund of the State and appropriated to the Health Care Trust Fund.

The division appropriates funds to DPH for addictive disorders, including for culturally competent substance abuse treatment pilot projects, for tobacco use prevention, cessation, and treatment activities, and for substance abuse treatment activities; for healthy children and families, including additional funding to address the healthy mental development of children from birth through five years of age, for childhood obesity prevention, for the Dental Screening of Children Program, for children's vision initiatives, to provide audiological services and hearing aids to children through a contract, and to implement the recommendations of the Task Force on Postnatal Tissue and Fluid Banking established in 2007 Iowa Acts, Chapter 147, as funding becomes available; for chronic conditions including for child health specialty clinics; for the Comprehensive Cancer Control Program; for the Hemophilia Advisory Council, and for cervical and colon cancer screening; and for community capacity, including for further development and implementation at the state level and piloting at the local level of the Iowa public health standards approved by DPH, for mental health professional shortage areas and psychologist intern rotation; for the Iowa Collaborative Safety Net Provider Network for distribution for coordination of the network; for Iowa Family Planning Network agencies; for local boards of health that provide direct services, for maternal and child health centers for pilot programs, for free clinics, for rural health clinics, and for the Specialty Health Care Initiative; for the pharmaceutical infrastructure for safety net providers; for continuation of the Incubation Grant Program to community health centers; for implementation of the Direct Care Worker Task Force recommendations; and for allocation to an Independent Statewide Direct Care Worker Association for education, outreach, leadership development, mentoring, and other initiatives to enhance the recruitment and retention of direct care workers. The division appropriates funding to DHS for the Medicaid program, including for the Iowa Healthcare Collaborative and for MH/MR/DD allowed growth.

The division directs DPH to continue the collaborative workgroup to enhance the workforce competencies of professional and direct care staff who provide behavioral health services.

Division V — Appropriation-Related Changes

Division V eliminates the \$500,000 cap on the amount of revenues the Iowa Veterans Home is authorized to carry forward to the succeeding fiscal year, provides a supplemental appropriation from the Healthy Iowans Tobacco Trust to the Juvenile Detention Home Fund for FY 2007-2008, provides supplemental appropriations from the Health Care Transformation Account for a certain publicly owned teaching hospital providing IowaCare services and for the Medicaid program if all other appropriations for FY 2007-2008 are insufficient, limits or eliminates certain appropriations, and authorizes carryforward for expenditure in the succeeding fiscal year of numerous health and human services appropriations made for FY 2007-2008. Certain appropriations are reallocated for state child care assistance and transferred for other purposes, including for brain injury waiver services under the Medicaid program, for the Center for Congenital and Inherited Disorders, for substance abuse treatment, and for the Juvenile Detention Home Fund. The appropriation made for the Transitional Benefits Program under FIP is eliminated and the division also repeals the benefits program statute. A session law requirement for DHS to provide adjustment in pharmacy dispensing fees resulting from federal action is repealed. The division takes effect May 13, 2008.

Division VI — Prior Year Appropriation Changes — Psychiatric Hospital

Division VI changes prior year appropriations and is retroactively applicable to December 21, 2007, but is contingent upon federal approval of a Medicaid state plan amendment.

The appropriation made from the General Fund of the State in 2007 Iowa Acts, Chapter 214, for the State Psychiatric Hospital is reduced to zero and is replaced by increasing the appropriation made from the General Fund of the State for the Medicaid program in 2007 Iowa Acts, Chapter 218, and making an allocation for the psychiatric hospital. The Medicaid appropriation is also amended to transfer approximately \$4.5 million to the IowaCare account. In addition, the appropriation made in 2007 Iowa Acts, Chapter 215, for the Salary Adjustment Fund is amended to reduce the appropriation and to reflect that the distribution of salary adjustment moneys for the State Psychiatric Hospital are reduced to zero.

The amount appropriated to the State Board of Regents for the IowaCare Program is increased for FY 2007-2008, and distribution of the amount is contingent upon claims adjudicated and approved for payment. The division takes effect May 13, 2008.

Division VII — Code Changes

Division VII provides miscellaneous Code changes.

*EMPOWERMENT.* Code Section 28.9, relating to the Community Empowerment Fund, is amended to change the name of the Community Empowerment Gifts and Grants Account within the fund to the First Years First Account.

*BRAIN INJURY SERVICES.* Code Section 135.22B, relating to the Brain Injury Services Program in DPH, is amended to eliminate the component relating to persons eligible for the Medicaid home and community-based services waiver for persons with brain injury.

*EARLY CHILDHOOD IOWA COUNCIL.* New Code Section 135.155 creates the Early Childhood Iowa Council, includes a purpose and vision statement, provides that the council membership is open to a representative of any organization that touches the lives of young children in the state ages zero through five, authorizes the council to adopt its own procedures, provides for creation of component groups and for a steering committee consisting of the co-chairpersons of the component groups and others, provides for a state agency team to support the activities of the council, and outlines the duties of the council.

New Code Section 135.156 designates DPH as the lead agency for the support of the development and integration of an early childhood system for Iowa. The lead agency's duties include working with state agencies to enter into memorandums of understanding outlining the agencies' responsibilities in the system; working with private businesses, foundations, and nonprofit organizations in implementing a public-private partnership to develop and provide funding for the system; and maintaining an Internet site for the Early Childhood Iowa Council and its component groups.

*CRIMINAL AND ABUSE RECORDS CHECKS.* The division addresses criminal and abuse records of prospective and current employees of licensed hospitals (Code Section 135.34) and health care facilities (Code Section 135C.33) and certain health-related programs and services and provides penalties.

Under prior law, hospitals licensed in this state were authorized to access the Single Contact Repository established by DIA in order for the hospital to perform record checks of persons employed by or being considered for employment by the hospital. The division retains this authorization and requires criminal history and child and dependent adult abuse record checks to be made in Iowa. Under prior law, performing the checks and prohibition of employment were optional for hospitals but required for other health care facilities, services, and programs.

The division amends Code Section 135C.33, relating to required criminal history and child and dependent adult abuse record checks relating to employment by licensed health care facilities (a residential care facility, a nursing facility, an intermediate care facility for persons with mental illness, or an intermediate care facility for persons with mental retardation) and various other listed programs providing health-related services or programs that are accredited by the state or paid for with public funds. The division applies the same requirements for hospitals under Code Section 135B.34 and for the health care facilities and other services and programs that are subject to Code Section 135C.33.

In addition to criminal history and dependent adult abuse record checks, child abuse record checks are required by the division. Under prior law, child abuse record checks were optional under Code Section 135C.33.

The division provides a new contingent requirement in the event the ownership of a licensee is transferred. The records checks are required at the time of the ownership transfer for any employee for whom there is no documentation that the records checks have been performed. The employee may continue to be employed pending the performance of the records checks and any related evaluation.

Prior law in Code Section 135C.33 allowed an evaluation to be performed by DHS for any crime or type of abuse to determine whether prohibition of a person's employment is warranted. The division requires the Department of Public Safety to notify employees concerning a prospective employee's criminal record and DHS to notify employers concerning a prospective employee's child or dependent adult abuse record, and of the employer's option to request the evaluation to be performed. Once a person is employed, if after the employment application date the employee is convicted of a crime or a founded abuse record is entered, the employee is required to inform the employer within 48 hours. The employer is required to verify the information, and if verified, the employment prohibitions and evaluation requirements are applicable. An employee may continue to be employed while the evaluation is being performed. An employee who fails to inform the employer within the required 48-hour period commits a serious misdemeanor.

If the employer is provided credible information as determined by the employer, by someone other than the employee, that the employee has committed a crime or has a record of founded abuse and the employee had not informed the employer within the 48-hour period, the employer must verify the information within 48 hours of being informed. If verified, the employment prohibitions and evaluation requirements are applicable. An employee may continue to be employed while the evaluation is being performed. The employer may notify the county attorney concerning an employee who fails to notify an employer within the 48-hour period.

*DHS EXPENSES.* Code Section 217.19, relating to DHS expenses, is amended to require the Department of Administrative Services to work with DHS in order to develop and implement an expense policy for members of

boards, commissions, and other bodies so that a person with an income below 150 percent of the federal poverty level may have expenses paid in lieu of reimbursement.

*FAMILY SUPPORT SUBSIDY PROGRAM.* Code Section 225C.40, relating to the Family Support Subsidy Program payment and appeal requirements, is amended. The program is administered by DHS to assist families with a family member who is younger than 18 and has an educational disability or special health care needs or otherwise meets the federal developmental disability definition. If a family appeals the termination of a family member who attains age 18, family support subsidy payments will be withheld while resolution of the appeal is pending.

*STATE CHILD CARE ASSISTANCE AND ADOPTION SUBSIDY PROGRAMS.* New Code Section 234.47 requires DHS, the Department of Management, and the Legislative Services Agency to jointly arrive at consensus projections for State Child Care Assistance and Adoption Subsidy Program expenditures.

*DEPENDENT ADULT ABUSE INFORMATION.* Code Chapter 235B, relating to access to dependent adult abuse information, is amended to authorize access to a person who submits written authorization from an individual allowing the person access to dependent adult abuse information about that individual.

*EMERGENCY ORDERS FOR PROTECTIVE SERVICES FOR DEPENDENT ADULTS.* Code Section 235B.19 is amended to provide that in response to a petition by DHS to obtain an emergency order authorizing protective services for a dependent adult, the court may order the suspension of the powers granted to a guardian or conservator and the subsequent appointment of a new temporary guardian or new temporary conservator pending a decision by the court on whether the powers of the initial guardian or conservator should be reinstated or the initial guardian or conservator should be removed. A temporary guardian as well as a temporary conservator may be appointed by the court if there is probable cause to believe that the dependent adult abuse presents not only irreparable harm to the physical or financial resources or property of the dependent adult but, in the alternative, an immediate danger to the health or safety of the dependent adult.

*CHILD CARE HOMES AND CHILD DEVELOPMENT HOMES.* Code Chapter 237A requirements are amended to require child care homes and child development homes to be located in a single-family residence and to revise record check requirements.

Under Code Chapter 237A, a "child care home" provides child care to five or fewer children at any one time and is not registered with DHS. A "child development home" is registered with the department and may provide child care to six or more children at any one time.

Child care homes and child development homes are required to be located in a single-family residence that is owned, rented, or leased by the person providing the child care. A single-family residence includes an apartment, condominium, townhouse, or other individual unit within a multiple-unit residential dwelling. A single-family residence does not include a commercial or industrial building that is primarily used for purposes other than a residence.

Current law under Code Section 237A.5, relating to personnel providing child care or living in a child care home or facility, requires criminal and child abuse registry checks to be conducted by DHS for licensed and registered child care providers, unregistered providers receiving public funding, and persons who reside with such providers.

If a record check is performed and the record indicates that the person has committed a transgression, the department is required to perform an evaluation to determine if prohibition of the person's involvement with child care is warranted.

An evaluation is now required even if the application which made the person subject to the record check is withdrawn or the circumstances which made the person subject to the record check are no longer applicable. If the evaluation determines that prohibition of the person's involvement with child care is warranted, the law regarding such prohibition is applicable. A person who provides child care in violation of the prohibition is subject to criminal penalty or injunction.

*BEHAVIORAL HEALTH SERVICES — REIMBURSEMENT UNDER MEDICAID.* New Code Section 249A.15A requires DHS to adopt rules to provide that licensed marital and family therapists are entitled to reimbursement from the Medicaid program for behavioral health services and licensed master social workers may provide treatment under the program under certain conditions. Another uncodified Code section requires DHS to amend the Medicaid state plan accordingly.

*HEALTH CARE INFORMATION SHARING.* New Code Section 249A.36 requires, as a condition of doing business in the state, that certain entities that have health care coverage information share the information with the Iowa Medicaid Enterprise to determine if a medical assistance recipient has third-party coverage through an entity that would be responsible for the costs of health care services and items which would be provided through the Medicaid program. The entities identified under the Code section are health insurers including self-insured plans, group health plans, service benefit plans, managed care organizations, pharmacy benefits managers, and other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service. The Code section specifies the requirements that entities must meet to comply with the new Code section.

*MEDICAL ASSISTANCE PROJECTIONS AND ASSESSMENT COUNCIL.* Code Section 249J.20, relating to the Medical Assistance Projections and Assessment Council, is amended to provide for meeting at least annually rather than quarterly.

*IOWA AUTISM COUNCIL.* New Code Section 256.35A creates the Iowa Autism Council in the Department of Education to advise the state in developing and implementing a system for services to children with autism and to meet the needs of adults with autism.

*GARNISHMENT FOR CHILD SUPPORT.* Code Section 642.2 is amended to provide that if the state is holding money for a person who owes delinquent child support, whether or not the person is a state employee, with the exception of unclaimed property held by the Treasurer of State, the money may be garnished to pay the child support. However, if based upon a claim for unclaimed property, the treasurer determines that moneys are payable to a child support obligor, the child support obligor is subject to the setoff procedure, notwithstanding any rule pertaining to the Child Support Recovery Unit limiting the amount of the offset.

*BOARD OF REGENTS — WORKGROUP ON CARE AND TREATMENT PROVIDED BY UNIVERSITY OF IOWA HOSPITALS AND CLINICS.* The division strikes a provision in 2005 Iowa Acts, Chapter 167, to shift the responsibility for convening a workgroup concerning the care and treatment provided by the UIHC to inmates, students, and former inmates of state institutions from DHS to the State Board of Regents.

Division VIII — Tuition Assistance — Health Care Facility Employers

Division VIII provides that if the General Assembly appropriates moneys for the purpose of the establishment by the Department of Education, in consultation with DHS and the community colleges, of a Tuition Assistance Pilot Program to provide grants to community colleges for the purposes of awarding tuition assistance to students who are pursuing a course of study leading to a degree applicable to the health care workforce and employment by health care facilities who are also employed by a health care facility to provide services to adults with mental illness or mental retardation, the department shall establish such a pilot. An appropriation is provided in the Act from the Account for Health Care Transformation for the pilot.

The departments of Education and Human Services are directed to work collaboratively to develop a system for determining the number of hours a student shall work in a health care facility in return for a percentage reduction in the student's tuition costs within the limits set by the appropriation for this purpose.

A participating community college must enter into an agreement with one or more participating health care facilities, and may also enter into an agreement with one or more local nonprofit public agencies, to match state funds provided on a dollar-for-dollar basis for tuition assistance for eligible students. A participating health care facility must agree to provide the community college with the number of hours the student has

accrued in order that the community college may determine the percentage reduction in the student's tuition costs.

The grant recipient must compile and submit information regarding the program's implementation and level of local participation in the program in the manner prescribed by the department. The department must summarize the information and submit the information and its findings and recommendations in a report to the General Assembly by January 15 of the fiscal year following the completion of the pilot program.

#### Division IX — Juvenile Court Proceedings

Division IX addresses certain child welfare and juvenile delinquency provisions.

Case permanency plan requirements are revised to provide that if a child remains in foster care until the age of majority, the child is entitled to receive prior to discharge the most recent health and education record information.

A consent decree under the delinquency provisions in which the court imposes terms and conditions on the child may remain in force up to one year rather than the six-month period in prior law. Such decrees that are used as an alternative to adjudication may include restrictions on driving privileges, require work on public projects, or making restitution.

If a child is of an age appropriate to attend a hearing involving the child but does not attend the hearing, the court is required to determine whether the child was informed of the child's right to attend the hearing.

#### Division X — Investigation of Deaths at Institutions

Division X requires a preliminary investigation to be conducted by the county medical examiner in the event of the death of a person committed or admitted to certain state facilities administered by DHS. DHS is required to pay the cost of the preliminary investigation. The facilities affected are the four state MHIs, the two state resources centers, the state training school in Eldora, and the Iowa Juvenile Home in Toledo.

The requirements of a preliminary investigation are outlined in current law in Code Section 331.802 for any death affecting the public interest and include a determination as to whether the public interest in the death requires an autopsy or other special investigation.

#### Division XI — Healthy Kids Act

Division XI creates what may be known and cited as the "Healthy Kids Act." The division directs the State Board of Education and the Director of the Department of Education to take actions to establish, monitor, and ensure compliance with nutritional content standards for foods and beverages sold or provided on the school grounds during the school day in school districts and accredited nonpublic schools. The division also requires certain amounts of physical activity by students in kindergarten through grade 12, and completion of a certification course for cardiopulmonary resuscitation.

The director of the department is charged with convening, in collaboration with DPH, a nutrition advisory panel to review scientifically conducted research in pediatric nutrition. The advisory panel, which is to convene by July 1, 2008, and every five years thereafter, shall submit its findings and recommendations in a report to the state board, which shall consider the report when establishing or amending the nutritional content standards.

The division amends the educational standards to require every student in kindergarten through grade five who is physically able to engage in physical activity for a minimum of 30 minutes per school day and every student in grades 6 through 12 who is physically able to engage in physical activity for a minimum of 120 minutes per week, unless the student's parent or guardian files for a religious exemption. The department must collaborate with stakeholders when developing models that describe ways schools may incorporate the physical activity requirement into the educational program. Every student who is physically able is also required to successfully complete a certification course for cardiopulmonary resuscitation by the end of grade 12.

The board of an area education agency or a consortium of area education agencies must contract with one or more licensed dietitians for the support of nutritional provisions in individual education plans developed for children requiring special education and to provide information to support school nutrition coordinators.

The department is directed to convene a working group of elementary and secondary education and fitness professionals and stakeholders to assist the department in developing daily physical activity opportunities and requirements and developing models that describe ways in which school districts and schools may incorporate physical activities for students into the educational program. Findings and recommendations of the working group are to be submitted to the General Assembly by January 15, 2009.

The provision relating to the requirements for physical activity and cardiopulmonary resuscitation certification takes effect July 1, 2009.

Division XII — Mass Transit Interim Committee

Division XII requests that the Legislative Council establish a Legislative Interim Study Committee to conduct a comprehensive study of the ways in which mass transit might be employed to provide public transportation services among Iowa communities. The division specifies items that the study should include and the membership of the committee, and directs that the committee, if authorized, shall submit a written report of its findings and recommendations to the Governor and the General Assembly by December 31, 2008.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision which would have directed the convening of a legislative workgroup to review current law regarding drug product selection, completing its deliberations by December 15, 2008.

**SENATE FILE 2430 - Economic Assistance for Microenterprises, River and Lake Enhancements, and Individual Development Fiscal Analysis**

BY COMMITTEE ON APPROPRIATIONS. This Act relates to economic development by creating a Community Microenterprise Development Organization Grant Program, a Microenterprise Development Advisory Committee, and a River Enhancement Community Attraction and Tourism Fund, and by making changes to the requirements for individual development accounts and making related appropriations.

The Act directs the Department of Economic Development (DED) to award grants to community microenterprise development organizations. Microenterprises are businesses with five or fewer employees that lack collateral for loans and have difficulty securing financing. The Act requires DED to consider certain criteria in awarding grants. It establishes a Microenterprise Development Advisory Committee within DED and directs the committee to study and make recommendations to DED regarding the development of microenterprises.

The Act extends the Community Attraction and Tourism Program at its current funding levels through the fiscal year ending June 30, 2013. The program is currently funded each year by a \$5 million appropriation from the Rebuild Iowa Infrastructure Fund and a \$7 million appropriation from the franchise tax revenues deposited in the General Fund of the State.

The Act also expands the scope of the Community Attraction and Tourism Program by creating a River Enhancement Community Attraction and Tourism Fund and directing the Vision Iowa Board to expend any moneys appropriated to the fund for the creation and enhancement of community attractions and tourism opportunities along lakes, rivers, and river corridors in cities across the state.

The requirements for individual development accounts authorized for certain individuals with low incomes are revised.

New approved purposes for using the accounts are provided authorizing purchase of an automobile, purchase of assistive technology to assist an account holder or family member with a disability, or for other purposes approved in rule. The maximum amount of deposits of principal to an account is reduced from \$50,000 to

\$30,000. Administration of the program is moved from the Department of Human Services to the Division of Community Action Agencies of the Department of Human Rights. Requirements for household income determinations and other procedures for the accounts are required to be adopted in rule by the Commission on Community Action Agencies.

The state savings refund is changed to a state match and is increased to 100 percent of account holder deposits. The previous state savings refund limit of a percentage of account holder deposits of up to \$2,000 per calendar year is changed to an overall limit of \$2,000. If funding is available the commission may authorize implementing refugee accounts with withdrawals approved for the special needs of refugee families.

An Individual Development Account State Match Fund is created in new Code Section 541A.7, with a standing appropriation of any moneys available in the fund to the division for payments of state matches. The Division of Community Action Agencies is authorized to revise the match payment provisions as necessary to restrict payments to the funding available.

The provisions of the Act relating to individual development accounts take effect April 29, 2008.

The Act appropriates a total of \$2,875,000 from interest earned on the moneys in the federal Economic Stimulus and Jobs Holding Fund to a number of different programs and funds. First, the Act appropriates \$475,000 to DED for the administration and awarding of grants to community microenterprise development organizations. Second, the Act appropriates \$250,000 to the Department of Natural Resources for the administration of a water trails and low head dam statewide plan. Third, the Act appropriates \$2 million to the River Enhancement Community Attraction and Tourism Fund.

Finally, the Act appropriates \$150,000 from the federal Economic Stimulus and Jobs Holding Fund to the Individual Development Account State Match Fund.

**[SENATE FILE 2432](#) - Appropriations — Infrastructure and Capital Projects [Fiscal Analysis](#)**

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations to state departments and agencies from the Rebuild Iowa Infrastructure Fund, the Endowment for Iowa's Health Restricted Capitals Fund, the Tax-Exempt Bond Proceeds Restricted Capitals Funds Account, the Technology Reinvestment Fund, the FY 2009 Tax-Exempt Bond Proceeds Restricted Capitals Funds Account, the Environment First Fund, and the FY 2009 Prison Bonding Fund and related matters, and provides effective and retroactive applicability date provisions.

**Division I — Rebuild Iowa Infrastructure Fund**

Division I appropriates project funding for FY 2008-2009 from the Rebuild Iowa Infrastructure Fund, including projects for the departments of Administrative Services, Agriculture and Land Stewardship, Corrections, Cultural Affairs, Economic Development, Education, Human Services, Natural Resources, Public Defense, Public Health, Transportation, and Veterans Affairs, and to the Iowa Finance Authority, the State Board of Regents, and the Treasurer of State. The division also appropriates project funding from the Rebuild Iowa Infrastructure Fund for FY 2007-2008, FY 2009-2010, FY 2010-2011, FY 2011-2012, and FY 2012-2013 to the Department of Economic Development, for FY 2009-2010 to the State Board of Regents and the Department of Public Defense, for FY 2010-2011 to the departments of Corrections and Public Defense, and for FY 2011-2012 to the Department of Corrections.

The section of this division making an appropriation to the Department of Economic Development for a central Iowa Expo for FY 2007-2008 takes effect May 9, 2008.

**Division II — Endowment for Iowa's Health Restricted Capitals Fund Account**

Division II appropriates project funding for FY 2008-2009 from the Endowment for Iowa's Health Restricted Capitals Fund for the departments of Administrative Services and Economic Development.

## APPROPRIATIONS

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### Division III — Tax-Exempt Bond Proceeds Restricted Capital Funds Account

Division III appropriates project funding for FY 2008-2009 from the Tax-Exempt Bond Proceeds Restricted Capital Funds Account of the Tobacco Settlement Trust Fund to the departments of Administrative Services and Natural Resources.

### Division IV — Technology Reinvestment Fund

Division IV appropriates project funding for FY 2008-2009 from the Technology Reinvestment Fund for the departments of Administrative Services, Corrections, Cultural Affairs, Education, Human Rights, and Public Safety and to the Iowa Telecommunications and Technology Commission. The division also appropriates project funding from the Technology Reinvestment Fund for FY 2009-2010 to the Department of Cultural Affairs.

### Division V — FY 2009 Tax-Exempt Bond Proceeds Restricted Capital Funds Account

Division V appropriates project funding for FY 2008-2009 from the FY 2009 Tax-Exempt Restricted Capital Funds Account established in the Act in Code Section 12E.12 for the departments of Administrative Services, Corrections, Education, Natural Resources, Transportation, and Veterans Affairs, the Department for the Blind, Iowa State Fair, and the State Board of Regents.

### Division VI — Environment First Fund — Resources Enhancement and Protection

Division VI appropriates funding from the Environment First Fund to the Iowa Resources Enhancement and Protection Fund for FY 2008-2009.

### Division VII — Prison Bonding

Division VII appropriates project funding for FY 2008-2009 from the FY 2009 Prison Bonding Fund to the Department of Corrections for costs associated with the construction of a new state prison at Fort Madison.

### Division VIII — Changes to Prior Appropriations

Division VIII makes changes to prior appropriations from the Rebuild Iowa Infrastructure Fund to the Department of Corrections for FY 2004-2005 and FY 2005-2006, to the Department of Education for FY 2004-2005, FY 2005-2006, FY 2006-2007, and FY 2008-2009, to the Department of Administrative Services for FY 2007-2008, FY 2008-2009, and FY 2009-2010, and to the Department of Public Defense for FY 2004-2005.

The division makes changes to prior appropriations from the Tax-Exempt Bond Proceeds Restricted Capital Funds Account of the Tobacco Settlement Trust Fund to the Department of Administrative Services for FY 2005-2006.

The division makes changes to prior appropriations from the Endowment for Iowa's Health Restricted Capitals Fund to the Department of Corrections for FY 2005-2006.

The division makes changes to prior appropriations from the Technology Reinvestment Fund to the Department of Administrative Services and to the Department of Education for FY 2006-2007.

The division makes changes to prior appropriations from the interest or earnings on moneys in the federal economic stimulus and jobs holding account to the Iowa Finance Authority and to the Department of Natural Resources for FY 2006-2007.

Certain changes in this division take effect May 9, 2008.

Division IX — Miscellaneous Code Changes

Division IX increases the standing appropriation from the Rebuild Iowa Infrastructure Fund to the Environment First Fund beginning with FY 2008-2009. The division repeals the standing appropriation from the Rebuild Iowa Infrastructure Fund to the Vertical Infrastructure Fund for FY 2008-2009.

The division provides that on July 1, 2008, any unobligated and unencumbered balance in the Vertical Infrastructure Fund shall be transferred to the Rebuild Iowa Infrastructure Fund and repeals this provision July 1, 2010.

The division amends the funding source of the annual standing appropriation to the Technology Reinvestment Fund from the General Fund of the State to the Rebuild Iowa Infrastructure Fund for FY 2008-2009 and FY 2009-2010.

The division creates a new Code section authorizing the Treasurer of State to issue bonds to finance prison infrastructure projects approved for financing by the General Assembly. The proceeds of the bonds are to be deposited into the FY 2009 Prison Bonding Fund created in the division as a separate fund in the State Treasury. Moneys in the Prison Infrastructure Fund are to be used to pay for the bonds issued by the Treasurer of State and the moneys in this fund include fines, fees, costs, and forfeited bail collected by the clerks of the district court in criminal cases. Moneys in the FY 2009 Prison Bonding Fund shall be used only for prison improvement and prison construction projects. Revenue for the fund shall consist of the net proceeds from the bonds issued pursuant to Code Section 12.80.

The division creates a Fairgrounds Infrastructure Aid Fund in the State Treasury under the control of the Treasurer of State. Moneys in the Fairgrounds Infrastructure Aid Fund are appropriated exclusively to support the payment of infrastructure aid to a fair necessary to make improvements to the permanent infrastructure of its fairgrounds.

The division creates the FY 2009 Tax-Exempt Bond Proceeds Restricted Capital Funds Account of the Tobacco Settlement Trust Fund in Code Section 12E.12. This account is created from the net proceeds of tax-exempt bonds issued as a result of the securitization of any remaining tobacco settlement payments to provide funds for capital projects and certain debt service related to the Tobacco Master Settlement Agreement.

The division amends the funding source of the annual standing appropriations to the Community Attraction and Tourism Fund from the General Fund of the State to the Rebuild Iowa Infrastructure Fund for FY 2008-2009 and FY 2009-2010.

A recipient of moneys from the Grow Iowa Values Fund must annually submit a statement to the Department of Economic Development regarding the type and amount of funds spent on major maintenance, repair, or renovation of any new or existing building.

The division creates new Code Section 16.181A, providing for an annual appropriation from the General Fund of the State to the Housing Trust Fund of \$3 million beginning with FY 2009-2010.

The division amends Code Section 428A.8 to alter the disposition of the real estate transfer tax receipts received by the Treasurer of State. Beginning with FY 2009-2010, 90 percent of the receipts are deposited into the General Fund of the State, 5 percent are deposited into the Housing Trust Fund, and 5 percent are deposited into the Shelter Assistance Fund. For each succeeding fiscal year the percentage deposited into the General Fund of the State is reduced by 5 percentage points, the amount deposited into the Housing Trust Fund is increased by 5 percentage points, and the percentage deposited into the Shelter Assistance Fund remains the same. For FY 2014-2015 and succeeding fiscal years, the amount going to the General Fund of the State, Housing Trust Fund, and Shelter Assistance Fund are 65 percent, 30 percent, and 5 percent, respectively. A provision is made that limits to \$3 million the amount that may be deposited into the Housing Trust Fund with any amount in excess of \$3 million going to the General Fund of the State.

Moneys appropriated in a fiscal year for a project identified in an Iowa great places agreement shall be available for the project for a period of three years.

Division X — Miscellaneous — Veterans Home Contract

Division X authorizes the Department of Administrative Services to contract for design services related to the planned expansion project at the Iowa Veterans Home in order to secure federal funding.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision that would have amended S.F. 2420 (see Transportation) requiring the Department of Transportation to submit the Public Transit Funding Study Report to the Governor and the General Assembly by December 31, 2008, instead of December 1, 2009.

[HOUSE FILE 2647](#) - Appropriations — Judicial Branch [Fiscal Analysis](#)

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations for FY 2008-2009 to the judicial branch.

The Act makes appropriations from the General Fund of the State to fund judicial branch operations.

The Act makes appropriations from the General Fund of the State, the Jury and Witness Fees Revolving Fund, and the Court Technology and Modernization Fund to the Judicial Retirement Fund.

Under the Act, the state's contribution to the Judicial Retirement Fund is set at 30.6 percent of the basic salaries of judges for FY 2008-2009. Currently, the state's contribution to the Judicial Retirement Fund is set at 22.5 percent of the basic salaries of judges.

The Act also encourages the judicial branch to purchase products produced by Iowa State Industries.

[HOUSE FILE 2660](#) - Appropriations — Justice System [Fiscal Analysis](#)

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations for FY 2008-2009 to the departments of Justice (DOJ), Corrections (DOC), Public Defense (DPD), and Public Safety (DPS); the Iowa Law Enforcement Academy (ILEA); the Office of the State Public Defender; the Board of Parole (BOP); and the Iowa Civil Rights Commission.

*DEPARTMENT OF JUSTICE.* The Act appropriates \$14.99 million to DOJ, which represents a decrease of \$113,000 compared to FY 2007-2008 appropriations.

*DEPARTMENT OF CORRECTIONS.* The Act appropriates \$360.5 million to DOC, which represents an increase of \$7.18 million compared to FY 2007-2008 appropriations.

The Act requires DOC to use \$300,000 from the canteen operating funds for educational programs for inmates.

The Act authorizes DOC to reimburse employees for damage to the personal property of the employee up to the amount of \$300. Prior law limited the reimbursement at \$150.

The Act establishes the Central Warehouse Fund under the control of DOC for maintaining and operating a central warehouse and supply depot and distribution facility for surplus government products, canned goods, paper products, other staples, and for other items as determined by DOC. The fund is to be composed of the receipts from the sales of merchandise and recovery of handling, operating, and delivery charges for such merchandise.

The Act requires the Department of Public Health to develop educational programs to increase awareness and utilization of infection control practices at correctional institutions.

*STATE PUBLIC DEFENDER.* The Act appropriates \$53 million to the Office of the State Public Defender, which equals the FY 2007-2008 appropriation.

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*IOWA LAW ENFORCEMENT ACADEMY.* The Act appropriates \$1.28 million to ILEA, which represents a decrease of \$6,477 compared to FY 2007-2008 appropriations.

For FY 2008-2009 ILEA may charge a department of the state, a member of a police force, or any political subdivision of the state more than one-half of the cost to provide the basic training course for a law enforcement officer, provided a majority of the Iowa Law Enforcement Council approves such a charge.

*BOARD OF PAROLE.* The Act appropriates \$1.25 million to BOP, which represents a decrease of \$6,281 compared to FY 2007-2008 appropriations.

The Act establishes a Certificate of Employability Program for BOP. The program is intended to maximize opportunities for the rehabilitation and employability of a person and provide protection of the community while considering the needs of potential employers. A person required to register as a sex offender is ineligible for the program. The program must be implemented by July 1, 2009. The Act also requires BOP to file an interim status report regarding the certificate of employability program development by January 1, 2009. "Person" is defined to mean a person on parole or a person who is no longer on parole but is currently unemployed or underemployed.

*DEPARTMENT OF PUBLIC DEFENSE.* The Act appropriates \$8.68 million to DPD, which represents a decrease of \$27,187 compared to FY 2007-2008 appropriations.

*DEPARTMENT OF PUBLIC SAFETY.* The Act appropriates \$87.7 million to DPS, which represents a decrease of \$377,108 compared to FY 2007-2008 appropriations.

The Act provides that if any of the Indian tribes fail to fund one full-time equivalent (FTE) position within the Division of Criminal Investigation of DPS pursuant to the agreements and compacts entered into between the state and the Indian tribes, the number of authorized FTE positions within the division is reduced by one FTE.

The Act also adds two FTE positions within the Division of Criminal Investigation of DPS for the purpose of investigating cold cases. The two additional positions are funded by a federal grant, and are eliminated by the Act if federal funding expires.

The Act also appropriates moneys, not to exceed \$200,000, from the Wireless E911 Emergency Communications Fund to the Homeland Security and Emergency Management Division for implementation, support, and maintenance of the functions of the administrator and program manager of the E911 emergency system.

*CIVIL RIGHTS COMMISSION.* The Act appropriates \$1.5 million to the Iowa Civil Rights Commission, which equals the FY 2007-2008 appropriation.

### THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision requiring a person to pay a filing fee when commencing a civil action for postconviction relief.

### [HOUSE FILE 2662](#) - Appropriations — Agriculture and Natural Resources [Fiscal Analysis](#)

BY COMMITTEE ON APPROPRIATIONS. This Act relates to agriculture and natural resources by making appropriations for FY 2008-2009 to support related entities, including the Department of Agriculture and Land Stewardship (DALs), the Department of Natural Resources (DNR), the Department of Economic Development, and Iowa State University (ISU).

The Act appropriates moneys to DALs and the DNR to support those departments for administration, regulation, and programs. The Act also provides moneys to support specific programs or projects administered by those departments. The Act appropriates moneys from a number of sources, including the General Fund of the State, the Agricultural Remediation Fund, the State Fish and Game Protection Fund, and the Groundwater Protection Fund.

*DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP.* For DALs, moneys are appropriated in order to support its administrative divisions.

The Act appropriates moneys from the General Fund of the State to support animal husbandry including for the administration of the Chronic Wasting Disease Program, horse and dog racing, dairy products control, and avian influenza control. The Act supports programs for plant protection and crop production, including apiary law, and the control of pests. The Act also appropriates moneys to reimburse commissioners of soil and water conservation districts for expenses, provides for food marketing and security, and provides for emergency veterinarian rapid response services. It provides for a Senior Farmers' Market Nutrition Program, the regulation of organic agricultural products, funding for the Grape and Wine Development Fund, and the Farm-to-School Program. It also provides for motor fuel inspection.

The Act appropriates moneys from the Agricultural Remediation Fund to support a needs assessment of soil and water conservation structures associated with the Little Sioux River.

*DEPARTMENT OF NATURAL RESOURCES.* For the DNR, moneys are appropriated from the General Fund of the State in order to support its administrative divisions.

The Act makes appropriations to the department from other funds: the State Fish and Game Protection Fund to support programs related to fish and wildlife, from the Groundwater Protection Fund to support groundwater quality, and from the National Pollutant Discharge Elimination System Permit Fund for processing permit applications.

The Act includes miscellaneous provisions. It appropriates moneys from the Unassigned Revenue Fund administered by the local Comprehensive Underground Storage Tank Fund Board for deposit into two funds under the control of the DNR to restore funding transferred from the two funds in 2002, including the Special Snowmobile Fund to support snowmobile programs in the state and the All-Terrain Vehicle Fund to support all-terrain vehicle programs in the state. In both cases, the programs include grants, subgrants, contracts, and cost-sharing arrangements with political subdivisions or private organizations. It transfers moneys from the Special Snowmobile Fund to the Fish and Game Protection Fund for snowmobile programs. An appropriation is made from the Unassigned Revenue Fund to the DNR for administration and expenses of its Underground Storage Tank Section.

DNR may use additional funds for staffing to reduce the department's floodplain permit backlog and implementing the Federal Maximum Daily Load Program.

*IOWA STATE UNIVERSITY.* The Act appropriates moneys to ISU from the Agricultural Remediation Fund to continue a project to perform water quality research to determine methods to reduce risks to water quality associated with open feedlot runoff and from the General Fund of the State for the operation of the Veterinary Diagnostic Laboratory. It includes provisions expressing legislative intent for a future appropriation for the Veterinary Diagnostic Laboratory.

*ENVIRONMENT FIRST FUND — GENERAL APPROPRIATIONS.* The Act appropriates funding from the Environment First Fund to DALs, Department of Economic Development, and the DNR to support a number of miscellaneous programs and projects.

For DALs, the projects funded are associated with soil and water conservation, and water quality. For the Department of Economic Development, funding is appropriated to provide financial and technical assistance to support the Brownfield Redevelopment Program. For the DNR, the projects funded relate to managing state lands, supporting public water supplies, regulating animal feeding operations, providing ambient air quality control, providing for water quality, providing for resource conservation and development, and supporting the Iowa Climate Change Advisory Council.

*ENVIRONMENT FIRST FUND — RESOURCE ENHANCEMENT AND PROTECTION.* The Act appropriates \$16 million from the Environment First Fund to the Resources Enhancement and Protection (REAP) Fund in lieu of the \$20 million otherwise required to be appropriated annually from the General Fund of the State.

*CODE CHANGES — WATERSHED IMPROVEMENT REVIEW BOARD.* The Act provides that voting public members serving on the Watershed Improvement Review Board are entitled to receive per diem and expenses to be paid from interest or earnings on moneys in the Watershed Improvement Fund.

**[HOUSE FILE 2674](#)** - **Grants Enterprise Management Office Appropriation — Continuation**  
BY COMMITTEE ON GOVERNMENT OVERSIGHT. This Act extends the annual \$35,000 appropriation to the Office of Grants Enterprise Management of the Department of Management for grant identification and writing assistance to state agencies through fiscal year 2009-2010.

The Act takes effect May 10, 2008.

**[HOUSE FILE 2679](#)** - **Appropriations — Education** **[Fiscal Analysis](#)**  
BY COMMITTEE ON APPROPRIATIONS. This Act includes appropriations for FY 2008-2009 from the General Fund of the State to the Department for the Blind, the College Student Aid Commission, the Department of Education, and the State Board of Regents and its institutions; establishes a Senior Year Plus Program; and makes changes to the Statewide Preschool Program for Four-Year-Old Children, the Student Achievement and Teacher Quality Program, and the state school aid formula. The Act is organized into divisions.

Division I — Education Appropriations

Division I of this Act appropriates moneys for FY 2008-2009 from the General Fund of the State to the College Student Aid Commission, the Department for the Blind, the Department of Education, and the State Board of Regents and its institutions.

*DEPARTMENT FOR THE BLIND.* Division I appropriates moneys to the Department for the Blind for its administration.

*COLLEGE STUDENT AID COMMISSION.* Division I includes appropriations to the College Student Aid Commission for general administrative purposes; student aid programs; to students attending Des Moines University — Osteopathic Medical Center, under the forgivable loan program; and for an initiative directing primary care physicians to areas of the state experiencing physician shortages; the National Guard Educational Assistance Program; the Teacher Shortage Loan Forgiveness Program; the All Iowa Opportunity Assistance Program; the Registered Nurse and Nurse Educator Loan Forgiveness Program; the Barber and Cosmetology Arts and Sciences Tuition Grant Program, which is established under new Code Section 261.18; and for a grant to a national nonprofit organization to provide Iowa postsecondary students with financial aid for one-semester internship opportunities. Up to 50 percent of the funds for the internship costs must be dedicated to students participating in the two-to-one federal and state matching agriculture biofuels from biomass internship pilot program if the program is contained in federal legislation enacted by Congress during FY 2008-2009. The division increases the standing appropriation for Iowa Tuition Grants.

The commission is authorized to renegotiate all agreements with student loan lenders who signed agreements on or before September 15, 2007, in order to implement the most current U.S. Department of Education regulations. The \$2.75 million standing appropriation for the Iowa Work-Study Program is reduced to \$995,000 for FY 2008-2009. Funds deposited in the Chiropractic Loan Revolving Fund are reallocated for a new Chiropractic Loan Forgiveness Program established under new Code Section 261.73.

In statute, the commission is directed to submit annually a report to the General Assembly which provides, by program, the number of individuals who received loan forgiveness in the previous year, the amount paid to the individuals, and the institutions from which the individuals graduated.

*DEPARTMENT OF EDUCATION.* Division I appropriates moneys to the Department of Education for purposes of the department's general administration; vocational education administration; the Division of Vocational Rehabilitation Services including the Entrepreneurs With Disabilities Program and independent living; the State Library for general administration and the Enrich Iowa Program; Library Service Area System; the Public Broadcasting Division; regional telecommunications councils; vocational education to secondary schools; school food service; the Iowa Empowerment Fund; birth to age three services; the Four-Year-Old Preschool Program;

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textbooks for nonpublic school pupils; a Jobs for America's Graduates specialist; Beginning Administrator Mentoring and Induction Program; core curriculum and a state-designated career information and decision-making system (as provided in S.F. 2216, see Education); Iowa Senior Year Plus Program as established by the Act; community colleges financial aid; and community college salaries.

From the department's general administration moneys, \$225,000 must be used for conducting, supporting, and managing the accreditation of school districts and various other duties such as conducting reorganization feasibility studies. The department is directed to compile a list of state-funded, competitive grant programs administered by the department, and to submit the list and specified information to the General Assembly by January 15, 2009.

The division also requires the Legislative Council to commission a study by an independent entity to evaluate and compare the rigor of the first two years of study at community colleges and regents universities. The commission's report must be made available to the public by July 1, 2009.

The Board of Educational Examiners is directed to transfer \$300,000 from licensing fees to the department for implementation of Early Head Start projects.

The division amends statute to require school districts to use the Division of Criminal Investigation for criminal history checks of teacher applicants, rather than use a private screening company. Those school districts that used an entity other than the division in FY 2007-2008 must have the background checks redone by the division.

The department must review the community college accreditation process and the compliance requirements contained in the accreditation criteria and submit a progress report by January 15, 2009, and a final report by January 15, 2010, to the General Assembly; convene a liaison advisory committee on transfer students to study articulation and transferability issues and submit a report to the General Assembly by January 15, 2009; and establish the following committees: an ad hoc accreditation quality faculty plan protocol committee, an ongoing quality faculty plan professional development committee, and a community college faculty advisory committee.

The division requires the Iowa Empowerment Board to conduct a study regarding the role that community empowerment can play in strengthening family, friend, and neighbor care to achieve empowerment goals. The board must submit its findings to the Governor and the General Assembly by January 15, 2009. The board is also directed to develop and implement a plan to strengthen the fiscal accountability of local areas and to submit a report, with the community empowerment office, to the General Assembly by January 1, 2009.

Approximately \$4.6 million of the amount appropriated for deposit in the School Ready Children Grants Account is to be used to assist low-income parents with preschool tuition, other supportive services for children ages three through five who are not attending kindergarten, and for preschool program expenses. If funding remains, it may be used to provide for eligibility for those with a family income in excess of the basic income eligibility requirement. In addition, \$1 million from the account is to be used for support of professional development and training activities, and \$100,000 is allocated to Iowa Public Television for support of community empowerment as a ready-to-learn coordinator.

In statute, the division replaces language which permitted the School Ready Children Grant to be awarded to a community board for a three-year period with language limiting the grants to an annual award. The amount of grant funding which may be carried forward is limited to 20 percent. Any grant funds received by a community empowerment board which remain unencumbered and unobligated in excess of that 20 percent shall be subtracted by the Iowa Empowerment Board from the allocation to the community empowerment board for the following fiscal year. However, session law provides that grant amount award reductions for FY 2008-2009 may be applied to categorical funding requirements at the discretion of each community empowerment board. Statute provides General Assembly intent that the community empowerment areas consider whether specified support services are being provided to child care facilities.

The division amends statute to establish that before and after school grant amounts range between \$30,000 and \$50,000, increase the local match requirement from 20 percent to a dollar-to-dollar match, replace authorization to use grant fund moneys to retain a contractor with language conferring eligibility for a grant to a grant applicant serving middle and high school-age youth at least once a week or a minimum of two hours per week, and to allow grant funding to be used for multiple fiscal years.

The division also amends statute to provide that the portion of the Interest for Iowa Schools Fund which is currently appropriated to the department is instead appropriated to the University of Northern Iowa (UNI) for use in assisting school districts to develop reading recovery and literacy programs.

The division creates new Code Section 260C.18D, which establishes an instructor salary distribution formula for moneys appropriated to the community colleges for instructor salaries. Also, community college quality faculty plans must include determination of the faculty that will be included in the plan, including but not limited to counselors and media specialists. By July 1, 2011, the standards and rules adopted by the state board for accreditation of community college programs shall at a minimum require that all instructors, not simply those who are under contract for half-time or more, meet the standards.

The division amends 2006 Iowa Acts, as amended by 2007 Iowa Acts, to reallocate \$750,000 of the \$10 million appropriated for early care, health, and education and preschool programs and initiatives for FY 2008-2009 to be deposited in the Community Empowerment Gifts and Grants Fund for purposes of before and after school programs, Early Head Start projects, vocational agriculture youth organizations, and for the Iowa College Work-Study Program; and to reallocate \$50,000 of the funds appropriated for teacher training and the reconstruction of reading recovery in Spanish to UNI for its reading recovery program. Provisions amending 2006 Iowa Acts take effect May 9, 2008. A Code provision relating to a supplemental strategies and educational services grant program is repealed.

*STATE BOARD OF REGENTS.* Division I appropriates moneys to the State Board of Regents for the board office, universities' general operating budgets, the Southwest Iowa Graduate Studies Center, the Tristate Graduate Center, the Quad-Cities Graduate Studies Center, Iowa's obligation as a member of the Midwestern Higher Education Compact, Iowa Public Radio operations, the State University of Iowa, Iowa State University of Science and Technology (ISU), UNI, the Iowa School for the Deaf, the Iowa Braille and Sight Saving School, and for tuition and transportation costs for students residing in the Iowa School for the Deaf and the Iowa Braille and Sight Saving School. The division also provides funds for the ISU Veterinary Diagnostic Laboratory and for a science, technology, engineering, and mathematics initiative of UNI.

The State Board of Regents is directed to conduct a mathematics and science collaborative study, the purpose of which is to collect data and report on the number and proportion of women and minorities enrolled in science, technology, engineering, and mathematics programs, including high school programs such as Project Lead The Way. The board shall submit the data and its findings and recommendations in a report to the General Assembly by January 15, 2009. The board must also direct its universities to take every reasonable measure to improve the number and proportion of women and minorities in university science, technology, engineering, and mathematics programs and colleges.

If sufficient funding is approved or appropriated by the General Assembly, or provided by a local political subdivision or private funding source, the Department of Sociology at ISU, in coordination with ISU Extension, shall conduct a study regarding current and potential efforts to retain lowans of the baby boom generation and attract those who have emigrated from the state as well as potential new lowans of the baby boom generation. The results of the study shall be made available in a report to the Governor and the General Assembly by January 15, 2009.

Division II — Senior Year Plus Program

Division II of the Act establishes a Senior Year Plus Program to be administered by the Department of Education to provide Iowa high school students with increased access to college credit or advanced placement coursework. The program consists of advanced placement classes, community college credit courses offered

through written agreements between school districts and community colleges, a Postsecondary Enrollment Options Program, courses offered through regional and career academies for college credit, and Internet-based courses offered for college credit. Students must be made aware of the opportunities offered by the program as part of the curriculum development plan school districts develop with eighth grade students. Division II also provides for the following:

*AUDITOR OF STATE.* The Auditor of State must include in the examination of school offices an audit of state categorical funding and supplementary weighting dollars as well as a determination that the laws of the state are being followed, that categorical funding is not used to supplant other funding, that supplementary weighting is pursuant to an eligible sharing condition, and that postsecondary courses provided in accordance with the division supplement, rather than supplant, school district courses.

*POSTSECONDARY COURSE AUDIT COMMITTEE.* The division requires the department to establish and facilitate a postsecondary course audit committee to annually audit postsecondary courses offered to high school students. The committee must establish a sampling technique that randomly selects courses for audit. Standards for review shall be established by the committee. If the committee determines that a postsecondary course offered to high school students does not meet its standards, the course shall not be eligible for future supplementary weighting. However, if the institution makes changes to the course sufficient to cause the course to meet the standards of the committee, the committee may reinstate the eligibility of the course for future supplementary weighting.

*SUPPLEMENTARY WEIGHTING.* The division allows a school district which hosts a regional academy to be eligible to assign its resident students attending classes at the academy a weighting of one-tenth of the percentage of the student's school day during which the student attends classes at the regional academy, up to a maximum amount of additional weighting corresponding to 30 additional students and a minimum amount of additional weighting corresponding to 15 additional students if the academy provides both advanced-level courses and career and technical courses.

The division also changes the assigned additional weighting of forty-eight hundredths for pupils attending a community college-offered class or attending a class taught by a community college-employed instructor by assigning a weighting for such attendance of seventy hundredths for career and technical courses and forty-six hundredths for liberal arts and sciences courses. A student who is attending an accredited nonpublic school or receiving competent private instruction and participating in senior year plus programming shall be counted as a shared-time student in the school district in which the nonpublic school of attendance is located for state foundation aid purposes.

*STUDENT ELIGIBILITY.* The student shall meet the enrollment requirements of the eligible postsecondary institution providing the course credit; meet or exceed the minimum performance on any academic assessments that may be required by the eligible postsecondary institution; have taken any appropriate course prerequisites; have attained the approval of the school board and the eligible postsecondary institution to register for the postsecondary course; and have demonstrated proficiency in reading, mathematics, and science and, if a student is not proficient in one or more of the content areas, the school board may establish alternative but equivalent qualifying performance measures.

In addition, if the student wishes to participate in the Postsecondary Enrollment Options Program, the student must either be in grade nine or 10 and identified as a gifted and talented child, or be in grade 11 or 12.

*TEACHER ELIGIBILITY.* A teacher or instructor employed to provide instruction under the program must be appropriately licensed to teach the subject the teacher or instructor is employed to teach; collaborate with other secondary and postsecondary faculty in the subject area; provide ongoing communication about course expectations and academic progress to the student and, in the case of a minor student, the parent or legal guardian of the student; provide curriculum and instruction that is accepted as college-level work; use valid and reliable student assessment measures; and have successfully passed a background investigation.

The postsecondary institution shall provide the teacher or instructor with ongoing communication and access to resources and support. The teacher or instructor shall be provided with appropriate orientation and training, and shall receive adequate notification of an assignment to teach and adequate preparation time.

*INSTITUTIONAL ELIGIBILITY.* An institution providing instruction shall ensure that students and, in the case of minor students, parents or legal guardians receive appropriate course orientation and information; ensure that students have access to student support services, including but not limited to tutoring, counseling, advising, library, writing and math labs, and computer labs, and student activities, excluding postsecondary intercollegiate athletics; ensure that students are properly enrolled; ensure that teachers and students receive appropriate orientation and information about the institution's expectations; ensure that the courses provided achieve the same learning outcomes as similar courses offered in the subject area, are accepted as college-level work, and do not supplant a school district course; review the course on an annual basis for continuous improvement; and share data on course progress and outcomes with the collaborative partners involved with the delivery of the programming and with the department.

The institution shall not require a minimum or maximum number of postsecondary credits, or place restrictions on participation in Senior Year Plus programming beyond that which is specified in statute or administrative rule; and shall include the department's unique student identifier, cooperate with the department on data requests, and collect data on the participation of females and minorities in science, technology, engineering, and mathematics-oriented programming. The department shall report the data to the General Assembly by January 15 annually.

*ADVANCED PLACEMENT PROGRAM.* School districts must provide access to advanced placement examinations at one-half the cost of the regular examination fee and must make advanced placement courses available to its resident students through direct instruction on-site, collaboration with another school district, or by using the online Iowa Advanced Placement Academy. The school district must provide descriptions of the courses available to students using a course registration handbook, ensure that advanced placement course instructors are appropriately licensed and meet the minimum certification requirements of the national organization that administers the advanced placement program, and establish prerequisite coursework for each advanced placement course offered. The handbook must be provided to every junior high school or middle school student prior to the development of their core curriculum plans.

Accredited nonpublic schools must provide a list of students registered for advanced placement exams to the school district in which the accredited nonpublic school is located. The school district must provide the College Board, which administers the exams, with a list of all students enrolled in the school district and the accredited nonpublic schools who are properly registered for the exams. The department must remit amounts to the College Board for the exams administered for students on the lists. For FY 2008-2009, the remittance and distribution amounts to the College Board and the school districts are as follows: \$38 for each student who does not qualify for fee reduction; \$27 for each student who qualifies for fee reduction; and \$8 to a school district for each student who was listed and takes the exam.

*POSTSECONDARY ENROLLMENT OPTIONS PROGRAM — PAYMENTS.* The division repeals the Postsecondary Enrollment Options Act and substantially moves the language of the Act to the new Code chapter establishing the Senior Year Plus Program. The division requires that the availability and requirements of the program be included in each school district's student registration handbook and provided to each student and parent or legal guardian prior to development of the student's core curriculum plan. School districts must also establish a process by which students may indicate interest in and apply for enrollment in the program.

*DISTRICT-TO-COMMUNITY COLLEGE SHARING OR CONCURRENT ENROLLMENT PROGRAM.* Prior law provided supplementary weighting for district-to-community college sharing. The division establishes a district-to-community college sharing or concurrent enrollment program to be administered by the department to promote rigorous academic or career and technical pursuits and to provide a wider variety of options to high school students to enroll part-time in eligible nonsectarian courses at or through community colleges. The program must be made available to all Iowa students in grades 9-12, and notice of the availability of the program must be included in each school district's student registration handbook and in the student's core

curriculum plan. Students from accredited nonpublic schools and students receiving competent private instruction may access the program through the school district in which the accredited nonpublic school or private instruction is located.

A student may apply to a community college and the school district to allow the student to enroll for college credit in a nonsectarian course offered by the community college. A comparable course must not be offered by the school the student attends. The school board must annually approve courses made available for high school credit. A school district must grant high school credit to a student enrolled in a community college course if the student successfully completes the course.

The parent or legal guardian of a student who is attending the community college under the program must furnish transportation for the student to and from the community college.

The department is directed to establish an aligned unique student identifier system for students in kindergarten through grade 12 and community college.

*REGIONAL AND CAREER ACADEMIES.* Prior law provided supplementary weighting for regional and career academies. The division provides that a regional academy is a program established by a school district to which multiple schools send students in grades 9-12, and which may include Internet-based coursework and courses delivered via the Iowa Communications Network (ICN). A regional academy must include in its curriculum advanced-level courses and may include career and technical courses. A regional academy course does not qualify as a concurrent enrollment course.

The Code currently defines "career academy" to mean a program of study that combines a minimum of two years of secondary education with an associate degree, or the equivalent, career preparatory program in a nonduplicative, sequential course of study that is standards-based, integrates academic and technical instruction, utilizes work-based and worksite learning where appropriate and available, utilizes an individual career planning process with parent involvement, and leads to an associate degree or postsecondary diploma or certificate in a career field that prepares an individual for entry and advancement in a high-skill and rewarding career field and further education. A career academy course may qualify as a concurrent enrollment course if it meets the requirements of this division.

Information regarding regional and career academies must be provided to a student and parent or legal guardian prior to development of the student's core curriculum plan.

*INTERNET-BASED AND ICN COURSEWORK.* The ICN may be used to deliver coursework for the Senior Year Plus programming, and school districts that do so may receive supplemental funding. Internet-based technologies may also be used and may qualify for additional supplemental weighting if the technology is used by a career academy, under a district-to-community college sharing agreement, or concurrent enrollment program.

*INTERNET-BASED CLEARINGHOUSE.* The department is directed to develop and make available to secondary and postsecondary students, parents or legal guardians, school districts, accredited nonpublic schools, and eligible postsecondary institutions an Internet-based clearinghouse of information that allows students to identify participation options within the Senior Year Plus Program and transferability between educational systems.

*STATE PROGRAM ALLOCATIONS.* The division establishes Code Section 261E.12 to provide for the allocation of moneys appropriated to the department for purposes of the program, which for FY 2008-2009 is \$1.9 million.

*SENIOR YEAR PLUS PROGRAM STUDY.* The division directs the Department of Education, in collaboration with other educational institutions, to conduct a study of the measures necessary for the successful implementation of the Senior Year Plus Program and to submit its findings and recommendations to the General Assembly by November 14, 2008.

*YEAR-ROUND REQUIREMENT.* The division requires school districts to provide advanced placement, postsecondary enrollment, and Internet-based and ICN coursework year-round.

*REPEAL.* The division repeals the Postsecondary Enrollment Options Act, Code Chapter 261C, and makes corresponding changes to references to the Code chapter throughout the Code.

Division III — Statewide Preschool Program

Division III relates to the Statewide Preschool Program for Four-Year-Old Children and funding associated with the program.

Code Section 256C.3, relating to the program requirements, is amended to specify that a child must be age four on or before September 15 of a school year to enroll in the program.

Code Section 256C.4, relating to the general funding provisions for the program, is amended to provide that the receipt of funding for purposes of the program, the need for funding for the program, or the enrollment count of eligible students cannot be used to grant supplemental aid to or establish modified allowable growth for a school district.

Code Section 256C.5, relating to the funding formula for the preschool program, is amended. Current law provides that the funding for the initial year of participation is paid from a standing limited appropriation and in subsequent years the funding is paid from the standing appropriation for state aid to schools. The division provides that continuation of a school district's participation for a second or subsequent year is subject to the approval of the Department of Education.

Code Section 256C.6, relating to phase-in of the program, is amended to strike authority for monthly proration of preschool foundation aid for school districts that are approved to participate in the program, for each month after September 1 that the programming begins. The division includes nonreversion provisions to allow carryforward of unexpended amounts from the appropriations made for initial year participation in the program by school districts for FY 2007-2008 in 2007 Iowa Acts, Chapter 214, and for fiscal years 2008-2009, 2009-2010, and 2010-2011 in Code Section 256C.6.

The division provides legislative intent stating that if funding is made available for implementing a statewide early childhood professional development system beginning in FY 2007-2008 or the succeeding fiscal year, the system will be implemented by the Department of Education through area education agencies and will support the preschool program.

The division takes effect May 9, 2008.

Division IV — Student Achievement and Teacher Quality Program

Division IV makes changes to the Student Achievement and Teacher Quality Program.

The division increases the allocation for National Board Certification Pilot Project awards by \$620,000 for FY 2008-2009, requires that school districts entering into a whole grade sharing agreement include the disposition of student achievement and teacher quality funding received in the agreement, changes the definition of teacher for purposes of the program, raises the minimum beginning and first-year career teacher salaries, defines regular compensation, allocates \$8.5 million to school districts for professional development related to implementation of the model core curriculum, allocates \$915,000 for implementation through the area education agencies of a statewide early childhood professional development system to support the statewide preschool program, and extends program allocations for professional development for school district and area education agency teachers and for teacher development academies through FY 2008-2009.

The division changes the definition of teacher to eliminate language related to individuals who are part-time teachers under a contract between a school district and a practitioner preparation program.

The division increases the minimum beginning teacher's salary to \$28,000 from \$26,500, and increases the minimum first-year career teacher's salary to \$30,000 from \$27,500. The division also eliminates language setting the minimum salary for all other career teachers at \$28,500.

When the school district or area education agency and the certified bargaining representative for the institution's licensed employees have not reached an agreement for purposes of distributing teacher salary funding, the division defines "regular compensation" as the base salary plus any salary moneys provided under the Educational Excellence Program. The salary moneys will be divided evenly and paid in each pay period of the fiscal year beginning with the October payroll.

Currently, a school district must review a teacher's performance at least once every three years. The division replaces the language that limits the review to certain areas subject to the level of funding provided to instead make the limitation subject to the level of resources provided. The division also eliminates a requirement that the review include supporting documentation from other evaluators.

The division reduces the FY 2008-2009 allocation for pay-for-performance and career ladder pilots to \$335,000 from \$2.5 million.

The sum of \$250,000 is appropriated for distribution to the Institute for Tomorrow's Workforce.

The division eliminates future funding for market factor teacher incentives, repeals the language providing for the incentives, and eliminates obsolete language related to the incentives.

#### Division V — State School Aid Formula Changes

Division V provides that beginning in FY 2010, the funding for teacher compensation, professional development, early intervention, and Educational Excellence Phase II shall be implemented on a per-pupil basis through the school aid formula.

*EARLY INTERVENTION BLOCK GRANT PROGRAM.* Code Section 256D.2, providing for program expenditures, is amended to repeal the Code section on June 30, 2009. New Code Section 256D.2A begins directing funds for class size reduction as of July 1, 2009. Code Section 256D.4, providing for program allocation, is amended to repeal the Code section on June 30, 2009. New Code Section 256D.4A directs school districts about financial recordkeeping. In Code Section 256D.5, the date of the last year for a legislative appropriation for the program is changed from June 30, 2012, to June 30, 2009, in order to reflect the change in funding from an appropriation to the categorical state percentage of growth set by the General Assembly.

*FINANCING SCHOOL PROGRAMS.* Code Section 257.1, providing for the State School Foundation Program, is amended to add the teacher salary supplement, the professional development supplement, and the early intervention supplement to the funding sources whose amounts should not be rounded to the nearest whole dollar when computations are done.

Division V amends Code Section 257.1, subsection 2, relating to the combined foundation base, to require that the district cost for total teacher salary supplement, total professional development supplement, early intervention supplement, area education agency (AEA) total teacher salary supplement, and AEA total professional development supplement be funded entirely through state aid.

Division V creates Code Section 257.8, subsection 1A, in order to establish a categorical state percent of growth. The categorical state percent of growth must be set each year by the General Assembly within 30 days of the submission in the year preceding the base year of the Governor's budget. The percent of growth will be the only subject of the proposed bill; however, the proposed bill may include separate categorical state percents of growth for the teacher salary supplement, the professional development supplement, and the early intervention supplement.

Code Section 257.9, relating to the state cost per pupil, is amended to add five new subsections. Each subsection establishes a state cost per pupil beginning with the school budget year beginning July 1, 2009, for the following: the teacher salary supplement, the professional development supplement, the early intervention supplement, the AEA teacher salary supplement, and the AEA professional development supplement.

Code Section 257.10 is amended to provide that the district cost of the total teacher salary supplement, the total professional development supplement, the early intervention supplement, the AEA total teacher salary supplement, and the AEA total professional development supplement shall each be added to a school district's combined district cost.

Division V also establishes the teacher salary supplement cost per pupil and district cost beginning with the school budget year beginning July 1, 2009, which is based on allocations made to school districts for the school budget year beginning July 1, 2008, for student achievement and teacher quality teacher compensation and Educational Excellence Phase II. Beginning with the school budget year beginning July 1, 2010, the per-pupil cost will increase by the statewide allowable growth amount enacted for each budget year. The division provides for a budget adjustment that would guarantee each district 100 percent of the previous year's teacher salary supplement district cost, not including the previous year's budget adjustment. The funds received from the teacher salary supplement must be used in compliance with requirements specified in Code Chapter 284, relating to teacher performance, compensation, and career development, and Code Chapter 294A, relating to Education Excellence Program, Phase II.

Division V establishes the professional development supplement cost per pupil and district cost beginning with the school budget year beginning July 1, 2009, which is based on allocations made to school districts for the school budget year beginning July 1, 2008, for student achievement and teacher quality professional development. Beginning with the 2010-2011 school budget year, the per-pupil cost will increase by the statewide allowable growth amount enacted for that budget year. The division provides for a budget adjustment that would guarantee each district 100 percent of the previous year's professional development supplement district cost, not including the previous year's budget adjustment. The funds received from the professional development supplement must be used in compliance with the requirements specified in Code Chapter 284.

The division establishes the early intervention supplement cost per pupil and district cost beginning with the school budget year beginning July 1, 2009, which is based on allocations made to school districts for the school budget year beginning July 1, 2008, for early intervention and class size reduction. The division also provides that, beginning with the 2010-2011 school budget year, the per-pupil cost will increase by the statewide allowable growth amount enacted for that budget year. The division provides for a budget adjustment that would guarantee each district 100 percent of the previous year's early intervention supplement district cost, not including the previous year's budget adjustment. The funds received from the early intervention supplement must be used in compliance with the requirements specified in Code Chapter 256D, relating to the Iowa Early Intervention Block Grant Program.

Code Section 257.35 is amended to provide that funding for the AEA teacher salary supplement and the AEA professional development supplement flow through the school districts to the appropriate AEA.

The division creates Code Section 257.37A in order to establish the AEA funding for teacher salary supplement and professional development supplement for cost per pupil and district cost.

Code Section 257.37A provides that the AEA teacher salary supplement cost per pupil and district cost is established beginning with the 2009-2010 school budget year, and is based on allocations made to AEAs for the 2008-2009 school budget year, for student achievement and teacher quality teacher compensation. The Code section also provides that, beginning with the 2010-2011 school budget year, the per-pupil cost will increase by the statewide allowable growth amount enacted for that budget year. The Code section provides for a budget adjustment that would guarantee each AEA 100 percent of the previous year's teacher salary supplement district cost, not including the previous year's budget adjustment. The funds received from the teacher salary supplement must be used in compliance with the requirements specified in Code Chapter 284.

Code Section 257.37A also establishes AEA professional development supplement cost per pupil and district cost beginning with the 2009-2010 school budget year, which is based on allocations made to AEAs for the 2008-2009 school budget year, for student achievement and teacher quality professional development. The Code section also provides that, beginning with the 2010-2011 school budget year, the per-pupil cost will

increase by the statewide allowable growth amount enacted for that budget year. The Code section provides for a budget adjustment that would guarantee each district 100 percent of the previous year's professional development supplement district cost, not including the previous year's budget adjustment. The funds received from the professional development supplement must be used in compliance with the requirements specified in Code Chapter 284.

The division creates new Code Section 257.51, which requires that, beginning with the 2009-2010 school budget year, any state appropriations made to school districts or AEAs for teacher salaries through the Student Achievement and Teacher Quality Program, Educational Excellence Phase II, the professional development through the Student Achievement and Teacher Quality Program, or the Early Intervention and Class Size Reduction Program will be added on a per-pupil basis through the school aid formula.

*REPEALS.* The following Code sections are repealed June 30, 2009: Code Section 294A.9, subsections 2, 3, 4, and 7; Code Section 294A.10; and Code Section 294A.22, subsection 4. Each of the aforementioned Code sections related to appropriations language that will no longer be applicable when the funding source for Educational Excellence Program, Phase II changes to the categorical state percent of growth as set by the General Assembly.

*APPROPRIATIONS.* Code Section 294A.25, subsections 1 and 6, are amended so that the appropriations referred to in the subsections end June 30, 2009. New Code Section 294A.25, subsection 1A, provides for an annual appropriation from the General Fund of the State, beginning with FY 2009-2010, an amount not exceeding \$15,633,245 to be distributed as provided in the Code section.

Code Section 294A.25, subsection 6, provides that any remaining moneys appropriated from subsection 1 shall be deposited into the Educational Excellence Fund and allocated in an amount to meet the requirements of Code Chapter 294A.25 for Phase I.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision requiring the Department of Education to use 10 of the full-time equivalent positions allocated to the department for various purposes specified in the Act. The Governor's item veto message states that the department is performing all of the functions identified in the Act, making the language unnecessary.

**[HOUSE FILE 2699](#) - Appropriations — Economic Development [Fiscal Analysis](#)**

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations to the Department of Cultural Affairs, the Department of Economic Development (DED), certain Board of Regents institutions, the Department of Workforce Development (DWD), and the Public Employment Relations Board, and contains certain other related matters.

The Act makes appropriations and transfers from the General Fund of the State to the Department of Cultural Affairs, DED, the University of Iowa, the University of Northern Iowa, Iowa State University, DWD, and the Public Employment Relations Board for FY 2008-2009.

The Act appropriates moneys from loan repayments on loans under the former Rural Community 2000 Program and interest and earnings on moneys in the Grow Iowa Values Fund to DED for providing financial assistance to Iowa's councils of governments that provide technical and planning assistance to local governments.

The Act transfers moneys collected by the Division of Insurance of the Department of Commerce in excess of the anticipated gross revenues to DED for purposes of insurance economic development and international insurance economic development.

The Act appropriates moneys from the Iowa Community Development Loan Fund to DED for purposes of the Community Development Program.

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The Act appropriates moneys from the Workforce Development Fund Account to the Workforce Development Fund. The Act provides that moneys appropriated or transferred to or receipts credited to the Workforce Development Fund may be used for administration of workforce development activities.

All moneys remaining in the Job Training Fund on July 1, 2008, and any moneys appropriated or credited to the fund during the fiscal year beginning July 1, 2008, shall be transferred to the Workforce Development Fund.

The Act requires the State Board of Regents to submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development.

The Act requires the Auditor of State to annually conduct an audit of DWD.

The Act appropriates moneys from the Special Employment Security Contingency Fund to DWD for the Division of Workers' Compensation.

The Act appropriates interest earned on the Unemployment Compensation Reserve Fund to DWD for the operation of field offices.

The Act allows the Office of Renewable Fuels and Coproducts to apply to DED for moneys in the Value-Added Agricultural Products and Processes Financial Assistance Fund for deposit in the Renewable Fuels and Coproducts Fund.

The Act requests the Auditor of State to review the audit of the Iowa Finance Authority performed by the auditor hired by the authority.

For the fiscal year beginning July 1, 2008, any entity that was specifically identified in 2001 Iowa Acts, Chapter 188, shall receive funding from DED, excluding any entity identified to receive a direct appropriation beginning July 1, 2008, and may apply to the department for assistance through the appropriate program.

The Act provides that, in providing moneys from the Shelter Assistance Fund to homeless shelter programs, DED shall explore the potential of allocating moneys to programs based in part on their ability to move their clients toward self-sufficiency.

The Act appropriates moneys from moneys credited to the state by the Secretary of the Treasury of the United States pursuant to the Social Security Act to DWD for the administration of the Unemployment Compensation Program only.

The Act provides for the nonreversion of unencumbered moneys appropriated in 2007 Iowa Acts, Chapter 207, for the targeted small business advocate service providers, the Targeted Small Business Financial Assistance Program, marketing and compliance activities, and process improvement activities until after fiscal year 2008-2009. These provisions take effect May 13, 2008.

The Act directs the Workforce Development Board to develop, in consultation with the Association of Iowa Workforce Partners and the Employers Council of Iowa, a statewide workforce innovation plan by January 1, 2009, and submit the plan to the General Assembly by January 15, 2009.

The Act directs DED to establish a sustainable community development initiative. As part of this initiative, the department is required to ensure that all of its current programs promote sustainability and to cooperate with local governments. The Act appropriates \$500,000 from interest on moneys in the Grow Iowa Values Fund to fund the initiative.

**[HOUSE FILE 2700](#)** - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes [Fiscal Analysis](#)

BY COMMITTEE ON APPROPRIATIONS. This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters. The Act is organized into divisions.

Division I — MH/MR/DD Services Allowed Growth Funding — FY 2009-2010

Division I appropriates approximately \$70 million in funding for the FY 2009-2010 MH/MR/DD services allowed growth funding payments to counties.

Division II — Standing Appropriations and Related Matters

Division II limits the standing unlimited appropriations for FY 2008-2009 made for the following purposes: instructional support state aid, payment of nonpublic school transportation, the Educational Excellence Program to improve teacher salaries, and the state share of peace officers' retirement benefits.

The appropriations made for expenses of the General Assembly under Code Section 2.12 are to be reduced by \$1,400,261.

For the budget process applicable to FY 2009-2010, state agencies are required to submit estimates and other expenditure information as called for by the Director of the Department of Management (DOM) after consultation with the director instead of the information required under Code Section 8.23.

In addition, for FY 2008-2009, the following property tax credits are funded from the Property Tax Credit Fund created in the division instead of entirely funded from the General Fund of the State: homestead, agricultural land and family farm, military service, and elderly and disabled tax credit and reimbursement. Such appropriations are also limited to the same amounts for FY 2009-2010. Moneys for the fund came from the following sources: FY 2007-2008 General Fund ending balance (\$100 million), FY 2008-2009 General Fund appropriation (\$44.4 million), and one-time surpluses from other funds, for a total of \$160 million. These provisions take effect May 15, 2008.

The contingent appropriation under Code Section 8.57, subsection 1, of up to 1 percent of the adjusted revenue estimate for FY 2008-2009 from the General Fund of the State to the Cash Reserve Fund in the event the FY 2007-2008 ending balance distribution was insufficient to bring the fund to the designated level shall not be made for FY 2008-2009.

For purposes of the budget process and calculation of the General Fund of the State expenditure limitation under Code Section 8.54 for FY 2008-2009, the April 4, 2008, Revenue Estimating Conference's revenue estimate shall be used. This section takes effect May 15, 2008, and applies retroactively to January 14, 2008.

Code Section 257.35, relating to state aid to schools provided for area education agencies, is amended to continue a reduction in that funding for FY 2008-2009. The amount of the reduction is limited to \$2.5 million in place of the \$5.25 million reduction applied for the previous fiscal year and the reduction for each area education agency will be prorated based upon the reduction in the state aid that the agency received in FY 2003-2004. Intent language is included that would eliminate this additional reduction effective with FY 2009-2010.

Division III — Salaries, Compensation, and Related Matters

Division III relates to the funding for the fiscal year beginning July 1, 2008, of salary increases for state appointed nonelected officers, justices, judges, magistrates, employees subject to collective bargaining agreements, certain noncontract employees, and Board of Regents employees.

The annual salaries of the justices, judges, and judicial magistrates are increased approximately 6.9 percent to 12.7 percent.

The division increases the maximum and minimum salary levels of all pay plans of noncontract state employees by 3 percent and authorizes a step increase or the equivalent of a step increase. The pay levels of noncontract judicial branch employees are required to be similar to the employees covered by collective bargaining agreements negotiated by the judicial branch.

The division provides supplemental authorization to fund salaries from trust, revolving, and special funds for which the General Assembly has established a budget.

The division provides for the Salary Model Administrator to work in conjunction with DOM and the Legislative Services Agency to analyze, compare, and project state salary and benefit information.

Code Section 173.10 is amended to authorize the State Fair Board to set the compensation and employment terms of the Secretary of the State Fair rather than within the salary range set by the General Assembly.

Division IV — Miscellaneous Statutory Changes — Appropriations

Division IV amends Code Sections 8.7 and 8.9 to shift the responsibility for receiving the reporting of grants to the Office of Grants Enterprise Management of DOM. The office is required to compile the reports in the manner required under current law and submit an annual report to the Legislative Services Agency by January 31 for the grants received during the previous calendar year. In addition, the office is required to report each July and January to the legislative government oversight committees summarizing departmental compliance with the reporting requirements.

Code Section 68B.32 is amended to remove from the Iowa Ethics and Campaign Disclosure Board the responsibility to address standards for, investigate complaints relating to, and monitor the reporting of grants. Code Section 68B.32A is amended to remove from the board's duties the responsibility to receive and file grant disclosure information and to conduct hearings relating to the grant reporting requirements.

Code Sections 12C.16 and 12C.17 are amended to change the manner in which corporate credit unions are referenced in the sections of Code Chapter 12C dealing with securing deposits of public funds in credit unions. Previously, Code Sections 12C.16 and 12C.17 provided for the deposit of securities with, among other entities, corporate credit unions organized under 12 C.F.R. § 704, which regulates corporate credit unions. In 12 C.F.R. § 700.2, a corporate credit union is defined as an organization which receives shares from and provides loan services to credit unions, and is operated primarily for the purpose of serving other credit unions. The amendments to Code Sections 12C.16 and 12C.17 change the reference to 12 C.F.R. § 704 to the more general designation of corporate credit unions whose activities are subject to regulation by the National Credit Union Administration.

New Code Section 15.368 provides a standing \$1 million appropriation beginning with FY 2009-2010 for the support of the World Food Prize Award.

Code Section 15F.204 is amended to allocate \$100,000 every year from the Community Attraction and Tourism Fund to be used by the Vision Iowa Board to market projects receiving moneys from the fund.

Code Section 16.92 is amended to modify the standard for imposing liability on the Title Guaranty Division of the Iowa Finance Authority. Liability will be imposed if the division through an act of negligence wrongfully or erroneously records a certificate of release.

Code Sections 21.5 and 22.7 are amended to provide a new exemption from the Open Meetings Law relating to meetings of public hospitals. The amendments provide that a meeting of a public hospital may be closed to discuss patient care quality and process improvement initiatives or to discuss marketing and pricing strategies or similar proprietary information where public disclosure of such information would harm the hospital's competitive position. The minutes and the audio recording of such a closed session shall be available for public inspection when public disclosure would no longer harm the hospital's competitive position. This provision does not apply to expenditures and terms or conditions of employment. Records of these closed sessions are to be made available after final action is taken on the subject matter. These amendments do not apply to any litigation before any court of this state filed prior to July 1, 2008.

Code Section 35A.8 is amended to provide that the Department of Veterans Affairs, not the Commission of Veterans Affairs, establish rules concerning the Vietnam veterans bonus and also provides that the bonus is available to a person who served on active duty for no less than 120 days and who served, for any length of

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time, between July 1, 1973, and May 31, 1975. The amendments to Code Section 35A.8 take effect May 15, 2008, and are retroactively applicable to July 1, 2007.

New Code Section 68A.401A requires a political organization that is required to file reports with the Internal Revenue Service to file a report with the Iowa Ethics and Campaign Disclosure Board if it creates or disseminates a communication of issue advocacy in the state and receives or expects to receive \$25,000 or more in gross receipts during the tax year.

Code Section 68B.2A is amended to require the Iowa Ethics and Campaign Disclosure Board to adopt administrative rules further delineating particular situations where outside employment or activity of officials and state employees of the executive branch will be deemed to create an unacceptable conflict of interest.

Code Section 68B.5A is amended to ban certain lobbying activities by the head of a major subunit of a department or independent state agency, or by a full-time employee of an office of a statewide elected official, if such person's position involves a substantial exercise of administrative discretion or the expenditure of public funds.

Code Section 68B.22 is amended to provide that food and beverages provided at a meal that is part of a bona fide event or program at which the recipient is being honored for public service may be received by a public official, public employee, candidate, or members of the immediate family of the public official, public employee, or candidate.

Code Section 84A.5 is amended to direct the Department of Workforce Development to administer a statewide standard skills assessment to assess the employability skills of adult workers statewide. The division amends 2008 Iowa Acts, H.F. 2699 (see Appropriations), to appropriate \$500,000 for this purpose in lieu of the appropriation in that Act for conducting integrated basic education and skills training demonstration projects.

Code Section 103.22 is amended to provide that the provisions of Code Chapter 103 relating to the licensing of electricians and electrical contractors shall not require firms or individuals working under contract to municipal utilities, electric membership or cooperative associations, or investor-owner utilities to hold licenses while performing work within the scope of the utility's public service obligations.

Code Section 135.63, relating to the exclusion from the certificate of need process to the replacement or modernization of an institutional health facility, is amended to provide that with reference to a hospital, "replacement" means establishing a new hospital that demonstrates compliance with all of the criteria specified in the new language. The criteria specified include that the hospital is a critical access hospital pursuant to federal law, that the replacement hospital serves at least 75 percent of the same service area that was served by the prior hospital, that the replacement hospital provides at least 75 percent of the same services as the prior hospital, and that the replacement hospital is staffed by at least 75 percent of the same staff, including medical staff, contracted staff and employees, as constituted the staff of the prior hospital.

Code Section 135B.5 is amended to increase the annual hospital license fee from \$10 to \$500 and to provide that the licensure fees are dedicated to support and provide educational programs on regulatory issues for the licensed hospitals.

Code Section 135B.10 is amended to increase the membership on the Hospital Licensing Board from five to six individuals and eliminate the requirement that all of the members possess recognized ability in the field of hospital administration.

Code Section 175.2 is amended to provide that the term "low or moderate net worth" as it applies to beginning farmers for purposes of financial assistance under the Iowa Agricultural Development Act is changed from a specific dollar amount to a designated amount that is indexed on a calendar year basis beginning January 1, 2009. The designated amount for July 1, 2008, through December 31, 2008, is set at \$500,000.

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New Code Sections 216A.162, 216A.165, and 216A.166, as enacted by 2008 Iowa Acts, S.F. 2400 (see Appropriations) are amended to modify that Act, which provided for the establishment of a Commission on Native American Affairs, by substituting the term "Native Americans" for "Native American persons."

New Code Section 279.67 provides that it is the goal of the state that every employee of a public school corporation receive a competitive living wage.

Code Section 321A.3 is amended, as it relates to requests for and use of records or abstracts of motor vehicle operating records; to provide that nonprofit charitable organizations are not charged a fee for their requests, a person may view their own operating record without charge, and a person making a request which is subject to a fee may only use the record or abstract one time, for a single purpose, and shall not provide the record to more than one other person. If the person wants to use the record or abstract for any additional purpose, another fee must be paid for each purpose. In addition, the person shall keep records for five years detailing the use of the record or abstract.

Code Sections 331.304 and 364.3 are amended to provide that a city or county shall not adopt or enforce any ordinance imposing a registration or licensing system or fees relating to owner-occupied manufactured or mobile homes including those located in a manufactured home community or mobile home park.

New Code Section 422.11V and new Code Section 422.33, subsection 25, provide for tax credits under the individual and corporate income taxes for the charitable contribution of real estate to qualified organizations exclusively for qualified conservation purposes. A qualified organization includes certain governmental units, public charities that meet certain public support tests, and certain supporting organizations. A qualified conservation purpose includes: preserving land for outdoor recreation by or for the education of the general public; protecting a relatively natural habitat of fish, wildlife, or plants; preserving open space for the public's scenic enjoyment or under a governmental conservation policy that will yield a significant public benefit; and preserving an historically important land area or a certified historic structure.

The amount of the credit is 50 percent of the fair market value of the charitable contribution not to exceed \$100,000. The credit is nonrefundable but any excess may be carried forward to the following 20 tax years, or until depleted.

The tax credits apply retroactively to January 1, 2008, for tax years beginning on or after that date.

Code Section 423.6, subsection 14, is amended to provide that the portion of the purchase price of a mobile home or of the installed purchase price of a manufactured home which is not attributable to the cost of the tangible personal property used in the processing of such home is increased from 40 percent to 80 percent. This amendment results in the increase in the exemption from the use tax of the purchase price or installed purchase price from 40 percent to 80 percent.

Code Chapter 423B, relating to the regular local sales and services tax, is amended to authorize an eligible city to use any increase in the local sales and services tax revenues generated in a designated urban renewal area to fund urban renewal projects in that urban renewal area. An eligible city is one in which a local sales and services tax is imposed and in which an urban renewal area under Code Chapter 403 has been designated. This authorization is provided in new Code Section 423B.10. Code Section 423B.1 is amended to allow a city to change the use of its local sales and services tax revenues for funding a urban renewal project without an election. Code Section 423B.7 is amended to provide that the increased revenues collected are not subject to the distribution formula otherwise existing in Code Section 423B.7, but are to be deposited into a special account for remitting to the eligible city.

Code Section 423E.4, subsection 3, as amended by 2008 Iowa Acts, H.F. 2663 (see Taxation), and Code Section 423E.4, new subsection 8, and new Code Section 423F.2, as enacted by 2008 Iowa Acts, H.F. 2663, are amended to change the calculation of the distribution of the school infrastructure moneys back to the calculation method used for the previous local sales and services tax for school infrastructure purposes under Code Chapter 423E. This calculation method is based upon the estimate of what would be collected in each specific county. The calculation method in 2008 Iowa Acts, H.F.2663, was to be based upon a statewide

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average increase in General Fund of the State receipts from the state sales and use tax which would have been applied to each county.

New Code Section 423F.3, enacted by 2008 Iowa Acts, H.F. 2663, is amended to change a reference to the time of holding the election, if any, for a revenue purpose statement to reflect changes made to school elections made in the 2008 Legislative Session.

New Code Section 441.37A, subsection 1, is amended to provide that an appeal from the local board of review to the Property Assessment Appeal Board is a contested case under the Iowa Administrative Procedure Act.

Code Section 441.37A, subsection 2, is amended to provide that meetings of the Property Assessment Appeal Board to rule on procedural motions or to deliberate on a decision are exempt from the Open Meetings Law.

Code Section 441.38 is amended to provide that additional evidence to sustain an appeal may be introduced when appealing a decision of the local board of review to the district court. However, no additional evidence is permitted if the appeal is of a decision of the Property Assessment Appeal Board.

New Code Section 441.38B provides that a person or party that is aggrieved by a decision of the Property Assessment Appeal Board may seek judicial review as provided in the Iowa Administrative Procedure Act and Code Section 441.38.

New Code Section 455C.17 provides for the Department of Natural Resources to establish the Independent Redemption Center Grant Program to provide grants of up to \$15,000 to redemption centers where consumers may return empty beverage containers. These centers are not affiliated with or are not a subsidiary of a dealer, distributor, or manufacturer. The new Code section establishes a grant fund from which grants are to be made to these independent redemption centers for purpose of making improvements to the facilities at the centers. The division appropriates \$1 million to the department for purposes of providing grants under this program.

Code Section 535.8 is amended to make specified changes relating to permissible fees and charges which may be incurred by a borrower in connection with designated real estate loans. A definition of "lender" is added, terminology in Code Section 535.8 is modified to reflect loan transactions between a lender and a borrower, and origination and broker fees are added to loan charges which may be imposed, subject to existing limitations regarding the amount of the charge. The amendment also adds a bona fide and reasonable settlement or closing fee incurred by a lender and paid to a third party to settle or close a loan as an authorized charge to a borrower.

Code Section 622.10 is amended as it relates to communications made in professional confidence concerning health care and health care records including patient access to the patient's medical records, provisions relating to procedures for fees charged by certain medical providers for the production of certain health care records and consulting costs, and also to provisions relating to communications between certain medical providers and attorneys in a civil action in which the condition of the plaintiff is at issue.

Moneys appropriated for the Biomass Production Project at the University of Northern Iowa for FY 2006-2007 do not revert until the end of FY 2008-2009. This provision takes effect May 15, 2008.

An appropriation of \$160,000 is made from the General Fund of the State for FY 2008-2009 to the State Board of Regents for the Real Estate Education Program at the University of Northern Iowa.

The division makes an appropriation of \$5.5 million from the General Fund of the State for FY 2008-2009 for providing budget neutrality in setting hospital reimbursement rates under the state Medical Assistance (Medicaid) Program.

The division rewrites the amendment to Code Section 423.5, subsection 3, in 2008 Iowa Acts, S.F. 2420 (see Transportation) to specify that the state use tax is imposed at the rate of 5 percent on the use of vehicles subject only to the issuance of a certificate of title and the use of manufactured housing and on the use of leased vehicles if the lease transaction does not require the titling or registration of the vehicle.

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The division amends 2008 Iowa Acts, H.F. 2699, (see Appropriations) by adding to the appropriation made to the Department of Economic Development for FY 2008-2009 a requirement that the department coordinate with the Department of Natural Resources, the Iowa Finance Authority, and the U.S. Department of Agriculture in maximizing community development block grants and loans available for water, wastewater, and unsewered communities.

The division makes additional appropriations for FY 2008-2009 as follows:

- To the Department of Public Health, \$1 million for tobacco use prevention, cessation, and treatment.
- To the Department of Human Services, \$1 million for supplementing the appropriation for child and family services in 2008 Iowa Acts, S.F. 2425 to be allocated for shelter care.
- To the Department of Education, \$200,000 for deaf interpreters.
- To the Department of Economic Development, \$150,000 for a grant to support the U.S. Center for Citizen Diplomacy.
- To the Department of Natural Resources, \$195,000 for the abatement, control, and prevention of ambient air pollution in the state.

The Department of Cultural Affairs is authorized an additional 1.5 full-time equivalent positions for work related to the stabilization and preservation of the state battle flag collection.

A member of the National Guard that served on active duty in a rear detachment support assignment for a National Guard unit deployed in Iraq may exclude the amount of full-time National Guard duty pay for purposes of the individual income tax. This provision takes effect May 15, 2008, and applies retroactively to January 1, 2004, for tax years beginning on or after that date but before January 1, 2007.

Moneys from the appropriation made from the Charter Agency Grant Fund to DOM that remain unencumbered or unobligated at the close of FY 2007-2008 remain available to be used for the purposes designated in the succeeding fiscal year. These purposes include training, development of outcome measurement systems, management system modifications, and other modifications associated with transition of operations to charter agency status. Under Code Section 7J.3, the charter agency chapter is repealed effective June 30, 2008. The division provides that at the close of FY 2008-2009, any remaining moneys revert to the General Fund of the State. This provision takes effect May 15, 2008.

### Division V — State Aid for Schools — Enrollment

Division V contains provisions relating to competent private instruction provided to school age children receiving home schooling. Code Section 257.6 is amended to reduce the weighting for pupils receiving competent private instruction from a licensed practitioner provided through a school district from the previous six-tenths of one pupil to three-tenths of one pupil, to provide that a school district shall not expend less than the amount expended during FY 2007-2008 unless there is a decline in enrollment, to provide that a school district shall continue to offer home schooling assistance in subsequent years if it offered the program in FY 2007-2008, and to allow a school district that has expenditures associated with providing competent private instruction in excess of revenue attributed to the weighted enrollment to submit to the School Budget Review Committee a request for modified allowable growth. These provisions take effect May 15, 2008.

The division amends Code Section 299.4 to require reporting to the Department of Education by a school district or accredited nonpublic school that operates a home schooling program. The report is to, at a minimum, identify the student and the period of time during the school year the student is receiving instruction under the program.

The division appropriates \$146,000 for one-time distribution to school districts having expenditures associated with competent private instruction that are in excess of revenue attributed to the district's weighted enrollment because of the reduction in the weighted enrollment provided in this division.

A school district whose budget is reduced for the budget year beginning July 1, 2008, as a result of the reduction in weighted enrollment as a result of the amendment to Code Section 259.6 in this division shall receive a budget adjustment.

Division VI — Campaign Finance

Division VI moves restrictions concerning campaign signs near absentee voting sites and satellite absentee voting stations from Code Chapter 53 to Code Chapter 68A, and specifies that the 300-foot restriction is measured from the outside door of the voting premises. Code Chapter 53 provisions continue to prohibit electioneering within the sight or hearing of voters.

The division lowers the reporting threshold for independent expenditures from \$750 to \$100.

The division specifies restrictions on yard signs, providing that signs may be placed on property leased for college housing facilities on leased property space that is actually occupied, and on vacant lots owned by a person who is not a prohibited contributor.

Division VII — Corrective Provisions

Division VII makes corrections to legislation enacted or considered during the 2008 Legislative Session.

Division VIII — Animal Agriculture

Division VIII amends the two principal Code chapters regulating animal feeding operations. Code Chapter 459 generally regulates animal feeding operations, with the majority of its provisions concerned with confinement feeding operations where animals are confined in totally roofed areas. Code Chapter 459A regulates open feedlot operations where animals are otherwise confined to areas where there is no vegetation or forage materials.

Code Section 459.102 is amended to provide that except as required for a national pollutant discharge elimination system permit required under federal law, an animal feeding operation does not include a livestock market for purposes of the state Animal Agricultural Compliance Act.

This division amends Code Section 459A.103, which provides that the size of an open feedlot as calculated using its animal unit capacity does not include any confinement feeding operation. The division provides an exception when determining whether the open feedlot operation must have been issued an operating permit by the department. In that case only, the animal unit capacity of the animal feeding operation includes the animal unit capacities of both the open feedlot operation and the confinement feeding operation, if the animals in the open feedlot and confinement feeding operation are in the same category of animals as provided by federal law. For all other purposes, the confinement feeding operation is to be governed by Code Chapter 459 and the open feedlot operation is to be governed by Code Chapter 459A.

The division also amends Code Section 459A.401, which provides for the management of open feedlot effluent, by providing that under certain conditions an open feedlot operation may discharge the effluent into any waters of the state due to a precipitation event. The open feedlot operation must be in compliance with federal law including the National Pollutant Discharge Elimination System requirements administered by the U.S. Environmental Protection Agency.

The division establishes a compliance education effort provided by the Department of Natural Resources in cooperation with associations that represent livestock producers and with organizations representing farmers generally.

The division also provides for persons required to obtain operating permits as a result of this division to apply by December 21, 2008.

This division takes effect December 31, 2008, except for the provision relating to the establishment of the compliance education effort which takes effect May 15, 2008.

Division IX — Retirement for Senior Judges

Division IX allows a senior judge who reaches age 78 to be reappointed to an additional two-year term as a senior judge, thereby increasing the mandatory retirement age for senior judges from 78 to 80 years of age. Current benefit provisions applicable to senior judges are made subject to the increased retirement age.

Division X — Core Curriculum for Schools

Division X amends 2008 Iowa Acts, S.F. 2216 (see Education) to eliminate the definition of "financial literacy" from a provision directing the State Board of Education to adopt rules establishing a core curriculum which includes twenty-first century learning skills components. However, the division requires the Department of Education to further define the components by rule. The division also provides that neither the State Board of Education nor the department can require the adoption of a specific textbook, textbook series, or specific instruction methodology, or to acquire specific textbooks, curriculum materials, or education products from a specific vendor to meet the core curriculum requirements.

The division further amends S.F. 2216 to eliminate a requirement that the department continue to collaborate with Iowa Testing Programs on the development of end-of-course and additional assessments to align expectations of the core curriculum, and instead requires the department to convene an advisory group of stakeholders to review the national assessment of educational progress standards and assessments used by other states and consider best practices in the fields of English, mathematics, social studies, and science. The department is directed to collaborate with the advisory group and educational assessment providers to identify and make available to school districts end-of-course assessments.

School districts must ensure that any course made available to a student through a sharing agreement meet the expectations contained in the core curriculum adopted by the state board, and, if the course generates college credit, it must be equivalent to college-level work.

The division changes the definition of "public school," for purposes of the "Uniform School Requirements" chapter (Code Chapter 280), to replace language referring to licensed practitioners with language referring to school accreditation standards.

Finally, the division adds that the core curriculum study, which S.F. 2216 requires the department to conduct, must include an examination of the possible future expansion of the core curriculum to include such content areas as fine arts, applied arts, humanities, and world languages.

Division XI — Wage-Benefits Tax Credit Program

Division XI repeals Code Chapter 15I, the Wage-Benefits Tax Credit Program, makes necessary coordinating amendment, and provides that qualified new jobs in existence on June 30, 2008, shall continue to be eligible to receive the tax credit until the end of the five-year period. However, no new qualified new jobs created on or after July 1, 2008, are eligible for the tax credit.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. A provision setting the annual salaries of the statewide elected officials to a percentage of the maximum amount in range 7 of the salary ranges for appointed state officers.
2. A provision to amend Code Section 97A.10, relating to the purchase of service credit under the Public Safety Peace Officers' Retirement System (PORS). The provision would have allowed persons covered by PORS who were previously employed under the Municipal Fire and Police

Retirement System prior to January 1, 1992, and who left that system, to purchase service credit under PORS for that prior service. Also vetoed was an appropriation from the General Fund of the State to PORS to cover the cost of providing the credit.

3. A provision that would authorize the Electrical Examining Board to adopt rules creating a special master electrician license class or subclass and a journeyman electrician license class or subclass for individuals who were licensed by a political subdivision prior to January 1, 2008, pursuant to a supervised written examination which has not been approved by the board.
4. An item of the amendment to Code Section 135B.10 that required that of the increased membership of the Hospital Licensing Board, five members were to be recognized as having ability in the field of hospital administration, which was the prior law, and one member was to be a member of the general public.
5. Provisions amending Code Section 135C.40 to provide that if the Director of the Department of Inspections and Appeals (DIA) would determine that the health care facility is in violation of Code Chapter 135C, rules adopted under the chapter, or additionally, the federal certification guidelines, the director, within 10 working days after completion of an on-site survey would have been required to issue all statements of deficiencies including any state citations. The provision would also have provided that in addition to the current process of serving a citation on a facility personally or by certified mail, the citation may be served by electronic mail.

The provision would have provided that if a licensed health care facility submits a plan of correction relating to a statement of deficiencies or a response to a citation and DIA elected to conduct an on-site revisit survey, DIA was to commence the revisit survey within 10 business days of the date the plan of correction is received, or the date specified in the plan of correction, whichever is later. If DIA recommended the issuance of a federal remedy relating to a survey it conducted, it would have been required to issue the statement of deficiencies within 24 hours of the date that the Centers for Medicare and Medicaid Services was notified of the recommendation.

6. A provision that would have established a new Code section relating to citations and monitoring visits of assisted living programs. The provision would have provided that all results of state monitoring visits conducted by DIA would be submitted by DIA, personally, by electronic mail, or by certified mail to the program no later than 10 business days following completion of an on-site monitoring visit, if findings of noncompliance are cited. Additionally, if an assisted living program submitted a plan of correction relating to the statement of noncompliance or to a civil penalty, and DIA elected to conduct an on-site monitoring revisit, DIA would have commenced the revisit within 10 business days of the date the plan or correction is received or the date specified in the plan of corrections, whichever is later.
7. Two provisions that amended changes made in the collective bargaining bill, H.F. 2645 (see Labor and Employment), that the Governor vetoed.

## BUSINESS, BANKING, AND INSURANCE

- [SENATE FILE 2117](#) - Real Estate Transactions — Closing Protection Letter Coverage
- [SENATE FILE 2179](#) - Professional Licensing and Regulation by the Department of Commerce Banking Division
- [SENATE FILE 2199](#) - External Review of Health Insurance Coverage Decisions — Scope
- [SENATE FILE 2246](#) - Real Estate Transaction Disclosure Requirements
- [SENATE FILE 2248](#) - Providers of Municipal Cable or Video Services — Certificate of Franchise Authority Applications
- [SENATE FILE 2250](#) - Licensure of Real Estate Brokers and Salespersons
- [SENATE FILE 2277](#) - Identity Theft and Consumer Credit Reports — Security Freeze
- [SENATE FILE 2308](#) - Identity Theft and Personal Information — Security Breaches — Disclosure
- [SENATE FILE 2316](#) - Uniform Act — Institutional Funds Management
- [SENATE FILE 2337](#) - Liability Insurance Coverage for Fairs
- [SENATE FILE 2349](#) - Preneed Sale of Cemetery and Funeral Merchandise and Funeral Services
- [SENATE FILE 2379](#) - Regulation of Practice of Certified Public Accounting
- [SENATE FILE 2392](#) - Viatical Settlements
- [HOUSE FILE 2145](#) - Human Papilloma Virus Vaccinations — Insurance Coverage
- [HOUSE FILE 2165](#) - Business Corporations — Distributions and Business Opportunities
- [HOUSE FILE 2268](#) - Consumer Credit Code Revisions
- [HOUSE FILE 2383](#) - Insurance — Miscellaneous Corrections and Repeals
- [HOUSE FILE 2555](#) - Insurance and Other Matters Regulated by Insurance Division
- [HOUSE FILE 2556](#) - Regulation of Banking, Debt Management, Delayed Deposit Services, Mortgage Banking, and Industrial Loans
- [HOUSE FILE 2633](#) - Limited Liability Companies
- [HOUSE FILE 2694](#) - Long-Term Care Insurance and Benefits

### RELATED LEGISLATION

- [SENATE FILE 2156](#) - Commercial Motor Vehicle Regulation — Operators and Employers  
**SEE TRANSPORTATION.** This Act contains provisions relating to commercial motor vehicle regulation that conform Iowa law more closely with federal regulation.
- [SENATE FILE 2301](#) - Uniform Finance Procedures for State Bond Issuance  
**SEE STATE GOVERNMENT.** This Act makes revisions and modifications to uniform finance procedures applicable to bonds issued by the state.
- [SENATE FILE 2317](#) - Substantive Code Corrections  
**SEE STATE GOVERNMENT.** This Act contains statutory corrections in provisions relating to legislative insurance plan participation; capital projects; travel agency registration; reports on technology commercialization expenditures; sales and use tax refunds to certain eligible businesses; public improvement contracts; resident bidder preferences in public contracts; workers' compensation and the Department of Workforce Development; business corporations; state banking council information disclosure; central credit union purposes; public accountancy examinations; uniform commercial code; execution on judgments in certain real estate actions; and employers

of alien workers. The change relating to the effective date of changes pertaining to business corporations takes effect April 2, 2008, and applies retroactively to July 1, 1989.

- [SENATE FILE 2348](#) - Management of Cooperative Associations  
**SEE AGRICULTURE.** This Act amends a number of provisions related to the affairs of a cooperative association, including by providing for a standard of conduct for board members and officers, and imposing greater quorum and voting requirements when amending the association's articles of incorporation, and disposing of association assets either by a transaction other than in the regular course of business or as part of a proposal to acquire the association.
- [SENATE FILE 2350](#) - Trusts, Estates, and Conservatorships — Interests, Rights, Fiduciaries, and Taxation  
**SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION.** This Act relates to trusts and estates, including the administration of small estates, and includes applicability provisions.
- [SENATE FILE 2405](#) - Renewable Energy Production — Financing and Incentives  
**SEE ENERGY AND PUBLIC UTILITIES.** This Act provides for acquisition of equity interests in wind energy production facilities by state banks financing such facilities for customers, and relates to qualification for specified wind energy tax credits.
- [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME-21  
**SEE TRANSPORTATION.** This Act increases annual registration fees for certain motor trucks and trailers and establishes the "business-trade truck" as a new vehicle classification for registration of trucks weighing 10,000 pounds or less owned by qualifying business entities beginning with the 2010 model year. The Act also repeals the use tax on vehicles subject to registration and leased vehicles and replaces the tax with a new one-time registration fee to be collected and administered in the same manner as the use tax.
- [SENATE FILE 2422](#) - Energy Independence Initiatives — Miscellaneous Changes  
**SEE ENERGY AND PUBLIC UTILITIES.** This Act relates to energy independence initiatives, specifies procedures applicable to applications for distributions from the Iowa Power Fund, and modifies provisions regarding authorized allocations from the fund.
- [HOUSE FILE 2213](#) - Regulation of Motor Vehicles — Miscellaneous Changes  
**SEE TRANSPORTATION.** This Act contains provisions concerning the regulation of motor vehicles, including requirements for a statement of a security interest in a motor vehicle and provisions for vehicle rebuilders licensed as used motor vehicle dealers.
- [HOUSE FILE 2233](#) - Sales, Use, and Property Tax Exemptions for Web Search Portal Businesses  
**SEE TAXATION.** This Act provides a sales and use tax exemption and property tax exemption for a business that operates a web search portal business if the appropriate investment in Iowa equals at least \$200 million and if the web search portal business purchases, options, or leases Iowa land by December 31, 2008.
- [HOUSE FILE 2539](#) - Health Care Reform and Funding  
**SEE HEALTH AND SAFETY.** This Act requires development of a comprehensive plan to enhance access to affordable private, unsubsidized health care coverage to children, adults, and families who are not eligible for health care coverage through public programs; allows development of the plan in collaboration with health insurance carriers; gives the Commissioner of Insurance regulatory authority over health benefit plans and requires adoption of rules to promote the uniformity, cost efficiency, transparency, and fairness of such plans for physicians and hospitals; and requires that group insurance, group insurance for public employees, and individual health insurance

permit continuation of existing coverage for unmarried adult children of an insured or enrollee under specified circumstances.

- [HOUSE FILE 2547](#) - Alarm System Installer or Contractor Certification and Electrician Licensure — Miscellaneous Additional Revisions  
**SEE STATE GOVERNMENT.** This Act makes several changes with regard to electrician and alarm system contractor and installer licensure and certification legislation passed during the 2007 Legislative Session.
- [HOUSE FILE 2606](#) - Regulation of Grain Dealers and Warehouse Operators — Grain Indemnity Fund Administration  
**SEE AGRICULTURE.** This Act amends a number of Code chapters relating to grain transactions involving grain dealers and grain warehouse operators licensed by the Department of Agriculture and Land Stewardship and provides for the administration of the Grain Indemnity Fund to benefit producers who sell or store grain.
- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act increases the fee for replacement of special motor vehicle registration plates issued to motor vehicle dealers from \$5 to \$40. The Act exempts used motor vehicles dealers from continuing education requirements for 24 months following completion of prelicensing education requirements.
- [HOUSE FILE 2690](#) - Student Loans, Lenders, and Funding  
**SEE EDUCATION.** This Act establishes new requirements for the qualified student loan bond issuer, which is currently the Iowa Student Loan Liquidity Corporation, and creates a new Code chapter designed to protect postsecondary students and their parents from unfair educational loan lending practices. The new chapter, which is administered by the Attorney General, includes penalties against lenders and covered institutions that violate the chapter and establishes a Student Lending Education Fund.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters. Division IV includes provisions addressing permissible fees and charges which may be incurred by a borrower in connection with certain real estate loans.



## **BUSINESS, BANKING, AND INSURANCE**

### **SENATE FILE 2117 - Real Estate Transactions — Closing Protection Letter Coverage**

BY COMMITTEE ON COMMERCE. This Act relates to the Iowa Finance Authority's Title Guaranty Program, under which the authority's Title Guaranty Division may issue a closing protection letter in real estate transactions. A closing protection letter protects against loss of settlement funds due to the acts of the division's named participating attorney or participating abstractor. The Act adds "closer" to the list of participants whose acts may be covered by a closing protection letter.

The Act takes effect April 11, 2008.

### **SENATE FILE 2179 - Professional Licensing and Regulation by the Department of Commerce Banking Division**

BY COMMITTEE ON COMMERCE. This Act makes several modifications, additions, and deletions to provisions relating to the regulation of professions registered or licensed under the purview of the Professional Licensing and Regulation Bureau of the Banking Division of the Department of Commerce.

The Act clarifies that an exemption from state or local building code regulations for factory-built structures other than manufactured homes does not extend to services rendered by engineers licensed pursuant to Code Chapter 542B or architects registered pursuant to Code Chapter 544A.

The Act removes a requirement currently applicable to several professional licensing boards that information regarding an applicant's criminal history or prior misconduct be regarded as confidential in nature and subject to criminal penalty for disclosure. This requirement is removed with respect to the professional licensing boards regulating public accountants, professional engineers and land surveyors, real estate brokers and salespersons, and registered architects.

The Act provides that continuing education provisions generally applicable to professions subject to state regulation that are contained in Code Section 272C.2, subsection 4, shall apply to certified real estate appraisers or associate real estate appraisers only to the extent consistent with specified national standards, and modifies provisions relating to granting registration by reciprocity for architects to conform to existing authority to establish such requirements by the board by rule.

The Act additionally removes outdated language and makes purely technical changes relating to regulation of the practice of architecture, and provides that the Architectural Examining Board may by rule authorize a registered architect in another state or jurisdiction to offer to perform services prior to registration in this state provided registration is obtained prior to the performance of such services.

### **SENATE FILE 2199 - External Review of Health Insurance Coverage Decisions — Scope**

BY COMMITTEE ON HUMAN RESOURCES. This Act allows appeal, pursuant to Code Chapter 514J, of a denial of dental insurance coverage based on medical necessity and specifies that Code Chapter 514J is not applicable to denials of insurance coverage which are not based on medical necessity.

### **SENATE FILE 2246 - Real Estate Transaction Disclosure Requirements**

BY COMMITTEE ON COMMERCE. This Act relates to mandatory disclosures in real estate transactions. The Act eliminates from the required disclosures under Code Section 558A.4 whether the property is located in a real estate improvement district and the amount of any special assessment against the property. The Act also repeals Code Section 358C.24, which required the same disclosures.

### **SENATE FILE 2248 - Providers of Municipal Cable or Video Services — Certificate of Franchise Authority Applications**

BY COMMITTEE ON COMMERCE. This Act modifies certain provisions applicable to an application for a certificate of franchise authority to provide cable and video services.

The Act deletes counties from the definition of a municipality for purposes of Code Chapter 477A, resulting in "municipality" referring only to a city for purposes of the Code chapter. The Act additionally specifies that an application submitted for a certificate of franchise authority by a person who was providing services pursuant to a franchise agreement in existence prior to July 1, 2007, may be filed within 60 days prior to the expiration of the existing municipal franchise. A certificate of franchise authority obtained pursuant to an application filed prior to the expiration of a municipal franchise agreement shall take effect upon the expiration date of the municipal franchise agreement.

**SENATE FILE 2250 - Licensure of Real Estate Brokers and Salespersons**

BY COMMITTEE ON COMMERCE. This Act revises licensing and disciplinary processes for real estate brokers and salespersons by expanding the offenses that preclude an applicant from licensure and expanding the period for criminal background checks. The Act expands these offenses to include a generic reference to major offenses and adds a specific reference to offenses involving moral turpitude. A license shall be revoked following three violations within a three-year period.

**SENATE FILE 2277 - Identity Theft and Consumer Credit Reports — Security Freeze**

BY COMMITTEE ON JUDICIARY. This Act concerns the protection of a person's identity.

The Act creates new Code Chapter 714F, which allows an individual, the consumer, to place a hold on the individual's consumer report to prevent a consumer reporting agency from releasing any information relating to the individual's creditworthiness without first obtaining the individual's express authorization. This "security freeze" may be temporarily suspended to allow a consumer reporting agency to release a consumer report for a specific time period. Otherwise, a security freeze remains in effect until the individual requests its removal.

The Act provides that a consumer reporting agency cannot charge any fees to an individual who is the victim of identify theft. Other individuals may be charged a fee of up to \$10 per security freeze, removal, or for reissuing a necessary password if the individual fails to retain it, and up to \$12 per temporary suspension request.

The Act addresses requests by a third party for a consumer report that is subject to a security freeze, misrepresentation of a material fact by an individual, and circumstances under which a consumer reporting agency need not remove a security freeze within specified time frames, and lists exceptions to the application of a security freeze, including a person with a prior debtor-creditor relationship. A waiver by a consumer of the protection offered by the security freeze provision is void and unenforceable.

The Act contains enforcement provisions. A violation is an offense under Code Section 714.16 and is subject to enforcement, including injunctive relief and money damages, by the Attorney General.

**SENATE FILE 2308 - Identity Theft and Personal Information — Security Breaches — Disclosure**

BY COMMITTEE ON COMMERCE. This Act provides for the notification of a breach in the security of personal information maintained in computerized form.

The Act requires a person who owns or licenses computerized data that includes specified personal information to provide notice of any breach of the security of the data to those residents of this state whose personal information was or may have been acquired by an unauthorized person. The Act also requires a person who maintains or possesses personal information on behalf of another person to notify the owner or licensor of the information of any breach in security if a consumer's personal information was included in the information breached. A "person" is defined to include individuals, persons that conduct business in this state, and state agencies. The notice shall be provided in the most expeditious manner possible and without unreasonable delay unless a law enforcement agency determines that the notification will impede a criminal investigation. The notice may be made in writing, through electronic means, or by substitute notice, and must contain information including a description of the breach of security, the approximate date of the breach, the type of personal information obtained, contact information for consumer reporting agencies, and consumer reporting advice.

Notification will not be required if an investigation or consultation with law enforcement agencies determines that no reasonable likelihood of harm has resulted or will result from the breach. The Act's provisions do not apply to persons complying with specified notification requirements or breach of security procedures that provide greater protection to personal information and disclosure requirements at least as thorough as those provided pursuant to the Act.

A violation of the Act is an unlawful practice pursuant to Code Section 714.16, and, in addition, the Attorney General may bring a civil action on behalf of an injured person.

The Act additionally requires the Legislative Council to establish an interim study committee to assess and review the extent to which public officials, entities, and affiliated organizations in possession of, or with access to, personal identifying information of a resident of Iowa which could, if disclosed, render the resident vulnerable to identify theft, are disclosing or selling such information for compensation, and to make recommendations to the General Assembly regarding these practices.

**SENATE FILE 2316 - Uniform Act — Institutional Funds Management**

BY COMMITTEE ON JUDICIARY. This Act creates the "Uniform Prudent Management of Institutional Funds Act," replacing the "Uniform Management of Institutional Funds Act" in the same Code chapter.

The Act provides certain guidelines and authority to certain institutions organized and operated exclusively for charitable purposes concerning the management and investment of funds, including endowment funds, held by such institutions, in accordance with modern prudence standards based upon both the Uniform Prudent Investor Act and the Uniform Management of Institutional Funds Act. The term "institution" includes charitable organizations created as nonprofit corporations, unincorporated associations, governmental subdivisions or agencies or any entity organized and operated exclusively for charitable purposes and also includes a trust organized and operated exclusively for charitable purposes, but only if a charity acts as a trustee.

The Act requires a charitable institution as defined in the Act to consider certain factors in making management and investment decisions and in making expenditure decisions for an endowment fund of the institution, subject to the intent of the donor as expressed in the gift instrument.

Subject to any specific limitations expressly provided in a gift instrument, an institution may delegate to an agent outside the institution the management and investment of an institutional fund to the same extent an institution could prudently delegate under the circumstances. The institution is directed to act in good faith in selecting an agent, in establishing the scope and terms of the delegation, and in reviewing an agent's delegated actions. In performing a delegated function, an agent owes a duty to the institution to exercise reasonable care to comply with the scope and the terms of the delegation. An institution that complies with the requirements contained in the Act for delegation is not liable for the decisions or actions of an agent to which the function was delegated.

The Act provides provisions relating to the release and modification of restrictions on charitable funds to allow more efficient management of the funds. If the donor consents, an institution may release or modify a restriction contained in a gift instrument relating to the management, investment, or purpose of an institutional fund, but a release or modification shall not allow a fund to be used for a purpose other than a charitable use of the fund. An institution can ask a court to modify a restriction contained in a gift instrument regarding the management or investment of an institutional fund if the restriction has become impracticable or if the restriction will defeat or substantially impair the accomplishment of the purposes of the fund. An institution can also release or modify a restriction contained in a gift instrument without court approval if the institutional fund subject to the restriction has a total value of less than \$50,000, more than 20 years have elapsed since the fund was established, and the institution uses the fund in a manner consistent with the charitable purposes expressed in the gift instrument.

A donor who gives a gift to an endowment fund that exceeds \$100,000 may file a lawsuit to enforce restrictions respecting the purposes of the fund established by the donor in the gift instrument.

The Act provides that compliance with the provisions of the Act shall be determined in light of the facts and circumstances existing at the time a decision is made or an action is taken and not by hindsight and contains a provision relating to the Electronic Signatures Act.

The Act applies to institutional funds in existence on or after July 1, 2008.

**[SENATE FILE 2337](#) - Liability Insurance Coverage for Fairs**

BY COMMITTEE ON COMMERCE. This Act allows the Association of Iowa Fairs or a fair that is a member of the association to establish a self-insured program for the payment of workers' compensation benefits and to be deemed a municipality for the purpose of joining a local government risk pool to purchase liability insurance.

**[SENATE FILE 2349](#) - Preneed Sale of Cemetery and Funeral Merchandise and Funeral Services**

BY COMMITTEE ON COMMERCE. This Act relates to the sale of cemetery and funeral merchandise and funeral services that are furnished more than 120 days after the initial payment on the account.

Code Section 523A.102 is amended to provide that the definition of "seller" or "preneed seller" does not include a person who has an ownership interest in such a seller or preneed seller but who is not actively engaged in furnishing cemetery and funeral merchandise and funeral services.

Code Section 523A.203 is amended to require a financial institution acting as a trustee of trust funds to notify each preneed purchaser within 60 days of deposit that a deposit has been made establishing a trust fund for the purchaser's payments pursuant to a purchase agreement.

Code Section 523A.203 is also amended to prohibit a preneed seller from using any funds required to be held in trust to purchase an insurance policy or annuity.

Code Section 523A.405 is amended to make a technical correction.

Code Section 523A.501 is amended to limit the requirements that the Commissioner of Insurance obtain criminal and financial histories of preneed sellers to only those persons who are directors of, or have a financial interest in, a preneed seller who is an applicant for an initial license, is an applicant for reinstatement of a license, or who is being monitored as a result of disciplinary action. The commissioner may limit the requirements to such persons who have the ability to control or direct control of trust funds under Code Chapter 523A.

Code Section 523A.502 is amended to provide that continuing education requirements for preneed sales agents do not apply to a sales agent who is also a licensed insurance producer under Code Chapter 522B or a licensed funeral director under Code Chapter 156.

Code Section 523A.601 is amended to require that the disclosure information given to preneed purchasers must inform the purchasers that they will be notified by a financial institution acting as a trustee of trust funds within 60 days of deposit that their purchase payments have been deposited establishing a trust fund as required by law and that they may contact the Insurance Division of the Department of Commerce if they do not receive such a notification.

New Code Section 523A.810A requires the commissioner to develop, by rule, a system and procedures for electronic filing of documents under the Code chapter.

Code Section 523A.811 is amended to provide that the commissioner must notify the Attorney General of the potential need for establishment of a receivership for a seller who is not meeting the trust fund requirements of the Code chapter.

**[SENATE FILE 2379](#) - Regulation of Practice of Certified Public Accounting**

BY COMMITTEE ON STATE GOVERNMENT. This Act provides that an individual who holds a valid certificate or license to practice as a certified public accountant in another state is automatically presumed to have qualifications substantially equivalent to Iowa requirements and has all the privileges of Iowa certificate holders. This privilege extends to individuals who provide professional services, whether in person or by mail,

telephone, or electronic means. An individual providing services in Iowa under this privilege is subject to the jurisdiction of Iowa courts and the Iowa Examining Accountancy Board.

The Act also establishes a board-imposed penalty of up to \$10,000 per violation on firms that violate the prohibitions set out in Code Section 542.13 or the practice standards set out in Code Section 542.20.

The Act takes effect July 1, 2009.

**SENATE FILE 2392 - Viatical Settlements**

BY COMMITTEE ON COMMERCE. This Act provides for the regulation of viatical settlements by the Commissioner of Insurance. A viatical settlement is a transaction involving the sale of a life insurance policy issued by a life insurance company before the policy matures. A viatical settlement may involve a number of parties including the "viator," "viatical settlement broker," "viatical settlement provider," and "insurer."

A viator is the policy owner who agrees to sell their policy, presumably for less than its face value, payable upon death, to a provider either directly or through a broker. The settlement is governed by a "viatical settlement contract." The Act contemplates that the viator may be chronically or terminally ill.

Generally, the Act provides for a short title (Code Section 508E.1A), amends the Code chapter's current definitional provisions (Code Section 508E.2), and eliminates current provisions relating to the regulation of contracts (Code Section 508E.3), immunity from liability for persons who provide information to the commissioner (Code Section 508E.3A), and authorization of the commissioner to adopt rules to administer the Code chapter (Code Section 508E.4). The Act rewrites a number of these provisions and includes additional regulations. The Act is based on model legislation promulgated by the National Association of Insurance Commissioners (NAIC), although the Act departs from the model legislation in some instances.

*CODE SECTION 508E.3 — LICENSE REQUIREMENTS.* The Act requires a provider or broker to obtain a license from the commissioner of the viator's state of residence. The Act provides for the issuance and renewal of licenses, the disclosure of information relating to the applicant's business, and the payment of license and renewal fees. It eliminates a provision in the NAIC draft that requires an applicant to furnish the commissioner with evidence of financial responsibility, although the Act retains a provision that authorizes the commissioner to require that a provider or broker furnish such evidence.

*CODE SECTION 508E.4 — LICENSE REVOCATION AND DENIAL.* The Act provides that the commissioner may refuse to issue, suspend, revoke, or refuse to renew the license of a provider or broker for cause, including misrepresentation or fraud, a violation of the Act's provisions, a failure to honor a contractual obligation, the violation of a license requirement, the use of an unfair or unreasonable practice, or the wrongful transfer of a policy.

*CODE SECTION 508E.5 — APPROVAL OF VIATICAL SETTLEMENT CONTRACTS AND DISCLOSURE STATEMENTS.* The Act requires a producer or broker to file with the commissioner forms used in the producer's or broker's business. The commissioner must approve the documents which comply with the Act's requirements.

*CODE SECTION 508E.6 — REPORTING REQUIREMENTS AND PRIVACY.* The Act requires that a provider file an annual statement with the commissioner involving transactions conducted in this state. The Act departs from the NAIC draft by providing that the annual statement applies to a policy settled within five years of policy issuance. It also differs by providing that the annual statement must specify the total number, aggregate face amount, and life settlement proceeds of policies settled during the immediately preceding calendar year. Certain information that could compromise the privacy of personal, financial, and health information of the viator is filed with the commissioner on a confidential basis. See H.F. 2555, which also includes a provision addressing confidentiality.

*CODE SECTION 508E.7 — EXAMINATION OR INVESTIGATIONS.* The Act provides that the commissioner may conduct examinations of providers and brokers required to be licensed. It provides for the authority, scope, and scheduling of examinations; requires licensees to retain business records; provides for the conduct of examinations; provides for the preparation of examination reports; provides for the confidentiality of

examination information; prohibits a conflict of interest by an examiner; provides for the payment of costs associated with examinations; provides for immunity from liability; and provides investigatory authority to the commissioner.

*CODE SECTION 508E.8 — DISCLOSURE TO VIATOR.* The Act requires that a provider and broker separately disclose information to the viator regarding their businesses, their relationships with the viator and producer, and the transaction. The types of disclosure required include possible legal implications that could result from executing a contract (e.g., tax consequences, claims of creditors, and eligibility for Medicaid or other government benefits); statutory rights granted under a contract (e.g., the right of rescission and when moneys must be paid to the viator); the terms and conditions of the transaction (e.g., the dollar amount of the current benefits payable to the provider under the policy and how funds will be escrowed with an independent third party during the transfer process); and the broker's business relationship with the parties (e.g., the receipt of competing offers and how the broker is to be compensated).

*CODE SECTION 508E.9 — DISCLOSURE TO INSURER.* The Act requires that a broker or provider disclose information regarding business transactions to the insurer.

*CODE SECTION 508E.10 — GENERAL RULES.* The Act provides a number of general requirements imposed upon the parties to a contract.

Prior to entering into a contract, a provider must obtain a medical statement attesting to the viator's sound mental condition and a release of the viator's medical records. The Act departs from the NAIC draft by providing that a release is only required to be issued to an insurance company if the policy was issued less than two years from the date of application for a contract. The provider must notify the insurer that the insurance policy has or will become a viaticated policy and include a copy of the medical release. The insurer must verify the policy's coverage to the provider or broker as requested. The provider must obtain a witnessed document affirming that the viator knowingly consented to the contract. The viator's medical information is confidential.

A viator has an absolute right to rescind a contract within a time certain, subject to giving notice of the rescission to the provider and repaying the provider proceeds associated with the transfer (e.g., the settlement and premiums, loans, and loan interest paid by or on behalf of the provider). The Act departs from the NAIC draft by decreasing the period for rescission from 60 to 30 days after the contract was executed or from 30 to 15 days after contract proceeds were delivered to the viator.

The documents and moneys required to effect the change in ownership of the policy and consideration for the change must be delivered to the parties through an independent escrow agent.

The failure by a provider to deliver timely payment to a viator allows the viator to void the contract.

Limitations are placed on a provider or broker to contact an insured for purposes of determining the insured's health status.

*CODE SECTIONS 508E.11 AND 508E.12 — PROHIBITED AND PERMITTED PRACTICES.* The Act departs from the NAIC draft which provides for prohibited practices and exceptions in the same section, provides two separate sections for prohibited practices and permitted practices, and makes a number of substantive and technical changes in part to enhance readability. Code Section 508E.11 provides a number of general prohibitions subject to the permitted practices in Code Section 508E.12. Code Section 508E.11 prohibits a person from entering into a contract prior to applying for or being issued a policy which is the subject of a contract or within five years of the date of a policy's issuance. Code Section 508E.11 prohibits an issuer from requiring that a viator, insured, provider, or broker sign a form in response to a request for verification without approval by the commissioner. It also requires the insurer to timely complete a change in the ownership or beneficiary of a policy.

Code Section 508E.12 provides for permitted practices, including by allowing for a person to enter into a contract prior to the five-year period, if certain conditions were satisfied (e.g., the viator or insured is terminally or chronically ill, the viator's child dies, the viator's spouse dies or divorces the viator, the viator retires, the

viator becomes disabled, or the viator files for bankruptcy). There is also an exception if prior to two years after the policy's issuance, policy premiums have been funded with unencumbered assets or fully recourse liability.

*CODE SECTION 508E.13 — PROHIBITED PRACTICES AND CONFLICTS OF INTEREST.* The Act prohibits a broker or provider from having a conflict of interest in connection with a viatical settlement (e.g., certain payments between providers and brokers). The Act departs from the NAIC draft by providing that such conflict is not prohibited as long as it is disclosed to the viator. The Act also departs from the NAIC draft by restricting a provider from entering into a premium finance agreement in which the person is to receive consideration from the policy in addition to amounts required to pay the principal, interest, and service charges for the policy premiums. It restricts a person from soliciting the purchase of a policy for the sole purpose of settling the policy or employing a scheme to create an insurable interest in the life of a person.

The Act restricts advertising. Advertising materials must be filed with the commissioner and no suggestion can be made that a settlement is provided free to the viator.

*CODE SECTION 508E.14 — ADVERTISING FOR VIATICAL SETTLEMENTS.* The Act requires a provider or broker to establish and maintain a system of control over the dissemination of advertisements. It requires that advertisements be truthful and that information not be presented to a prospective viator in a misleading manner (e.g., minimized, obscured, or ambiguous). It restricts the use of testimonials, appraisals, or endorsements; restricts the use of names and symbols (e.g., a trade name, service mark, slogan, or symbol) in a misleading manner; and prohibits creation of an impression that a governmental entity approves a broker or provider or a transaction. An advertisement that emphasizes the speed of viatication or dollar amounts paid for viatication must include average time frames for receipt of funds or average purchase price as a percent of a policy's face value obtained by viators.

*CODE SECTION 508E.15 — FRAUD PREVENTION AND CONTROL.* The Act provides for a number of measures to prevent and control fraud. A number of acts involving fraud or interference with an investigation are prohibited. The Act prohibits a person from committing a fraudulent viatical settlement act, defined to include an act or omission committed for the purpose of depriving another of property or for pecuniary gain in connection with information or documents associated with a viatical settlement contract or insurance policy. The Act departs from the NAIC draft by expressly prohibiting the use of stranger-originated life insurance. The definition of stranger-originated life insurance, based on a draft prepared by the National Conference of Insurance Legislators, provides that it includes a practice of initiating a life insurance policy for the benefit of a third-party investor who at the time of the policy's origination has no insurable interest in the insured.

The Act also departs from the NAIC draft by prohibiting a person from failing to disclose to the insurer upon request that a prospective insured has undergone a life expectancy evaluation. A person convicted of a felony involving dishonesty or breach of trust cannot participate in the business of viatical settlements. A contract must contain a fraud warning concerning false information provided in an insurance application or contract. A person engaged in the business of viatical settlements must report known or suspected violations of the Act to the commissioner.

A person who furnishes information regarding fraud to the commissioner or other law enforcement agency enjoys immunity from liability (unless the information is furnished with actual malice); and such a person may be entitled to an award of attorney fees and court costs if the person prevails in a cause of action for a tort (e.g., libel or slander) arising out of enforcing the provisions of the Act.

Information obtained by the commissioner in an investigation is confidential with certain exceptions (e.g., information released as part of an administrative or judicial proceeding or to a law enforcement or regulatory agency).

A provider or broker must implement antifraud initiatives to detect, prosecute, and prevent fraudulent viatical settlement acts, and submit related antifraud plans to the commissioner.

*CODE SECTION 508E.16 — INJUNCTIONS — CIVIL REMEDIES — CEASE AND DESIST ORDERS — CIVIL PENALTIES.* The commissioner may seek injunctive relief in order to restrain a person from violating the Act's provisions. A person damaged by a violation may bring a civil action against the person committing the violation. The commissioner may issue an emergency order to require a person to immediately cease and desist from a violation. A person who violates a provision of the Act is subject to a civil penalty of up to \$5,000 for each violation.

*CODE SECTION 508E.17 — UNFAIR TRADE PRACTICES.* The Act supplements the NAIC draft by addressing other provisions in Iowa law. It provides that a violation of the Act's provisions is considered a violation of Code Chapter 507B, governing insurance trade practices.

*CODE SECTION 508E.18 — CRIMINAL PENALTIES.* The Act supplements the NAIC draft by providing that a person acting in this state as a provider or broker, without being licensed, who willfully violates any provision of the Act, including a rule adopted or order issued under the Act's new Code chapter is guilty of a class "D" felony. However, if the violation involves a willful violation by a provider or broker, resulting in the loss of more than \$10,000, the person committing the offense is guilty of a class "C" felony. A class "D" felony is punishable by confinement for no more than five years and a fine of at least \$750 but not more than \$7,500. A class "C" felony is punishable by confinement for no more than 10 years and a fine of at least \$1,000 but not more than \$10,000. The commissioner may refer evidence concerning violations to the Attorney General or the proper county attorney for prosecution.

*CODE SECTION 508E.19 — AUTHORITY TO ADOPT RULES.* The Act authorizes the commissioner to adopt rules necessary to implement and administer the Code chapter. As part of this authority, the commissioner is responsible for establishing a standard for payments under contracts, establishing licensing requirements and fees, establishing standards for evidence of financial responsibility, and establishing rules governing the responsibilities of insurers, providers, and brokers.

*UNCODIFIED PROVISIONS.* The Act provides directions to the Code Editor necessary to renumber sections in conformity with the NAIC draft.

**[HOUSE FILE 2145](#) - Human Papilloma Virus Vaccinations — Insurance Coverage**

BY COMMITTEE ON HUMAN RESOURCES. This Act creates new Code Section 514C.23, which requires certain individual or group health insurance contracts, policies, or plans that are issued, continued, or renewed in the state on or after January 1, 2009, to provide coverage for vaccinations for human papilloma virus.

**[HOUSE FILE 2165](#) - Business Corporations — Distributions and Business Opportunities**

BY COMMITTEE ON JUDICIARY. This Act amends the "Iowa Business Corporation Act" which governs for-profit corporations and is based on the model Act promulgated by the American Bar Association. The Act's provisions reflect the language of the model Act.

*DISTRIBUTIONS INVOLVING INDEBTEDNESS.* The Act amends Code Section 490.640 to provide that indebtedness need not be accounted for as a liability when determining whether a corporation may provide for a distribution. Otherwise, Code Section 490.640(3) could restrict a distribution because it requires as a prerequisite to distribution that the corporation must be able to pay its debts as they become due in the usual course of business and the corporation's total assets must be more than its total liabilities.

*BUSINESS OPPORTUNITY — SAFE HARBOR.* The Act amends Code Section 490.831 and creates new Code Section 490.870 (based on the model Act's Code Section 8.70) which applies to the director of a corporation's board of directors. A director may profit from a transaction (a business opportunity) at the expense of the corporation which may also profit from the transaction. The common law doctrine of corporate opportunity recognizes the director's fiduciary duty to the corporation, and provides that the director must be prepared to sacrifice a profit by offering the corporation the first chance to engage in the transaction. The Act provides the director with a so-called "safe harbor" from liability for taking advantage of the business opportunity if the director discloses the opportunity to the board (or a committee of the board) or to the shareholders in the same manner as if the director were disclosing a conflict of interest under Code Section 490.832. The Act

departs from the model Act in one respect. Code Section 490.870 substitutes references to conflict-of-interest provisions in Code Section 490.832 in lieu of other conflict of interest provisions in the model Act, which Iowa has not enacted.

**HOUSE FILE 2268** - **Consumer Credit Code Revisions**

BY COMMITTEE ON COMMERCE. This Act modifies provisions of the Consumer Credit Code contained in Code Chapter 537. The Act updates references to the federal Truth in Lending Act to reflect amendments made and regulations issued prior to January 1, 2008. The Act also modifies the definition of personal property contained in a portion of the chapter relating to consumer rental purchase agreements to exclude from the definition property in the form of a motor vehicle, a manufactured home, or a manufactured or mobile home.

**HOUSE FILE 2383** - **Insurance — Miscellaneous Corrections and Repeals**

BY COMMITTEE ON COMMERCE. This Act makes nonsubstantive corrections to Code Chapter 507B, dealing with insurance trade practices, and to Code Chapter 515, relating to insurance other than life insurance; some of which were necessitated by the reorganization of Code Chapter 515 in 2007.

Code Section 507B.4(2)(c) is amended to delete language that does not relate to the topic of the paragraph and which duplicates requirements already contained in Code Chapter 522B, regulating insurance producers.

Code Section 510.21 is amended to correct internal references.

Code Section 515.1 is amended to more appropriately include the language presently contained in Code Section 515.107 at the beginning of Code Chapter 515, and Code Section 515.107 is repealed. Code Section 515.1 is also amended to specify that the provisions of Code Chapter 515 are not applicable to the entities enumerated, whether incorporated or not.

New Code Section 515.11A recodifies the language of Code Section 515.62 dealing with the transfer of stock more appropriately in the area of the Code chapter that relates to stock companies. Code Section 515.62 is repealed.

Code Section 515.64 is repealed because the language contains a reference to an outdated business model.

Code Section 515.73 is amended to delete the words "such company" which referred to language in a previous Code section that was transferred when Code Chapter 515 was reorganized in 2007 and now refers to "any company" transacting insurance business under the Code chapter.

Code Sections 515.120 and 515.121 are amended to change references from insurance "agent" to "producer" to be consistent with changes in terminology that were previously made in Code Chapter 522B and in other sections of the Code.

Code Section 515.122(1) is amended by changing a word in one clause so that the language is consistent with that in the succeeding clause.

Code Section 515.125 is amended to clarify the meaning of the language in subsection 1 and to number a previously unnumbered paragraph to make a new subsection 3.

Code Section 515.129(3) is amended to make the language easier to understand.

Code Section 515.130 is amended to correct an internal reference.

Code Section 515.138 is amended by expanding the word "loss" to "loss or damage" to make the language consistent throughout the Code section.

Code Section 515.141(1) is amended by adding a missing preposition to make the language consistent with that contained in subsection 2 of the Code section.

Code Section 515.142 is amended by deleting the words "above required" so that the Code section applies to the entire Code chapter. The transfer of language within Code Chapter 515 in 2007 made this language inaccurate.

Code Sections 515.145 and 515.146 are amended to make the language more understandable.

Code Section 515.153 is amended to make the provision applicable to the whole Code chapter. The transfer of sections within Code Chapter 515 in 2007 made the language inaccurate in referring to language which no longer precedes it.

**HOUSE FILE 2555 - Insurance and Other Matters Regulated by Insurance Division**

BY COMMITTEE ON COMMERCE. This Act relates to various matters under the purview of the Insurance Division of the Department of Commerce, including uniform securities; duties of the division, including a consumer advocate bureau and rate reviews; examinations; insurance fraud; the Iowa Life and Health Insurance Guaranty Association; general agents and third-party administrators; life insurance companies; health maintenance organizations; utilization and cost control; the Iowa Comprehensive Health Insurance Association; workers' compensation liability insurance; consolidation, merger, and reinsurance; cemetery and funeral merchandise and funeral services; and cemeteries.

*UNIFORM SECURITIES ACT.* Code Section 502.201(9E) is amended to make the terminology consistent with the language contained in Code Section 502.102(31A).

Code Section 502.202(9) is amended to provide that certain exchange transactions are exempt from certain registration and notice filing requirements for securities only if approved after hearing by a court or specified government agency or authority.

Code Section 502.402(2)(a) is amended to correct an incorrect citation to the U.S. Code.

Code Section 502.410(2) is amended to increase the registration or renewal of registration fee for a securities agent from \$30 to \$40 and to appropriate \$10 of that fee to the Securities Investor Education and Financial Literacy Training Fund established under Code Section 502.601(5). Code Section 502.601(4) is amended to expand the investor education initiatives developed and implemented by the division to include financial literacy. Code Section 502.601(5) is amended to coordinate with these changes and to provide that moneys may remain in the fund after the end of the state fiscal year in an amount not exceeding \$500,000, instead of the previously specified amount of \$200,000.

*INSURANCE DIVISION — CONSUMER ADVOCATE BUREAU — RATE REVIEWS.* Code Section 505.8, concerning the powers and duties of the Commissioner of Insurance, is amended to require the commissioner to establish the Consumer Advocate Bureau with the responsibility to ensure fair treatment of consumers by persons in the business of insurance and to prevent unfair or deceptive trade practices in the insurance marketplace. The commissioner is required to appoint, with the advice of the Governor, a consumer advocate who is knowledgeable in insurance, particularly in consumer protection. The commissioner, in cooperation with the consumer advocate, is required to make an annual report to the General Assembly of findings and recommendations regarding the activities of the bureau.

Code Section 505.8(6) is amended to require the commissioner to keep confidential the information submitted to or obtained by the division in the course of an investigation or inquiry conducted by the Consumer Advocate Bureau and to allow the disclosure of such information to the parties to the complaint or inquiry and in the course of an administrative or judicial proceeding.

Code Section 505.8(10) is also amended to provide that the confidentiality provisions of Code Section 505.8(6) apply to information and material obtained by the commissioner pursuant to any investigation made under Code Chapter 505.

Code Section 505.15 is amended to specify that the commissioner may retain attorneys, appraisers, independent actuaries and certified public accountants, and other professionals and specialists to assist the division in conducting rate filing reviews.

*EXAMINATIONS.* Code Section 507.4 is amended to provide that the commissioner may employ insurance examiners at rates of compensation consistent with current standards in the insurance industry and that such employment is exempt from specified merit system provisions.

*INSURANCE TRADE PRACTICES.* Code Section 507B.3 is amended by striking provisions relating to the power of the commissioner to examine, investigate, and obtain information on persons engaged in the business of insurance in this state about prohibited insurance trade practices. These powers are now included in new provisions contained in Code Section 505.8(5A) and (6).

*INSURANCE FRAUD.* Code Section 507E.6 is amended to require an insurer who believes that an application for insurance contains fraudulent submissions to report such a violation to the Consumer Fraud Bureau of the Insurance Division for investigation. This amendment conforms this Code section to the language contained in Code Section 507E.3 concerning fraudulent submissions.

*IOWA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT.* Code Section 508C.3(2) is amended to provide that for the purposes of coverage under Code Chapter 508C, long-term care insurance and disability insurance policies are covered as health insurance policies.

Code Section 508C.6(1)(c) and (d) are amended to provide that certain deferred compensation plans are covered under the Guaranty Association's annuity account.

Code Section 508C.8(8) is amended by rewriting the subsection to increase the obligation of the Guaranty Association to cover contractual obligations of impaired or insolvent insurers. The Guaranty Association's liability is limited to the lesser of what the insurer is liable or would have been liable for if the insurer was not impaired or insolvent, or specified statutory limitations based on the type of benefits or plan.

Code Section 508C.8(9) is amended to expand the association's coverage of certain claims by striking a limitation on when such claims must accrue in order to be covered or paid.

*VIATICAL SETTLEMENT CONTRACTS.* New Code Section 508E.5 provides that all information filed with the commissioner pursuant to the requirements of Code Chapter 508E and its implementing rules constitutes a public record that is open for public inspection. See S.F. 2992, which also includes a provision addressing confidentiality.

*GENERAL AGENTS AND THIRD-PARTY ADMINISTRATORS.* Code Section 510.5(1) is amended to remove an inaccurate reference to triennial examinations of insurers.

*LIFE INSURANCE COMPANIES AND ASSOCIATIONS.* Code Section 511.8(6) is amended to allow a life insurance company to invest in preferred stocks only if at the date of their acquisition the stocks have specified earnings and preferred dividends, or at the date of their acquisition such stocks have investment qualities and characteristics where the speculative elements are not predominant.

Code Section 511.8(9) is amended to make references to federal and Canadian statutes as of a fixed date, update references to legislation, and add references to statutes creating the Federal National Mortgage Association.

Code Section 511.8(22) is amended by adding a definition of "government-sponsored enterprise." The subsection is also amended to allow a life insurance company to invest in certain financial instruments used in hedging transactions that are obligations of or obligations guaranteed by a U.S. government-sponsored enterprise which on the date they are pledged as collateral are adequately secured and have investment qualities and characteristics where the speculative elements are not predominant.

*HEALTH MAINTENANCE ORGANIZATIONS.* New Code Section 514B.17A allows a health maintenance organization to rescind an enrollee's membership for making a material false statement or misrepresentation in the enrollee's application for membership upon written notice to the enrollee and allows appeal of the rescission. An enrollee's membership cannot be rescinded for these reasons more than two years after the date of enrollment.

*IOWA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION.* Code Section 514E.1 is amended to provide that references to health insurance coverage and involuntary termination apply to group conversion coverage.

*UTILIZATION AND COST CONTROL.* New Code Section 514F.6 requires the commissioner to adopt rules to provide for the retrospective payment of clean claims for covered services provided by a physician during the time before a physician's application for credentialing has been approved by a health insurer. Credentialing is an insurance process through which a health insurer makes a determination concerning whether a physician is eligible to provide health care services to an insured to receive reimbursement from the insurer.

*WORKERS' COMPENSATION LIABILITY INSURANCE.* Code Section 515A.2(1) is amended to define "schedule rating plan."

Code Section 515A.3(1) is amended to remove an outdated reference and references to insurance other than workers' compensation insurance.

Code Section 515A.4, concerning rate filings, is amended to remove references to insurance other than workers' compensation insurance, to specify that a filing is not deemed complete or available for use by an insurer until all required information is furnished, and to specify that a filing is deemed complete unless disapproved by the commissioner within the waiting period or an extension thereof.

Code Section 515A.5, concerning disapproval of rate filings, is amended to allow the notices of disapproval to be sent to insurers or rating organizations electronically, to remove a reference to insurance other than workers' compensation insurance, and to allow the commissioner to hold a hearing to determine whether the filing meets all requirements upon notice specifying the matters to be considered at the hearing.

Code Section 515A.6(1) is amended to increase the license fee for rating organizations from \$25 to \$100.

Code Section 515A.6(7) is amended to provide that the commissioner shall provide notice of the filing of proposed rates on the Internet web site of the division instead of in the Iowa Administrative Bulletin. The subsection is also amended to add new provisions allowing the commissioner to approve or disapprove proposed rates unless there is a request for hearing, and specifying that the waiting period for an insurance rate filing shall commence no earlier than the date the notice of the rate filing is published. The subsection is amended to require an insurer to file rather than apply for approval of a deviation from its class rates, schedules, rating plans, or rules, and to require the commissioner to approve such a filing rather than issuing an order of approval. A provision requiring a filed deviation to remain in effect for a period of not less than one year from the effective date unless withdrawn or terminated is stricken. The Act specifies what filings for approval of deviations and schedule rating plan modifications may contain, allows the commissioner to adopt rules to limit such deviations and modifications, and requires that all dividends be paid upon loss sensitivity, meaning the profitability of the policyholder individually or as a member of a homogenous group. This provision of the Act takes effect April 25, 2008.

Code Section 515A.8 is amended to conform terminology used in the Code section.

Code Section 515A.13 is amended to make the format consistent with other Code sections in the Code chapter.

Code Section 515A.17 is amended by increasing the penalty for a violation of Code Chapter 515A to not more than \$1,000 instead of \$50 for one violation, and not more than \$5,000 instead of \$500 for each willful violation.

New Code Section 515A.19A gives the commissioner the authority to adopt rules pursuant to Code Chapter 17A as necessary and convenient to administer Code Chapter 515A.

*CONSOLIDATION, MERGER, AND REINSURANCE.* Code Section 521.16 is amended to specify that the submission requirements of Code Section 521A.3 are only applicable to insurers that are subject to Code Chapter 521A (Insurance Holding Company Systems).

*INSURANCE PRODUCERS.* Section 522B.11(1) is amended to allow the commissioner to place on probation, suspend, revoke, or refuse to issue or renew the license of an insurance producer who procures applications for insurance of property of the producer or a relative, employer, or employee of the producer or for which such a person is an agent, custodian, vendor, bailee, trustee, or payee.

*CEMETERY AND FUNERAL MERCHANDISE AND FUNERAL SERVICES.* Code Section 523A.206(5) is amended to replace use of the term "nonrenewal" or "nonrenew" with the words "denial of any application to renew."

Code Section 523A.401(7) is amended to correct a reference to a "permit" instead of a "license" and to prohibit a parent company of a seller, a seller, or a provider from pledging, borrowing from, or otherwise encumbering an insurance policy that funds a purchase agreement for cemetery and funeral merchandise, and funeral services.

Code Section 523A.402(7) is amended to correct a reference to a "permit" instead of a "license" and to prohibit a parent company of a seller, a seller, or a provider from pledging, borrowing from, or otherwise encumbering an annuity that funds such a purchase agreement.

Code Section 523A.405(8) is amended to correct terminology to make it consistent with the rest of the Code chapter.

Code Sections 523A.501(3), 523A.501(4), and 523A.502(4) are amended to make terminology more accurate and consistent with the rest of the Code chapter.

Code Section 523A.603(2) is amended to make the language consistent with that contained in Code Section 523A.601(6).

Code Section 523A.807(3) is amended with a technical correction.

Code Section 523A.901(9) is amended with a technical correction.

*IOWA CEMETERY ACT.* Code Section 523I.102(8) is amended to remove an incorrect internal reference.

Code Section 523I.201(1) is amended to make it consistent with similar language contained in Code Section 523A.801(1).

*LIFE INSURANCE COMPANIES.* Code Section 508.30 is repealed because it is no longer applicable.

**[HOUSE FILE 2556](#) - Regulation of Banking, Debt Management, Delayed Deposit Services, Mortgage Banking, and Industrial Loans**

BY COMMITTEE ON COMMERCE. This Act makes a number of changes to Code provisions under the purview of the Banking Division of the Department of Commerce.

With regard to Code Chapter 524, dealing with bank regulation, the Act adds bank holding companies and savings and loan holding companies to the list of entities authorized to use the word "bank" in the name or title of their business organization, designates successor acting superintendents in the event the Office of the Superintendent of Banking is vacant, and allows the superintendent regulatory flexibility in the event of a determination of a disaster impacting a bank's operation. The Act restricts application of a prohibition against obtaining a loan or property from banks to specified officials and employees, and provides that information received by the superintendent and regarded as confidential by other regulatory agencies and entities will maintain that confidential status when in the custody of the division. The Act also changes from a calendar to

fiscal year basis information contained in the superintendent's annual report, eliminates outdated geographic restrictions on a bank's ability to change its principal place of business, and makes it a fraudulent practice to provide false information for credit to any type of financial institution and mortgage bankers and mortgage brokers.

Regarding Code Chapter 533A, dealing with debt management, the Act changes an exemption relating to "attorneys at law" to refer to a licensed attorney admitted to practice in Iowa acting solely as an incident to the attorney's legal practice, and adds to an exemption relating to employees of licensees specifying that they are exempt from licensing while performing services for their employer. Further, the Act expands disciplinary actions and uniform processes available to the superintendent in the event of specified licensee criminal and civil violations, unfair conduct, insolvency, failure to post the required bond, or violations of an order of the superintendent, and specifies injunctive relief and civil penalties.

In connection with Code Chapter 533D, relating to delayed deposit services, the Act provides that delayed deposit companies must be physically located in Iowa in order to operate a delayed deposit service, and again imposes an expanded array of disciplinary actions, uniform processes, and civil penalties available in the event of licensee misconduct.

Concerning Code Chapter 535, relating to regulation of matters pertaining to money and interest, the Act expands a definition of "lender," to which requirements relating to costs and fees on residential real estate loan costs and disclosures regarding discount points apply, to include loan originators, brokers, and persons providing any goods or services as an incident to or condition required for the making or closing of a loan.

The Act additionally modifies Code Chapter 535B, dealing with mortgage bankers and brokers. The Act deletes a reference to an "affiliate" of a bank, bank holding company, savings bank, savings and loan association, or credit union and an insurance producer, as qualifying for an exemption from applicability of much of the Code chapter and modifies the exemption for real estate brokers, changes licensing and individual registration expiration periods and renewal deadlines to December 31 and December 1, respectively, and provides for additional fees in the form of application and renewal fees for branch locations, sponsor fees, and change of sponsor fees. Further, the Act authorizes establishment of education and testing requirements as a prerequisite to registration, authorizes payment of restitution by licensees as part of a disciplinary case, clarifies that acting as a mortgage banker or broker or as an employee or contractor of a licensee without obtaining individual registration is a class "D" felony, and increases the size of the bond mortgage banker and mortgage broker licensees must pay from \$50,000 to \$100,000. The Act also mandates auditing of licensees or registrants at least once every two years, and expands the entities to which information relating to licensee and registrant supervision may be furnished to include professional licensing authorities in this state, other states, and law enforcement agencies.

Regarding Code Chapter 536, relating to regulated loans, the Act increases the size of the bond paid by licensees from \$1,000 to \$25,000, and provides, similar to other provisions of the Act, an expanded array of disciplinary actions and uniform processes, and civil penalties that are available in the event of specified licensee misconduct. The Act changes the date licensees must submit their annual reports from March 15 to April 15, provides that a licensee may not broker loans without a mortgage broker license, and deletes several exemptions previously applicable to nonresident licensees who are not physically located in Iowa or engaged in face-to-face solicitation.

The Act additionally contains changes applicable to Code Chapter 536A, concerning industrial loans. The Act changes the date for annual report submission from March 15 to April 15, and again imposes an expanded array of disciplinary actions, uniform processes, and civil penalties. The Act provides that a licensee may not broker loans without a mortgage broker license, and provides that licensees must post a bond in the amount of \$25,000 or, in the alternative, pledge a form of collateral acceptable to the superintendent, providing a comparable degree of protection.

**HOUSE FILE 2633 - Limited Liability Companies**

BY COMMITTEE ON JUDICIARY. This Act creates a new Code Chapter 489, entitled the "Revised Uniform Limited Liability Company Act." On January 1, 2011, it will entirely replace the "Iowa Limited Liability Company Act" codified in Code Chapter 490A. Both Code chapters are based on so-called uniform acts drafted by the National Conference of Commissioners on Uniform State Laws.

A limited liability company (company) is a kind of business organization usually perpetual in duration and formed for capital acquisition and the distribution of any profits. A domestic company is formed by filing a certificate of organization with the Secretary of State. It is often organized in a manner similar to a limited partnership with a number of passive investors and one or more managers who owe a fiduciary duty of care when making decisions affecting the company, although the law also recognizes member-managed organizational structure. The company is governed by an operating agreement executed by the members, which generally may supersede statutory provisions, and is comparable to a partnership agreement in a general or limited partnership. Members and managers are shielded from personal liability similar to shareholders of a corporation; but unlike a corporation, taxes are "passed through" to investors without being taxed at the business level (i.e., no double taxation).

**Division I — Model Act Provisions**

Division I of the Act provides for the "Revised Uniform Limited Liability Company Act," which is organized according to articles.

Article 1 provides general provisions applicable to the Code chapter, including a short title; definitions; when a person has notice of a fact under the law; the distinctness, purpose, and duration of a company; its powers; principles of law and equity supplementing the new Code chapter; the regulation of a company's name; the scope, function, and limitations of operating agreements; the effect of an operating agreement on its members and third parties; and service of process and the regulation of persons who may be served, including by providing for a registered office and a registered agent. The article includes a nonuniform provision that establishes a schedule of fees for persons filing documents with the Secretary of State (based on similar provisions in Code Chapter 498A).

Article 2 provides for the formation of a company and the filing, amending, or restating of a certificate of organization with the Secretary of State; and the signing of documents for filing with the Secretary of State, pursuant to a court order. The article provides that the Secretary of State may furnish a person with a certificate of existence or authorization. The article includes a nonuniform provision that requires a company to file biennial reports with the Secretary of State (based on similar provisions in Code Chapter 498A). A person who files a false record is guilty of a serious misdemeanor punishable by a fine of not more than \$1,000.

Article 3 provides for the relations of the membership and managers, including by restricting the power of a member to be an agent of another member solely by being a member; the option of a company to file a statement of authority with the Secretary of State describing the authority of persons holding a position in the company and that a person named in the statement may file a statement of denial of such authority with the Secretary of State; and limitations upon the liability of members and managers (debts, obligations, or other liabilities are the company's regardless of its failure to observe formalities relating to its powers or functions).

Article 4 provides for relations of members to each other and to the company, including provisions for becoming a member before or after the company's formation; the member's obligation to make a contribution and acquire a membership interest; the right of a member to receive distributions before the company's dissolution; limitations upon distributions (e.g., the payment of debts prior to a distribution); and the liability for improper distributions. The article provides that a company is a member-managed company unless the operating agreement provides otherwise, and provides for the selection of a manager by consent of the members. The article provides for the management of the company, including the purchase of insurance, standards of conduct of members and managers, and the right of members and managers to inspect the company's business records.

Article 5 provides for transferable interests and rights of transferees and creditors, including by providing for the rights of creditors or members in cases involving a company's decision to transfer an interest in the company, and the powers of a representative of a deceased member.

Article 6 provides for a member's dissociation from the company, including by withdrawing the member's membership subject to a number of restrictions (e.g., it constitutes a breach of the operating agreement); a specified event that causes a dissociation (e.g., expulsion); and the effect of a member's dissociation as a member on the member's right to participate in the company.

Article 7 provides for the dissolution and winding up of a company, including by the terms of the operating agreement, or upon application by a member or transferee to district court; the winding up of the company's business affairs which may be under judicial supervision; and the payment of claims against a dissolved company. It provides for administrative dissolution by the Secretary of State, reinstatement following administrative dissolution, and an appeal from a rejection by the Secretary of State to reinstate the company. The article provides for distribution of the company's assets: first to discharge its obligations to its creditors, and second to its membership.

Article 8 provides for foreign limited liability companies transacting business in this state, including by specifying their governing law; a process to apply for a certificate of authority by the Secretary of State; and activities that do not constitute transacting business in the state. The article provides for filing of a certificate of authority; the regulation of the foreign limited liability company's name; the revocation of a company's certificate of authority by the Secretary of State; the cancellation of a certificate of authority by the company; and the effect of failing to have a certificate of authority. It also provides for actions by the Attorney General to enjoin a foreign company from transacting business in violation of the article.

Article 9 provides for actions by a member against another member or the company, including maintaining a derivative action (becoming a plaintiff and pleading); and the payment of proceeds and expenses of persons involved in the action. By amendment, the General Assembly eliminated proposed Code Section 489.905 establishing a special litigation committee.

Article 10 provides for mergers, conversions, and domestication. It includes special definitions applicable to the article. The article provides for the process necessary for a merger to occur; the presentment of a merger plan to the members and provides for their approval; the filing of articles of merger with the Secretary of State; and the effect of the merger on the surviving organization (e.g., the assumption of debts by the surviving entity). The article provides for conversion to another form of business organization. The article provides for the process necessary for the conversion to occur, the presentment of a plan of conversion to the membership for consent; the filing of the conversion plan with the Secretary of State; the approval of the plan by the membership; and the effect of conversion (the retention of assets and liabilities by the converted company). The article provides for domestication in which a foreign company may become a domestic company organized under the laws of this state. It provides for the process necessary for domestication to occur; the presentment of a plan of domestication to the membership for consent; the filing of the domestication plan with the Secretary of State; and the effect of the domestication (e.g., the retention of assets and liabilities by the domesticated company). The article restricts the approval of mergers, conversions, and domestications, and allows for them under other provisions of law. The article includes nonuniform provisions for the merger of a domestic cooperative with a domestic limited liability company, and provides that the article does not preclude processes for mergers, conversions, or domestications under law other than the new Code chapter.

Article 11 provides for professional limited liability companies. It includes a special definitional Code section. The article provides that the company can only participate in the practice of one profession or two or more closely related professions. The article provides for its name; the process for organization; states that the form of the organization is unrelated to a member's professional conduct or status; and restricts membership only to those individuals who are licensed professionals in a specific field. It provides a list of professions that may organize under the article that are licensed under Iowa law (based on provisions in Code Chapter 498A). The article prohibits an interest in the professional company from being held in joint or common ownership. It also restricts a member from assigning an interest in the professional company and restricts a professional company

from transferring interests of the professional company. The article restricts the use of a voting trust or proxies. The article provides for the purchase of a member's interest, including upon the death of the member. The article provides for the issuance of a certificate of interest and restricts the management of the professional company to persons who are licensed to practice in the profession. The article provides that a professional company may only merge with another professional company. It also provides for the dissolution of or liquidation of the professional company, for a foreign professional company, and for a professional company organized under other law.

Article 12 includes nonuniform provisions authorizing a company to issue a designated series of transferable interests having separate rights, powers, or duties. The article provides for the management of a series, including for a series manager, the distribution of a series, the right of a member to dissociate from a series, the termination of a series, and a foreign series.

Article 13 includes a number of miscellaneous provisions including provisions relating to the application of the chapter, the applicability of federal law regulating electronic signatures, and the application of the new Code chapter in addition to Code Chapter 490A.

#### Division II — Conversion for Corporations and Other Entities

Division II of the Act provides for the conversion of corporations and other types of business associations, including a limited liability company. The division provides that another business association referred to as the "other entity," may convert to a domestic corporation and a domestic corporation may convert to the other entity. The corporation or other entity must adopt a plan of conversion. A corporation must notify each shareholder of the plan which must be approved by the corporation's shareholders. If approved, the plan of conversion must be filed with the Secretary of State. The division provides for the effect of the conversion (the retention of assets and liabilities) and the conversion of interests from the old to the new business association. The division also specifically provides for the conversion of domestic cooperative associations.

#### Division III — Conforming Amendments

Division III of the Act amends a number of provisions which refer to Code Chapter 490A or a section in Code Chapter 490A. The division includes the new reference to new Code Chapter 489 or an appropriate Code section in the new Code chapter.

#### Division IV — Repeals

Division IV of the Act repeals Code Chapter 490A on December 31, 2010. It also strikes references throughout the Code to Code Chapter 490A.

#### Division V — Effective Dates

Division V of the Act provides that the Act takes effect on January 1, 2009, except for those provisions which eliminate references to Code Chapter 490A or a Code section within that chapter, which take effect on December 31, 2010.

#### **[HOUSE FILE 2694](#) - Long-Term Care Insurance and Benefits [Fiscal Analysis](#)**

BY COMMITTEE ON APPROPRIATIONS. This Act repeals existing provisions regulating long-term care insurance and creates new ones, and provides for penalties, repeals, and an appropriation. The new provisions apply to policies delivered or issued for delivery in this state on or after July 1, 2008.

*DEFINITIONS — STANDARDS.* The Act includes new and additional definitions and expanded disclosure and performance standards for long-term care insurance. These standards set forth prohibited policy practices and permissible treatment of preexisting conditions, prior hospitalizations, and institutionalizations. The standards also allow applicants for such insurance the right to return a policy and to receive a refund. The standards require an outline of coverage and specify the contents of that outline and any group certificate that is issued. Policies must be delivered within 30 days after an application is approved. Individual life insurance policies that

provide for long-term care benefits within the policy or by rider are required to provide a written policy summary. If a long-term care benefit funded through life insurance is in benefit payment status, the policyholder is entitled to a monthly report. Within 60 days of denying a claim under a long-term care insurance contract, an insurer must provide a written explanation of the denial.

**INCONTESTABILITY PERIOD.** The Act sets forth conditions under which an insurer is allowed to rescind a long-term care insurance policy or certificate or deny a claim thereunder.

**NONFORFEITURE BENEFITS.** The Act requires insurers to offer long-term care insurance policyholders and certificate holders the option to purchase a nonforfeiture benefit.

**PROMPT PAYMENT OF CLAIMS.** The Act requires prompt payment of claims when there are no circumstances which prevent prompt payment.

**BENEFIT TRIGGER DETERMINATIONS.** The Act requires insurers to notify an insured making a claim under a long-term care insurance policy when the insurer denies the payment of benefits because the insured's benefit trigger has not been met. The Act requires the insurer to provide an internal review process to the insured to appeal the insurer's initial benefit trigger determination. If the internal appeal decision upholds the denial of benefits, the insurer must notify the insured of additional internal appeal rights, if any, and that the insured has the right to request an independent review of the benefit trigger determination.

**INDEPENDENT REVIEW.** The Act sets forth the process for an independent review of an insurer's benefit trigger determination. The commissioner is required to certify a list of qualified independent review entities that meet the specified criteria required to be a reviewer of an insurer's benefit trigger determination.

**RULES.** The commissioner is authorized to adopt rules pursuant to Code Chapter 17A related to long-term care insurance and to the administration and enforcement of Code Chapter 514G.

**SEVERABILITY.** If any of the provisions of the Act are found to be invalid, the remainder are not affected.

**PENALTIES.** If an insurer or insurance producer violates any requirements relating to long-term care insurance or the marketing of such insurance, that person is subject to a fine of up to three times the amount of any commission paid for each policy involved in the violation, or up to \$10,000, whichever is greater. This penalty is in addition to any other penalties provided for by state law.

**REPEALS.** Code Sections 514G.1 through 514G.8 and Code Section 514G.10, which currently regulate long-term care insurance, are repealed on July 1, 2008.

**SENIOR HEALTH INSURANCE INFORMATION PROGRAM — APPROPRIATION.** There is an appropriation of \$60,000 from the state's General Fund to fund one full-time position for the Senior Health Insurance Information Program in the Division of Insurance. The purpose of this program is to assist in the dissemination of objective and noncommercial educational material and to raise public awareness of prudent consumer choices in considering the purchase of various insurance products designed for the health care needs of older Iowans.

**EFFECTIVE DATE.** The provisions of the Act referring to and enacting the independent review process of benefit trigger determinations take effect January 1, 2009.

## CHILDREN AND YOUTH

- [SENATE FILE 2212](#) - Child in Need of Assistance Proceedings — Terminations of Parental Rights
- [SENATE FILE 2340](#) - Children Under Out-of-Home Placement Orders — Identity Documents
- [SENATE FILE 2364](#) - Emancipation of a Child — VETOED BY THE GOVERNOR
- [HOUSE FILE 2119](#) - Fingerprinting of Children
- [HOUSE FILE 2310](#) - Substance Abuse and Child Abuse — Study
- [HOUSE FILE 2338](#) - Child in Need of Assistance Proceedings — Attendance of Child

### RELATED LEGISLATION

- [SENATE FILE 2124](#) - Veterans Trust Fund Expenditures and Income Tax Checkoffs  
**SEE PUBLIC DEFENSE AND VETERANS.** This Act establishes an income tax checkoff for the Child Abuse Prevention Program Fund. The Act creates the Child Abuse Prevention Program Fund in the Department of Human Services with moneys in the fund to be used by the Department of Human Services' Child Abuse Prevention Program. The Act takes effect May 5, 2008.
- [SENATE FILE 2214](#) - Modification of Child Custody or Physical Care Orders — Active Military Duty  
**SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION.** This Act relates to modification of a decree or order regarding child custody or physical care circumstances in which a parent is serving active duty in the military service of the United States.
- [SENATE FILE 2217](#) - Indigent Defense and Appointments of Guardians Ad Litem  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act relates to the appointment of legal representation for an indigent person and to the appointment of a guardian ad litem.
- [SENATE FILE 2269](#) - Family Investment Program — Limited Benefit Plan Ineligibility Period  
**SEE HUMAN SERVICES.** This Act revises the Family Investment Program and Promoting Independence and Self-sufficiency through Employment Job Opportunities and Basic Skills Program requirements for limited benefit plans.
- [SENATE FILE 2286](#) - Federal Block Grant Appropriations  
**SEE APPROPRIATIONS.** This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009, and for the state fiscal year beginning July 1, 2008, and ending June 30, 2009. The Act includes funding for various programs involving children and families, including Child Care and Development, Maternal and Child Health Services, Community Services, and Social Services Block Grants. See S.F. 2425 (Appropriations) for expenditure of the Child Care and Development Block Grant.
- [SENATE FILE 2417](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2008-2009. The appropriations to the Department of Human Services include funding for child and family services, for the state Supplementary Assistance Program, and for general administration of health-related programs. Appropriations to the Department of Public Health include funding for the Tobacco Use Prevention and Control Initiative and for additional substance abuse treatment, for the Healthy Iowans 2010 Plan, for the Center for Congenital and Inherited Disorders, for substance abuse prevention programming for children, for a grant program for individuals with phenylketonuria (PKU), for leveraging for federal funds under the federal Ryan White Care Act, and for a grant program to provide

support for people living with epilepsy and their families. The Act appropriates funding to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account, to the Department of Economic Development for the Iowa Commission on Volunteer Services for the Iowa's Promise and Mentoring Partnership Program, and to the Department of Education for the Competitive Grants Program to expand the availability of the before and after school grant programs.

[SENATE FILE 2425](#)

- Appropriations — Health and Human Services  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations for health and human services for FY 2008-2009 and includes numerous provisions involving children, including child support, child care, child protection, child welfare, juvenile drug courts, and community empowerment funding. The Act also creates an Early Childhood Iowa Council as an alliance of stakeholders in early care, health, and education systems that affect children ages zero through five years of age; includes provisions relating to child abuse information and criminal record checks; includes provisions relating to child care homes and child development homes and certain child welfare and juvenile delinquency proceedings; and creates the Healthy Kids Act relating to nutritional content standards for foods and beverages sold or provided on school grounds, and required minimum levels of physical activity for children in kindergarten through grade 12.

[HOUSE FILE 2212](#)

- Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas, specifically including public and private educational facilities, child care facilities and child care homes, and school grounds including inside any vehicle located on such school grounds.

[HOUSE FILE 2309](#)

- Child Support — Miscellaneous Provisions  
**SEE HUMAN SERVICES.** This Act relates to child support and medical support, including provisions relating to requirements of the federal Deficit Reduction Act of 2005.

[HOUSE FILE 2328](#)

- Family Investment Program — Family Development and Self-Sufficiency Council and Grants  
**SEE HUMAN SERVICES.** This Act relates to services associated with the Family Investment Program (FIP) by moving the responsibility for and Code provisions relating to the Family Development and Self-Sufficiency (FADSS) Council and Grant Program from the Department of Human Services to the Community Action Agencies Division of the Department of Human Rights and revising confidentiality requirements involving FADSS and FIP.

[HOUSE FILE 2539](#)

- Health Care Reform and Funding  
**SEE HEALTH AND SAFETY.** This Act relates to health care reform. The Act sets forth the intent of the General Assembly to achieve the goal that all Iowans have health care coverage with prioritization of certain goals, the first goal being that all children in the state have health care coverage that meets certain standards of quality and affordability. The Act provides for expansion of the Healthy and Well Kids in Iowa (hawk-i) Program and the Medicaid Program to provide health care coverage to children, maximization of enrollment and retention in the medical assistance and hawk-i programs, and development of a plan to recommend options to provide health care coverage to all children without coverage by utilizing public programs and by providing access to affordable private, unsubsidized health care to all Iowa children less than 19 years of age with a family income that is more than 300 percent of the federal poverty level who are not otherwise eligible for public programs. The Act also requires

that group insurance, group insurance for public employees, and individual health insurance policies or contracts permit continuation of existing coverage for an unmarried child of an insured or enrollee who so elects, at least through the policy anniversary date on or after the date the child marries, ceases to be a resident of this state, or attains the age of 25 years, whichever occurs first, or so long as the unmarried child maintains full-time status as a student in an accredited institution of postsecondary education. This provision applies to policies or contracts of accident and health insurance delivered or issued for delivery or continued or renewed in this state on or after July 1, 2008.



## CHILDREN AND YOUTH

**[SENATE FILE 2212](#)** - **Child in Need of Assistance Proceedings — Terminations of Parental Rights**  
BY COMMITTEE ON JUDICIARY. This Act modifies aggravated circumstance determinations in child in need of assistance proceedings and circumstances for termination of parental rights.

Under the Act, in child in need of assistance proceedings, if the juvenile court finds that the parent's parental rights have been terminated by an order of a court of competent jurisdiction in another state with respect to another child who is a member of the same family, the court may waive the requirement that reasonable efforts be made to preserve the family. Previous law was limited to such terminations ordered under Iowa law.

The Code provides, in termination of parental rights proceedings, that the juvenile court may terminate the parental rights of a parent if certain circumstances exist, including that the parent's parental rights have been terminated under Iowa law. The Act expands the statute to include terminations which occurred pursuant to an order of a court of competent jurisdiction in another state with respect to another child who is a member of the same family.

**[SENATE FILE 2340](#)** - **Children Under Out-of-Home Placement Orders — Identity Documents**  
BY COMMITTEE ON JUDICIARY. This Act relates to a child who is subject to a court order for out-of-home placement by requiring a certified copy of the child's birth certificate be provided to the child on or before the date such a child reaches age 18 and assistance be provided to the child in securing a federal Social Security card.

The requirement is applied to the Department of Human Services or the department's designee and is inserted in the specifications for a case permanency plan required under the definitions section of the Juvenile Justice Code.

The Act also requires the state or county registrar to waive the fee for the certified copy of the birth certificate.

**[SENATE FILE 2364](#)** - **Emancipation of a Child — VETOED BY THE GOVERNOR**  
BY COMMITTEE ON JUDICIARY. This bill related to the emancipation of a child in a family in need of assistance proceeding through an emancipation order, which would have provided many adult responsibilities and rights to the child.

The bill provided that if a petition for a family in need of assistance contains a request for an emancipation of a child, the child shall be at least 16 years of age, be a resident of the state, and not be in the care, custody, or control of the state of Iowa.

If the juvenile court adjudicated the family to be a family in need of assistance, the court could have reviewed the request for emancipation in addition to any dispositional order permitted upon a finding of the family to be a family in need of assistance.

If, after adjudicating the family to be a family in need of assistance and the court found by clear and convincing evidence that no remedy was available that would result in strengthening or maintaining the familial relationship, the court could have entered an order emancipating the child.

An emancipation order would have had the same effect as a child reaching the age of majority with respect to but not limited to the following: the ability to sue or be sued; the right to enter into a contract; the right to buy and sell real estate; the right to establish a legal residence; the right to incur debts; and the right to consent to medical, dental, or psychiatric care.

If a child was emancipated by the court the parents would have been exempt from the following: future child support obligations; an obligation to provide medical support; tort liability for the actions of the emancipated child; a right to the income or property of the emancipated child; and a responsibility for the debts of the emancipated child.

An emancipated child would have remained subject to voting, gambling, alcohol, and tobacco restrictions and subject to compulsory school attendance requirements.

**[HOUSE FILE 2119](#) - Fingerprinting of Children**

BY COMMITTEE ON PUBLIC SAFETY. This Act relates to taking the fingerprints of a child by a governmental unit, as authorized by the child's parent or guardian for use if the child becomes a runaway or missing child.

The completed fingerprint cards and the parent or guardian's written authorizations are to be given to the parent or guardian and the existence of the fingerprints or written authorizations shall not become a record of the governmental unit, unless taken for another reason or upon the request of the parent or guardian.

A governmental unit is not prohibited from taking the fingerprints of a child at the Iowa State Fair or a county or district fair as long as the governmental unit complies with the Act's requirements.

**[HOUSE FILE 2310](#) - Substance Abuse and Child Abuse — Study**

BY COMMITTEE ON HUMAN RESOURCES. This Act requires the departments of Public Health (DPH) and Human Services (DHS) to perform a study, collect data, and develop a protocol to address the substance misuse, abuse, or dependency by a child's parent, guardian, custodian, or other person responsible for the child's care and its relationship to child abuse.

The two departments are required to develop data identifying the prevalence of the presence of children in the household among adults receiving substance use disorder evaluations; DHS is required to include in the written assessment made for a child abuse report a determination as to whether or not substance abuse by the child's parent, guardian, custodian, or other person responsible for the child's care was a factor in the report and finding of abuse. DPH and DHS are required to develop and implement a protocol to jointly address those child abuse cases that are wholly or partially caused by substance misuse, abuse, or dependency by the child's parent, guardian, custodian, or other person responsible for the child's care.

The departments are required to make various reports to the Governor and committees on Human Resources of the Senate and the House of Representatives.

**[HOUSE FILE 2338](#) - Child in Need of Assistance Proceedings — Attendance of Child**

BY COMMITTEE ON JUDICIARY. This Act relates to a child's attendance at child in need of assistance proceedings of the juvenile court.

Under the Act, in child in need of assistance proceedings where the child does not attend and the child's age is appropriate to attend such proceedings, the court shall determine if the child was informed of the child's right to attend.

## CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION

- [SENATE FILE 473](#) - Disposition of Human Remains — Authorization and Consent
- [SENATE FILE 505](#) - Emergency Care or Assistance Liability and Automated External Defibrillators
- [SENATE FILE 2214](#) - Modification or Child Custody or Physical Care Orders — Active Military Duty
- [SENATE FILE 2281](#) - Employment Discrimination — Participation in Domestic Abuse Proceedings
- [SENATE FILE 2292](#) - Civil Rights Complaints — Limitations Period
- [SENATE FILE 2350](#) - Trusts, Estates, and Conservatorships — Interests, Rights, Fiduciaries, and Taxation
- [HOUSE FILE 2626](#) - State Judicial Nominating Commission — Appointment or Election of Members
- [HOUSE FILE 2628](#) - Portable High-Voltage Pulse Devices or Weapons
- [HOUSE FILE 2653](#) - Foreclosure Consultants and Reconveyances

### RELATED LEGISLATION

- [SENATE FILE 2156](#) - Commercial Motor Vehicle Regulation — Operators and Employers  
**SEE TRANSPORTATION.** This Act contains provisions relating to disqualification from operating a commercial motor vehicle and provides civil penalties for commercial motor vehicle operators who violate out-of-service orders and for employers who knowingly allow, require, permit, or authorize certain violations committed by employees who operate commercial motor vehicles.
- [SENATE FILE 2277](#) - Identity Theft and Consumer Credit Reports — Security Freeze  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act concerns the protection of a person's identity, permitting implementation of a "security freeze" in relation to the person's consumer credit report, and prescribing civil penalties for violations of the Act.
- [SENATE FILE 2308](#) - Identity Theft and Personal Information — Security Breaches — Disclosure  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act provides for the notification of a breach in the security of personal information maintained in computerized form, and provides civil penalties for violations.
- [SENATE FILE 2316](#) - Uniform Act — Institutional Funds Management  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act creates the "Uniform Prudent Management of Institutional Funds Act," replacing the "Uniform Management of Institutional Funds Act," in Code Chapter 540A. The Act provides certain guidelines and authority to certain institutions organized and operated exclusively for charitable purposes concerning the management and investment of funds, including endowment funds, held by such institutions, in accordance with modern prudence standards based upon both the Uniform Prudent Investor Act and the Uniform Management of Institutional Funds Act.
- [SENATE FILE 2317](#) - Substantive Code Corrections  
**SEE STATE GOVERNMENT.** This Act contains statutory corrections in provisions relating to the first appointees to the Iowa Court of Appeals; administrative rulemaking procedures; civil service appeal procedures; pedestrian rights-of-way; rights and duties of guardians and custodians in termination of parental rights proceedings; execution on judgments in certain real estate actions; and examination of witnesses regarding property in probate proceedings.
- [SENATE FILE 2340](#) - Children Under Out-of-Home Placement Orders — Identity Documents  
**SEE CHILDREN AND YOUTH.** This Act relates to children who are subject to a court order for out-of-home placement by requiring that on or before the date such a child

reaches age 18 a certified copy of the child's birth certificate and assistance in securing a federal Social Security card be provided to the child. The state or county registrar is required to waive the fee for the birth certificate.

- [SENATE FILE 2364](#) - Emancipation of a Child — VETOED BY THE GOVERNOR  
**SEE CHILDREN AND YOUTH.** This bill, which was vetoed by the Governor, related to the emancipation of a child in a family in need of assistance proceeding.
- [SENATE FILE 2392](#) - Viatical Settlements  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act provides for the regulation of viatical settlements by the Commissioner of Insurance. A viatical settlement is a transaction involving the sale of a life insurance policy issued by a life insurance company before the policy matures, presumably for less than its face value, payable upon death to a viatical settlement provider either directly or through a viatical settlement broker. The Act provides for civil liability for violations of its provisions, immunity from liability for reporting violations to the commissioner, and the payment of attorney fees and court costs by a prevailing party in a civil cause of action for a tort arising from enforcing the provisions of the Act (e.g., slander or libel).
- [SENATE FILE 2425](#) - Appropriations — Health and Human Services  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations for health and human services for FY 2008-2009 and includes numerous provisions involving civil law, including child support, juvenile justice and child welfare, and mental health funding, and includes provisions relating to appointment of temporary guardians or conservators relating to emergency orders for protective services for dependent adults.
- [SENATE FILE 2428](#) - Debts Owed the State or Political Subdivisions — Collection, Payment, and Sanctions  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act permits the judicial branch to enter into a contract with a private collection designee for the purpose of collecting delinquent court debt.
- [HOUSE FILE 2165](#) - Business Corporations — Distributions and Business Opportunities  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act amends the "Iowa Business Corporation Act," which governs for-profit corporations, by accounting for a corporation's indebtedness when determining when the corporation may provide for a distribution (e.g., a dividend), and providing when a director of a corporation's board of directors may profit from a transaction that may also affect the corporation's profitability.
- [HOUSE FILE 2212](#) - Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas. The Act provides civil penalties for violation of the Act, provides that violation of the Act by a person who has custody or control of a public place, place of employment, area declared a nonsmoking place, or outdoor area where smoking is prohibited may result in the suspension or revocation of any permit or license issued to the person for the premises on which the violation occurred; provides that violation of the Act constitutes a public nuisance which may be abated by a restraining order, preliminary or permanent injunction, or other means; and provides injunctive relief. Each day on which a violation occurs is considered a separate and distinct violation. Civil penalties paid are to be deposited in the General Fund of the State or in the general fund of the city or county designated to enforce the Act.
- [HOUSE FILE 2591](#) - Dependent Adult Abuse — Caretaker Facilities and Programs  
**SEE HUMAN SERVICES.** This Act relates to dependent adult abuse by a caretaker in certain facilities and programs and provides for penalties.

- [HOUSE FILE 2633](#) - Limited Liability Companies  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act creates a new Code Chapter 489, entitled the "Revised Uniform Limited Liability Company Act." On January 1, 2011, it will entirely replace the "Iowa Limited Liability Company Act" codified in Code Chapter 490A. Both Code chapters are based on so-called uniform acts drafted by the National Conference of Commissioners on Uniform State Laws.
- [HOUSE FILE 2642](#) - Validity of Treasurer's Deeds — Defects in Notice of Redemption Rights  
**SEE TAXATION.** This Act modifies statutory provisions relating to challenges to the validity of treasurer's deeds under certain circumstances. The Act takes effect April 8, 2008, and applies to treasurer's deeds issued on or after that date.
- [HOUSE FILE 2647](#) - Appropriations — Judicial Branch  
**SEE APPROPRIATIONS.** This Act makes appropriations to fund the daily operations of the judicial branch and to fund the Judicial Retirement Fund.
- [HOUSE FILE 2690](#) - Student Loans, Lenders, and Funding  
**SEE EDUCATION.** This Act establishes new requirements for the qualified student loan bond issuer, which is currently the Iowa Student Loan Liquidity Corporation, and creates a new Code chapter designed to protect postsecondary students and their parents from unfair educational loan lending practices. The new chapter, which is administered by the Attorney General, includes penalties against lenders and covered institutions that violate the chapter and establishes a Student Lending Education Fund.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, covers other properly related matters, including salary increases for justices, judges, and magistrates, and appropriates funds to pay salary increases and benefits for judicial branch employees. Division IV of the Act addresses communications between certain medical providers and attorneys in a civil action. Division IX allows a senior judge who reaches age 78 to be reappointed to an additional two-year term as a senior judge.



## CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION

### [SENATE FILE 473](#) - Disposition of Human Remains — Authorization and Consent

BY COMMITTEE ON JUDICIARY. This Act creates new Code Chapter 144C, entitled the "Final Disposition Act," and provides for coordinating amendments to other Code provisions. The new Code chapter allows an adult (defined in new Code Section 144C.2 as a person who is married or who is 18 years of age or older) to execute a written instrument called a declaration that is contained in or attached to a durable power of attorney for health care under Code Chapter 144B and that names a designee who has the sole responsibility and discretion for making decisions concerning the final disposition of that person's remains and the ceremonies to be performed after that person's death.

New Code Section 144C.3 requires a declaration to name a designee and allows a declaration to name one or more alternate designees. A declaration shall not include directives for final disposition of the declarant's remains and what ceremony should be performed after the declarant's death. The Act prohibits a funeral director, an attorney, or any agent, owner, or employee of a funeral establishment, cremation establishment, cemetery, elder group home, assisted living program facility, adult day services program, or licensed hospice program from serving as a designee under a declaration unless related to the declarant within the third degree of consanguinity. The Act requires a designee or third party to act in good faith and in a manner that is reasonable under the circumstances.

New Code Section 144C.4 provides some immunity from civil or criminal liability or professional disciplinary action for a designee or a third party, such as a funeral director, funeral establishment, cremation establishment, or cemetery, acting in good faith reliance on a declaration. The Act provides that its provisions shall not be construed to impair any contractual obligations of a designee or third party incurred in fulfillment of a declaration.

New Code Section 144C.5 sets forth an order of priority for determining who has the right to control final disposition of a deceased person's remains or to make arrangements for a ceremony after a person's death. A designee or alternate designee acting pursuant to a declaration has the highest priority, or if there is no designee, then the surviving spouse and other relatives of the deceased person whose whereabouts are reasonably ascertainable, a person who knows the declarant, or the county or State Medical Examiner.

The Act allows a third party to rely upon the directives of a person who represents that the person is a member of a class of persons set forth in the order of priority contained in the Act if that person signs an affidavit stating that the person has received the assent of a majority of all members of the class, whose whereabouts are reasonably ascertainable, to control final disposition of the decedent's remains and to make arrangements for the performance of a ceremony for the decedent.

The Act allows a third party to await a court order before proceeding with final disposition of the body or ceremony arrangements in the event of a dispute among family members or between family members and the executor of the decedent's will or a personal representative appointed by the court.

New Code Section 144C.6 contains a suggested, but not mandatory, written form for a declaration. A declaration must be in writing and substantially comply with the form contained in the Act, be properly completed, be contained in or attached to a durable power of attorney for health care under Code Chapter 144B, and be signed by the person making the declaration, or by another person acting on the declarant's behalf at the direction of and in the presence of the declarant.

The declaration must also either be signed by at least two individuals who are not named in the document who, in the presence of each other and the declarant, witness the signing of the declaration by the declarant, or a person acting on the declarant's behalf at the direction of and in the presence of the declarant, and who witness the signing of the declaration by each other, or be acknowledged before a notarial officer.

A declaration may include the location of an agreement for prearranged funeral services or funeral merchandise as defined in and executed under Code Chapter 523A, cemetery lots owned by or reserved for the declarant, and special instructions regarding organ donation.

New Code Section 144C.7 specifies under what circumstances a declaration can be revoked.

New Code Section 144C.8 provides for forfeiture of a designee's rights and authority under a declaration if the designee is charged with murder in the first or second degree or voluntary manslaughter of the deceased person, or if the designee's rights and authority under the declaration are not exercised within 24 hours of receiving notification of the death of the declarant or within 48 hours of the declarant's death, whichever is earlier.

New Code Section 144C.9 provides a presumption that a declaration executed pursuant to the new Code chapter is intended to have full force and effect throughout the United States, the District of Columbia, and its territorial possessions and gives effect to declarations or similar instruments executed in other states that comply with the requirements of the new Code chapter.

New Code Section 144C.10 sets forth the effect of a declaration by giving a designee the sole discretion to determine what is "reasonable under the circumstances" which is defined in new Code Section 144C.2 to mean consideration of what is appropriate in relation to the declarant's finances, cultural or family customs, and religious or spiritual beliefs, including consideration of any preneed funeral, burial, or cremation plan, or creditors of the declarant.

The Act provides that the provisions of the most recent declaration executed by a declarant control. The Act does not prohibit a person from conducting a separate ceremony to commemorate a declarant, at the person's expense, to assist in the bereavement process. The Act provides that the rights of a donee created by an anatomical gift pursuant to Code Section 142C.11 are superior to the authority of a designee pursuant to a declaration.

New Code Section 144C.11 provides that the provisions of the Act shall not be construed to authorize the unlicensed practice of mortuary science as provided in Code Chapter 156.

*COORDINATING PROVISIONS.* The Act also includes coordinating amendments.

Code Section 142.1 is amended to provide that bodies of persons that are to be disposed of pursuant to the provisions of new Code Chapter 144C shall not be delivered to a medical, osteopathic, or chiropractic college for use for scientific purposes pursuant to Code Section 142.1. Code Section 142.1 is also amended to provide that if there is not a person authorized to control the deceased person's remains under new Code Section 144C.5, a friend may request delivery of the body for cremation or burial, at the friend's expense.

Code Section 144.34 is amended to provide that a disinterment permit for a dead body shall not be issued by the State Registrar without the consent of the person authorized to control the decedent's remains under new Code Section 144C.5, and that disinterment allowed by court order shall be only after hearing, upon reasonable notice to that person.

Code Section 144.56 is amended to provide that an autopsy or postmortem examination may be performed upon the body of a deceased person whenever written consent has been obtained from the person authorized to control the deceased person's remains under new Code Section 144C.5 or when a death is being investigated which affects the public interest under the authority of Code Sections 331.802 through 331.804.

Code Section 144B.1 regarding durable power of attorney for health care is amended to include a definition of a designee under new Code Chapter 144C.

Code Section 144B.5 is amended to provide that a durable power of attorney for health care may include a declaration made pursuant to new Code Chapter 144C.

Code Section 331.802 is amended to provide that a death affecting the public interest includes the death of a person whose body is not claimed by a person authorized to control the deceased person's remains under new Code Section 144C.5 or a friend.

Code Section 331.802 is also amended to provide that where the remains of a deceased person are donated to a medical school or similar institution by a person authorized to control the deceased person's remains under new Code Section 144C.5, any autopsy performed in the public interest shall be performed at the direction of the school or institution, in a manner furthering the purpose of the donation.

Code Section 331.804, subsection 1, is amended to provide that after the investigation of a death, the deceased person's remains shall be transported for burial or other appropriate disposition by a funeral director chosen by a person authorized to control the deceased person's remains under new Code Section 144C.5.

Code Section 331.805 is amended to provide that if a person authorized to control the remains of a deceased person pursuant to new Code Chapter 144C chooses to cremate the deceased person, the authorized person must obtain a cremation permit.

Code Section 5231.309 is amended to provide that a person authorized to control a deceased person's remains under new Code Section 144C.5 has the right to control the interment, relocation, or disinterment of a decedent's remains within or from a cemetery. The Code section is also amended to allow an entity maintaining a columbarium to refuse to accept, relocate, disinter, inter, or otherwise dispose of a decedent's remains without a court order in the event of a dispute.

*APPLICABILITY DATES.* The Act applies to all declarations executed on or after the effective date of the Act. New Code Section 144C.5, which sets forth an order of priority for determining who has the right to control final disposition and ceremonies for a decedent, applies to all deaths occurring on or after the effective date of the Act, except that Code Section 144C.5, subsection 1, paragraph "a," giving highest priority to a designee or alternate designee in a declaration, applies only to a designee or alternate designee designated in a declaration executed on or after the effective date of the Act.

**SENATE FILE 505** - **Emergency Care or Assistance Liability and Automated External Defibrillators**  
BY COMMITTEE ON JUDICIARY. This Act relates to civil liability for damages relating to the use of an automated external defibrillator in sudden cardiac arrest emergencies.

The Act provides that certain persons or entities, while acting reasonably and in good faith, who render emergency care or assistance relating to the preparation for and response to a sudden cardiac arrest emergency, shall not be liable for any civil damages for acts or omissions arising out of the use of an automated external defibrillator, whether occurring at the place of an emergency or accident or while such persons are in transit to or from the emergency or accident or while such persons are at or being moved to or from an emergency shelter.

**SENATE FILE 2214** - **Modification of Child Custody or Physical Care Orders — Active Military Duty**  
BY COMMITTEE ON JUDICIARY. This Act relates to modification of a decree or order regarding child custody or physical care circumstances in which a parent is serving active duty in the military service of the United States.

The Act provides that if an application for modification of a decree or a petition for modification of an order regarding child custody or physical care is filed prior to or during the time a parent is serving active duty in the military service of the United States, the court may only enter an order temporarily modifying the existing child custody or physical care order if there is clear and convincing evidence that the modification is in the best interest of the child. Once the parent returns from active duty, the court is directed to reinstate the custody or physical care order that was in effect immediately preceding the period of active duty. Additionally, if an application for modification of child custody or physical care is filed after a parent completes active duty, the Act provides that the parent's absence due to the active duty does not constitute a substantial change in circumstances and the court shall not consider a parent's absence due to that active duty in the determination of the best interest of the child.

**SENATE FILE 2281 - Employment Discrimination — Participation in Domestic Abuse Proceedings**

BY COMMITTEE ON JUDICIARY. This Act prohibits employment discrimination against an employee due to the employee's service as a witness, plaintiff, or defendant in a domestic abuse civil proceeding.

**SENATE FILE 2292 - Civil Rights Complaints — Limitations Period**

BY COMMITTEE ON STATE GOVERNMENT. This Act expands the time period during which a complaint may be filed with the Iowa Civil Rights Commission from 180 to 300 days after the alleged discriminatory or unfair practice occurred.

**SENATE FILE 2350 - Trusts, Estates, and Conservatorships — Interests, Rights, Fiduciaries, and Taxation**

BY COMMITTEE ON JUDICIARY. This Act relates to trusts and estates, including the administration of small estates, and includes applicability provisions.

Real estate conveyed to a revocable trust and subsequently sold or mortgaged by the trustee does not require a follow-up deed from the individual grantor and spouse. Such provisions apply retroactively to all trusts in existence on or after July 1, 1998.

The amount of the value of assets in a conservatorship before a bond would be required is increased from \$10,000 to \$25,000. This provision applies to conservatorships in existence on or after July 1, 2008.

The Act amends Code sections to specify how a surviving spouse must serve notice of the spouse's decision to take an elective share of the decedent's estate, including a life estate in the homestead, and requires personal representatives to notify the decedent's surviving spouse of the right to apply for a support allowance for the surviving spouse and the decedent's dependents who reside with the surviving spouse. These provisions apply to estates of decedents dying on or after July 1, 2008.

The Act amends provisions in the probate and trust codes relating to shares inherited by after-born children under wills and revocable trusts to specify the date for determining which heirs are pretermitted and to provide the same share to pretermitted heirs as those born before execution of the will or trust unless it appears from the terms of the document that the omission was intentional. These provisions apply to estates of decedents dying on or after July 1, 2008, and to trusts of settlors dying on or after July 1, 2008.

The Act reorganizes and restructures current provisions in the Iowa Trust Code relating to creditors' rights, spendthrift trusts, spendthrift trusts created for the benefit of the settlor, and overdue distributions, and creates new provisions relating to creditors' rights generally and discretionary trusts. To the extent a beneficiary's interest is not subject to a spendthrift provision, a court may authorize a creditor or assignee of the beneficiary to reach the beneficiary's interest by levy, attachment, or execution of present or future distributions to or for the benefit of the beneficiary or other means. Notwithstanding certain spendthrift trust protections, the interest of a beneficiary of a valid spendthrift trust may, in certain limited circumstances, be reached to satisfy an enforceable claim against the beneficiary. Regardless of whether a trust contains a spendthrift provision, a creditor or assignee of the beneficiary is not required to compel a distribution from the trust that is subject to the trustee's discretion, even if the distribution is expressed in the form of a standard of distribution or the trustee has abused the trustee's discretion, except for situations involving a creditor of a beneficiary enforcing an interest in the trust. If a trustee has discretion as to payments to a beneficiary and refuses to make payments or exercise its discretion, the court shall neither order the trustee to exercise its discretion nor order payment from any such trust, if any such payment would inure, directly or indirectly, to the benefit of a creditor of the beneficiary unless the beneficiary has or had an interest in the trust.

The Act specifies the date on which the trustee can proceed with trust administration on the assumption that the trust is valid and distributions can be made consistent with the provisions of the trust.

A donor is given the right to designate who will have standing to enforce a charitable trust established by the settlor and may designate a person or persons to enforce the charitable trust if the settlor is deceased or not competent. These provisions apply to charitable trusts in existence on or after July 1, 2008.

The Act amends fiduciary appointment provisions and petition requirements in Code Chapter 635 relating to the administration of small estates. If no actions or proceedings involving the estate are pending 30 days after notice of the closing statement is filed, the small estate shall close and the personal representative shall be discharged upon the earlier of either the filing of a statement of disbursement of assets with the clerk by the personal representative or an additional 30 days have passed after notice of the closing statement is filed. Final settlement of a small estate shall be made within three years consistent with the provisions of Code Section 633.473.

The Act repeals Code Chapter 451 (Iowa Estate Tax) and makes coordinating amendments.

The Act repeals a provision in the Uniform Principal and Income Act relating to trusts and marital deductions and generation-skipping transfer taxes.

Unless otherwise indicated, the Act applies to estates of decedents dying on or after July 1, 2008.

**[HOUSE FILE 2626](#)** - **State Judicial Nominating Commission — Appointment or Election of Members**  
BY COMMITTEE ON JUDICIARY. This Act relates to the appointment or election of State Judicial Nominating Commission members.

The commission nominates persons to the Governor for appointment to the Court of Appeals and the Supreme Court.

The Act provides that the terms of each appointed and elected member of the commission expire on December 31, 2012. The terms of newly appointed and elected members of the commission shall commence on January 1, 2013, based upon four congressional districts being established following the 2010 federal decennial census.

The Act establishes an initial term for the appointed and elected members by staggering the initial term at two-year, four-year, and six-year intervals.

Under the Act, the initial term for appointed members is as follows: three members shall serve a term of two years, three members shall serve a term of four years, and two members shall serve a term of six years.

Under the Act, the initial term for elected members is as follows: two members shall serve a term of two years, three members shall serve a term of four years, and three members shall serve a term of six years.

The total number of newly appointed and elected members pursuant to the Act equals 16. Currently, there are 14 appointed and elected members.

If the number of congressional districts established following the 2010 federal decennial census is not equal to four, then the procedures set out in the Act are void and the Act is repealed effective June 30, 2012.

**[HOUSE FILE 2628](#)** - **Portable High-Voltage Pulse Devices or Other Weapons**  
BY COMMITTEE ON PUBLIC SAFETY. This Act includes any portable device or weapon directing an electric current, impulse, wave, or beam that produces a high-voltage pulse designed to immobilize a person in the definition of a dangerous weapon for purposes of the Criminal Code.

The Act subjects a person who possesses or uses such a device or weapon in the commission of certain crimes, including but not limited to certain crimes including domestic abuse assault, an assault in violation of individual rights, an assault on a person engaged in a certain occupation, intimidation with a dangerous weapon, going armed with intent, stalking, disarming a peace officer of a dangerous weapon, sexual abuse in the second degree, kidnapping in the second degree, robbery in the first degree, burglary in the first degree, attempted burglary in the first degree, burglary in the second degree, attempted burglary in the second degree, interference with official acts, and carrying a dangerous weapon, to certain criminal penalties ranging from a serious misdemeanor to a class "B" felony. The Act also subjects a person who is guilty of a forcible felony who was in the immediate possession and control of a dangerous weapon, displayed a dangerous weapon in a threatening manner, or was armed with a dangerous weapon while participating in the forcible felony to a mandatory minimum sentence of five years.

The Act also applies to certain Code provisions relating to uniform school requirements and the use and possession of dangerous weapons by a student on school grounds.

The Act exempts the use of a bow and arrow when possessed and used for hunting or any other lawful purpose from the definition of a dangerous weapon.

**[HOUSE FILE 2653](#) - Foreclosure Consultants and Reconveyances**

BY COMMITTEE ON COMMERCE. This Act provides for the regulation of mortgage foreclosure consultant contracts and mortgage foreclosure reconveyance transactions.

*FORECLOSURE CONSULTANT CONTRACTS.* The Act provides certain requirements relating to the form and language of a foreclosure consultant contract between a foreclosure consultant and an owner, including the notice of the owner's right to cancel the contract up to three business days after the owner signs the contract. The Act defines a "foreclosure consultant" as a person who, directly or indirectly, makes a solicitation, representation, or offer to an owner to perform certain services for compensation to help an owner avoid a foreclosure, foreclosure sale, forfeiture, sheriff's sale, or tax sale on the homeowner's property, and defines an "owner" as the record owner of the residential real property in foreclosure at the time the notice of pendency was recorded or at the time the default notice was served. Certain persons with a legitimate interest in foreclosure sales are exempted from the Act's provisions. The Act prohibits a foreclosure consultant from engaging in certain prohibited practices.

The Act provides that all remedies under Iowa's Consumer Fraud Act, Code Section 714.16, are available for an aggrieved homeowner through an action filed by the Attorney General and additionally provides that a homeowner also has a private cause of action for violations of the Act which must be commenced within four years from the date of the alleged violation. If the court finds that the foreclosure consultant violated the Act, the court shall award the owner actual damages, appropriate equitable relief, and the costs of the action, and shall award reasonable attorney fees to the owner's attorney.

Any person in violation of the Act's proscriptions commits a serious misdemeanor.

*FORECLOSURE RECONVEYANCES.* The Act provides certain requirements relating to the form and language of a foreclosure reconveyance contract between a foreclosure purchaser and a foreclosed homeowner, including the notice of the homeowner's right to cancel the contract. "Foreclosure reconveyance" is defined as a transaction involving the transfer of title to real property by a foreclosed homeowner during a foreclosure proceeding and the subsequent conveyance back to the foreclosed homeowner following the completion of foreclosure proceedings; "foreclosure purchaser" is defined as a person that has acted as the acquirer in a foreclosure reconveyance and includes a person that has acted in a joint venture or a joint enterprise with one or more acquirers in a foreclosure reconveyance; and "foreclosed homeowner" is defined as an owner of residential real property, including a condominium, that is the primary residence of the owner and whose mortgage on the real property is or was in foreclosure, forfeiture, or tax sale.

The Act prohibits a foreclosure purchaser from entering into, or attempting to enter into, a foreclosure reconveyance with a foreclosed homeowner unless certain requirements are met.

The Act provides that all remedies under Iowa's Consumer Fraud Act, Code Section 714.16, are available for a foreclosed homeowner under the Act and additionally provides that a foreclosed homeowner also has a private right of action for violations of the Act. If the court finds a violation, the court shall award to the foreclosed homeowner actual damages, appropriate equitable relief, and the costs of the action, and shall award reasonable fees to the foreclosed homeowner's attorney. Exemplary damages may also be awarded, but a foreclosed homeowner's claim for such damages must be commenced within four years after the date of the alleged violation.

Any foreclosure purchaser who engages in any violation of the Act that would operate as a fraud or deceit commits a serious misdemeanor.

The Act provides an automatic stay provision which provides that a court hearing an eviction action against a foreclosed homeowner shall issue an automatic stay, without imposing bond, if a foreclosed homeowner makes a prima facie showing that the foreclosed homeowner has complied with certain requirements.

The Act takes effect April 25, 2008.



## CRIMINAL LAW, PROCEDURE, AND CORRECTIONS

- [SENATE FILE 2036](#) - Division of Criminal and Juvenile Justice Planning — Miscellaneous Changes
- [SENATE FILE 2132](#) - Disposition of Seized Property — Notice — Value
- [SENATE FILE 2217](#) - Indigent Defense and Appointments of Guardians Ad Litem
- [SENATE FILE 2335](#) - Rights of Victims of Alleged Sexual Assault
- [SENATE FILE 2428](#) - Debts Owed the State or Political Subdivisions — Collection, Payment, and Sanctions
- [HOUSE FILE 2266](#) - Eluding Law Enforcement and Explosives Regulation

### RELATED LEGISLATION

- [SENATE FILE 2156](#) - Commercial Motor Vehicle Regulation — Operators and Employers  
**SEE TRANSPORTATION.** This Act provides that if a commercial vehicle fails to stop at a railroad crossing and the identity of the driver cannot be established, the peace officer may issue a citation to the employer of the driver.
- [SENATE FILE 2203](#) - Animal Contest Events — Spectators  
**SEE AGRICULTURE.** This Act amends Code Chapter 717D, which prohibits activities associated with a contest event, organized for entertainment or profit, where an animal is injured, tormented, or killed, by redefining when a person is a spectator attending the contest event; increasing the criminal penalty applicable to a spectator convicted of a second or subsequent offense; and prohibiting a person from gambling at a contest event.
- [SENATE FILE 2286](#) - Federal Block Grant Appropriations  
**SEE APPROPRIATIONS.** This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009, and for the state fiscal year beginning July 1, 2008, and ending June 30, 2009. The Act includes funding for various programs involving criminals and corrections, including the Stop Violence Against Women Grant Program, the Residential Substance Abuse Treatment for State Prisoners Formula Grant Program, and the Edward Byrne Justice Assistance Grants Program.
- [SENATE FILE 2317](#) - Substantive Code Corrections  
**SEE STATE GOVERNMENT.** This Act contains statutory corrections in provisions relating to the administration, duties, meetings, or membership of the Department of Public Safety, the Prosecuting Attorneys Training Council, and the Iowa Law Enforcement Academy Council; peace officer authority and training; and transmission of HIV-related information by law enforcement agencies.
- [SENATE FILE 2392](#) - Viatical Settlements  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act provides for the regulation of viatical settlements by the Commissioner of Insurance. A viatical settlement is a transaction involving the sale of a life insurance policy issued by a life insurance company before the policy matures, presumably for less than its face value, payable upon death, to a viatical settlement provider either directly or through a viatical settlement broker. The Act makes commission of a number of acts a criminal offense, including those involving fraud.
- [SENATE FILE 2417](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2008-2009, including to the Department of Corrections for community-based corrections, day programming, dual diagnosis offenders, the Drug

Court Program, for the Fort Madison Correctional Facility for the Clinical Care Unit, and for a transitional housing pilot project for offenders on parole.

- [SENATE FILE 2427](#) - Lobbying by State Agencies — Restrictions  
**SEE STATE GOVERNMENT.** This Act creates new Code Section 68B.8, which prohibits a state agency of the executive branch of state government from using or permitting the use of its public funds for certain paid advertisements or public service announcements regarding pending legislation. A knowing and intentional violation of the provision is punishable as a serious misdemeanor.
- [SENATE FILE 2432](#) - Appropriations — Infrastructure and Capital Projects  
**SEE APPROPRIATIONS.** Division IX of this Act creates a new Code section authorizing the Treasurer of State to issue bonds to finance prison infrastructure projects approved for financing by the General Assembly. The proceeds of the bonds are to be deposited into the FY 2009 Prison Bonding Fund also created in the division. Division VII of the Act appropriates the moneys in the 2009 Prison Bonding Fund.
- [HOUSE FILE 2287](#) - Military Courts-Martial — Permissible Penalties  
**SEE PUBLIC DEFENSE AND VETERANS.** This Act increases the fines and forfeitures that may be adjudged by general, special, and summary courts-martial under the Iowa Code of Military Justice.
- [HOUSE FILE 2393](#) - Impact of Legislation and State Grants on Minorities — Statements  
**SEE HUMAN SERVICES.** This Act includes a provision that correctional impact statements, which assess various effects of proposed legislation, include the effects of the legislation on minorities.
- [HOUSE FILE 2591](#) - Dependent Adult Abuse — Caretaker Facilities and Programs  
**SEE HUMAN SERVICES.** This Act relates to dependent adult abuse by a caretaker in certain facilities and programs and provides for penalties.
- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act increases scheduled fines for speeding violations committed by a motor vehicle operator in a road work zone. The Act allows state correctional facilities to provide approved courses for drinking drivers, which are required for reinstatement of driving privileges following conviction for operating while intoxicated.
- [HOUSE FILE 2660](#) - Appropriations — Justice System  
**SEE APPROPRIATIONS.** The Act establishes a Certificate of Employability Program under the control of the Board of Parole for a person on parole or a person who no longer is on parole but is currently unemployed or underemployed.

## CRIMINAL LAW, PROCEDURE, AND CORRECTIONS

### [SENATE FILE 2036](#) - Division of Criminal and Juvenile Justice Planning — Miscellaneous Changes

BY COMMITTEE ON JUDICIARY. This Act relates to the Division of Criminal and Juvenile Justice and Planning of the Department of Human Rights by making changes to the membership of the Criminal and Juvenile Justice Planning Advisory Council, permitting access to the records of the Department of Workforce Development, and modifying the Sex Offender Treatment and Supervision Task Force.

Under the Act, the Governor's Office of Drug Control is granted authority to appoint a representative to serve on the council.

If not prohibited by any other state or federal law, the Act gives the division access to the Department of Workforce Development records for the purpose of research and evaluation.

The Act repeals the Sex Offender Treatment and Supervision Task Force established pursuant to H.F. 619 during the 2005 Legislative Session, and establishes a new permanent Sex Offender Research Council within the division. The new council shall study the cost and effectiveness of special sentences established under Code Chapter 903B and risk assessment models created for sex offenders, determine the best treatment options for sex offenders, and study efforts by other states to prevent sexual abuse and other issues.

### [SENATE FILE 2132](#) - Disposition of Seized Property — Notice — Value

BY COMMITTEE ON JUDICIARY. This Act relates to the disposition of seized property.

The Act specifies that seized property shall be returned to the owner if the seized property is no longer required as evidence or the property has been photographed and the photograph will be used as evidence in lieu of the property, if the property is no longer required for use in an investigation, if the owner's possession is not prohibited by law, and if a forfeiture claim has not been filed on behalf of the state.

The Act provides that if the aggregate fair market value of seized property is equal to or less than \$500, the seizing agency shall serve notice of the seizure by personal service or by sending notice to the last known address of any person having an ownership or possessory right in the property. If the aggregate fair market value of the property is greater than \$500, the seizing agency shall serve notice of the seizure by personal service or by sending the notice by restricted certified mail, return receipt requested, to the last known address of any person having an ownership or possessory right in the property.

After notice of the seized property has been served upon the owner, the Act provides that if the owner files a claim for seized property but fails to take possession of the seized property within 30 days of the expiration of the period of time for filing a written claim, the property shall be deemed abandoned and shall be disposed of by the seizing agency.

The Act provides that firearms or ammunition with an aggregate fair market value equal to or less than \$500 shall be deposited with the Department of Public Safety. The Act specifies the firearms or ammunition shall be used for law enforcement, testing, or comparisons by the criminalistics laboratory, or may be destroyed or disposed of by the Department of Public Safety in accordance with Code Section 809.21.

The Act takes effect May 10, 2008.

### [SENATE FILE 2217](#) - Indigent Defense and Appointments of Guardians Ad Litem

BY COMMITTEE ON JUDICIARY. This Act relates to providing legal representation to an eligible indigent person and to the appointment of a guardian ad litem.

The Act authorizes the State Public Defender to contract with additional nonprofit organizations to provide legal services to eligible indigent persons.

The Act strikes provisions requiring the local public defender to make an annual report to the State Public Defender. The Act also requires the local public defender to serve as guardian ad litem for each child in all

cases in which the local public defender office is the State Public Defender's designee. The local public defender shall be responsible for determining who shall serve as the guardian ad litem and shall be responsible for assuring the court that the duties of the guardian ad litem have been fulfilled.

In a juvenile case in which a petition on appeal is required, the trial attorney shall continue representation throughout the appeal without an additional appointment order unless the court permits the attorney to withdraw.

The Act requires the court to appoint an attorney who has a contract with the State Public Defender if the State Appellate Defender is unable to handle the case or withdraws from the case, and the appeal is in a juvenile case in which a petition on appeal is not required or in a juvenile case in which the trial attorney has withdrawn from the case.

If the court determines that no contract attorney is available to handle an appeal, the court may appoint a noncontract attorney to handle the appeal if the State Public Defender consents to the appointment.

Under the Act, a claim for compensation and reimbursement for representation of an indigent person in a case is not timely unless the claim is filed within 45 days of the withdrawal order, sentencing, acquittal, or dismissal, whichever is earliest, in a criminal case, or the withdrawal order, final ruling, or dismissal, whichever is earliest, in any other type of case.

The Act strikes the provision from Code Section 815.11 which permits payments from the Indigent Defense Fund to an attorney representing a juvenile in an adoption proceeding pursuant to Code Chapter 600.

**[SENATE FILE 2335](#) - Rights of Victims of Alleged Sexual Assault**

BY COMMITTEE ON JUDICIARY. This Act relates to the rights of a victim of an alleged sexual assault and notification of the rights by a peace officer.

The Act specifies a peace officer shall remain at the scene of the alleged sexual assault as long as a threat to the physical safety of the victim remains or, if unable to remain at the scene, the peace officer shall assist the victim in leaving the scene of the alleged sexual assault.

The Act also provides that a victim of an alleged sexual assault shall have the right to request the presence of a victim counselor as defined in Code Section 915.20A at any proceeding related to an assault, including a medical examination.

**[SENATE FILE 2428](#) - Debts Owed the State or Political Subdivisions — Collection, Payment, and Sanctions**

BY COMMITTEE ON APPROPRIATIONS. This Act relates to the collection of delinquent debt owed the state and political subdivisions of the state.

**Division I — Gambling Setoff**

Division I provides that the State Racing and Gaming Commission shall require licensees under Code Chapter 99D (pari-mutuel wagering) and Code Chapter 99F (gambling boats, structures, and racetracks) to establish a process for licensees to have electronic access to names and social security numbers of debtors of claimant agencies through a secured interactive web site maintained by the state.

The division defines "claimant agency" to mean a "state agency" as defined in Code Section 8A.504 or the State Court Administrator. Thus, a "claimant agency" under the Act means a board, commission, department, including the Department of Administrative Services (DAS), or other administrative office or unit of the State of Iowa or any other state entity reported in the Iowa comprehensive annual financial report, or a political subdivision of the state, or an office or unit of a political subdivision. "Claimant agency" does include the clerk of the district court as it relates to the collection of a qualifying debt. "Claimant agency" does not include the General Assembly or the Governor.

Under the division, the licensee is authorized and directed to withhold winnings equal to or greater than \$10,000 per occurrence paid out directly by the licensee, subject to the lien created by the division. The division directs the licensee to pay the funds collected to the collection entity which administers the setoff program pursuant to Code Section 8A.504.

Notwithstanding any other provision of law to the contrary, the licensee and the claimant agency may exchange necessary information to effectuate the division. Information obtained by the claimant agency or the licensee shall not be disclosed for any other purpose but to effectuate the division. If information is improperly disclosed by an employee or former employee of a claimant agency or licensee, the person is subject to penalties specified by law for unauthorized disclosure of confidential information by an agent or employee.

A claimant agency or licensee acting in good faith shall not be liable for actions taken to comply with the division.

#### Division II — Licensing Sanctions

Division II provides that for debt placed with the Centralized Collection Unit (CCU) of the Department of Revenue (DOR), the division requires the unit to issue a certificate of noncompliance to a licensing authority if a licensee owes a debt greater than \$1,000 placed with the unit.

The division defines "license" to mean a license, certification, registration, permit, approval, renewal, or other similar authorization issued to a person by a licensing authority which evidences the admission to, or granting of authority to engage in, a profession, occupation, business, industry, or recreation. The term "license" includes a hunting or fishing license, or a license for other recreational activity.

Under the division, if a certificate of noncompliance is issued by the CCU, the licensing authority shall initiate proceedings to refuse to issue or renew, or to suspend or revoke the license of the person, unless the CCU provides the licensing authority with a withdrawal of a certificate of noncompliance.

The licensee may schedule a conference with the CCU prior to the issuance of a certificate of noncompliance to the licensing authority. The CCU shall issue a certificate of noncompliance following a conference unless any of the following apply: the unit finds a mistake in the identity of the person; the unit finds a mistake in determining the amount of the liability; the unit determines the amount of the liability is not in excess of \$1,000; the debtor enters into an acceptable payment plan; or the issuance of the certificate of noncompliance is not appropriate under the criteria established in accordance with rules adopted by DOR. The CCU shall issue a withdrawal of the certificate of noncompliance to the licensing authority for the aforementioned reasons as well.

The division provides that if, after a conference, the CCU issues a written decision issuing a certificate of noncompliance, the debtor may request a hearing in district court in the county where a majority of the debt was incurred. If the debtor requests a hearing in district court, the scope of review by the court shall be limited to the amount of the liability owed or the identity of the debtor. If the court finds an error, the CCU shall issue a withdrawal of a certificate of noncompliance.

#### Division III — Collection of Certain Delinquent Sales Taxes or Court Debt

Division III modifies procedures and methods for collecting court debt.

The division defines "court debt" to mean all fines, penalties, court costs, fees, forfeited bail, surcharges under Code Chapter 911, victim restitution, restitution for court-appointed attorney fees or expenses of the public defender, or fees charged pursuant to Code Section 356.7 or 904.108.

Under the division, court debt is deemed delinquent if it is not paid within 30 days after the date it is assessed or ordered due, or 30 days after an installment payment is due.

Currently, court debt is deemed delinquent if not paid within six months after assessment or ordered due, or 30 days after an installment payment is due.

New Code Section 321.11A permits the judicial branch, DOR and DAS to have access to Department of Transportation information that identifies a person by the person's social security number for purposes of debt collection.

The division provides that DOR shall not attempt to collect delinquent sales tax on a transaction involving the furnishing of lawn care, landscaping, or tree trimming and removal services which occurred more than five years from the date of an audit.

New Code Section 901.5C requires a criminal defendant to provide the social security number of the defendant to the court prior to pleading guilty or sentencing for purposes of collecting court debt.

The division amends Code Section 907.9 to require a person on probation to establish a payment plan with the clerk of the district court or county attorney prior to discharge.

*COLLECTION BY CENTRALIZED COLLECTION UNIT.* If court debt is deemed delinquent, the judicial branch may assign a case containing court debt to the CCU for collection for 60 days. Currently, the law does not impose a time period for collection efforts performed by the CCU. Under the Act and currently, DOR may impose a fee established by rule to reflect the cost of processing which shall be added to the court debt owed. Any amounts collected by the CCU shall be first applied to the processing fee and the remaining amounts shall be remitted to the clerk of the district court in the county in which the debt is owed.

The CCU is authorized by the Act to enter into an installment agreement with a debtor under Code Section 321.210B for the purpose of the debtor obtaining their driver's license after the driver's license of the debtor has been suspended for unpaid court fines. Currently, the county attorney has the exclusive authority to enter into such an agreement.

*COLLECTION BY COUNTY ATTORNEY.* The division amends Code Section 96.11 to permit a county attorney to have access to Department of Workforce Development information at the office of the county attorney, if the county attorney pays for the installation of equipment to provide such access. Current law provides a county attorney with access to Department of Workforce Development information but the access is only provided at local workforce development offices.

The division amends Code Section 321.40 to require the county treasurer to refuse to renew the registration of a vehicle registered to a person who has delinquent court debt being collected by the county attorney. If a person enters into or renews a payment plan that is satisfactory to the county attorney or the county attorney's designee, the division provides for a procedure where the county attorney can temporarily lift a registration hold so the person can register a vehicle.

The county attorney or the county attorney's designee may collect court debt 60 days after the court debt is deemed delinquent. In order to receive a percentage of the amounts collected pursuant to this division, the county attorney must file a list of cases with the clerk of the district court in which the county attorney or the county attorney's designee intends to collect the delinquent court debt.

The county attorney collection does not apply to amounts collected for victim restitution, the victim compensation fund, the criminal penalty surcharge, drug abuse resistance education surcharge, the law enforcement surcharge, the county enforcement surcharge, amounts collected as a result of procedures initiated by a private collection designee or under Code Section 8A.504, or fees charged pursuant to Code Section 356.7.

The remaining amounts subject to distribution to the county attorney collection shall be distributed as follows:

1. Forty percent of the amounts collected by the county attorney or the county attorney's designee shall be deposited into the general fund of the county where the court debt was assessed.
2. The remaining 60 percent shall be paid to the clerk of the district court each fiscal year for distribution under Code Section 602.8108. However, if such amount, when added to the amount deposited into

the general fund of the county exceeds the following applicable threshold amount, the excess shall be distributed as provided in paragraph 3.

- a. For a county with a population greater than 150,000, an amount up to \$500,000.
  - b. For a county with a population greater than 100,000 but not more than 150,000, an amount up to \$400,000.
  - c. For a county with a population greater than 50,000 but not more than 100,000, an amount up to \$250,000.
  - d. For a county with a population greater than 26,000 but not more than 50,000, an amount up to \$100,000.
  - e. For a county with a population greater than 15,000 but not more than 26,000, an amount up to \$50,000.
  - f. For a county with a population equal to or less than 15,000, an amount up to \$25,000.
3. Any additional moneys collected by an individual county after the threshold amount has been achieved shall be distributed by the state court administrator as follows:
    - a. Forty percent of the amounts collected by the county attorney or the county attorney's designee shall be deposited into the general fund of the county where the court debt was assessed.
    - b. Twenty percent of the remaining 60 percent shall be deposited with the office of the county attorney that collected the moneys.
    - c. The remainder shall be paid to the clerk of the district court for distribution under Code Section 602.8108.
  4. A county may enter into an agreement pursuant to Code Chapter 28E with one or more other counties for the purpose of collecting delinquent court debt.
  5. If a county with a population less than or equal to 26,000 enters into an agreement exclusively with other counties with a population less than or equal to 26,000, the threshold amount applicable to all of the counties combined shall be a single threshold amount, equal to the threshold amount attributable to the county with the largest population.

*PRIVATE COLLECTION DESIGNEE.* The judicial branch may contract with a private collection designee for the collection of court debt 60 days after the court debt in a case is deemed delinquent if the county attorney is not collecting the court debt deemed delinquent in a case.

The contract shall provide for a collection fee equal to 25 percent of the amount of the court debt in a case deemed delinquent. The collection fee shall be added to the amount of the court debt deemed delinquent. The amount of the court debt deemed delinquent and the collection fee shall be owed by and collected from the defendant. The collection fee shall be used to compensate the private collection designee. Subject to the collection fee used to compensate the private collection designee, the amounts collected shall be distributed as provided in Code Section 602.8107, subsection 2.

The contract may assess the private collection designee an initial fee for entering into the contract.

The division requires the judicial branch to solicit requests for proposals prior to entering into any contract with a private collection designee.

A processing fee or collection fee shall be added to the court debt collected for court debt imposed, assessed, or deemed delinquent prior to July 1, 2008.

*WRITE-OFF OF OLD DEBT.* Any portion of court debt that remains uncollected 65 years from the date of imposition shall be written off as uncollectible and the case shall be closed for purposes of collection.

*JURY AND WITNESS FUND.* The division repeals Code Section 909.10, which deposits payments for delinquent fines and surcharges that are more than two years old into the Jury and Witness Fee Fund.

*DEPARTMENT OF REVENUE — COLLECTION SYSTEM.* The division requires the Director of DOR to enhance DOR's computer-assisted collections system to the current web-based technical version. The division requires the director to procure the enhancements from the current vendor, and such enhancements shall be considered an upgrade to the vendor's contract with DOR.

**HOUSE FILE 2266 - Eluding Law Enforcement and Explosives Regulation**

BY COMMITTEE ON PUBLIC SAFETY. This Act relates to eluding or attempting to elude a peace officer and to the possession of explosives.

The Act modifies the definition of "explosive" to include materials which are classified as a class 1, division 1.1, 1.2, 1.3, or 1.4 explosive by the U.S. Department of Transportation, under 49 C.F.R. § 173.50, and all materials classified as explosives under 18 U.S.C. § 841. The Act strikes references to materials classified as class A, B, and C explosives.

Under federal law, explosives are divided into six divisions, with divisions 1.1 through 1.4 being the most dangerous explosive materials.

The Act adds an "overpressure device" to the definition of "explosive" in Code Section 101A.1. An "overpressure device" means any device constructed of a container or improvised container, which is filled with a mixture of chemicals or sublimating materials or gases that generate an expanding gas, which is designed or constructed to cause the container to break, fracture, or rupture in a violent manner capable of causing death, serious injury, or property damage.

The changes to the definition of "explosive" also affect the State Fire Marshal's regulation of explosives under Code Chapter 101A.

The Act also makes it an aggravated misdemeanor to possess any incendiary or explosive device or material unless the person possesses a valid license or user's permit pursuant to Code Chapter 101A and the person is acting within the scope of authority granted by the license or permit.

The Act adds "special security officers employed by Board of Regents institutions" to the definition of "peace officer" in Code Section 321.279. Under the Act, by adding a special security officer employed by a State Board of Regents institution to the definition of peace officer, a person who eludes or attempts to elude a special security officer commits eluding or attempting to elude a pursuing law enforcement vehicle in violation of Code Section 321.279.

A person who commits eluding or attempting to elude a pursuing law enforcement vehicle commits a serious or aggravated misdemeanor or a class "D" felony, depending on the severity of the offense.

## ECONOMIC DEVELOPMENT

- [SENATE FILE 2136](#) - Iowa Finance Authority Housing Programs and Real Estate Broker Trust Accounts
- [SENATE FILE 2325](#) - Grow Iowa Values Fund Programs and Requirements
- [HOUSE FILE 2195](#) - Enterprise Zones — County Distress Criteria
- [HOUSE FILE 2215](#) - Private Activity Bond Allocation Procedures and Limitations
- [HOUSE FILE 2385](#) - Authorized Public Funds Investments
- [HOUSE FILE 2450](#) - Economic Development Programs — Miscellaneous Changes
- [HOUSE FILE 2558](#) - Economic Development Financial Assistance Applications — Confidentiality
- [HOUSE FILE 2687](#) - Underutilized Property Redevelopment Tax Credits

### RELATED LEGISLATION

- [SENATE FILE 2117](#) - Real Estate Transactions — Closing Protection Letter Coverage  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act adds "closer" to the list of participants whose acts may be covered by a closing protection letter issued by the Iowa Finance Authority's Title Guaranty Division in real estate transactions. The Act takes effect April 11, 2008.
- [SENATE FILE 2161](#) - Council on Homelessness  
**SEE HUMAN SERVICES.** This Act creates a Council on Homelessness located within the Iowa Finance Authority consisting of 38 voting members to review and make recommendations on issues related to homelessness. In addition to other duties specified in the Act, the council is directed to conduct a study of issues relating to low-income seniors, low-income persons with disabilities, the availability of transportation or housing near workplaces, the adequacy of affordable housing to support economic growth and development, and the reduced availability and increased cost of affordable housing.
- [SENATE FILE 2286](#) - Federal Block Grant Appropriations  
**SEE APPROPRIATIONS.** This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009, and for the state fiscal year beginning July 1, 2008, and ending June 30, 2009. The Act includes funding for economic development programs, including the Community Development Block Grant.
- [SENATE FILE 2317](#) - Substantive Code Corrections  
**SEE STATE GOVERNMENT.** This Act contains statutory corrections in provisions relating to reports on technology commercialization expenditures; sales and use tax refunds to businesses that make certain types of investments; resident bidder preferences in public contracts; and film investment and expenditure tax credits.
- [SENATE FILE 2419](#) - Speculative Shell Building Property Tax Incentives  
**SEE TAXATION.** This Act modifies the current property tax exemption for reconstruction or renovation of a building as a speculative shell building to provide that the exemption shall be for the value of the land and the building and the exemption may begin in the assessment year following the assessment year in which the project commences. The Act applies to speculative shell building projects that involve complete replacement or refitting of an existing building or structure, and applies retroactively to January 1, 2007, for projects approved prior to that date.
- [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME-21  
**SEE TRANSPORTATION.** This Act addresses various mechanisms for highway funding

and generates new revenues for allocation to the Transportation Moves the Economy in the Twenty-First Century (TIME-21) Fund.

[SENATE FILE 2430](#) - Economic Assistance for Microenterprises, River and Lake Enhancements, and Individual Development

**SEE APPROPRIATIONS.** This Act relates to economic development by creating a Community Microenterprise Development Organization Grant Program, a Microenterprise Development Advisory Committee, and a River Enhancement Community Attraction and Tourism Fund, and by making changes to the requirements for individual development accounts and making related appropriations.

[SENATE FILE 2432](#) - Appropriations — Infrastructure and Capital Projects

**SEE APPROPRIATIONS.** Division IX amends the funding source of the annual standing appropriations to the Community Attraction and Tourism Fund from the General Fund of the State to the Rebuild Iowa Infrastructure Fund for FY 2008-2009 and FY 2009-2010. The division also requires a recipient of moneys from the Grow Iowa Values Fund to annually submit a statement to the Department of Economic Development regarding the type and amount of funds spent on major maintenance, repair, or renovation of any new or existing building.

[HOUSE FILE 2662](#) - Appropriations — Agriculture and Natural Resources

**SEE APPROPRIATIONS.** This Act relates to agriculture and natural resources by making appropriations for FY 2008-2009 to support related entities, including the Department of Economic Development. The Act appropriates moneys to provide financial and technical assistance to support the Brownfield Redevelopment Program.

[HOUSE FILE 2689](#) - Renewable Fuels — Miscellaneous Changes

**SEE AGRICULTURE.** This Act amends Code provisions relating to renewable fuel, and specifically ethanol and biodiesel, by providing for renewable fuel infrastructure programs for retail motor fuel sites and terminal facilities; revising standards for motor fuel, including the content of ethanol allowed to be blended into gasoline; providing that the biodiesel blended fuel tax credit is calculated on a site-by-site basis; requiring that state government agencies purchase biodiesel fuel; and providing for the development of a direct marketing campaign to encourage the increased use of E-85 and biodiesel fuel.

[HOUSE FILE 2699](#) - Appropriations — Economic Development

**SEE APPROPRIATIONS.** This Act makes appropriations to the Department of Cultural Affairs, the Department of Economic Development, certain Board of Regents institutions, the Department of Workforce Development, and the Public Employment Relations Board, and contains certain other related matters.

[HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes

**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters, including, under Division IV, allocating Community Attraction and Tourism Fund moneys for marketing projects funded by the fund. Division XI provides for the repeal of the Wage-Benefits Tax Credit Program.

## ECONOMIC DEVELOPMENT

**[SENATE FILE 2136](#)** - **Iowa Finance Authority Housing Programs and Real Estate Broker Trust Accounts**  
BY COMMITTEE ON ECONOMIC GROWTH. Each real estate broker is required to maintain an interest-bearing trust account. Under current law, the interest on the account is transferred to the Department of Economic Development for deposit in the Local Housing Assistance Program Fund. This Act abolishes the Local Housing Assistance Program and its fund, and transfers all unobligated moneys and interest from the program fund to the Housing Trust Fund administered by the Iowa Finance Authority.

**[SENATE FILE 2325](#)** - **Grow Iowa Values Fund Programs and Requirements**  
BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to the Grow Iowa Values Fund by allocating moneys for the Physical Infrastructure Financial Assistance Program and changing certain job and wage requirements.

Currently, \$50 million is appropriated each year to the Grow Iowa Values Fund, and of those moneys, \$30 million is appropriated to the Department of Economic Development to fund certain programs. Programs funded in this way are subject to job and wage creation requirements.

The Act allows the department to allocate at least \$5 million to the Physical Infrastructure Financial Assistance Program and exempts projects funded by this program from the job and wage requirements as long as the project is an infrastructure project that meets certain performance measurements set by the department.

The Act makes certain conforming amendments to the Grow Iowa Values Fund and the Physical Infrastructure Financial Assistance Program in order to specify certain program requirements.

The Act takes effect April 18, 2008.

**[HOUSE FILE 2195](#)** - **Enterprise Zones — County Distress Criteria**  
BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to the designation of enterprise zones by modifying the calculation of a county's percentage population loss to provide that the county's prison population cannot be used in calculating the population.

The Act further provides that ethanol and biodiesel businesses in the county are not eligible for enterprise zone assistance in the form of tax credits, payments, or refunds if the county qualifies for the Enterprise Zone Program only when its prison population is excluded from the calculation.

**[HOUSE FILE 2215](#)** - **Private Activity Bond Allocation Procedures and Limitations**  
BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to private activity bonds issued to finance certain qualified industries. The Act specifies that a single project may not be allocated a portion of the annual state ceiling in excess of \$10 million.

The Act increases the length of the validity period following certification of the allocation by the Governor's designee from 30 days to 120 days. The Act also decreases the extension period from 45 days to 30 days in situations where the political subdivision does not reasonably expect to issue and deliver the bonds within the 120-day certification period.

**[HOUSE FILE 2385](#)** - **Authorized Public Funds Investments**  
BY COMMITTEE ON ECONOMIC GROWTH. This Act adds obligations of the Iowa Finance Authority issued pursuant to Code Chapter 16 to the list of allowable investments that the Treasurer of State and other authorized state agencies may invest in or purchase. The Act also provides that obligations of the authority may only be purchased if, at the time of purchase, the authority has an issuer credit rating within the two highest classifications or the obligations to be purchased are rated within the two highest classifications as established by the Superintendent of Banking.

**[HOUSE FILE 2450](#)** - **Economic Development Programs — Miscellaneous Changes**  
BY COMMITTEE ON ECONOMIC GROWTH. This Act makes a number of changes affecting the administration of the Department of Economic Development (DED) and its programs.

The director of the department is authorized to appoint a designee to serve on the Vision Iowa Board.

DED may use up to 1.5 percent of the moneys in the Renewable Fuel Infrastructure Fund to market renewable fuel programs.

The Act limits the tax credits available to investors in film projects to 25 percent of a project's qualified expenditures in the state.

DED, in coordination with other state agencies and local entities, must develop and market a new tourism program to create new, and promote existing, recreational and leisure opportunities in the state.

The Act strikes a number of the department's existing reporting requirements, currently located in many different sections of the Code, and reconstitutes them instead under Code Section 15.104(9). The Act also standardizes the reporting requirements by providing for a single, consolidated annual report to the Governor and the General Assembly due by January 31 of each year.

DED may contract with service providers for commercialization development services on a case-by-case basis, and may spend the additional moneys it recaptures from loan payments and federal economic stimulus funds provided it spends those moneys on the implementation of consultant recommendations for certain targeted industries. This provision of the Act regarding contracts with service providers takes effect April 25, 2008.

**HOUSE FILE 2558 - Economic Development Financial Assistance Applications — Confidentiality**

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to the confidentiality of information coming before the Economic Development Board, including information contained in applications for financial assistance, contracts with the board, and materials submitted in support of such applications or contracts.

The Act directs the Economic Development Board and the Department of Economic Development (DED) to give due regard to the confidentiality of applicant information before, during, and after the application and contract administration processes. All information contained in an application is kept confidential before submission to the board, but after submission the information shall be publicly available unless DED deems it confidential. Information deemed confidential is also kept confidential during and after the contract administration process.

DED must consider written requests to keep certain information confidential and shall keep such information confidential if it finds that the public disclosure of such information would give an unfair advantage to an applicant's competitors. In considering requests to keep information confidential, DED must narrowly construe the provisions of the Act in order to balance the need for confidentiality against the need for public disclosure.

If DED elects to keep information confidential, the department may release only nonconfidential information in response to a request for records pursuant to Code Chapter 22. If information is withheld from a request for records pursuant to Code Chapter 22, DED must release an explanation of why the information was deemed confidential, a summary of the nature of the information withheld, and the reason for withholding the information.

If a request for confidentiality is denied by DED, the applicant may withdraw the application and any supporting materials. The department may not retain or release copies of a withdrawn application.

The department must adopt rules governing requests for confidentiality, and those rules must be guided by certain criteria contained in the Act.

**HOUSE FILE 2687 - Underutilized Property Redevelopment Tax Credits**

BY COMMITTEE ON WAYS AND MEANS. This Act relates to economic development by providing tax credits for the redevelopment of certain underutilized properties.

The Act relates to the redevelopment of underused industrial and commercial properties, the use or development of which is sometimes complicated by real or perceived contamination or by a lack of an economic incentive to redevelop. These properties are often referred to as "brownfield" or "grayfield" sites. The

Act creates a two-tiered system of transferable tax credits for these sites. An investor who redevelops a grayfield site is eligible for a tax credit in an amount equal to 12 percent of that investor's qualifying investment. An investor in a brownfield site is eligible for a tax credit for an amount equal to 24 percent. If the investor redevelops the property to meet the standards of certain "green" development certification programs, additional tax credits are available. Brownfield sites meeting the green development standards are eligible for an additional 6 percent tax credit and grayfield sites are eligible for an additional 3 percent. Green development means development that meets or exceeds the sustainable design standards adopted by the State Building Code Commissioner.

The Act directs the commissioner, in consultation with other state agencies, to consider standards for green development that incorporate nationally recognized systems and to adopt rules implementing the standards.

The maximum amount of a tax credit for any one qualifying project cannot exceed 10 percent of the total amount of credits authorized in any one fiscal year. The maximum amount of credits authorized for the fiscal year 2008-2009 is \$1 million.

Investments made prior to January 1, 2009, or after June 30, 2010, do not qualify for a tax credit.

The Act authorizes the Department of Economic Development to develop rules for the issuance of tax credits and authorizes the Brownfield Redevelopment Advisory Council to approve the amount of each tax credit issued.



## EDUCATION

- [SENATE FILE 2101](#) - Entrepreneurs With Disabilities Program — Administration
- [SENATE FILE 2111](#) - Blood Lead Testing and Dental Screening of Children
- [SENATE FILE 2216](#) - Educational Standards — Core Curriculum Content and Career Information
- [SENATE FILE 2251](#) - Student Eye Care
- [SENATE FILE 2307](#) - State Research, Development, Demonstration, and Dissemination School — Planning
- [SENATE FILE 2413](#) - School Budget Adjustments
- [HOUSE FILE 2103](#) - College Student Aid Commission Membership
- [HOUSE FILE 2137](#) - Board of Educational Examiners — Membership and Authority
- [HOUSE FILE 2140](#) - School Finance — Allowable Growth
- [HOUSE FILE 2164](#) - School Diversity or Desegregation Plans and Open Enrollment
- [HOUSE FILE 2197](#) - Textbooks Used at Higher Education Institutions
- [HOUSE FILE 2364](#) - School Finance Arrangements — Loans and Energy Conservation
- [HOUSE FILE 2526](#) - Disposition of School Property
- [HOUSE FILE 2690](#) - Student Loans, Lenders, and Funding

### RELATED LEGISLATION

- [SENATE FILE 2286](#) - Federal Block Grant Appropriations  
**SEE APPROPRIATIONS.** This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009, and for the state fiscal year beginning July 1, 2008, and ending June 30, 2009, including funding made available to the state for a number of education programs.
- [SENATE FILE 2289](#) - Educational Assistance for Children of Persons Who Die During Active Military Service  
**SEE PUBLIC DEFENSE AND VETERANS.** This Act modifies eligibility requirements and increases the amounts allowed to be awarded for state postsecondary educational assistance to children of persons who died in active duty on or after September 11, 2001.
- [SENATE FILE 2417](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2008-2009, including to the Department of Education to continue a competitive grants program to expand the availability of before and after school programs. The Act also appropriates funding to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account.
- [SENATE FILE 2425](#) - Appropriations — Health and Human Services  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations for health and human services for FY 2008-2009 and includes numerous provisions involving children including funding for child care programs and training associated with community empowerment areas and early education. The Act also creates an Early Childhood Iowa Council as an alliance of stakeholders in early care, health, and education systems that affect children ages zero through five years of age; includes provisions relating to child abuse information and criminal record checks; includes provisions relating to child care homes and child development homes; requires the Department of Education to adopt rules requiring the programs and facilities under their purview to provide assessments

for and repair of lead hazards; creates the Iowa Autism Council in the Department of Education; provides for tuition assistance at community colleges for students working in health care facilities; and creates the Healthy Kids Act relating to nutritional content standards for foods and beverages sold or provided on school grounds, and required minimum levels of physical activity for children in kindergarten through grade 12.

[HOUSE FILE 2212](#)

- Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas, specifically including public and private educational facilities and school grounds including inside any vehicle located on such school grounds.

[HOUSE FILE 2266](#)

- Eluding Law Enforcement and Explosives Regulation  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act relates to eluding or attempting to elude a pursuing law enforcement vehicle operated by a special security officer employed by a State Board of Regents institution.

[HOUSE FILE 2620](#)

- Elections, Voting, and Voter Registration — Miscellaneous Provisions  
**SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE.** This Act makes various changes to the Code relating to the conduct of elections, voting, and voter registration. Division I of the Act provides for the election of the directors of school districts, merged areas (community colleges), and area education agencies (AEA) in September of the odd-numbered year and changes the terms of office for these directors from three years to four years. The division takes effect April 22, 2008, and applies to the regular school election and AEA director district conventions held in September 2009. Division III of the Act limits and specifies the dates that school districts and merged areas can hold special elections on certain public measures.

[HOUSE FILE 2645](#)

- Public Employee Collective Bargaining — Teacher Discipline — VETOED BY THE GOVERNOR  
**SEE LABOR AND EMPLOYMENT.** This bill would have made changes relative to public employee collective bargaining and teacher discipline. Relative to public employee collective bargaining, the bill would have required negotiations between the public employer and the employee organization about all other items of employment not specifically excluded from negotiations. Concerning teacher contracts and discipline, the bill would have amended the teacher termination process. The bill would have provided that if, following a private meeting with the school board in closed session, the school board agrees with the superintendent that the teacher contract should be terminated, the teacher may request that the decision be reviewed by an adjudicator selected by the parties from a list provided by the Public Employment Relations Board. Current law provides that the decision is reviewed by the school board. Code Section 279.17, providing for an appeal from the school board's decision to an adjudicator, and Code Section 279.18, providing for a further appeal to district court following the adjudicator's decision, would have been repealed by the bill. Code Section 279.19, concerning the probationary period for teachers in the first three years of employment, would have been stricken and rewritten to apply only to beginning teachers. The bill then would have provided that the procedures in the bill governing termination of teachers applied to beginning teachers and also would have provided that if an adjudicator were utilized, the adjudicator would have determined if the beginning teacher had sufficiently demonstrated competency under the standards listed in Code Section 284.3, subsection 1. If the adjudicator determined that such competency had been established, the bill would have required the Board of Educational Examiners to issue a standard license to the teacher. The bill also would have provided that public school employee sick leave amounts would not be reduced pursuant to benefits payable under workers' compensation and that the Early Retirement Incentives for

School Employees Program under Code Section 279.16 would remain an option even if the school district and employee organization had not negotiated an early retirement incentive plan pursuant to Code Chapter 20.

[HOUSE FILE 2651](#)

- Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act authorizes the Department of Transportation to issue special motor vehicle registration plates designed in colors associated with individual private four-year colleges and universities.

[HOUSE FILE 2663](#)

- School Infrastructure Funding and Taxation  
**SEE TAXATION.** This Act replaces the local option sales and services tax for school infrastructure purposes by increasing the state sales and use taxes from 5 percent to 6 percent, effective July 1, 2008. The state sales and use tax rates are reduced from 6 percent to 5 percent on January 1, 2030. The increased state sales and use tax revenues are deposited into the Secure an Advanced Vision for Education Fund created in new Code Chapter 423F to be distributed to all school districts as provided in that chapter. All existing local sales and services taxes for school infrastructure purposes are repealed.

[HOUSE FILE 2673](#)

- Inheritance Taxes on Qualified Tuition Plans  
**SEE TAXATION.** This Act exempts from the state inheritance tax the value of any interest in an Iowa Educational Savings Plan that is established pursuant to Code Chapter 12D by the Treasurer of State and any other plans established under Section 529 of the Internal Revenue Code. The exemption applies to such plans in existence on or after July 1, 1998.

[HOUSE FILE 2679](#)

- Appropriations — Education  
**SEE APPROPRIATIONS.** This Act appropriates moneys for FY 2008-2009 from the General Fund of the State to the Department for the Blind, College Student Aid Commission, the Department of Education, and the State Board of Regents and its institutions. The Act includes a number of statutory provisions affecting these institutions, students, and school districts.

[HOUSE FILE 2688](#)

- Livestock Operation Odor Mitigation  
**SEE AGRICULTURE.** This Act provides for the establishment and administration of efforts to mitigate odor emitted from livestock operations involving swine, beef or dairy cattle, chickens, or turkeys conducted by Iowa State University, in coordination with the Department of Agriculture and Land Stewardship and the Department of Natural Resources.

[HOUSE FILE 2700](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters. Division II includes reductions in the standing appropriations for instructional support state aid, the Educational Excellence Program, payment of nonpublic school transportation, and for area education agencies. Appropriations for salaries and compensation of State Board of Regents employees are made in Division III and a statement of legislative intent for the payment of a living wage to public school employees is included in Division IV. Provisions related to competent private instruction of children in home schooling are contained in Division V and amendments relating to the core curriculum requirements in S.F. 2216 are contained in Division X.



## EDUCATION

### [SENATE FILE 2101](#) - **Entrepreneurs With Disabilities Program — Administration**

BY COMMITTEE ON EDUCATION. This Act transfers administration of the Entrepreneurs With Disabilities Program from the Iowa Finance Authority to the Division of Vocational Rehabilitation Services of the Department of Education. The program provides technical assistance, business development grants, and financial assistance grants to qualified Iowans with disabilities.

### [SENATE FILE 2111](#) - **Blood Lead Testing and Dental Screening of Children**

BY COMMITTEE ON EDUCATION. This Act relates to requirements for blood lead testing and dental screening of a child who is enrolled or enrolling in a school district or accredited nonpublic school.

The Act strikes from the new Code section regulating dental screening of children, which takes effect July 1, 2008, a provision addressing the provisional enrollment in school of persons in the process of obtaining a dental screening. The provision, enacted pursuant to 2007 Iowa Acts, Chapter 146, Section 1, provided that a person could be enrolled in a school district or accredited nonpublic school if the person is in the process of obtaining a dental screening.

Each public and nonpublic school must assure, in collaboration with the Department of Public Health, that the parent or guardian of a student enrolled in the school has complied with the requirement that the parent or guardian provide evidence to the school that a dental screening was performed on a child enrolled in elementary school by the time the child reached the age of six; or, if the child is in high school, that a dental screening was performed within the prior year; or, that the parent or guardian signed an affidavit stating that the dental screening conflicts with a genuine and sincere religious belief. If these requirements have not been met, as applicable, the school must provide the parent or guardian of the student with community dental screening referral resources, including contact information for the I-Smile Oral Health Coordinator, department, or dental society. Each local board of health must furnish the department, by June 30 annually, evidence that each school has met these requirements.

Similarly, the board of directors of each school district and the authorities in charge of each nonpublic school must, in collaboration with the department, assure that the parent or guardian of a student enrolled in the school has provided evidence to the school that the child was tested for elevated blood lead levels by the age of six. If the parent or guardian cannot provide such evidence, the school must provide the parent or guardian with community blood lead testing program information, including contact information for the department.

The Act eliminates the deadlines by which school districts and schools must provide evidence that parents have met the requirements of blood lead testing and dental screening. However, school districts and schools must provide the department, within 60 days after the school calendar start date, with a list of the children enrolled in kindergarten. The department is directed to notify the school districts and schools of the children who have not met the blood lead testing requirements and must work with the districts, schools, and local childhood lead poisoning prevention programs to assure that these children are tested.

### [SENATE FILE 2216](#) - **Educational Standards — Core Curriculum Content and Career Information**

BY COMMITTEE ON EDUCATION. This Act requires the State Board of Education to adopt rules establishing a core curriculum and eliminates references to a model core curriculum. School districts and accredited nonpublic schools must adopt an implementation plan by July 1, 2010, which provides for the adoption of at least one core curriculum subject area each year for grades 9 through 12. The core curriculum must be fully implemented by July 1, 2012.

Under current Code, the voluntary model core curriculum must include "financial literacy," which the Act defines. However, Division X of H.F. 2700 (see Appropriations) amends this provision to eliminate the definition, but requires the Department of Education to further define twenty-first century learning skills components by rule.

The state board is prohibited from requiring that school districts and schools adopt a specific textbook or textbook series to meet the core curriculum or core content standards. However, Division X of H.F. 2700 provides that neither the state board nor the department can require the adoption of a specific textbook or instruction methodology, or to acquire specific textbooks or education products from a specific vendor to meet the standards.

The director of the department is directed to develop and distribute core curriculum technical assistance and implementation strategies that school districts and accredited nonpublic schools may utilize; and to submit an annual report to the General Assembly regarding activities, findings, and student progress under the core curriculum.

The department is directed to continue to collaborate with Iowa Testing Programs on the development of end-of-course and additional assessments to align expectations of the core curriculum. Division X of H.F. 2700 eliminates this language and instead requires the department to convene an advisory group of stakeholders to review the national assessment of educational progress standards and assessments used by other states and consider best practices in the fields of English, mathematics, social studies, and science. The department is directed to collaborate with the advisory group and educational assessment providers to identify and make available to school districts end-of-course assessments.

The individual core curriculum plans which school districts develop to guide each student toward the goal of successfully completing the core curriculum by the time the student graduates must include a timeline for the successful completion of all components of the state-designated career information and decision-making system the state maintains under a federal Carl D. Perkins Career and Technical Education Improvement Act of 2006 grant.

The department must also conduct a study of the measures necessary for the successful adoption by the state's school districts and accredited nonpublic schools of core curriculums and core content standards established by the state board. Division X of H.F. 2700 requires that the study examine the future expansion of the core curriculum. The department must submit its findings and recommendations to the General Assembly by November 14, 2008.

**SENATE FILE 2251 - Student Eye Care**

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to ensuring students receive vision screening. The Act requires that every parent or guardian who registers a child for kindergarten or a preschool program be given a student vision card. When a student is being provided an individualized education program, the student may receive an eye examination by a licensed eye care professional supervised by a professional member of the student's individualized education program or a school psychologist. Area education agencies must make every effort to provide, in collaboration with local community organizations, vision screening services to children ages two through four. The Act applies to school years beginning on or after July 1, 2009.

**SENATE FILE 2307 - State Research, Development, Demonstration, and Dissemination School — Planning**

BY COMMITTEE ON EDUCATION. This Act directs the establishment of two committees to further develop a State of Iowa Research, Development, Demonstration, and Dissemination (RDDD) School. A task force commissioned by 2007 Iowa Acts, Chapter 215, Section 128, examined the feasibility of creating a research and development prekindergarten through grade 12 school. The task force's recommendations included the formation of two new committees to examine the finance and funding and the implementation of the RDDD School at the Price Laboratory School located at the University of Northern Iowa (UNI).

The Director of the Department of Education and the president of UNI are required to jointly establish a finance and funding committee and an implementation committee to develop detailed plans for the RDDD School. A joint report is due to the General Assembly, the Governor, the Board of Regents, and the State Board of Education, by January 15, 2009. The committees shall collaborate to ensure that their recommendations are compatible. The committees are to use the findings and recommendations of the task force as the basis of

each committee's plan. Members of the committees are to include educators, UNI personnel, educators with school finance expertise, and department staff.

The Act takes effect April 18, 2008.

**[SENATE FILE 2413](#) - School Budget Adjustments**

BY COMMITTEE ON GOVERNMENT OVERSIGHT. This Act provides for certain budgeting deadlines for school districts that must file a request or application with the state on a date certain. The Act changes permanent deadlines for all school districts to submit requests for budget adjustments and provides for deadline extensions for school districts that did not timely submit certain budgeting adjustment applications on time.

*PERMANENT DEADLINE CHANGES.* The Act amends Code Section 257.13, which provides that a school district is eligible to receive an on-time funding budget adjustment if the school district's actual enrollment for a budget year is greater than its budget enrollment for the budget year. The Act changes the deadline for notifying the School Budget Review Committee (SBRC) of the change from November 1 to a date determined by the Department of Education that is not earlier than that date. The Act also amends provisions that allow a school district to notify the Department of Management that a budget adjustment is required because the regular program district cost of a school district for a budget year is less than expected. The Act changes the deadline for notifying the department from April 15 to May 15.

*DEADLINE EXTENSIONS.* The Act's first extension applies to a school district that missed the May 2006 deadline when the SBRC met to decide whether to grant a modification to the allowable growth granted for a change in accounting or budgeting methods resulting in the school district's converting to the generally accepted accounting principles basis of budgeting beginning with FY 2006-2007.

The Act's second extension applies to a school district that missed the November 1 deadline for requesting that the SBRC approve on-time funding when the school district's actual enrollment exceeds its budget enrollment for the budget year. The extension applies to a school district that failed to comply with the November 1, 2006, deadline for the school district's 2006-2007 budget year or the November 1, 2007, deadline for the school district's 2007-2008 budget year.

In both cases, the Act allows the school district to apply to the SBRC on or before August 15, 2008, and requires the SBRC to make a decision as if the applications were submitted on a timely basis.

The Act takes effect May 7, 2008.

**[HOUSE FILE 2103](#) - College Student Aid Commission Membership**

BY COMMITTEE ON EDUCATION. This Act relates to appointments to the College Student Aid Commission.

Prior law provided for the appointment of one member of the Senate by the President of the Senate after consultation with the Senate Majority Leader and Minority Leader and for the appointment of one member of the House of Representatives by the Speaker of the House of Representatives. Prior law provided for the legislative members to serve four-year terms beginning on July 1 of the year of appointment.

The Act increases the legislative members by one additional member from each chamber, specifying that the appointments are made by the current appointing authority and adding appointments by the minority leader of each chamber. The Senate consultation requirement is deleted. The legislative appointees will now serve at the pleasure of the appointing legislator for terms beginning upon the convening of the General Assembly and expiring upon the convening of the following General Assembly or when the appointee's successor is appointed, whichever is later.

A membership slot designated for a representative of the Iowa Student Loan Liquidity Corporation is replaced with a slot for a person who is repaying or has repaid a student loan guaranteed by the commission.

The Act takes effect April 18, 2008.

**[HOUSE FILE 2137](#) - Board of Educational Examiners — Membership and Authority**

BY COMMITTEE ON EDUCATION. This Act makes changes to Code Chapter 272, administered by the Board of Educational Examiners.

The Act removes from the definition of "practitioner" language that excludes an individual from holding or receiving a license from a professional licensing board other than the Board of Educational Examiners, and adds that the term "practitioner" may include a licensed individual who holds a statement of professional recognition.

The Act establishes that the Director of the Department of Education or the director's designee, as a member of the board, like the public members, is exempt from the requirement that members hold a valid practitioner's license during the member's term of office.

Finally, the Act eliminates language relating to a professional development program provided by a school district and approved by the State Board of Education before July 1, 1989.

**[HOUSE FILE 2140](#) - School Finance — Allowable Growth**

BY COMMITTEE ON EDUCATION. This Act sets the state percent of growth under the State School Foundation Program at 4 percent for the budget year beginning July 1, 2009. The Act is applicable for computing state school foundation aid for the school budget year beginning July 1, 2009.

**[HOUSE FILE 2164](#) - School Diversity or Desegregation Plans and Open Enrollment**

BY COMMITTEE ON EDUCATION. This Act eliminates a reference to minority and nonminority pupil ratios maintained according to a voluntary or court-ordered desegregation plan under the state's open enrollment law. However, the Act allows school districts to continue to deny a request for transfer under the open enrollment law if the school district has a voluntary diversity plan in place. The State Board of Education must adopt administrative rules establishing definitions, guidelines, and a review process for voluntary diversity plans. School districts implementing a plan prior to July 1, 2008, are given until July 1, 2009, to comply with the new guidelines adopted by the state board. The departmental rules must recognize court-ordered desegregation plans.

The Act was drafted in response to the U.S. Supreme Court's decision in *Parents Involved in Community Schools v. Seattle School District No. 1 et al.*, No. 05=908 (together with *Meredith, Custodial Parent and Next Friend of McDonald v. Jefferson County Board of Education et al.*, No. 05=915), decided June 28, 2007. In its decision, the court stated that it has condemned as illegitimate a plan whose objective is directed only to racial balance, without "any pedagogic concept of the level of diversity needed to attain the asserted educational benefits." The court reiterated that it is permissible to "consider the school's racial makeup" as one aspect in adopting "general policies to encourage a diverse student body." The court offered a number of measures which may be used to offer equal educational opportunity to all. Five school districts in Iowa operated under voluntary desegregation plans.

**[HOUSE FILE 2197](#) - Textbooks Used at Higher Education Institutions**

BY COMMITTEE ON EDUCATION. This Act outlines the General Assembly's intent and recommendation that all institutions of higher learning provide students with a list of required and suggested textbooks for all courses and the corresponding International Standard Book Numbers for the textbooks at least 14 days before the start of any semester or term. The list of textbooks should be posted wherever textbooks are sold on campus and on the Internet site for the respective school. Students should have access to textbook information with adequate time to pursue alternative purchase avenues. The College Student Aid Commission is directed to convey this legislative intent and recommendation to every institution of higher learning at least once a year.

**[HOUSE FILE 2364](#) - School Financing Arrangements — Loans and Energy Conservation**

BY COMMITTEE ON EDUCATION. This Act relates to school district financing arrangements. The Act specifies that loan proceeds from loans issued to school districts pursuant to Code Section 279.48 relating to equipment purchases, Code Section 279.52 relating to asbestos project funding, and Code Section 473.20 relating to the Energy Loan Fund, shall be deposited into either the school district's general fund or the Physical Plant and

Equipment Levy Fund established in Code Section 298A.4. Expenditures of principal and interest due each year shall be made by the school district's board of directors from the same fund into which the proceeds were deposited.

The Act also authorizes utilization of physical plant and equipment levy revenue for payments made pursuant to a guarantee furnished by a school district entering into a financing agreement for energy conservation measures. This authorization is restricted by the Act to agreements made by the school district pursuant to Code Sections 473.19 through 473.20A, relating to the Energy Bank Program, Energy Loan Fund, and self-liquidating financing agreements, respectively.

**HOUSE FILE 2526 - Disposition of School Property**

BY COMMITTEE ON EDUCATION. This Act relates to the disposition of school property. The board of directors of a school district may take independent action to dispose of any interest in real or other property of the school corporation. The Act states that "dispose" or "disposition" includes the exchange, transfer, demolition, or destruction of any real or personal property of the school district. The Act allows voters to exercise their power to direct the disposition of school district property for a purpose directly contrary to an action previously approved by the board of directors regarding real or personal property of the school district. However, the voters are limited to 12 calendar months after an action by the board of directors to exercise such power for a purpose directly contrary to the board's action.

**HOUSE FILE 2690 - Student Loans, Lenders, and Funding**

BY COMMITTEE ON GOVERNMENT OVERSIGHT. This Act establishes new requirements for the qualified student loan bond issuer, which is currently the Iowa Student Loan Liquidity Corporation, and creates a new Code chapter designed to protect postsecondary students and their parents from unfair educational loan lending practices. The new chapter, which is administered by the Attorney General, also provides for penalties against lenders and covered institutions that violate the chapter and establishes a Student Lending Education Fund.

*STATE CEILING REALLOCATION REPORT.* The Governor's designee, the Director of the Iowa Finance Authority, must report on a quarterly basis any reallocation of the amount of the state ceiling under the Private Activity Bond Allocation Act to the Government Oversight Committee and the Auditor of State.

*QUALIFIED STUDENT LOAN BOND ISSUER.* The qualified student loan bond issuer must submit an annual report to the Governor, General Assembly, and the Auditor of State by January 15 setting forth its operations and activities. The issuer must also comply with the open meetings and open records laws when its board of directors conducts meetings and maintains records relating to the issuance of qualified student loan bonds. The State Superintendent of Banking must annually review the issuer's total assets, loan volume, and reserves, review the issuer's procedures to inform students about the advantages of federal educational loans, and verify that the issuer issued bonds in conformance to the letter requesting approval of the Governor required in the Act.

*DEFINITIONS.* The Act establishes a number of definitions. "Borrower," under the Act, means a student attending a covered institution in this state, or a parent or person in parental relation to such student, who obtains an educational loan from a lending institution to pay for or finance a student's higher education expenses. "Covered institution" includes any educational institution that offers a postsecondary educational degree, certificate, or program of study and receives federal student aid funds, as well as an authorized agent of the educational institution. The Act specifies what is included in the definition of "gift."

*CODE OF CONDUCT.* Covered institutions must develop, in consultation with the College Student Aid Commission, a code of conduct governing educational loan activities with which the institution's officers, employees, and agents must comply. The institution must administer and enforce the code and publish it prominently on its Internet site. The commission is directed to provide institutions with assistance and guidance relating to the development, administration, and monitoring of the code of conduct, but is otherwise exempted from the duties, restrictions, prohibitions, and penalties of the new chapter.

**GIFT BAN.** Any officer, employee, or agent of a covered institution employed in the financial aid office of the institution, or who otherwise has direct responsibilities with respect to educational loans, is prohibited from soliciting or accepting any gift from a lender, guarantor, or servicer of educational loans. A gift to a family member of such a person or to any other individual based on that individual's relationship with the person is considered a gift to the person if the gift is given with the knowledge and acquiescence of the person or the person has reason to believe the gift was given because of the person's official position. This provision takes effect January 31, 2009.

**REVENUE SHARING ARRANGEMENTS.** The Act prohibits a covered institution from entering into any revenue sharing arrangement with any lender. This provision takes effect January 31, 2009.

**OTHER PROHIBITIONS.** The Act prohibits a covered institution from requesting or accepting from any lender any offer of funds, including any opportunity pool, to be used for private educational loans to borrowers in exchange for concessions or promises of providing the lender with a specified number of loans, a specified loan volume, or a preferred lender arrangement for any loan made, insured, or guaranteed under the federal Higher Education Act of 1965, as amended, and a lender is prohibited from making such an offer. The Act also prohibits an officer, employee, or agent who is employed in the financial aid office of a covered institution, or who otherwise has direct responsibilities with respect to educational loans, from serving on or otherwise participating with advisory councils of lenders or affiliates of lenders, though the Act provides for limited exceptions. These provisions take effect January 31, 2009.

Persons employed by or representing a lending institution are prohibited from being identified to borrowers or prospective borrowers of a covered institution as an employee, representative, or agent of the covered institution. Persons employed or representing a lending institution included on a preferred lending list are prohibited from staffing a covered institution's financial aid office or call center and cannot prepare any of the covered institution's materials related to educational loans. A covered institution that has entered into a preferred lender arrangement with a lender shall not agree to the lender's use of the name, emblem, mascot, or logo of the institution, or other words, pictures, or symbols readily identified with the institution in any way that implies that the institution endorses the private educational loans offered by the lender.

**LOAN DISCLOSURE AND LOAN BUNDLING.** A covered institution that has entered into a preferred lender arrangement with a lender regarding private educational loans must inform the borrower or prospective borrower of all available state and federal education financing options. A covered institution must prohibit the bundling of private educational loans in financial aid packages except under circumstances specified in the Act. The Act provides a list of disclosures that a lending institution included on a covered institution's preferred lender list must include, clearly and conspicuously, in any application for a private educational loan. However, the Act directs the Attorney General to develop and make available to lenders a model disclosure form that is based on the list, and provides that use of the model disclosure form by a lending institution constitutes compliance with the disclosure requirements. The provisions establishing the loan disclosure and loan bundling prohibitions take effect January 31, 2009.

**STANDARDS FOR PREFERRED LENDER LISTS.** A covered institution may make available a list of preferred lenders for use by its students or their parents, provided the list meets the conditions specified in the Act. A lending institution shall not be placed on a preferred lender list in exchange for benefits provided to the covered institution or to the covered institution's students in connection with a different type of loan. These provisions take effect January 31, 2009.

**PENALTIES.** The Attorney General is authorized to conduct an investigation to determine whether to initiate proceedings under the chapter. If, after providing notice and an opportunity for a hearing, the Attorney General determines that a covered institution or lending institution is in violation of the new chapter, the institution may be liable for a civil penalty of up to \$5,000 per violation. Similarly, an employee found to be in violation of the chapter may be liable for a civil penalty of up to \$2,500 per violation. A lending institution found to have violated the chapter shall not be placed or remain on any covered institution's preferred lender list unless notice of the violation is provided to all potential borrowers of the covered institution.

*STUDENT LENDING EDUCATION FUND.* The Act establishes in the State Treasury a Student Lending Education Fund consisting of all revenues generated by the penalties established under the Act. Moneys in the fund are available to the Attorney General for the purpose of enforcing the new chapter.

*STUDENT LOAN SECONDARY MARKET INVESTIGATION REPORT.* The Attorney General is directed to submit the findings and recommendations resulting from the investigation of the student loan secondary market and the Iowa Student Loan Liquidity Corporation to the General Assembly by January 15, 2009, and to present the findings and recommendations to the Government Oversight Committee at the committee's October 2008 meeting.



## ELECTIONS, ETHICS, AND CAMPAIGN FINANCE

- [SENATE FILE 2089](#) - Absentee Ballot Applications
- [SENATE FILE 2347](#) - Elections, Voting Systems, and Infrastructure — Funding
- [HOUSE FILE 2367](#) - Tally of Absentee Votes by Precinct
- [HOUSE FILE 2620](#) - Elections, Voting, and Voter Registration — Miscellaneous Provisions

### RELATED LEGISLATION

- [SENATE FILE 2427](#) - Lobbying by State Agencies — Restrictions  
**SEE STATE GOVERNMENT.** This Act creates new Code Section 68B.8, which prohibits a state agency of the executive branch of state government from using or permitting the use of its public funds for certain paid advertisements or public service announcements regarding pending legislation. A person who knowingly and intentionally violates the new provision may be reprimanded, suspended, or dismissed from the person's position or otherwise sanctioned, and is guilty of a serious misdemeanor.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters. Division IV includes provisions relating to conflicts of interest, lobbying activities, and receipt of gifts by certain government officials and employees. Amendments to restrictions relating to campaign signs are in Division VI.



## ELECTIONS, ETHICS, AND CAMPAIGN FINANCE

### [SENATE FILE 2089](#) - Absentee Ballot Applications

BY COMMITTEE ON LOCAL GOVERNMENT. This Act provides that a registered voter may submit an application for an absentee ballot on something other than the application form prescribed by the State Commissioner of Elections if the application is submitted on a sheet of paper no smaller than three by five inches in size and the application contains all of the information required by law.

The Act requires a person to provide an applicant with the absentee ballot application form prescribed by the State Commissioner when the person, while acting on behalf of a political party, candidate, or a political or candidate's committee, is soliciting, or collecting for return, an absentee ballot application.

### [SENATE FILE 2347](#) - Elections, Voting Systems, and Infrastructure — Funding [Fiscal Analysis](#)

BY COMMITTEE ON APPROPRIATIONS. This Act requires a county, for elections held on or after November 4, 2008, to use an optical scan voting system only.

The Act creates the Optical Scan Voting System Fund and appropriates \$4,900,880 from the Rebuild Iowa Infrastructure Fund (RIIF) for the fiscal year beginning July 1, 2007, and ending June 30, 2008, to the Optical Scan Voting System Fund for purchase and distribution of optical scan voting equipment. Moneys in the Voting Machine Reimbursement Fund on April 1, 2008, are transferred to the Optical Scan Voting System Fund. The Act also provides that if moneys are received from the federal government for the same or a similar purpose, an amount equal to the federal funding received shall revert to RIIF at the end of the fiscal year. The Act reduces FY 2007-2008 appropriations from RIIF to the Department of Administrative Services by \$4.6 million.

The Act provides that a continuing education program shall be provided to election personnel who are full-time or part-time permanent employees of the office of county commissioner of elections.

The Act takes effect April 1, 2008.

### [HOUSE FILE 2367](#) - Tally of Absentee Votes by Precinct

BY COMMITTEE ON STATE GOVERNMENT. This Act requires that, for general elections, the absentee ballot and special voters precinct board shall record a separate tally of votes by resident precinct of the absentee voter. The county commissioner of elections may choose to record a separate tally of such votes for all other elections. To record a separate tally of votes, the commissioner may manually sort the absentee ballots by precinct or may prepare a separate absentee ballot style for each precinct in the county and program the voting system to produce reports by the resident precincts of the absentee voters.

### [HOUSE FILE 2620](#) - Elections, Voting, and Voter Registration — Miscellaneous Provisions

BY COMMITTEE ON STATE GOVERNMENT. This Act makes various changes to the Code relating to the conduct of elections, voting, and voter registration.

#### Division I — Election of School Corporation Boards of Directors

Division I provides for the election of the directors of school districts and merged areas in September in odd-numbered years. Area education agencies are required by law to hold their director district conventions, and elect area education agency board directors, within two weeks of the regular school election. In order to accomplish these purposes, the division changes the terms of all of these directors from three to four years and provides for a transition period.

The division takes effect April 22, 2008, and applies to the regular school election and area education agency director district conventions held in September 2009.

### Division II — Voting Centers for Certain Elections

Division II allows a county commissioner of elections to establish voting centers for regular city elections, city primary or runoff elections, regular school elections, and special elections and provides that a registered voter at any of these elections may vote at a voting center. The Act specifies that voting or attempting to vote at more than one voting center for the same election is election misconduct in the first degree.

### Division III — Dates of Special Elections

Division III makes changes relating to the dates that certain local government special elections on public measures can be held. Special elections of a county shall be held on the day of the general election, on the day of the regular city election, on the date of a special election held to fill a vacancy in the same county, or on the first Tuesday in March, the first Tuesday in May, or the first Tuesday in August of each year. Special elections of a city shall be held on the day of the general election, on the day of the regular city election, on the date of a special election held to fill a vacancy in the same city, or on the first Tuesday in March, the first Tuesday in May, or the first Tuesday in August of each year. Special elections of a school district or merged area shall be held, in the odd-numbered year, on the first Tuesday in February, the first Tuesday in April, the last Tuesday in June, or the second Tuesday in September. For a school district or merged area, in the even-numbered year, special elections shall be held on the first Tuesday in February, the first Tuesday in April, the second Tuesday in September, or the first Tuesday in December.

Division III applies to elections held on or after January 1, 2009.

### Division IV — Voter Registration

Division IV makes changes relating to voter registration as follows:

New Code Section 44.18 is enacted to provide a procedure by which a nonparty political organization may be listed on a voter registration form if the nonparty political organization nominated a candidate whose name appeared on the general election ballot for a federal office, for Governor, or for any other statewide elective office in any of the preceding 10 years. To request that it be listed on the voter registration form, a nonparty political organization must file a petition with the State Registrar of Voters containing the signatures of no fewer than 850 eligible electors residing in at least five counties in the state, along with specified documents relating to establishment of the organization. Beginning in January 2011, and each odd-numbered year thereafter, the State Registrar of Voters and the Voter Registration Commission shall review the number of voters registered as affiliated with a nonparty political organization. If the number of voters affiliated falls below 150, the commission shall declare the organization to be dormant and shall remove its name from the voter registration form.

Code Section 48A.11 is amended to strike the requirement that the voter registration form include space for a rural resident to provide township and section number and other information describing where the person resides.

Code Section 48A.12, relating to federal mail voter registration forms, is amended to refer to the Election Assistance Commission created by the Help America Vote Act, rather than to the Federal Election Commission.

Code Section 48A.26 is amended to provide that the application of a registrant who did not answer the question on the voter registration application relating to citizenship shall be processed, and if the application is complete in all other respects and information on the application is verified, the applicant shall be registered to vote and sent an acknowledgment. Prior law provided that until a new application is completed, the registration shall be entered as a local registration, and the registrant may only vote in elections that do not have a federal office on the ballot.

Code Section 48A.37, relating to status codes used on electronic registration records, is amended to delete the reference to local registrations and to add canceled registrations to the types of registration status.

### Division V — Challenges and Provisional Voting

Division V makes changes relating to challenges to a person's qualifications when registering to vote and when voting as follows:

Code Sections 39A.3 and 39A.5 are amended to specify that filing a challenge containing false information is an aggravated misdemeanor.

Code Section 48A.14 is amended to provide that a challenge filed against a person who is registering to vote and voting after the statutory deadline is considered a challenge to a person offering to vote rather than a challenge of a voter registration.

Code Section 49.79 is amended to prescribe a form to be used for challenging a prospective voter at the polls and provides that a challenge that lacks the name, address, telephone number, and signature of the challenger shall be rejected.

Code Section 49.81, relating to the procedure for a voter to cast a provisional ballot, is rewritten to require the State Commissioner of Elections to adopt, by rule, a statement to be given to a person casting a provisional ballot. The statement is to give the reason the voter is casting a provisional ballot and other information about related procedures. Code Section 49.81 is also amended to require that a signed challenge to a prospective voter be attached to that voter's provisional ballot envelope.

### Division VI — General Changes to Elections Provisions

Division VI makes general changes to election law provisions as follows:

Code Section 39A.2 is amended to make it a class "D" felony to intimidate, threaten, or coerce a person to sign or refrain from signing a petition nominating a candidate for public office or a petition requesting an election that is authorized by law to be petitioned for. Code Section 39A.2 is also amended to make it a class "D" felony to tamper with voting equipment.

Code Section 49.20 is amended to provide that members of election boards shall be compensated at the rate of the federal or state minimum wage, whichever is higher.

Code Section 49.21 is amended to require that each polling place designated be accessible to persons with disabilities and removes the requirement that preference be given to buildings that are accessible to the elderly. The county commissioner of elections is allowed to apply to the State Commissioner of Elections for a temporary waiver of the accessibility requirement.

Code Section 49.25 is amended to require the county commissioner of elections to furnish voting equipment for use by voters with disabilities in counties in which conventional paper ballots are not used.

Code Section 49.68 is amended to provide that two separate sets of instructions shall be prepared for voters. The first set shall cover matters relating to the rights of voters and the second set shall contain instructions relative to voting.

Code Section 49.73 is amended to provide that the polls shall open at 7 a.m. if at least one precinct election official from each of the political parties is present.

Code Section 49.77 is amended to strike the requirement that the precinct election official announce a voter's name aloud for the benefit of any observers at the polling place. Code Section 49.77 is also amended to specify that if the declaration of eligibility is printed on the election register, voters must also sign a voter roster which is to be made available to observers at the polling place.

Code Section 49.88 is amended to remove the requirement that a voter take no more than three minutes to cast a vote. Code Section 49.88 is also amended to prohibit the use of cameras, cellular telephones, pagers, and other electronic communications devices in the voting booth.

Code Section 49.104, relating to persons permitted at the polling place, is amended to add reporters, photographers, and other staff representing the news media and provides that such persons shall not interfere with the election process.

Code Section 50.9 is amended to provide that the number of ballots not voted at an election shall be recorded by the county commissioner of elections and retained until after the end of the period for contesting an election or, if an election contest is requested, until the election contest is concluded.

New Code Section 50.15A codifies current administrative rules by authorizing the State Commissioner of Elections to report unofficial election results after the closing of the polls on the day of a general election.

Code Section 50.49, relating to a request for a recount of the vote on a public measure, changes the equation for determining whether a bond is required to be paid.

Code Section 53.23 is amended to strike the requirement that each special precinct election official sign the secrecy envelope when the officials place an absentee ballot into a secrecy envelope.

Code Section 423A.4 is amended to clarify what voters are eligible to vote at an election to impose, repeal, or change the percentage rate of a hotel and motel tax. If the tax is imposed only within a city, the registered voters of the city shall be permitted to vote. If the tax applies only in the unincorporated areas of a county, only the registered voters of the unincorporated areas shall be permitted to vote.

#### Division VII — Local Redistricting

Division VII provides that the Ethics and Campaign Disclosure Board shall establish an expedited procedure for reviewing a county supervisor redistricting plan to determine if the plan was drawn for improper political reasons in violation of Code Section 42.4, subsection 5. The procedure shall be substantially similar to the process used for other complaints considered by the board. An eligible elector in the county for which the plan was adopted has 14 days following adoption of the plan to file a complaint with the State Commissioner of Elections alleging a violation. The state commissioner shall forward the complaint to the ethics board and if the board does find a violation, the state commissioner is required to reject the plan.

## ENERGY AND PUBLIC UTILITIES

- [SENATE FILE 517](#) - Energy and Water Resource Management and Conservation — Buildings and Vehicles
- [SENATE FILE 2386](#) - Energy Efficiency Standards, Practices, and Reporting
- [SENATE FILE 2405](#) - Renewable Energy Production — Financing and Incentives
- [SENATE FILE 2422](#) - Energy Independence Initiatives — Miscellaneous Changes

### RELATED LEGISLATION

- [SENATE FILE 2286](#) - Federal Block Grant Appropriations  
**SEE APPROPRIATIONS.** This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009, and for the state fiscal year beginning July 1, 2008, and ending June 30, 2009. The Act includes funding for the Low-Income Home Energy Assistance Program, known as LIHEAP.
- [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME-21  
**SEE TRANSPORTATION.** This Act requires the Department of Transportation, in cooperation with the Office of Energy Independence and the Department of Natural Resources, to study and report to the Governor and the General Assembly regarding public transit funding.
- [HOUSE FILE 2364](#) - School Financing Arrangements — Loans and Energy Conservation  
**SEE EDUCATION.** This Act authorizes utilization of physical plant and equipment levy revenue for payments made pursuant to a guarantee furnished by a school district entering into a financing agreement for energy conservation measures. This authorization is restricted by the Act to agreements made by the school district pursuant to Code Sections 473.19 through 473.20A, relating to the Energy Bank Program, Energy Loan Fund, and self-liquidating financing agreements, respectively.
- [HOUSE FILE 2392](#) - City Utilities or Enterprises — Rates and Services  
**SEE LOCAL GOVERNMENT.** This Act makes changes to the procedures for notice and collection of delinquent rates and charges and to billing notification for certain services provided by a city utility or city enterprise.
- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act establishes a policy to involve utility companies in the development phase of highway construction projects and utilize the Iowa One Call notification system in order to mitigate the impact of the construction on utility facilities. The Act also contains provisions to facilitate the movement of cranes used in the construction of alternative energy facilities and the movement of vehicles hauling oversize loads to alternative energy construction sites or staging areas.
- [HOUSE FILE 2689](#) - Renewable Fuels — Miscellaneous Changes  
**SEE AGRICULTURE.** This Act amends Code provisions relating to renewable fuel, and specifically ethanol and biodiesel, by providing for renewable fuel infrastructure programs for retail motor fuel sites and terminal facilities; revising standards for motor fuel, including the content of ethanol allowed to be blended into gasoline; providing that the biodiesel blended fuel tax credit is calculated on a site-by-site basis; requiring that state government agencies purchase biodiesel fuel; and providing for the development of a direct marketing campaign to encourage the increased use of E-85 and biodiesel fuel.



## ENERGY AND PUBLIC UTILITIES

### SENATE FILE 517 - Energy and Water Resource Management and Conservation — Buildings and Vehicles

BY COMMITTEE ON JUDICIARY. This Act relates to the development, management, and efficient use of energy resources and makes energy-related modifications to the State Building Code.

*STATE BUILDING CODE.* With reference to the State Building Code in Code Chapter 103A, the Act adds a definition of "sustainable design" in relation to energy-efficient design standards, and adds development of sustainable design or "green building" standards to the State Building Code Commissioner's administrative rulemaking authority. The Act specifies that the standards shall, in lieu of general applicability, only apply to construction projects if such applicability is expressly authorized by statute or established by another state agency by rule.

The Act modifies applicability of thermal efficiency standards for energy conservation, deleting references to "new" construction and providing that construction standards adopted by the commissioner for energy conservation shall not be interpreted to require the replacement or modification of any existing equipment or feature solely to ensure compliance with energy conservation construction requirements. Applicability of thermal efficiency standards is broadened to include enclosed spaces which are heated or cooled, and applicability of lighting efficiency standards is broadened to include all construction in the state and to include new and replacement lighting in existing buildings. The State Building Code shall facilitate the development and use of renewable energy, broadening a previous provision which specified development and use of solar energy.

The Act removes Code provisions which had previously stated, with reference to the State Building Code's applicability to new single-family or two-family residential construction, that a governmental subdivision would not be prohibited from adopting or enacting a minimum energy standard in substantial accordance with national energy codes, replacing this with a requirement that energy conservation requirements shall apply to new single-family or two-family residential construction commenced on or after July 1, 2008, and shall supersede and replace any minimum requirements enacted by a governmental subdivision prior to that date. Training by the commissioner on adopted energy conservation requirements is provided for.

The Act broadens plan review requirements applicable to buildings or structures owned by the state, by a state agency, or by the State Board of Regents to include additions to buildings, and provides that the commissioner may inspect existing buildings undergoing renovation or remodeling to enforce energy conservation requirements.

The Act removes previous limitations on the amount of state-appropriated funds which may be expended by the Iowa Energy Center established in Code Section 266.39C for purposes of employee salaries and benefits, and adds a definition of "proprietary information" to provisions prohibiting as a matter of right examination or copying of such information maintained or held by specified city utilities, combined utility systems, city enterprises, or combined city enterprises in Code Section 388.9.

*DEPARTMENT OF NATURAL RESOURCES.* The Act makes several changes with respect to energy conservation and management practices and responsibilities of the Department of Natural Resources (DNR). The Act adds definitions for "alternative and renewable energy" and "renewable fuel" to the definitions section of Code Chapter 473, referencing them to definitions contained in Code Chapter 469, and makes consistent changes in terminology throughout Code Chapter 473. The Act removes provisions involving identifying a state facility to be used as a marketing tool to promote energy conservation; involving the DNR exchanging information with other states on energy, fuel allocation, and reasonableness determinations regarding a reduction in the state's fuel allocation; regarding outdated language concerning a study on greenhouse gas emissions; and regarding establishment of a central depository within the state for energy data located at or accessible to a library which is a member of an interlibrary loan program. DNR is directed to not only collect but to analyze data to use in forecasting future energy demand and supply in the state, and suppliers of energy are required to comply with

information requests by the DNR regarding energy sources. DNR is also directed to coordinate with the Office of Energy Independence regarding public recognition programs and administration of federal funds for energy conservation, energy management, and alternative and renewable energy programs.

Additionally, the Act specifies that an annual report prepared by the DNR shall assess state agency progress in implementing energy management improvements, alternative and renewable energy systems, life cycle cost analyses, and use of renewable fuels, and provides that the DNR shall provide an assessment of the economic and environmental impact of this progress and recommendations on technological opportunities and policies necessary for improvement.

The Act modifies the Energy Bank Program established in Code Section 473.19, adding promoting program availability and developing guidelines and model energy techniques for completing energy analyses, and assisting the Treasurer of State with state agency financing agreements for energy management improvements, to the parameters of the program. The Act changes the previous program emphasis on providing money for energy audits to providing technical assistance for conducting or evaluating energy analyses, and changes an emphasis on providing loans, leases, and alternative financing to "facilitating" them. Additionally, a previous definition of an energy conservation measure is changed to "energy management improvement," the DNR is directed to submit an annual report to the Governor and the General Assembly regarding activities and operations of the Energy Bank, and specified moneys awarded or allocated as a result of federal court decisions and federal departmental settlements resulting from petroleum pricing regulation violations are directed to be allocated to the DNR for energy program-related staff support.

The Act exempts energy management improvements as defined in Code Section 473.19 and costs associated with energy conservation measures identified and implemented by specified state agencies and political subdivisions pursuant to Code Section 473.13A from provisions in Code Section 12.28 regarding the maximum principal amount of financing agreements which the Treasurer of State can enter into per state agency in a fiscal year.

The Act establishes an Energy Bank Fund for operational and administrative expenses of the Energy Bank, to be administered by the DNR in collaboration with the Office of Energy Independence. The Act specifies sources of funding for inclusion in the fund, and provides a maximum fund limitation of \$1 million. The Act additionally changes references to an Energy Loan Fund in Code Section 473.20 to an "Energy Loan Program," and changes the emphasis of the program to department-facilitated loans for energy management improvements rather than the department directly loaning funds. Consistently, the Act changes the emphasis of the DNR's role in self-liquidating financing from entering into such agreements to facilitating them.

Additionally, the Act increases maximum limitations on amounts receivable by a facility from the Alternate Energy Revolving Loan Program from \$250,000 to \$1 million, and repeals several sections containing primarily outdated or inconsistent provisions.

The Act takes effect April 29, 2008.

**[SENATE FILE 2386](#) - Energy Efficiency Standards, Practices, and Reporting**

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act provides for the establishment of a Commission on Energy Efficiency Standards and Practices within the Department of Public Safety. The commission's duties include evaluating energy efficiency standards applicable to buildings; developing recommendations for new energy efficiency standards, specifications, or guidelines applicable to new construction; developing recommendations for incentives for energy efficiency construction projects which exceed currently applicable state and local building codes; and developing recommendations for adopting a statewide energy efficiency building labeling or rating system. An additional duty involves obtaining input from individuals, groups, associations, and agencies in carrying out these specified duties as the commission determines appropriate. The commission exists for a two-year period, and must submit a report with recommendations to the Governor and the General Assembly by January 1, 2011.

The Iowa Utilities Board shall periodically report energy efficiency results, including energy savings, of gas and electric public utilities resulting from energy efficiency plans filed with the board by the utilities.

The Act directs gas and electric utilities that are not required to be rate-regulated under Code Chapter 476 to assess maximum potential energy and capacity savings available from actual and projected customer usage through cost-effective energy efficiency measures and programs, and to establish an energy efficiency goal and programs to meet the goal based on this assessment. The Act includes a non-inclusive list of various forms or types of energy efficiency programs, and requires each utility to begin to determine its cost-effective energy efficiency goal on or before July 1, 2008, with a final report containing specified information submitted to the Iowa Utilities Board by January 1, 2010. The Act further directs gas and electric utilities that are not required to be rate-regulated to file a report with the Iowa Utilities Board identifying their progress in meeting their energy efficiency goals and any updates or amendments to their energy efficiency plans and goals on January 1 of each even-numbered year, commencing January 1, 2012. Based upon its evaluation of the reports required to be filed by nonrate-regulated utilities pursuant to the Act, and upon reports already required to be filed by utilities subject to rate-regulation pursuant to Code Chapter 476, the Act directs the Iowa Utilities Board to submit reports summarizing the evaluations to the General Assembly by specified dates. The reports to the General Assembly are required to include the goals established by each utility, the projected costs of achieving the goals, potential rate impacts, and a description of the energy efficiency programs offered and proposed by each utility or group of utilities, and may contain recommendations relating to the achievability of intermediate and long-term energy efficiency goals.

The Act, as amended by H.F. 2700 (see Appropriations), authorizes the Iowa Utilities Board to establish or participate in a program to track, record, and verify the trading of credits or attributes relating to electricity generated from alternative energy production facilities or renewable energy sources among specified entities.

The Act directs the Iowa Utility Association, in consultation with the Iowa Association of Electric Cooperatives and the Iowa Association of Municipal Utilities, to conduct a technical study of the potential for achieving or engaging in renewable energy generation on a cost-effective basis by 2025. The association is further directed to transmit the study to the Office of Energy Independence by December 1, 2008, for submission with the office's energy independence plan to the Governor and the General Assembly.

The Act concludes with a request that the Legislative Council establish an interim study committee to examine the existence and effectiveness of energy efficiency plans and programs implemented by gas and electric public utilities, with an emphasis on results achieved by current plans and programs from the demand, or customer, perspective, and to make recommendations for additional requirements applicable to energy efficiency plans and programs that would improve such results.

The Act takes effect May 6, 2008.

**[SENATE FILE 2405](#) - Renewable Energy Production — Financing and Incentives**

BY COMMITTEE ON WAYS AND MEANS. This Act provides for acquisition of equity interests in wind energy production facilities by state banks financing such facilities for customers, and relates to qualification for specified wind energy tax credits.

The Act specifies procedures and requirements applicable to a state bank structuring the financing of wind energy production facilities as a membership investment with the state bank as an equity investor acquiring ownership in the facility.

The Act modifies provisions applicable to qualification for the wind energy production tax credit pursuant to Code Chapter 476B consistent with state bank ownership, adds that a person in possession of a wind energy tax credit certificate can qualify for a refund of sales or use taxes and of generation, transmission, or delivery taxes, and provides that projects can qualify for the tax credit whether the electricity is sold, which prior to the Act was the only way, or utilized for on-site consumption. The time period during which projects placed in service may qualify for tax credits is extended from July 1, 2009, to July 1, 2012. The Act adds to the definition

of a qualified wind energy production facility that the facility consists of one or more wind turbines connected to a common gathering line which have a combined nameplate capacity of no less than two megawatts.

The Act changes a previous restriction on transferability of credit certificates on a one-time basis to an unlimited number of transfers, and provides that a replacement tax credit certificate may reflect a different type of tax than noted on the original certificate.

Additionally, the Act provides for the establishment or participation by the Iowa Utilities Board in a program to track, record, or verify the trading of credits or attributes relating to electricity generated from specified sources.

The Act takes effect May 1, 2008, and applies retroactively to taxable years beginning on or after January 1, 2008, with respect to tax credits issued pursuant to the Act.

**SENATE FILE 2422 - Energy Independence Initiatives — Miscellaneous Changes**

BY COMMITTEE ON APPROPRIATIONS. This Act relates to energy independence initiatives, specifies procedures applicable to applications for distributions from the Iowa Power Fund, and modifies provisions regarding authorized allocations from the fund.

The Act directs the Iowa Climate Change Advisory Council to take nuclear power into consideration as part of its discussion of greenhouse gas reductions, and to incorporate that consideration into policies and strategies the council is required to develop. In connection with this, the council must submit an updated proposal relating to the policies and strategies by January 1, 2009. A review of a range of energy sources, including nuclear power, is added to the required contents of the Energy Independence Plan developed by the Office of Energy Independence.

With reference to the duties of the Iowa Power Fund Board, the board may direct moneys from the fund to address all technical, financial, and management processes associated with applications to the extent not financed by an applicant, and for use to research, develop, produce, and initiate implementation of the board's Energy Independence Plan. Other than applicant financing, an application fee will not be imposed, and payments received in the form of applicant financing are deposited in the fund and utilized exclusively for the purposes for which the payments were received. Utilization of fund moneys for these purposes, together with currently authorized expenditures by the board for the purchase of private or public technical assistance needed to conduct due diligence activities and to develop an Iowa Energy Independence Plan, is added as an authorized allocation from the fund. More generally, the Act provides that allocations of appropriated amounts may be made for all purposes specified in and consistent with the subchapter of the Code relating to the Office of Energy Independence, the Iowa Power Fund Board, the Due Diligence Committee, the Iowa Power Fund, and related provisions.

An exception from open records law provisions is provided for information possessed by the Office of Energy Independence, the Iowa Power Fund Board, and the Due Diligence Committee associated with the office and the board relating to a prospective applicant with which the office, board, or committee is currently negotiating, or an award recipient, to the extent authorized by the board. In connection with this exception, all information contained in an application for financial assistance submitted to the board remains confidential while the board is reviewing an application, processing confidentiality requests, negotiating with an applicant, and preparing an application for consideration. The board may release information for a technical review to a third party while protecting such information from public disclosure, shall consider a written request by an applicant or award recipient to keep certain details of an application, contract, or supporting materials confidential, and may honor that request if convinced that public disclosure may give an unfair advantage to competitors. In that event, the board will only make publicly available information not deemed confidential by the board, and shall release an explanation of why certain information is deemed confidential and a summary of the nature of the withheld information. Information determined confidential shall retain that status during and following administration of a contract resulting from a successful application. If a request for confidentiality is denied, an applicant may withdraw an application and supporting materials, and the board shall not retain a copy or release any material in response to an open records request.

Additionally, the Act increases the amount the office is authorized to utilize for administrative costs from amounts appropriated to the fund for a fiscal year from 1.5 percent to 3 percent, and provides that specified payments received by the board shall be deposited in the fund.

The Act takes effect May 7, 2008.



## ENVIRONMENTAL PROTECTION

- [SENATE FILE 261](#) - Real Property Transfers — Private Sewage Disposal Systems Inspections
- [SENATE FILE 2276](#) - Solid Waste Disposal — Miscellaneous Changes
- [SENATE FILE 2321](#) - Mercury-Containing Lamps Recycling Study
- [SENATE FILE 2367](#) - Air Pollution From Small Business Stationary Sources — Regulation and Technical Assistance
- [HOUSE FILE 2400](#) - Surface Water Quality — Assessment, Protection, and Improvement
- [HOUSE FILE 2570](#) - Solid Waste Disposal, Environmental Management Systems, and Recycling
- [HOUSE FILE 2668](#) - Used Oil Filter Disposal or Recycling
- [HOUSE FILE 2669](#) - Mercury-Added Thermostat Collection and Recycling
- [HOUSE FILE 2672](#) - Water Use — Permit Fees and Funding
- [HOUSE FILE 2685](#) - Water Well Drilling Site Wastewater Discharge

### RELATED LEGISLATION

- [SENATE FILE 2361](#) - State Purchase of Biobased Products  
**SEE AGRICULTURE.** This Act provides that when purchasing products, the Department of Administrative Services and other state governmental entities with independent purchasing authority must give a preference to purchasing designated biobased products (other than food or feed) that are composed in significant part of biological products, such as renewable or agricultural materials, according to procedures and specifications adopted by the state governmental entity after consulting with guidelines or regulations for biobased products promulgated by the U.S. Department of Agriculture and subject to a number of qualifications relating to availability, functionality, and cost.
- [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME-21  
**SEE TRANSPORTATION.** This Act repeals the use tax on motor vehicles, which is a source of up to \$17 million credited annually to the Iowa Comprehensive Petroleum Underground Storage Tank (UST) Fund. The Act establishes a new Statutory Allocations Fund, consisting of certain revenues accruing to the Road Use Tax Fund (RUTF) which are available for expenditure prior to deposit in RUTF. The annual allocation to the UST Fund will continue from revenues in the Statutory Allocations Fund.
- [S.J.R. 2002](#) - Proposed Constitutional Amendment — Natural Resources and Outdoor Recreation Trust Fund  
**SEE NATURAL RESOURCES AND OUTDOOR RECREATION.** This Joint Resolution proposes an amendment to the Constitution of the State of Iowa to dedicate a portion of state sales and service tax revenue for the benefit of water quality, natural areas, and agricultural soils in this state.
- [HOUSE FILE 2551](#) - Commercial Aerial Pesticide Applicator Licensing — Nonresidents  
**SEE AGRICULTURE.** This Act regulates nonresidents engaged in the aerial application of pesticides who are regulated as commercial applicators by the Department of Agriculture and Land Stewardship by providing special requirements for the operation of the aircraft used in the aerial application and the supervision of the nonresident commercial applicator. The Act takes effect April 8, 2008.

- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act requires the defeasance of bonds issued for the Iowa Comprehensive Petroleum Underground Storage Tank Fund prior to June 30, 2008. The defeasance is in conjunction with the repeal of the standing appropriation to the fund from motor vehicle use tax revenues by S.F. 2420 (see Transportation).
- [HOUSE FILE 2662](#) - Appropriations — Agriculture and Natural Resources  
**SEE APPROPRIATIONS.** This Act relates to agriculture and natural resources by making appropriations for FY 2008-2009 to support related entities, including the Department of Natural Resources. The Act appropriates moneys to the department to support the department's administration, regulation efforts, and a wide variety of programs, especially water and air quality and public lands and waters; and provides moneys to support specific programs or projects administered by the department from a number of sources, including the General Fund of the State, the Groundwater Protection Fund, and the Environment First Fund. The Act provides that voting public members serving on the Watershed Improvement Review Board are entitled to receive per diem and expenses.
- [HOUSE FILE 2688](#) - Livestock Operation Odor Mitigation  
**SEE AGRICULTURE.** This Act provides for the establishment and administration of efforts to mitigate odor emitted from livestock operations involving swine, beef or dairy cattle, chickens, or turkeys as conducted by Iowa State University, in coordination with the Department of Agriculture and Land Stewardship and the Department of Natural Resources.
- [HOUSE FILE 2689](#) - Renewable Fuels — Miscellaneous Changes  
**SEE AGRICULTURE.** This Act amends Code provisions relating to renewable fuel, and specifically ethanol and biodiesel, by providing for renewable fuel infrastructure programs for retail motor fuel sites and terminal facilities; revising standards for motor fuel, including the content of ethanol allowed to be blended into gasoline; providing that the biodiesel blended fuel tax credit is calculated on a site-by-site basis; requiring that state government agencies purchase biodiesel fuel; and providing for the development of a direct marketing campaign to encourage the increased use of E-85 and biodiesel fuel.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters, including state employee compensation and state elected official salaries in Division III. Division IV contains provisions relating to conflicts of interest, lobbying activities, and receipt of gifts by certain government officials and employees.

## ENVIRONMENTAL PROTECTION

**[SENATE FILE 261](#)** - **Real Property Transfers — Private Sewage Disposal Systems Inspections**  
BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act relates to required inspections of certain private sewage disposal systems upon the sale or transfer of property.

A private sewage disposal system serving a building where a person resides, congregates, or is employed shall be inspected prior to any transfer of ownership of the building. The inspection requirement applies to all types of ownership transfers including seller-financed real estate contracts.

The county recorder shall not record a deed or other conveyance document unless a certified inspector's report is provided or, if a certified inspection cannot be conducted due to extraordinary circumstances, the buyer has executed a binding acknowledgment with the county board of health to conduct a certified inspection.

An improperly functioning sewage disposal system shall be renovated to meet current construction standards.

The Department of Natural Resources is directed to adopt rules governing the inspections and the certification of inspectors, and to establish fees related to certification.

The Act takes effect July 1, 2009.

**[SENATE FILE 2276](#)** - **Solid Waste Disposal — Miscellaneous Changes**  
BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act relates to the disposal of solid waste by changing permitting requirements and updating and clarifying existing provisions.

The Act modifies certain definitions of terms related to solid waste, removes outdated language, and clarifies some provisions.

The Act broadens the definition of a "financial assurance instrument," which must be submitted by the operator of a sanitary disposal project, and adds a definition of "rubble."

The Act directs the Environmental Protection Commission to adopt rules for determining when the utilization of a solid by-product constitutes beneficial use, and makes necessary related changes such as defining "beneficial use." The Act provides that any materials approved for such a beneficial use are exempt from certain tonnage fees.

Currently, the Code contains provisions preventing the Director of the Department of Natural Resources from issuing permits for solid waste disposal facilities unless certain required comprehensive plans have been filed. Those provisions specify dates on which the director was to begin requiring such plans, but those dates have passed. The Act simplifies the provisions governing the issuance and renewal of solid waste permits by removing and updating the provisions containing the outdated language.

**[SENATE FILE 2321](#)** - **Mercury-Containing Lamps Recycling Study**  
BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act requires the Department of Natural Resources to conduct a study and make a report to the General Assembly by January 1, 2009, on the implementation and financing of a convenient and effective mercury-containing lamp recycling program. In conducting the study, the department must consult with stakeholders and assess potential methods for establishing a statewide recycling program. The assessment is to include certain specified relevant factors. The department must also describe what progress can be made through voluntary recycling efforts.

**[SENATE FILE 2367](#)** - **Air Pollution From Small Business Stationary Sources — Regulation and Technical Assistance**

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act amends provisions in Code Chapter 455B that provide for implementation of provisions in the federal Clean Air Act of 1990 by the Department of Natural Resources, which acts on behalf of the U.S. Environmental Protection Agency (EPA). Specifically, the Act amends provisions relating to small business stationary sources, including Code Section 455B.133B, which

provides for the Small Business Stationary Source Technical and Environmental Compliance Assistance Program, and Code Section 455B.150, which establishes a compliance advisory panel to monitor the program and report on its effectiveness to the EPA.

The Act does all of the following:

1. Defines a small business stationary source to include a business employing 100 or fewer persons that qualifies under regulations by the federal Small Business Administration, is not a major source, and emits less than 75 tons of all regulated air pollutants.
2. Moves language establishing the Small Business Stationary Source Technical and Environmental Compliance Assistance Program to a separate Code section. Previously, the provisions were included in the same Code section as a provision which established an air contaminant source fund used to support the program.
3. Provides for the composition of the compliance advisory panel, including two members appointed by the Governor, four members appointed by the leadership of the General Assembly, and the director of the department or the director's designee. The members are to represent the interests of the public, industry, and department. The Act also provides procedures for making the appointments, conducting panel meetings, and paying or reimbursing members.
4. Provides for the powers and duties of the Compliance Advisory Panel, including by authorizing the panel to render advisory opinions concerning the effectiveness of the program, make reports to EPA's administrator concerning the state's compliance with the program, review information concerning small business stationary sources, and disseminate the panel's reports and advisory opinions.

**HOUSE FILE 2400 - Surface Water Quality — Assessment, Protection, and Improvement**

BY COMMITTEE ON ENVIRONMENTAL PROTECTION. This Act relates to the protection of surface water by establishing a Water Resources Coordinating Council, authorizing a marketing campaign, creating a Regional Watershed Assessment Program, and providing for community-based subwatershed improvement plans, directing assistance to local communities for subwatershed monitoring and measurement, providing for a wastewater and storm water infrastructure assessment, and for community-based watershed improvement plans, and creating a Regional Watershed Assessment Program.

The Act creates a Water Resources Coordinating Council within the Governor's office and specifies as members certain state agency directors or their designees with authority over water-related programs as well as deans of colleges of Board of Regents institutions or their designees who are experts in agriculture, natural sciences, or public health. The Governor or the Governor's designee is the council's chairperson. The Governor or the Governor's designee may solicit participation from federal or state officials. The council is charged with coordinating governmental efforts to improve water quality in an efficient and fiscally responsible manner. The council must also conduct a marketing campaign to educate lowans about water quality and about their responsibility for improving it.

The Act also directs the Department of Natural Resources (DNR) to engage in a program of statewide watershed assessment. DNR must divide the state into five regional watersheds and each year engage in a water quality assessment of one region. DNR must complete and report the results of the assessment within five years and, based on the results of the assessment, the council must prioritize the regions so that resources can be directed in the most appropriate and efficient manner.

The Act also directs the council to designate one or more state agencies represented on the council to assist in improving the management of water resources at a local level after the completion of the initial regional watershed assessment. The state agencies designated by the council are directed to recruit local communities to create local community-based subwatershed improvement plans and to take the initiative in water resource management improvement.

The Act also directs the DNR to assist local communities with the monitoring and measurement of local watersheds after the completion of the statewide regional watershed assessment and directs local communities to engage in data collection for planning purposes.

The Act provides for a wastewater and storm water treatment infrastructure assessment and directs the DNR to prioritize local communities according to risks associated with water quality and the greatest risk to the health of residents.

Finally, the Act gives the DNR and the Department of Agriculture and Land Stewardship rulemaking authority to carry out any duties imposed by the provisions of the Act.

**[HOUSE FILE 2570](#) - Solid Waste Disposal, Environmental Management Systems, and Recycling**  
BY COMMITTEE ON ENVIRONMENTAL PROTECTION. This Act relates to solid waste disposal and environmental management by providing for the designation of environmental management systems, providing incentives, and creating a Solid Waste Alternatives Program Advisory Council and Comprehensive Recycling Planning Task Force.

The Act creates a process for designating solid waste planning areas as environmental management systems and creates a council to oversee the process. The council is established within the Department of Natural Resources. The director of the department appoints the members of the council. The council members, in general, must be members of the solid waste community.

The Act encourages solid waste planning areas to engage in responsible environmental management by providing incentives for environmentally appropriate solid waste management. Solid waste planning areas meeting certain requirements may be designated as environmental management systems and, if designated, qualify for an exemption from certain sanitary landfill goals, reduced tonnage fees, and funding assistance from the council.

The Act establishes a process for the designation of environmental management systems. To be designated an environmental management system, a solid waste planning area must actively pursue the operation of a yard waste management program; the disposal of hazardous household waste at a regional collection center; water quality improvements within the area served by the solid waste disposal project; reduced greenhouse gas emissions through a variety of methods; a recycling program; and public education programs.

The Act also redirects moneys from tonnage fees. Under current law, moneys collected from tonnage fees are used for funding alternatives to landfills. The Act provides that a portion of the moneys collected from these tonnage fees be allocated to environmental management systems in order to assist solid waste planning areas in developing plans that meet the requirements for designation as an environmental management system.

Finally, the Act establishes a Comprehensive Recycling Planning Task Force. The task force must study and make recommendations for the planning and implementation of comprehensive statewide recycling programs, including an evaluation of the current beverage container control law commonly referred to as the bottle bill. The task force must also study and make recommendations for reducing the amount of recyclable materials contained in the waste stream and for reducing litter.

**[HOUSE FILE 2668](#) - Used Oil Filter Disposal or Recycling**  
BY COMMITTEE ON WAYS AND MEANS. This Act relates to the disposal and recycling of used oil and oil filters. The Act requires a business that generates or collects used oil filters to source-separate and recycle the oil filters and prohibits such businesses from disposing of the oil filters in sanitary landfills.

**[HOUSE FILE 2669](#) - Mercury-Added Thermostat Collection and Recycling**  
BY COMMITTEE ON WAYS AND MEANS. This Act relates to the collection and recycling of mercury-added thermostats.

The Act defines a mercury-added thermostat as a product or device that uses a mercury switch to sense and control room temperature through communication with heating, ventilating, or air-conditioning equipment

and includes thermostats used to sense and control room temperature in residential, commercial, industrial, and other buildings but does not include thermostats used to sense and control temperature as part of a manufacturing process.

Beginning July 1, 2009, a person shall not offer for final sale, sell at final sale, or distribute mercury-added thermostats.

A person who generates a discarded mercury-added thermostat shall manage the mercury-added thermostat as hazardous waste or universal hazardous waste, according to all applicable state and federal regulations. The Act provides requirements for a contractor who replaces or removes mercury-added thermostats.

Each thermostat manufacturer that has offered for final sale, sold at final sale, or has distributed mercury-added thermostats in the state shall do all of the following:

1. Not later than October 1, 2008, submit a plan to the Department of Natural Resources (DNR) for approval that describes a collection program for mercury-added thermostats.
2. Not later than April 1, 2009, implement a mercury-added thermostat collection plan approved by the DNR.
3. Beginning in 2010, submit an annual report to the DNR by April 1 of each year that includes, at a minimum, the number of mercury-added thermostats collected and recycled by that manufacturer during the previous calendar year, the estimated total amount of mercury contained in the mercury-added thermostat components collected by that manufacturer during the previous calendar year, a list of all participating thermostat wholesalers and all collection points for wholesalers, an evaluation of the effectiveness of the manufacturer's collection program, and an accounting of the administrative costs incurred in the course of administering the collection and recycling program.

The Act requires a wholesaler, by April 1, 2009, to act as a collection site for mercury-added thermostats and promote and utilize the collection containers provided by mercury-added thermostat manufacturers to facilitate a contractor collection program.

The Act requires retailers, by April 1, 2009, to participate in an education and outreach program to educate consumers on the collection program for mercury-added thermostats.

DNR must review and grant approval of, deny, or approve with modifications a manufacturer plan, establish a process for public review and comment on all plans submitted by thermostat manufacturers prior to plan approval, and submit an annual written report to the General Assembly regarding the collection and recycling of mercury-added thermostats in the state.

The Act provides that the goal of the collection and recycling efforts is to collect and recycle as many of the mercury-added thermostats as reasonably practicable. If collection efforts fail to meet the goals, the DNR must consider modifications to the collection program.

**[HOUSE FILE 2672](#) - Water Use — Permit Fees and Funding [Fiscal Analysis](#)**

BY COMMITTEE ON APPROPRIATIONS. This Act relates to water use permit fees for diverting, storing, or withdrawing water by providing for the calculation of fees, creating a Water Use Permit Fund, and making appropriations.

The Act creates a Water Use Permit Fund for revenue generated by annual water use permit fees. The Environmental Protection Commission may set the fees according to the Department of Natural Resources' costs relating to the permits. The department must calculate the fees to produce total revenues of an amount not to exceed \$500,000 in a fiscal year beginning with FY 2009-2010.

The Act appropriates the moneys in the fund to the department to be used to review applications, issue permits, and provide technical assistance to permit applicants; and to ensure compliance with the terms of the permits.

The Act requires the commission to annually review the amount of moneys generated by fees, the balance in the fund, and anticipated expenses for the succeeding fiscal year.

The Act exempts from the state sales tax the fees paid for the permits.

The department may issue emergency rules to rescind existing water use permits fees if necessary to implement the provisions of the Act.

**HOUSE FILE 2685 - Water Well Drilling Site Wastewater Discharge**

BY COMMITTEE ON WAYS AND MEANS. This Act relates to rules for the discharge of wastewater from water well drilling sites, including the imposition of a fee.

The Act directs the Environmental Protection Commission to develop rules for water well drilling and requires the rules to incorporate the following considerations: the size of the well as measured by the flow of water in gallons per minute, best management practices to address wastewater discharge, requirements for notification to the Department of Natural Resources prior to the commencement of drilling operations, requirements for retention of records for a well, reasonable and appropriate limitations on wastewater discharge that take into consideration the need for the well, and reasonable and appropriate limitations on wastewater discharge that take into consideration the need to conserve soil and protect water quality. The commission must convene an advisory committee of representatives from the Iowa Water Well Association to assist in the development of the rules, which must be adopted no later than July 31, 2009.

The commission must impose a fee sufficient to cover the cost of issuing permits provided the fee is less than \$50. The fee is to be used by the department for purposes of administering permitting requirements.



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## GAMING

### RELATED LEGISLATION

- [SENATE FILE 2425](#) - Appropriations — Health and Human Services  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations for health and human services for FY 2008-2009, and includes funding for gambling treatment. It requires the Department of Public Health to implement a process to create a system for delivery of gambling and substance abuse treatment, including joint licensure of such treatment programs.
- [SENATE FILE 2428](#) - Debts Owed the State or Political Subdivisions — Collection, Payment, and Sanctions  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act provides that the State Racing and Gaming Commission shall require licensees under Code Chapter 99D, "Pari-Mutuel Wagering," and Code Chapter 99F, "Gambling-Excursion Gambling Boats, Gambling Structures, and Racetracks," to establish a process for licensees to have electronic access to names and social security numbers of debtors of claimant agencies through a secured interactive web site maintained by the state.
- [HOUSE FILE 2212](#) - Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas. The Act prohibits smoking in gambling structures, excursion gambling boats, and racetrack enclosures, but exempts from the prohibition only the gaming floors of the premises licensed under Code Chapter 99F (gambling, excursion gambling boats, gambling structures, and racetracks) exclusive of any bar or restaurant located within the gaming floor which is an enclosed area.
- [HOUSE FILE 2359](#) - Veterans Benefits Funding Sources  
**SEE PUBLIC DEFENSE AND VETERANS.** This Act provides that the Iowa Lottery develop two additional scratch and two additional pull-tab lottery games annually for the benefit of veterans.



## HEALTH AND SAFETY

- [SENATE FILE 2177](#) - Administration and Regulation of Miscellaneous Health-Related Activities
- [SENATE FILE 2338](#) - Administration and Regulation of Health-Related Professions
- [SENATE FILE 2341](#) - Alzheimer's Disease Services
- [HOUSE FILE 2166](#) - Dispensing of Prescription Drugs — Permissible Practices
- [HOUSE FILE 2212](#) - Smoking in Public — Restrictions and Prohibitions
- [HOUSE FILE 2539](#) - Health Care Reform and Funding
- [HOUSE FILE 2609](#) - Elder Group Homes, Assisted Living Facilities, and Adult Day Services Programs — Disclosure of Certification Compliance Information

### RELATED LEGISLATION

- [SENATE FILE 249](#) - Department of Human Services Health Care Assistance Programs — Eligibility  
**SEE HUMAN SERVICES.** This Act relates to eligibility under the Medicaid, IowaCare, and hawk-i programs. The Act provides that the payment of a premium made under the Medicaid, IowaCare, or hawk-i Program that is accepted by an automated case management system or the Department of Human Services does not automatically confer initial or continuing program eligibility to an individual.
- [SENATE FILE 505](#) - Emergency Care or Assistance Liability and Automated External Defibrillators  
**SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION.** This Act relates to civil liability for damages relating to the use of an automated external defibrillator in sudden cardiac arrest emergencies.
- [SENATE FILE 2111](#) - Blood Lead Testing and Dental Screening of Children  
**SEE EDUCATION.** This Act relates to requirements for blood lead testing and dental screening of a child who is enrolled or enrolling in a school district or accredited nonpublic school.
- [SENATE FILE 2154](#) - Lifts, Hoists, and other Conveyances — Wheelchair Lifts  
**SEE LABOR AND EMPLOYMENT.** This Act updates the definition of "inclined or vertical wheelchair lift" to reflect the current American Society of Mechanical Engineers safety standards and specifies that operating permits need to be posted near inclined or vertical wheelchair lifts.
- [SENATE FILE 2199](#) - External Review of Health Insurance Coverage Decisions — Scope  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act allows appeal, pursuant to Code Chapter 514J, of a denial of dental insurance coverage based on medical necessity and specifies that Code Chapter 514J is not applicable to denials of insurance coverage which are not based on medical necessity.
- [SENATE FILE 2230](#) - Turkey and Deer Hunting Licenses — Nonresident Disabled or Terminally Ill Persons  
**SEE NATURAL RESOURCES AND OUTDOOR RECREATION.** This Act authorizes the Natural Resource Commission to issue special nonresident turkey and any sex deer hunting licenses to nonresidents who are 21 years of age or younger who have a severe physical disability or a terminal illness.
- [SENATE FILE 2251](#) - Student Eye Care  
**SEE EDUCATION.** This Act relates to ensuring that students receive vision screening.
- [SENATE FILE 2286](#) - Federal Block Grant Appropriations  
**SEE APPROPRIATIONS.** This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2008, and

ending September 30, 2009, and for the state fiscal year beginning July 1, 2008, and ending June 30, 2009. The Act includes funding for maternal and child health, preventive health and health services, substance abuse programs, low-income energy assistance, mental health, child care, social services, and other health and human services-related programs.

- [SENATE FILE 2317](#) - Substantive Code Corrections  
**SEE STATE GOVERNMENT.** This Act contains statutory corrections in provisions relating to the administration, duties, meetings, and membership of public safety agencies and boards; peace officer authority and training; HIV-related information transmission by law enforcement agencies; workers' compensation; boiler inspection certificates; fire service training center programming; electrician licensing; building regulations; hepatitis C information distribution; and adult day services certification.
- [SENATE FILE 2340](#) - Children Under Out-of-Home Placement Orders — Identity Documents  
**SEE CHILDREN AND YOUTH.** This Act relates to children who are subject to a court order for out-of-home placement by requiring that on or before the date such a child reaches age 18 a certified copy of the child's birth certificate and assistance in securing a federal Social Security card be provided to the child.
- [SENATE FILE 2415](#) - Emergency Response Districts — Pilot Projects  
**SEE LOCAL GOVERNMENT.** This Act authorizes a county to participate in a five-year pilot project to establish an emergency response district to facilitate the delivery and funding of fire protection service and emergency medical service.
- [SENATE FILE 2417](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2008-2009, including to the Department of Public Health for the Tobacco Use Prevention and Control Initiative and for additional substance abuse treatment; for the Healthy Iowans 2010 Plan; for a grant for the Center for Congenital and Inherited Disorders; for substance abuse prevention programming for children; for a grant program for individuals with phenylketonuria (PKU); for leveraging for federal funds under the federal Ryan White Care Act; and for a grant program to provide support for people living with epilepsy and their families.
- [SENATE FILE 2425](#) - Appropriations — Health and Human Services  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations for health and human services for FY 2008-2009 and includes numerous provisions involving health agencies, health programs, and health regulation, requires the Department of Education to adopt rules requiring the programs and facilities under their purview to provide assessments for and repair of lead hazards; provides for tuition assistance at community colleges for students working in health care facilities; and creates the Healthy Kids Act relating to nutritional content standards for foods and beverages sold or provided on school grounds, and requiring minimum levels of physical activity for children in kindergarten through grade 12.
- [HOUSE FILE 247](#) - Joint E911 Service Boards — Voting Membership for Cities or Townships With Volunteer Fire Departments  
**SEE LOCAL GOVERNMENT.** This Act provides that a township that operates a volunteer fire department providing fire protection services to the township or a city operating a volunteer fire department not financed through city government shall be entitled to voting membership on joint E911 service boards.

- [HOUSE FILE 2119](#) - Fingerprinting of Children  
**SEE CHILDREN AND YOUTH.** This Act relates to the taking of fingerprints of a child by a governmental unit at a county or district fair, as authorized by the child's parent or guardian for use if the child becomes a runaway or missing child.
- [HOUSE FILE 2145](#) - Human Papilloma Virus Vaccinations — Insurance Coverage  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act creates new Code Section 514C.23, which requires certain individual or group health insurance contracts, policies, or plans that are issued, continued, or renewed in the state on or after January 1, 2009, to provide coverage for vaccinations for human papilloma virus.
- [HOUSE FILE 2151](#) - Advanced Practice Registered Nurse Licensure Compact  
**SEE STATE GOVERNMENT.** This Act repeals the July 1, 2008, sunset of the Advanced Practice Registered Nurse Compact. The Act takes effect March 5, 2008.
- [HOUSE FILE 2167](#) - Controlled Substances — Schedules and Reporting Requirements  
**SEE ALCOHOL REGULATION AND SUBSTANCE ABUSE.** This Act makes certain substances controlled substances and modifies the reporting requirements of pseudoephedrine and phenylpropanolamine to the Board of Pharmacy.
- [HOUSE FILE 2266](#) - Eluding Law Enforcement and Explosives Regulation  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act relates to the regulation of explosives and the possession of an incendiary or explosive device or material.
- [HOUSE FILE 2310](#) - Substance Abuse and Child Abuse — Study  
**SEE CHILDREN AND YOUTH.** This Act requires the departments of Public Health and Human Services to perform a study, collect data, and develop a protocol to address the substance misuse, abuse, or dependency by a child's parent, guardian, custodian, or other person responsible for the child's care and its relationship to child abuse.
- [HOUSE FILE 2390](#) - Licensing and Regulation of Plumbers and Mechanical Professionals  
**SEE STATE GOVERNMENT.** This Act revises previously enacted legislation (2007 Iowa Acts, H.F. 908, to take effect July 1, 2008) relating to the licensing of plumbers and mechanical professionals.
- [HOUSE FILE 2407](#) - Motor Vehicle Registration Fees — Vehicles Equipped for Disabled Persons or Wheelchairs  
**SEE TRANSPORTATION.** This Act provides that the \$60 registration fee, which currently only applies to multipurpose vehicles equipped for persons with disabilities or used by persons with wheelchairs, applies to any motor vehicle or station wagon so equipped or used.
- [HOUSE FILE 2564](#) - Disaster Aid Individual Assistance Grants  
**SEE HUMAN SERVICES.** This Act modifies eligibility requirements for applicants under the Disaster Aid Individual Assistance Grant Program.
- [HOUSE FILE 2603](#) - Civil Commitment — Periodic Reporting — Authorized Health Care Practitioners  
**SEE HUMAN SERVICES.** This Act authorizes certain advanced registered nurse practitioners and psychiatrists to file certain periodic court reports on chronic substance abusers and persons with mental illness who do not require full-time placement in a treatment facility.
- [HOUSE FILE 2646](#) - Regulation and Licensure of Fire Protection System Installation and Maintenance  
**SEE STATE GOVERNMENT.** This Act provides for statewide licensing of fire sprinkler installer and maintenance workers. The Act takes effect August 1, 2009.

- [HOUSE FILE 2660](#) - Appropriations — Justice System  
**SEE APPROPRIATIONS.** This Act includes a requirement for the Department of Public Health to develop educational programs to increase awareness and utilization of infection control practices at correctional institutions.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters. Division IV includes changes to hospital licensing fees and the membership of the Hospital Licensing Board, revises the certificate of need requirements applicable to certain hospitals, addresses patient access to the patient's medical records, fees for providing medical records, and communications between medical providers and attorneys in civil actions, and provides additional and supplemental health and human services appropriations. The Governor item vetoed certain provisions that would have revised regulatory requirements involving health care and assisted living facilities.

## HEALTH AND SAFETY

**[SENATE FILE 2177](#)** - Administration and Regulation of Miscellaneous Health-Related Activities BY COMMITTEE ON HUMAN RESOURCES. This Act relates to health-related activities and regulation by the Department of Public Health (DPH). The Act is organized into divisions.

### Division I — General Provisions

Division I amends various Code provisions involving the activities and regulatory authority of DPH.

Code Section 135.11, relating to the duties of DPH, is amended to remove the responsibility for exercising general supervision over the administration of the housing law and giving aid to local authorities in the enforcement of the law. In addition, DPH is generally directed to maintain divisions necessary to enforce the laws administered by DPH in place of a list of specific divisions, including contagious and infectious diseases, venereal diseases, housing, sanitary engineering, and vital statistics.

Code Section 135.22B, relating to the Brain Injury Services Program, is amended to provide that the brain injury diagnosis used for the cost-share component of the program is the same as that used for the Medicaid home and community-based services waiver for persons with brain injury.

Code Section 135.37, relating to inspection and enforcement activities involving tattooing establishments, is amended to authorize DPH to enter into agreements with local boards of health for inspection and enforcement activities involving such establishments.

Code Section 135I.2, relating to swimming pools and spas that are subject to regulation by DPH, is amended to allow DPH to use written agreements with local boards of health to provide inspection and enforcement instead of Code Chapter 28E agreements.

Code Section 135M.4, relating to the Prescription Drug Donation Repository Program, is amended to provide an exception to allow the program to accept and distribute a donated prescription drug bearing an expiration date that is six months or less after the date the drug was donated. Prior law prohibited acceptance of a drug with an expiration date that is less than six months after the date the drug was donated. Under the exception, the drug must be in high demand and can be dispensed for use prior to the drug's expiration date.

Code Section 136C.9, providing for DPH to establish a system for registration of radiation machines and licensing of radioactive materials, is amended. If a license applicant requests radioactive materials in quantities of concern, as identified by the U.S. Nuclear Regulatory Commission, the applicant must submit fingerprints for a background check of all individuals authorized for unescorted access to the radioactive materials.

Code Section 136C.15, relating to accreditation of radiation machines used for mammography, is amended to change the approval authority for the accreditation program to the U.S. Food and Drug Administration, allow a general registration for mammography authorization to be issued instead of one for each machine, replace the required inspection of a radiation machine within 60 days of the initial authorization with an annual inspection requirement, and replace a certificate of radiation machine inspection with a written proof of inspection and eliminate the required posting of the written proof.

Code Section 136D.3, relating to the applicability of Code Chapter 136D, the Tanning Facility Regulation Act, is amended to allow DPH to use written agreements to provide for inspection and enforcement instead of Code Chapter 28E agreements and to include local boards of health as entities that may agree to provide inspection and enforcement under the Act.

Code Section 139A.35, relating to the authority of a minor to give consent for provision of medical care or services for a sexually transmitted disease or infection, is amended to authorize the minor to consent for medical care or services for the prevention, diagnosis, or treatment. Prior law limited the consent authority of a minor to diagnosis and treatment.

New Code Section 139A.41 authorizes various licensed health care providers who diagnose a patient as having a sexually transmitted chlamydia or gonorrhea infection to provide prescription oral antibiotic drugs for the patient's sexual partner or partners without examining the partner or partners. If the patient is unable or unwilling to deliver the drugs to the partner or partners, DPH or the local disease prevention investigation staff may deliver the drugs.

Code Section 144.28, relating to the medical certification of death, is amended to require an inquiry by the county or state medical examiner when there is a "nonnatural cause of death." This term is defined to mean the death is the direct or indirect result of physical, chemical, electrical, or thermal trauma, or drug or alcohol intoxication or other poisoning. Unless there is a nonnatural cause of death, the requirement in current law applies which requires the physician in charge to sign the medical certification within 72 hours of receiving the death certificate. If there is a nonnatural cause of death, the Act requires notification of the county or state medical examiner who is required to conduct an inquiry. If the decedent was an infant or child and there is not a known cause of death, a medical examiner's inquiry is required and an autopsy must be performed as necessary to exclude a nonnatural cause of death. When there is an inquiry, the medical examiner is required to determine the manner of death in addition to determining the cause of death as is required under current law.

#### Division II — Animals for Scientific Research Chapter Repeal

Division II repeals Code Chapter 145B, relating to DPH's authority to regulate the use of dogs and other animals for scientific research and other provisions regulating such use.

#### Division III — Council on Chemically Exposed Infants and Children

Division III repeals Code Chapter 235C, which established the Council on Chemically Exposed Infants and Children as a subcommittee of the Committee on Maternal and Child Health of the Community Health Division of DPH. The council's duties included data collection, enhancing prevention and education, increasing identification of such infants and children, improving treatment services, expanding care and placement options, and awarding grants.

#### [SENATE FILE 2338](#) - Administration and Regulation of Health-Related Professions

BY COMMITTEE ON HUMAN RESOURCES. This Act makes many technical and substantive changes to Iowa's statutes relating to the licensing of health-related professions. Code Chapter 147 is significantly amended; that venerable statute has been in place for over 80 years and establishes a general paradigm for the operation of the health-related licensing boards. While many amendments have been added over the years, it had not been comprehensively updated in decades. Many of these changes involve adding the names of recently created boards to the appropriate sections and devolving the administrative responsibilities for licensing from the Department of Public Health to the various boards.

The Act also contains some technical and substantive changes to individual licensed professions, including medicine, chiropractic, marital and family therapists and mental health counselors, and pharmacy.

#### [SENATE FILE 2341](#) - Alzheimer's Disease Services

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to persons with Alzheimer's disease and similar forms of irreversible dementia. The legislation addresses some of the recommendations made by the Alzheimer's Disease Task Force created by the Department of Elder Affairs pursuant to a legislative directive (See 2007 Iowa Acts, Chapter 121).

The Department of Public Health is required to determine the existing service utilization and future service needs of such persons. The analysis is also required to address the availability of existing caregiver services for such needs and the appropriate service level for the future. The department is required to modify its community needs assessment activities to include questions to identify and quantify the numbers of such persons. The department is also required to collect data regarding the numbers of such persons exhibiting combative behavior and the numbers of treatment and services providers. Health care facilities are required to

provide information for the data collection. The department's implementation is limited to the extent of the funding available.

The Department of Elder Affairs is required to perform various actions regarding the needs of such persons, including regularly reviewing trends and initiatives, expanding and improving the training and education of those who address the needs of such persons and caregivers, and providing funding for building public awareness. The department is directed to adopt rules concerning a list of education and training requirements. The department is required to consult with the Direct Care Worker Task Force created pursuant to a 2005 legislative directive. An implementation section requires the department to initially implement the training and public awareness provisions on or before July 1, 2010.

**HOUSE FILE 2166 - Dispensing of Prescription Drugs — Permissible Practices**

BY COMMITTEE ON HUMAN RESOURCES. This Act creates a "Tech-Check-Tech Program" which allows a pharmacist in charge of a pharmacy to determine that a registered pharmacy technician is qualified to safely check the work of other registered pharmacy technicians and thereby provide final verification for drugs which are dispensed for subsequent administration to patients in an institutional setting.

**HOUSE FILE 2212 - Smoking in Public — Restrictions and Prohibitions**

BY COMMITTEE ON COMMERCE. This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas.

The Act provides findings and a purpose. The findings include that environmental tobacco smoke causes and exacerbates disease in nonsmoking adults and children, and these findings are sufficient to warrant measures to regulate smoking in public places, places of employment, and outdoor areas to protect the public health and the health of employees. The stated purpose is to reduce the level of exposure by the general public and employees to environmental tobacco smoke to improve the public health of Iowans.

The Act provides definitions including those for "bar," "employee," "employer," "enclosed area," "place of employment," "private club," "public place," "restaurant," "retail tobacco store," and "smoking."

The Act prohibits smoking in public places, places of employment, and specified outdoor areas. Public places are defined as enclosed areas to which the public is invited or in which the public is permitted. The definition of "public place" includes a noninclusive listing of some of the public places to which the Act applies. The Act prohibits smoking in all enclosed areas of places of employment. The Act also prohibits smoking in specified outdoor areas including the seating areas of entertainment venues such as sports arenas and stadiums where members of the general public assemble to witness entertainment events; outdoor seating or serving areas of restaurants; public transit stations, platforms, and shelters under the authority of the state or its political subdivisions; school grounds including inside any vehicle located on the school grounds; the grounds of public buildings with the exception of the grounds of public buildings of state, district, and county fairgrounds; the Department of Corrections; and the Iowa National Guard.

Under the Act, smoking is not prohibited in: private residences unless the private residence is a child care facility, child care home, or health care provider location; hotel and motel rooms, with certain limitations as to percentages of rooms that may allow smoking; retail tobacco stores, with certain limitations; private and semiprivate rooms in long-term care facilities with certain limitations; private clubs that have no employees, when not open to the general public; outdoor areas that are places of employment, with the exception of those outdoor areas where smoking is specifically prohibited under the Act; limousines under private hire; vehicles owned, leased, or provided by a private employer that are for the sole use of the driver and are not used by more than one person in the course of employment either as a driver or passenger; privately owned vehicles that are not otherwise defined as a place of employment or public place; cabs of motor trucks or truck tractors if no nonsmoking employees are present; enclosed areas that are places of employment or public places which provide smoking cessation programs or medical or scientific research or therapy programs, if smoking is an integral part of the program; farm tractors, farm trucks, and implements of husbandry when being used for their intended purpose; only the gaming floor of a premises licensed under Code Chapter 99F

(gambling, excursion gambling boats, gambling structures, and racetracks) exclusive of any bar or restaurant located within the gaming floor which is an enclosed area; and the Iowa Veterans Home.

A person having custody or control of an area otherwise exempt from the smoking prohibition may declare the entire area as a nonsmoking place if a sign is posted declaring the area nonsmoking.

The Act specifies requirements for the posting of signs; requires the removal of all ashtrays from areas where smoking is prohibited; prohibits retaliation against an employee or person who exercises any rights afforded under the Act, registers a complaint, or attempts to prosecute a violation of the Act; and provides that an employee who works in a location where an employer allows smoking does not waive the employee's rights against the employer or any other persons.

The Act provides for enforcement by the Department of Public Health or the department's designee, and directs the department to adopt rules to administer the Act. If a public place is subject to any state or political subdivision inspection process or is under contract with the state or political subdivision, the person performing the inspection shall assess compliance with the provisions of the Act and report any violations to the department or the department's designee. A person having custody or control of an area where smoking is prohibited is required to inform persons violating the Act of the provisions of the Act. A person may bring a legal action to enforce the Act and may file a complaint with the department. The Act provides injunctive relief to enforce the Act.

The Act provides penalties for violation of the Act. A person who smokes in an area where smoking is prohibited is subject to a civil penalty of \$50 for each violation. A person who has custody or control of a public place, place of employment, area declared a nonsmoking place, or outdoor area where smoking is prohibited is subject to a civil penalty for a first violation of a monetary penalty not to exceed \$100; for a second violation within one year, a monetary penalty not to exceed \$200; and for each violation in excess of a second violation within one year, a monetary penalty not to exceed \$500 for each additional violation. An employer who discharges or discriminates against an employee because the employee has made a complaint or has provided information or instituted a legal action under the Act is subject to payment of a civil penalty of not less than \$2,000 and not more than \$10,000 for each violation. In addition to the civil penalties, a violation of the Act by a person who has custody or control of a public place, place of employment, area declared a nonsmoking place, or outdoor area where smoking is prohibited may result in the suspension or revocation of any permit or license issued to the person for the premises on which the violation occurred. Violation of the chapter constitutes a public nuisance which may be abated by a restraining order, preliminary or permanent injunction, or other means. Each day on which a violation occurs is considered a separate and distinct violation. Civil penalties paid are to be deposited in the General Fund of the State or in the general fund of the city or county designated to enforce the Act.

[HOUSE FILE 2539](#) - Health Care Reform and Funding [Fiscal Analysis](#)  
BY COMMITTEE ON HUMAN RESOURCES. This Act relates to health care reform.

#### Division I — Health Care Coverage Intent

Division I of the Act relates to health care coverage intent. The division sets forth the intent of the General Assembly to achieve the goal that all Iowans have health care coverage with prioritization of certain goals. The first goal is that all children in the state have health care coverage that meets certain standards of quality and affordability by: covering all children eligible for the Medical Assistance (Medicaid) Program and the Healthy and Well Kids in Iowa (hawk-i) Program by January 1, 2011; expanding the current hawk-i Program through a hawk-i Expansion Program that covers children with family incomes at or below 300 percent of the federal poverty level; and expanding the hawk-i Program if federal reauthorization of the state children's health insurance program provides sufficient allocations to cover children with family incomes at or below 300 percent of the federal poverty level. Another goal is that the Iowa Comprehensive Health Insurance Association, in consultation with the Iowa Choice Health Care Coverage Advisory Council, created in the Act, develops a comprehensive plan to first cover all children through public programs and then to provide access to private unsubsidized coverage for children, adults, and families who are not eligible for coverage through

public programs by January 1, 2010. The division also states the goal of decreasing health care costs and health care coverage costs by instituting health insurance reforms that address issues involving guaranteed availability and issuance to applicants, preexisting condition exclusions, portability, and allowable or required pooling and rating classifications.

#### Division II — Expansion of Programs

Division II of the Act relates to the expansion of the hawk-i and Medicaid programs. Beginning July 1, 2009, Medicaid would cover infants whose family income is at or below 300 percent of the federal poverty level. Once initial eligibility for family Medicaid program-related medical assistance is determined for a child, continuous eligibility for Medicaid is provided to the child. Beginning with tax year 2008, state income tax forms are to allow a person who files an individual or joint income tax return to indicate the presence or absence of health care coverage for each dependent child for whom an exemption is claimed and, if the filer indicates that a dependent child does not have health care coverage and the income reported does not exceed the income levels for public health care programs, the Department of Revenue is to send a notice to the taxpayer indicating that the child may be eligible for a public program and provide information about how to enroll in such programs. The Department of Human Services (DHS) is directed to expand the hawk-i Program if federal reauthorization of the state children's health insurance program provides sufficient allocations to cover children with family incomes at or below 300 percent of the federal poverty level; a hawk-i Expansion Program is created beginning July 1, 2009, to provide health care coverage to children with family incomes at or below 300 percent of the federal poverty level; state agencies are directed to assist DHS in data collection related to outreach efforts to potentially eligible children and their families for the hawk-i Program; and the hawk-i Board is directed to develop options and recommendations to allow children eligible for hawk-i or the hawk-i Expansion Program to participate in qualified employer-sponsored health plans through a Medicaid program.

The division directs DHS to develop in collaboration with various interest groups a plan to maximize enrollment and retention of eligible children in the hawk-i and Medicaid programs by reviewing such strategies as streamlined enrollment, conditional eligibility, and expedited renewal, and to compile and submit the plan to the Governor and the General Assembly not later than December 1, 2008.

The division provides an appropriation to DHS for fiscal years 2008-2009, 2009-2010, and 2010-2011 for the Medicaid, hawk-i and hawk-i Expansion programs and outreach.

#### Division III — Iowa Choice Health Care Coverage and Advisory Council

Division III of the Act creates the Iowa Choice Health Care Coverage Advisory Council to assist the Iowa Comprehensive Health Insurance Association with the development of a comprehensive health care coverage plan which must be submitted to the Governor and the General Assembly by December 15, 2008. Appropriations contained elsewhere in the Act to cover children under the Medicaid, hawk-i, and hawk-i Expansion programs and to provide related outreach for fiscal year 2009-2010 and fiscal year 2010-2011 are contingent upon enactment of a comprehensive plan during the 2009 Regular Session of the Eighty-third General Assembly.

The plan developed must recommend options to provide health care coverage to all children without coverage that utilize and modify existing public programs, including the Medicaid program, hawk-i Program, and the newly created hawk-i Expansion Program, and to provide access to affordable private, unsubsidized health care to all Iowa children less than 19 years of age with a family income that is more than 300 percent of the federal poverty level, and to adults and families who are not otherwise eligible for health care coverage through public programs; define what constitutes qualified health care coverage for children, and recommend the benefits, contribution requirements, and copays to be included in such coverage; and define what constitutes qualified health care coverage for adults and families who are not eligible for public programs and develop and recommend affordable health care coverage options for purchase by such persons. The plan may be developed in collaboration with health insurance carriers.

The Iowa Choice Health Care Coverage Advisory Council consists of the two most recent former Governors and seven members of specified groups appointed by the Director of Public Health, who are voting members. The Commissioner of Insurance, Director of Human Services, Director of Public Health, or their designees, and four members of the General Assembly are ex officio, nonvoting members of the advisory council.

#### Division IV — Health Insurance Oversight

Division IV of the Act gives the Commissioner of Insurance regulatory power over health benefit plans and requires the adoption of rules to promote uniformity, cost efficiency, transparency, and fairness of such plans for physicians and hospitals for the purpose of maximizing administrative efficiencies and minimizing administrative costs of health care providers and health insurers. The division includes an appropriation of \$80,000 to the Insurance Division of the Department of Commerce to use for the identification and regulation of procedures and practices related to health care.

#### Division V — Iowa Health Information Technology System

Division V relates to health information technology definitions, principles, and goals and requires the Department of Public Health (DPH) to direct a public and private collaborative effort to promote the adoption and use of health information technology in the state. The division establishes a Health Information Advisory Council consisting of the representatives of the former Electronic Health Records System Task Force (repealed in the Act), other specified members, and members determined by DPH or the executive committee to assist at various stages of development of the system. The division also establishes an executive committee of the Electronic Health Information Advisory Council and specifies the membership. The executive committee is to develop a statewide health information technology plan by July 1, 2009, including the requirements for a single patient identifier and a standard continuity of care record to be utilized by July 1, 2010; identify existing and potential health information technology efforts and integrate existing efforts to avoid incompatibility and duplication; coordinate public and private efforts to provide a network backbone infrastructure for the system; promote the use of telemedicine; address the workforce needs generated by increased use of health information technology; recommend rules to implement the system; coordinate, monitor, and evaluate the adoption, use, interoperability, and efficiencies of the facets of the system; seek and apply for funding to implement and support the system; and identify state laws and rules that present barriers to the development of the system and recommend changes. Any recommendations or other activities of the department or executive committee are to be presented to the State Board of Health for action or implementation.

The division also provides for the offering of access to the Iowa Communications Network to the Iowa Hospital Association for the purposes of collection, maintenance, and dissemination of health and financial data for hospitals and for hospital education services. The association is responsible for all costs associated with becoming part of the network.

The division makes an appropriation to DPH for administration of the Iowa Health Information Technology System.

#### Division VI — Long-term Living Planning and Patient Autonomy in Health Care

Division VI of the Act relates to long-term living planning and patient autonomy in health care. The division directs the Department of Elder Affairs (DEA) to consult with various interest groups whose scope of practice includes end-of-life care to develop educational and patient-centered information on end-of-life care for terminally ill patients and health care professionals. The division directs the legal services development and substitute decision-maker programs of DEA, in collaboration with appropriate agencies and interested parties, to research existing long-term living planning tools and recommend a public education campaign strategy on long-term living to the General Assembly by January 1, 2009. The division also directs DEA, in collaboration with the Insurance Division of the Department of Commerce, to implement a long-term care options public education campaign. This campaign may utilize tools designed to promote health and independence as lowans age, assist older lowans in making informed choices about the availability of long-term care options, and streamline access to long-term care. The division directs DEA to identify resources to continue the work of

the aging and disability resource center established through a federal grant. The Act directs DPH to establish a two-year community coalition for patient treatment wishes across the Health Care Continuum Pilot Project which utilizes the process based upon the national physicians orders for life sustaining treatment program initiative, including use of a standardized physician order for scope of treatment form. An advisory council is to develop recommendations for expanding the pilot statewide and is to submit recommendations to the Governor and the General Assembly by January 1, 2010. The pilot is not to alter the rights of individuals who do not execute a physician order for scope of treatment, and health care decision making for an individual who has executed a declaration relating to life-sustaining procedures or a durable power of attorney for health care is to be controlled by that document. The division provides for immunity from liability for a person who complies with a physician order for scope of treatment if the actions are in accordance with reasonable medical standards.

The division provides appropriations to DEA for development of the end-of-life care information and for the long-term care options public education campaign.

#### Division VII — Health Care Coverage

Division VII requires the Commissioner of Insurance to assist employers with 25 or fewer employees with implementing and administering plans under Section 125 of the Internal Revenue Code, including medical expense reimbursement accounts and dependent care accounts, and to provide information about the assistance available on the Insurance Division's Internet site.

The division also requires that group insurance, group insurance for public employees, and individual health insurance policies or contracts permit continuation of existing coverage for an unmarried child of an insured or enrollee who so elects, at least through the policy anniversary date on or after the date the child marries, ceases to be a resident of this state, or attains the age of 25 years old, whichever occurs first, or so long as the unmarried child maintains full-time status as a student in an accredited institution of postsecondary education. This provision applies to policies or contracts of accident and health insurance delivered or issued for delivery or continued or renewed in this state on or after July 1, 2008.

#### Division VIII — Medical Home

This division relates to the medical home system which is a team approach to providing health care that originates in a primary care setting administered by DPH. The division provides definitions, purposes, and characteristics of a medical home, and establishes a Medical Home Advisory Council. The division directs DPH to develop a plan for implementation of a statewide medical home system, to develop an organizational structure for the medical home system, adopt standards and a process to certify medical homes based on the national committee for quality assurance standards, adopt education and training standards for health care professionals participating in the medical home system, provide for system simplification, recommend a reimbursement methodology and incentives for participation in the medical home system, coordinate requirements and activities of the medical home system with the dental home for children, and integrate the recommendations and policies developed by the Prevention and Chronic Care Management Advisory Council into the medical home system.

The division provides for implementation phases of the medical home system, beginning with children who are recipients of full benefits under the Medicaid Program and expanding to include adults who are recipients of full benefits under the Medicaid Program and the expansion population under the IowaCare Program. Further expansion is provided for state employees and individuals with private health insurance.

The division directs DPH to provide oversight for all certified medical homes and to annually evaluate the medical home system and make recommendations for improvements to and continuation of the system. Recommendations and other activities resulting from duties authorized for DPH relating to the medical home system require approval by the State Board of Health prior to any subsequent action or implementation.

The division also extends the timeline for providing a dental home to every Medicaid recipient who is a child under 12 years of age to December 31, 2010.

The division makes an appropriation to DPH for activities associated with the medical home system.

#### Division IX — Chronic Care Management

Division IX of the Act relates to prevention and chronic care management. The division provides definitions and directs the Director of Public Health, in collaboration with the Prevention and Chronic Care Management Advisory Council established in the division to develop a state initiative for prevention and chronic care management. The advisory council is to develop recommendations that address the organizational structure for integrating prevention and chronic care management into the private and public health care systems; a process for identifying leading health care professionals and existing prevention and chronic care management programs in the state and coordinating care among them; a prioritization of the chronic conditions for which prevention and chronic care management services should be provided; a method to involve health care professionals in identifying eligible patients for prevention and chronic care management services; the methods for increasing communication between health care professionals and patients; the educational, wellness, and clinical management protocols and tools to be used by health care professionals; the use and development of a process and outcomes measures and benchmarks to provide performance feedback; payment methodologies; methods to involve public and private entities and individuals in facilitating and sustaining the initiative; alignment of any chronic care information system or other information technology needed; involvement of appropriate health resources and public health and outcomes researchers to develop and implement a sound basis for collecting data and evaluating the impacts of the initiative; elements of a marketing campaign; a method to determine health care professional participation rates; and a means of collaborating with health professional licensing boards to review education requirements to integrate into education and training programs. Following initial recommendations to the director for the state initiative, the recommendations must be submitted to the State Board of Health for approval. Initial implementation is to be among individuals with chronic conditions or who are at risk for chronic conditions and who are participants in the Medicaid or IowaCare Program, or who are inmates of correctional institutions in the state. The division provides for expansion of the initiative to become an integral part of the health care delivery system in the state.

The division establishes a clinicians advisory panel to advise and make recommendations to the department relative to the medical home and prevention and chronic care management systems.

The division appropriates funds to DPH for the Chronic Care Management Initiative.

#### Division X — Federal Family Opportunity Act

Division X relates to a provision of the federal Family Opportunity Act that was enacted in 2007 Iowa Acts, Chapter 218, Section 126, but was to be implemented contingent upon availability of funding. The Act directs that the provision is to be implemented beginning January 1, 2009. Funding for the provision is provided in 2008 Iowa Acts, S. F. 2425 (see Appropriations).

#### Division XI — Establishment of a Medical Assistance Quality Improvement Council

Division XI establishes a Medical Assistance Quality Improvement Council to evaluate the clinical outcomes and satisfaction of consumers and providers with the Medicaid Program. The division specifies the members of the council, and provides that DHS is to provide administrative support to the council. The council is to consult with and advise the Iowa Medicaid Enterprise in establishing a quality assessment and improvement process. The initial process is to be developed and implemented by December 31, 2008, with the initial report of results to be made available to the public by June 30, 2009, and annual reports to the Governor and the General Assembly, annually, thereafter in January.

Division XII — Health and Long-Term Care Access

Division XII relates to health and long-term care access. The division directs DPH to coordinate public and private efforts to develop and maintain an appropriate health care delivery infrastructure and a stable, well-qualified, diverse, and sustainable health care workforce in the state, including those related to long-term care. The department is directed to develop a strategic plan for health care delivery infrastructure and health care workforce resources in the state, provide for the continuous collection of data to provide a basis for health care strategic planning and health care policymaking, and make recommendations regarding health care delivery infrastructure and the health care workforce that assist in monitoring current needs, predicting future trends, and informing policymakers. The division specifies what DPH shall do in developing the strategic plan; directs that the plan shall include planning policies and goals related to the availability of health care facilities and services, the quality of care, and the cost of care; and specifies the elements to be included in the health care delivery infrastructure and health care workforce resources strategic plan, including a health care system assessment and objectives component, a health care facilities and services plan, a health care data resources plan, an assessment of emerging trends in health care delivery and technology as they relate to access to health care facilities and services, quality of care, and costs of care, a rural health care resources plan, and a health care workforce resources plan. The initial plan is to be submitted to the Governor and the General Assembly by January 1, 2010, and an updated strategic plan is to be submitted every two years thereafter.

The division makes an appropriation to DPH for the activities associated with the health care access requirements of the division.

Division XIII — Prevention and Wellness

Division XIII relates to prevention and wellness. The division establishes the Iowa Healthy Communities Initiative Grant Program within DPH to energize local communities to transform the existing culture into a culture that promotes healthy lifestyles and leads collectively to a healthier state. Local boards of health representing a coalition of health care providers and community and private organizations are eligible to submit applications for the grants.

The division also establishes the Governor's Council on Physical Fitness and Nutrition to assist in developing a strategy for implementation of the statewide comprehensive plan developed by the existing statewide initiative to increase physical activity, improve physical fitness, improve nutrition, and promote healthy behaviors.

The division provides appropriations to DPH for the Iowa Healthy Communities Initiative and the Governor's Council on Physical Fitness.

The division also provides for the development of a plan for a Small Business Qualified Wellness Program Tax Credit. DPH is directed to consult with the Insurance Division and the Department of Revenue in developing a plan to provide a tax credit to small businesses that provide qualified wellness programs to improve the health of their employees. The plan is to be submitted to the Governor and the General Assembly by December 15, 2008.

Division XIV — Health Care Transparency

Division XIV relates to health care transparency. The division requires hospitals and nursing facilities that are recognized as nonprofit organizations or entities under the Internal Revenue Code to submit to DPH and the Legislative Services Agency, annually, information relating to compensation for certain officers, directors, trustees, and key employees; information about the highest compensated employees; and information regarding revenues, expenses, excess or surplus revenues, and reserves. The division also creates a health care quality and cost transparency workgroup to develop recommendations for legislation and policies regarding health care quality and cost. The membership of the workgroup is to be determined by the Legislative Council in consultation with the chairpersons and ranking members of the Joint Appropriations Subcommittee on Health and Human Services and the chairpersons and ranking members of the committees on Human Resources of the Senate and House of Representatives. The Legislative Services Agency is to provide staffing for the workgroup. The division specifies the duties of the workgroup and directs the workgroup to submit a

written report of all recommendations to the General Assembly on or before December 15, 2008. This provision takes effect May 13, 2008.

Division XV — Direct Care Workforce

Division XV relates to the direct care workforce. The division requires the Director of Public Health to appoint a Direct Care Worker Advisory Council to advise the director regarding regulation and certification of direct care workers. The advisory council is to report its recommendations to the director by November 30, 2008, and to begin implementation of certification of direct care workers July 1, 2009.

The division also provides for the creation of a Direct Care Worker Compensation Advisory Committee by DHS. The initial advisory committee is to develop recommendations for consideration by the General Assembly during the 2009 Legislative Session regarding wages and other compensation paid to direct care workers in nursing facilities. Subsequent advisory committees are to review the wages and other compensation paid to and turnover rates of the entire spectrum of direct care workers in various settings.

The division requires DHS to modify the nursing facility cost reports utilized under the Medicaid Program to capture data by the distinct categories of nonlicensed direct care workers and other employees of nursing facilities. The department is required to submit a report annually to the Governor and the General Assembly which provides an analysis of direct care worker and other nursing facility employee turnover by individual nursing facility, a comparison of the turnover rate in each nursing facility with the state average, and an analysis of any improvement or decline in meeting any accountability goals or other measures related to turnover rates. The initial report is to be submitted no later than December 1, 2008, and subsequent reports are to be submitted no later than December 1, annually, thereafter.

The division directs DHS, in collaboration with the Insurance Division, to design a demonstration project to provide a Health Care Coverage Premium Assistance Program for nonlicensed direct care workers on a voluntary basis. The department is to convene an advisory council to assist in designing the project and establishing criteria for the project. The project design is to allow up to 250 direct care workers and their dependents to access health care coverage sponsored by the direct care worker's employer and is to incorporate the medical home, wellness and prevention services, and chronic care management elements to the extent possible. The design for the project is to be submitted to the Governor and the General Assembly by December 15, 2008. If the General Assembly enacts legislation to implement the project and appropriates funding for the project, DHS, in collaboration with the Insurance Division, is to implement the project for an initial two-year period.

The division takes effect May 13, 2008.

**[HOUSE FILE 2609](#) - Elder Group Homes, Assisted Living Facilities, and Adult Day Services Programs — Disclosure of Certification Compliance Information**

BY COMMITTEE ON HUMAN RESOURCES. Under previous law, findings of fact in a monitoring evaluation or a complaint investigation relating to elder group homes, assisted living facilities, and adult day services programs were available to the public only after all administrative appeals procedures are complete. This Act makes those findings public after informal review by the Department of Inspections and Appeals.

The Act takes effect April 8, 2008.

## HUMAN SERVICES

- [SENATE FILE 249](#) - Department of Human Services Health Care Assistance Programs — Eligibility
- [SENATE FILE 2161](#) - Council on Homelessness
- [SENATE FILE 2269](#) - Family Investment Program — Limited Benefit Plan Ineligibility Period
- [SENATE FILE 2418](#) - Income Tax Refunds and Credits — Information and Assistance
- [HOUSE FILE 2309](#) - Child Support — Miscellaneous Provisions
- [HOUSE FILE 2328](#) - Family Investment Program — Family Development and Self-Sufficiency Council and Grants
- [HOUSE FILE 2372](#) - Electronic Benefits Transfer Under Food Assistance Program
- [HOUSE FILE 2393](#) - Impact of Legislation and State Grants on Minorities — Statements
- [HOUSE FILE 2564](#) - Disaster Aid Individual Assistance Grants
- [HOUSE FILE 2591](#) - Dependent Adult Abuse — Caretaker Facilities and Programs
- [HOUSE FILE 2603](#) - Civil Commitment — Periodic Reporting — Authorized Health Care Practitioners

### RELATED LEGISLATION

- [SENATE FILE 2054](#) - County Mental Health, Mental Retardation, and Developmental Disabilities Services Expenditures — State Payment  
**SEE LOCAL GOVERNMENT.** This Act authorizes state payment of certain mental health, mental retardation, and developmental disabilities services (MH/MR/DD) allowed growth funding and property tax relief funding for certain counties that did not originally meet the requirements. The Act takes effect February 4, 2008, and is retroactively applicable to December 1, 2007.
- [SENATE FILE 2212](#) - Child in Need of Assistance Proceedings — Terminations of Parental Rights  
**SEE CHILDREN AND YOUTH.** This Act modifies aggravated circumstance determinations in child in need of assistance proceedings and circumstances for termination of parental rights.
- [SENATE FILE 2286](#) - Federal Block Grant Appropriations  
**SEE APPROPRIATIONS.** This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009, and for the state fiscal year beginning July 1, 2008, and ending June 30, 2009. The Act includes funding for maternal and child health, preventive health and health services, substance abuse programs, low-income energy assistance, mental health, child care, social services, and other health and human services-related programs.
- [SENATE FILE 2340](#) - Children Under Out-of-Home Placement Orders — Identity Documents  
**SEE CHILDREN AND YOUTH.** This Act relates to children who are subject to a court order for out-of-home placement by requiring that on or before the date such a child reaches age 18 a certified copy of the child's birth certificate and assistance in securing a federal Social Security card be provided to the child.
- [SENATE FILE 2341](#) - Alzheimer's Disease Services  
**SEE HEALTH AND SAFETY.** This Act relates to persons with Alzheimer's disease and similar forms of irreversible dementia. The legislation addresses some of the recommendations made by the Alzheimer's Disease Task Force created by the Department of Elder Affairs pursuant to a legislative directive.

- [SENATE FILE 2364](#) - Emancipation of a Child — VETOED BY THE GOVERNOR  
*SEE CHILDREN AND YOUTH.* This bill, which was vetoed by the Governor, related to the emancipation of a child in a family in need of assistance proceeding.
- [SENATE FILE 2425](#) - Appropriations — Health and Human Services  
*SEE APPROPRIATIONS.* This Act relates to and makes appropriations for health and human services for FY 2008-2009 and includes numerous provisions involving human services and the Department of Human Services.
- [HOUSE FILE 2310](#) - Substance Abuse and Child Abuse — Study  
*SEE CHILDREN AND YOUTH.* This Act requires the departments of Public Health and Human Services to perform a study, collect data, and develop a protocol to address the substance misuse, abuse, or dependency by a child's parent, guardian, custodian, or other person responsible for the child's care and its relationship to child abuse.
- [HOUSE FILE 2338](#) - Child in Need of Assistance Proceedings — Attendance of Child  
*SEE CHILDREN AND YOUTH.* This Act relates to the attendance of a child in a child in need of assistance proceeding of the juvenile court.
- [HOUSE FILE 2423](#) - County Mental Health, Mental Retardation, and Developmental Disabilities Services — Risk Pool Assistance Procedures  
*SEE LOCAL GOVERNMENT.* This Act relates to the risk pool for county mental health, mental retardation, and developmental disabilities (MH/MR/DD) services by revising procedural and qualifying requirements.
- [HOUSE FILE 2539](#) - Health Care Reform and Funding  
*SEE HEALTH AND SAFETY.* This Act relates to health care reform including expansion of the Healthy and Well Kids in Iowa (hawk-i) Program and the Medicaid program to provide health care coverage to children, and maximization of enrollment and retention in the medical assistance and hawk-i Programs; extends the date by which every recipient of medical assistance who is a child 12 years of age or younger shall have a designated dental home from July 1, 2008, to December 31, 2010; creates a medical home system and a prevention and chronic care management initiative, both of which apply to the recipients of public programs that provide health care coverage with further expansion to other populations; provides for the implementation of the provision of the federal Family Opportunity Act, which relates to eligibility for certain persons with disabilities under the medical assistance program beginning January 1, 2009; establishes a Medical Assistance Quality Improvement Council to evaluate the clinical outcomes and satisfaction of consumers and providers with the Medicaid Program; directs the Department of Human Services (DHS) to convene a Direct Care Worker Compensation Advisory Committee to develop recommendations regarding wages and other compensation paid to direct care workers in nursing facilities, with subsequent reviews of wages and other compensation and turnover rates of the entire spectrum of direct care workers; directs DHS to modify the nursing facility cost reports under the Medicaid Program to capture data in order to document turnover rates of direct care workers and other employees of nursing facilities; and directs DHS in collaboration with the Insurance Division of the Department of Commerce, to design a demonstration project to provide a Health Care Coverage Premium Assistance Program for nonlicensed direct care workers.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
*SEE APPROPRIATIONS.* This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters. Division I makes an appropriation for FY 2009-2010 for allocation to counties for allowed growth for mental health, mental retardation, and developmental

disabilities services. Division IV includes additional and supplemental appropriations for certain human services programs.



## HUMAN SERVICES

**[SENATE FILE 249](#)** - **Department of Human Services Health Care Assistance Programs — Eligibility**  
BY COMMITTEE ON HUMAN RESOURCES. This Act relates to eligibility under the Medicaid, IowaCare, and hawk-i programs. The Act provides that the payment of a premium made under the Medicaid, IowaCare, or hawk-i Program that is accepted by an automated case management system or the Department of Human Services (DHS) does not automatically confer initial or continuing program eligibility to an individual. If a premium is paid to and accepted through DHS's premium payment process and is subsequently determined to be untimely or to have been paid on behalf of an individual ineligible for the program, the Act requires the payment to be refunded to the remitter in accordance with rules adopted by DHS.

The Act also provides that as a condition of eligibility, a Medicaid recipient who has legal capacity to execute an assignment shall assign to DHS any rights to payments of medical care from any third party, cooperate with DHS in obtaining such payments, and in identifying and providing information to assist DHS in pursuing any third party who may be liable to pay for medical care and services available under Medicaid. Any amount collected by DHS through an assignment is to be retained by DHS as reimbursement for Medicaid payments. The assignment is in addition to any assignment of medical support payments under any other law.

**[SENATE FILE 2161](#)** - **Council on Homelessness**  
BY COMMITTEE ON HUMAN RESOURCES. This Act creates a Council on Homelessness located in the Iowa Finance Authority for administrative purposes. The council consists of 38 voting members, including 26 members of the general public appointed by the Governor and 12 specified state agency directors or each director's designee.

The council's duties include evaluating state laws, programs, and resources to determine if revisions should be made to reduce homelessness, working to develop a coordinated service delivery system to reduce homelessness, prioritizing existing efforts to prevent homelessness, identifying federal and other funding opportunities, identifying the causes and effects of homelessness, and increasing public awareness of homelessness.

The Act also directs the council to conduct a study of issues relating to low-income seniors, low-income persons with disabilities, the availability of transportation or housing near workplaces, the adequacy of affordable housing to support economic growth and development, and the reduced availability and increased cost of affordable housing.

The council is also required to make annual recommendations to the Governor regarding matters which impact homelessness, prepare and file with the Governor and the General Assembly a biennial report on homelessness in Iowa, and assist in the completion of the state's continuum of care application to the United States Department of Housing and Urban Development.

**[SENATE FILE 2269](#)** - **Family Investment Program — Limited Benefit Plan Ineligibility Period**  
BY COMMITTEE ON HUMAN RESOURCES. This Act revises the Family Investment Program (FIP) and Promoting Independence and Self-sufficiency through Employment Job Opportunities and Basic Skills (PROMISE JOBS) Program requirements for limited benefit plans. The PROMISE JOBS Program is the work and training component of FIP. Both programs are administered by the Department of Human Services.

Under current law, Code Section 239B.9 outlines the requirements for a limited benefit plan that is applied if a FIP participant chooses not to sign a family investment agreement or fulfill the terms of the agreement. A limited benefit plan is a period of time in which a FIP participant or a member of a participant family is ineligible for cash assistance. The law provides that a first limited benefit plan continues indefinitely until the participant completes significant contact with or action regarding the PROMISE JOBS Program. Prior law provided that a subsequent limited benefit plan applied for at least six months.

The Act removes the minimum six-month ineligibility period previously required for subsequent limited benefit plans. Instead, the ineligibility period applies for six months or less as specified according to circumstances to

be outlined in administrative rules adopted by the department and continues until the participant completes significant contact with or action regarding the PROMISE JOBS Program.

**SENATE FILE 2418 - Income Tax Refunds and Credits — Information and Assistance**

BY COMMITTEE ON WAYS AND MEANS. This Act relates to income tax assistance to be provided by the Department of Human Services (DHS).

The Act directs DHS to provide to certain households materials and publications related to the federal and state earned income tax credits. These households are those in the hawk-i Program, the Family Investment Program, the Medical Assistance (Medicaid) Program, the Food Stamp Program, and other appropriate programs administered or overseen by DHS. The publications or materials to be provided are from the Internal Revenue Service, the Department of Revenue, and tax preparers who provide services to low-income and other eligible persons.

The Act also requires the Child Support Recovery Unit to assist obligors of child support and medical support to maximize their tax refunds by publicizing the services of volunteer or free income tax assistance programs and by distributing materials regarding the programs.

**HOUSE FILE 2309 - Child Support — Miscellaneous Provisions**

BY COMMITTEE ON HUMAN RESOURCES. Division I of this Act relates to the assignment of support payments to the Department of Human Services (DHS) under the Family Investment Program (FIP). The federal Deficit Reduction Act of 2005 provides that families who begin receiving FIP benefits on or after October 1, 2009, are only subject to assignment to the state of child support that becomes due during the period they are receiving FIP benefits. The Act retains the provision that the amount of the assigned child support cannot exceed the amount of FIP benefits paid to the family. The Act also provides that any rights to support payments assigned to DHS on or before September 30, 2009, remains assigned to DHS. The division takes effect October 1, 2009.

Division II of the Act provides for the provision of information regarding delinquent child support obligors as required by federal law to consumer reporting agencies and specifies the requirements that a consumer reporting agency must meet regarding the receipt and use of the information.

Division III of the Act provides that in addition to name and address information already provided to the Child Support Recovery Unit (CSRU) by public utilities, cable or other television companies, and cellular telephone companies with respect to individuals who owe or are owed support, or against or with respect to whom a support obligation is sought, the cellular telephone numbers of such individuals appearing in the customer records of cellular telephone companies shall also be available to CSRU for purposes of the Computer Match Program.

Division IV of the Act eliminates the requirement that CSRU to include the obligor's social security number on the notice form regarding the administrative levy of an account of the parent who owes delinquent child support.

Division V of the Act delays, until July 1, 2009, changes enacted in Iowa law, based upon the federal Deficit Reduction Act of 2005, regarding medical support, which would have taken effect March 1, 2008. The medical support provisions are also changed to allow for the determination of the amount of the reasonable premium cost a parent is to pay for medical support to be either an amount which is 5 percent of a parent's gross income, or, if the child support guidelines specify an income-based standard for determining the reasonable amount, the amount determined by the guidelines. Division V also allows the court an alternative means of ordering medical support for a parent with low income. References to pending actions are eliminated to provide that the new provisions relating to medical support orders only apply if there is an existing order. Division V provides that, notwithstanding any existing law to the contrary, either parent may be ordered to provide medical support in accordance with the federal Deficit Reduction Act of 2005. Division V takes effect March 25, 2008, and is retroactively applicable to March 1, 2008.

**HOUSE FILE 2328 - Family Investment Program — Family Development and Self-Sufficiency Council and Grants**

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to services associated with the Family Investment Program (FIP) by moving the responsibility for and Code provisions relating to the Family Development and Self-Sufficiency (FADSS) Council and Grant Program from the Department of Human Services (DHS) to the Community Action Agencies Division of the Department of Human Rights and revising confidentiality requirements involving FADSS and FIP.

The membership of the FADSS Council is the same as in prior law with the following exceptions: the membership slot for the DHS Child and Family Services Division Administrator is replaced with a slot for the Director of the School of Social Work at the University of Iowa, a slot is added for a current or former recipient of FIP who is a member of a racial or ethnic minority, a slot is added for a representative of providers of services to victims of domestic violence, the slot for the Public Policy Center at the University of Iowa is eliminated, and two slots each are added for members of the Senate and the House of Representatives.

The division is directed to administer the grant program. The division and DHS are authorized to disclose information and share data in accordance with Code Section 217.30, which outlines how DHS handles confidential information concerning DHS clients. The division and DHS are required to develop a memorandum of agreement to share outcome data and coordinate referrals and share information concerning shared clients. The initial items of shared information are listed but the division and DHS are authorized to change that list by mutual agreement provided the changes are specified in the memorandum of agreement.

The division is required to comply with federal block grant requirements concerning the federal and state funding for the grant program and the division is responsible for any federal penalty imposed and will receive any bonus attributable to the grant program. The division is required to ensure that state funds for the grant program are expended in a manner to qualify as state maintenance of effort funding for the federal block grant.

**HOUSE FILE 2372 - Electronic Benefits Transfer Under Food Assistance Program**

BY COMMITTEE ON HUMAN RESOURCES. This Act limits the scope of the Electronic Benefits Transfer Program maintained by the Department of Human Services (DHS). The name of the federal Food Stamp Program is in transition because these benefits are no longer distributed in paper form. The term "Food Assistance Program" is defined to mean the benefits provided through the U.S. Department of Agriculture program administered by DHS in accordance with the Code of Federal Regulations for the Food Stamp Program.

The Act also amends Code Section 234.12A, requiring DHS to maintain an Electronic Benefits Transfer Program, to provide that the requirement only applies to benefits provided through the Food Assistance Program.

**HOUSE FILE 2393 - Impact of Legislation and State Grants on Minorities — Statements**

BY COMMITTEE ON HUMAN RESOURCES. This Act requires that as part of a correctional impact statement, which assesses various effects of proposed legislation, the effects of the legislation on minorities be included. The Act also requires that all state agencies require grant applicants to include a minority impact statement as part of their applications.

A correctional impact statement is attached to any legislation that proposes a change which creates or changes public offenses or affects the penalty for existing offenses or sentencing, parole, or probation procedures. A correctional impact statement also estimates the number of criminal cases per year that will be affected, includes the fiscal impact of confinement due to the legislation, and describes the impact on the state's correctional facilities.

Each minority impact statement shall include three types of information: any disproportionate impact of the proposed policies or programs on minority persons; a rationale for any disproportionate impact on minority persons; and evidence that the applicant has consulted with representatives of minority persons where there is identifiable impact on minority persons. "Minority persons" are defined as women, persons with disabilities, Blacks, Latinos, Asians or Pacific Islanders, American Indians, and Alaskan Native Americans.

The Office of Grants Enterprise Management of the Department of Management will create and distribute the minority impact statement. The minority impact statement shall be used for informational purposes. The Act shall be carried out to the extent that it does not interfere with federal law. The use of minority impact statements in grant applications is applicable to applications due beginning January 1, 2009.

**HOUSE FILE 2564 - Disaster Aid Individual Assistance Grants**

BY COMMITTEE ON PUBLIC SAFETY. This Act modifies eligibility requirements for applicants under the Disaster Aid Individual Assistance Grant Program. The Act provides that an applicant is eligible for a grant if the applicant's annual household income is less than 200 percent of the federal poverty level and provides that the maximum grant per household is limited to \$5,000.

**HOUSE FILE 2591 - Dependent Adult Abuse — Caretaker Facilities and Programs**

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to dependent adult abuse by a caretaker in certain facilities and programs and provides for penalties.

The Act creates new Code Chapter 235E, relating to dependent adult abuse in certain facilities and programs. It authorizes the Department of Inspections and Appeals (DIA) to receive and evaluate reports of dependent adult abuse by a caretaker within elder group homes, assisted living programs, adult day service programs, and hospitals, and it transfers the existing authority of DIA to receive and evaluate reports of dependent adult abuse within health care facilities under Code Chapter 235B, "dependent adult abuse," to new Code Chapter 235E. Under current law, the Department of Human Services (DHS) has the authority to receive and evaluate reports of dependent adult abuse by a caretaker within elder group homes, assisted living programs, adult day service programs, and hospitals.

A "caretaker" is defined to mean a person who is a staff member of a facility or program who provides care, protection, or services to a dependent adult voluntarily, by contract, through employment, or by court order; "dependent adult" is defined to mean a person 18 years of age or older whose ability to perform the normal activities of daily living or to provide for the person's own care or protection is impaired, either temporarily or permanently; "facility" is defined to mean a health care facility (residential care facility, nursing facility, or certain intermediate care facilities) or a hospital; and "program" is defined to mean an elder group home, an assisted living program, or an adult day services program.

The Act defines "dependent adult abuse" to mean any of the following as a result of the willful misconduct or gross negligence, or reckless acts or omissions, of a caretaker: physical injury to, or injury which is at a variance with the history given of the injury, or unreasonable confinement, unreasonable punishment, or assault of a dependent adult; the commission of a sexual offense with or against a dependent adult; exploitation of a dependent adult; neglect of a dependent adult; and sexual exploitation of a dependent adult by a caretaker whether within a facility or program or at a location outside of a facility or program. "Dependent adult abuse" does not include circumstances involving the exercise of religious beliefs or fulfilling the wishes of a dependent adult with a terminal illness to withhold health care.

Mandatory reporters required to report incidents of dependent adult abuse to DHS include members of the staff or employees of facilities and programs as defined in the Act. The Act provides civil and criminal immunity to a person who in good faith reports a suspected case of dependent adult abuse in a facility or program and also provides that a mandatory reporter who knowingly and willfully fails to report a suspected case of dependent adult abuse commits a simple misdemeanor and is civilly liable for the damages proximately caused by the knowing failure to report. A person or employer who discharges, suspends, or otherwise disciplines a person who reports an instance of suspected dependent adult abuse is guilty of a simple misdemeanor. A simple misdemeanor is punishable by confinement for no more than 30 days, or a fine of at least \$65 but not more than \$625, or by both.

DIA is required to inform the appropriate county attorneys of any reports of dependent adult abuse. If DIA's assessment reveals that dependent adult abuse exists which might constitute a criminal offense, a report shall be made to the appropriate law enforcement agency. County attorneys and appropriate law enforcement agencies shall also take any other lawful action necessary or advisable for the protection of the dependent

adult. In addition, if a peace officer has reason to believe that dependent adult abuse, which is criminal in nature, has occurred in a facility or a program, the officer shall remain on the scene as long as there is a danger to the dependent adult's physical safety, assist the dependent adult in leaving the facility or program and securing support services or emergency shelter services, assist the dependent adult in obtaining medical treatment, and provide the dependent adult with immediate and adequate notice of the dependent adult's rights.

If, upon completion of an investigation, DIA determines that the best interests of the dependent adult require court action, DIA must notify DHS of the potential need for a guardian or conservator or for admission or commitment to an appropriate institution or facility. The court may also appoint an attorney or a guardian ad litem to represent the dependent adult.

A DIA inspector may enter any facility without a warrant and may examine all records pertaining to residents, employees, former employees, and the dependent adult abuser; may contact or interview any resident, employee, former employee, or any other person who might have knowledge about the alleged abuse; and may take photographs of the dependent adult victim and the vicinity involved.

DIA is required to inform DHS about the dependent adult abuse evaluations and dispositions for inclusion in the Dependent Adult Abuse Information Registry created and maintained pursuant to Code Chapter 235B.

The Act changes the composition of the Dependent Adult Protective Advisory Council established in Code Chapter 235 by adding two members from the Iowa Caregivers Association.

**[HOUSE FILE 2603](#) - Civil Commitment — Periodic Reporting — Authorized Health Care Practitioners**  
BY COMMITTEE ON HUMAN RESOURCES. This Act authorizes certain advanced registered nurse practitioners and psychiatrists to file certain periodic court reports on chronic substance abusers and persons with mental illness who do not require full-time placement in a treatment facility. Prior law only authorized the reports to be filed by the facility's chief medical officer.

No more than 60 days after entry of a court order for treatment of a respondent who is either a chronic substance abuser (Code Chapter 125) or has a mental illness (Code Chapter 229) who does not require full-time placement in a treatment facility and thereafter at successive intervals not to exceed 90 days for as long as the involuntary treatment continues, the psychiatrist or psychiatric advanced registered nurse practitioner treating the patient shall have the authority, along with the administrator of the treatment facility, to report to the court which entered the order and shall state whether in the opinion of the psychiatrist or psychiatric advanced registered nurse practitioner the respondent's condition has improved, remains unchanged, or has deteriorated, and shall indicate the further length of time the respondent will require treatment by the facility.

A psychiatric advanced registered nurse practitioner treating a patient previously hospitalized under either Code Chapter 125 or Code Chapter 229 may complete periodic reports on the patient if the patient has been recommended for treatment on an outpatient or other appropriate basis and if a psychiatrist licensed pursuant to Code Chapter 148, 150, or 150A personally evaluates the patient on at least an annual basis. An advanced registered nurse practitioner who is not certified as a psychiatric advanced registered nurse practitioner but who meets certain mental health treatment qualifications may also complete periodic reports pursuant to the Act.

The Act defines a "psychiatric advanced registered nurse practitioner" as an individual currently licensed as a registered nurse under Code Chapter 152 or 152E who holds a national certification in psychiatric health care and who is registered with the Board of Nursing as an advanced registered nurse practitioner.



## LABOR AND EMPLOYMENT

- [SENATE FILE 2154](#) - Lifts, Hoists, and Other Conveyances — Wheelchair Lifts
- [SENATE FILE 2157](#) - Regulation of Carnival and Fair Safety — Amusement Ride Inspections
- [SENATE FILE 2160](#) - Unemployment Insurance — Benefits, Employer Participation and Reporting, and Miscellaneous Penalties
- [SENATE FILE 2221](#) - Workers' Compensation — Burial Expenses
- [SENATE FILE 2222](#) - Payment of Wages
- [SENATE FILE 2303](#) - Workers' Compensation Benefits — Settlements and Employer Surcharges
- [SENATE FILE 2304](#) - Boiler and Pressure Vessel and Elevator Safety Revolving Funds
- [HOUSE FILE 2194](#) - State Minimum Wage Requirements — Applicability
- [HOUSE FILE 2542](#) - Out-of-State Work-Related Injuries
- [HOUSE FILE 2568](#) - Workers' Compensation — Calculation of Certain Weekly Benefits
- [HOUSE FILE 2645](#) - Public Employee Collective Bargaining — Teacher Discipline — VETOED BY THE GOVERNOR

### RELATED LEGISLATION

- [SENATE FILE 2036](#) - Division of Criminal and Juvenile Justice Planning — Miscellaneous Changes  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act permits the Division of Criminal and Juvenile Justice and Planning of the Department of Human Rights to have access to the records of the Department of Workforce Development for the purpose of research and evaluation.
- [SENATE FILE 2156](#) - Commercial Motor Vehicle Regulation — Operators and Employers  
**SEE TRANSPORTATION.** This Act provides penalties for violations of out-of-service orders by commercial motor vehicle operators and includes provisions relating to employers' responsibility for certain actions of their employees who operate commercial motor vehicles.
- [SENATE FILE 2269](#) - Family Investment Program — Limited Benefit Plan Ineligibility Period  
**SEE HUMAN SERVICES.** This Act revises the Family Investment Program (FIP) and Promoting Independence and Self-sufficiency through Employment Job Opportunities and Basic Skills (PROMISE JOBS) Program requirements for limited benefit plans. The PROMISE JOBS Program is the work and training component of FIP. Both programs are administered by the Department of Human Services.
- [SENATE FILE 2317](#) - Substantive Code Corrections  
**SEE STATE GOVERNMENT.** This Act contains statutory corrections in provisions relating to paid state holidays; gubernatorial appointments; state human resources management; the administration, duties, meetings, and membership of the Public Employment Relations Board and the State Appeal Board; public improvement contracts; resident bidder preferences in public contracts; workers' compensation and the Department of Workforce Development; certain Iowa Public Employment Retirement System benefits payments; electrician licensing; school administrator licensing procedures; civil service appeal procedures; public accountancy examinations; and employers of alien workers.
- [SENATE FILE 2428](#) - Debts Owed the State or Political Subdivisions — Collection, Payment, and Sanctions  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act permits a county attorney to have access to information collected by the Department of Workforce

Development at the county attorney's office, provided the county attorney's office pays for the installation of the equipment to provide such access. Currently, a county attorney has access to such information at the local workforce development offices.

[HOUSE FILE 2065](#)

- Employment and Leaves of Absence — Military Service  
**SEE PUBLIC DEFENSE AND VETERANS.** This Act concerns employee rights relative to leaves of absence from work for purposes of military service.

[HOUSE FILE 2212](#)

- Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas. The Act provides findings which include that environmental tobacco smoke causes and exacerbates disease in nonsmoking adults and children, and these findings are sufficient to warrant measures to regulate smoking in public places, places of employment, and outdoor areas to protect the public health and the health of employees. The stated purpose of the Act is to reduce the level of exposure by the general public and employees to environmental tobacco smoke to improve the public health of Iowans. The Act prohibits smoking in all enclosed areas of places of employment, provides exceptions to the prohibition, and provides civil penalties.

[HOUSE FILE 2555](#)

- Insurance and Other Matters Regulated by Insurance Division  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act relates to various matters under the purview of the Insurance Division of the Department of Commerce, including workers' compensation liability insurance.

[HOUSE FILE 2699](#)

- Appropriations — Economic Development  
**SEE APPROPRIATIONS.** This Act makes appropriations to the Department of Cultural Affairs, the Department of Economic Development, certain Board of Regents institutions, the Department of Workforce Development, and the Public Employment Relations Board, and contains certain other related matters.

## LABOR AND EMPLOYMENT

### [SENATE FILE 2154](#) - Lifts, Hoists, and Other Conveyances — Wheelchair Lifts

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act updates the definition of "inclined or vertical wheelchair lift" to reflect the current American Society of Mechanical Engineers safety standards. The Act also specifies that operating permits need to be posted near inclined or vertical wheelchair lifts.

### [SENATE FILE 2157](#) - Regulation of Carnival and Fair Safety — Amusement Ride Inspections

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act relates to amusement ride inspections and fees. Prior law authorized private amusement ride inspectors who are sponsored by amusement ride operators to perform inspections for such operators. The Act strikes the authorization for these private inspectors. The Act also increases the annual permit and inspection fees for amusement rides effective January 1, 2009.

### [SENATE FILE 2160](#) - Unemployment Insurance — Benefits, Employer Participation and Reporting, and Miscellaneous Penalties

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act makes changes to the unemployment insurance benefits process. The Act provides that benefits which are determined on appeal to have been mistakenly awarded to a claimant since an initial determination of eligibility will not be recovered from the claimant if the employer did not participate in the initial determination, unless the claimant received the benefits as a result of fraud or misrepresentation. An accounting firm, agent, unemployment insurance accounting firm, or other entity that demonstrates a pattern of failing to participate in initial unemployment claim determinations shall be denied permission by the Department of Workforce Development to represent employers.

The Act also creates a \$35 penalty for each delinquent or insufficient wage report from an employer. The Act mandates a \$30 fee and costs to be paid by an employer who tenders a faulty unemployment contribution payment to the department. An employer who is served with a subpoena relating to administration of unemployment insurance law is responsible for paying all service fees and court costs associated with the subpoena. Refusal or negligent failure to honor the subpoena shall result in a penalty of \$250 by the department. The sections of the Act relating to penalties and subpoena fees take effect January 1, 2009.

### [SENATE FILE 2221](#) - Workers' Compensation — Burial Expenses

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act changes the computation for determining workers' compensation benefit payments for burial expenses from a flat \$7,500 to 12 times the statewide average weekly wage rate as determined by the Department of Workforce Development.

### [SENATE FILE 2222](#) - Payment of Wages

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act expands the circumstances under which an employee's overdraft charges that were caused by an employer's failure to pay wages timely would be the basis for a wage claim to all failures to timely pay wages rather than only failures to send wages for direct deposit. The Act also permits an employee to make a written request to have wages sent by mail. The employer must keep the request for record purposes for as long as the request is in effect plus two years.

### [SENATE FILE 2303](#) - Workers' Compensation Benefits — Settlements and Employer Surcharges

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act allows parties to a settlement for workers' compensation benefits to agree that the employee has the right to medically related benefits pursuant to Code Section 85.27 under such terms and conditions as agreed to by the parties in the settlement for a specified period of time after the settlement has been approved by the Workers' Compensation Commissioner. During the specified period of time, the Workers' Compensation Commissioner retains jurisdiction of the settlement for the purpose of adjudicating the employee's entitlement to the medically related benefits.

The Act also strikes the repeal of Code Section 85.65A on July 1, 2008, and allows continuation of a surcharge on employers to fund the Workers' Compensation Second Injury Fund.

The Act takes effect May 7, 2008.

**[SENATE FILE 2304](#) - Boiler and Pressure Vessel and Elevator Safety Revolving Funds**

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act strikes Code provisions that on July 1, 2012, would terminate the Boiler and Pressure Vessel Safety Fund and Elevator Safety Revolving Fund.

**[HOUSE FILE 2194](#) - State Minimum Wage Requirements — Applicability**

BY COMMITTEE ON LABOR. This Act replaces minimum wage requirement exemptions in the Code that are tied to the federal Fair Labor Standards Act.

Currently, the Code adopts by reference exemptions to the federal Fair Labor Standards Act that were in place when Iowa's Minimum Wage Law was enacted in 1989 but which were repealed from the United States Code on November 17, 1989.

The federal provision allowed a retail or service establishment to pay employees engaged in certain services less than the federal minimum wage if more than 50 percent of the establishment's annual dollar volume of sales of goods or services is made in the state in which the establishment is located and 75 percent of whose annual dollar volume of sales of goods or services is not for resale.

The Act provides that the state's minimum wage requirements do not apply to an enterprise whose annual gross volume of sales or business done, exclusive of excise taxes at the retail level which are separately stated, is less than \$300,000, unless the enterprise is engaged in the business of laundering, cleaning, or repairing clothing or fabrics; is engaged in construction or reconstruction; is engaged in the operation of hospitals, facilities serving the elderly or persons with mental or physical illnesses or disabilities, or educational institutions; or is a public agency.

**[HOUSE FILE 2542](#) - Out-of-State Work-Related Injuries**

BY COMMITTEE ON LABOR. This Act concerns work-related injuries suffered and claims made outside of this state.

Code Section 85.71 is amended to allow workers' compensation claims to be made in this state for injuries suffered by an employee while working outside the state when: (1) the employer has a place of business in this state and the employee regularly works at or from that place of business; (2) the employee is working under a contract of hire made in this state and sustains an injury for which no remedy is available under the workers' compensation laws of another state; (3) the employee is working under a contract of hire made in this state for employment outside the United States; or (4) the employer has a place of business in Iowa, and the employee is working under a contract of hire which provides that the employee's workers' compensation claims be governed by Iowa law. The Act also provides that the section shall be construed to confer personal jurisdiction over an employee or employer to whom the section is applicable.

Code Section 85.72 is amended to provide that workers' compensation benefits paid in another state or country constitute weekly compensation benefits for the purposes of Code Section 85.26, concerning limitation of actions, and Code Section 86.13, concerning compensation payments.

**[HOUSE FILE 2568](#) - Workers' Compensation — Calculation of Certain Weekly Benefits**

BY COMMITTEE ON LABOR. This Act requires the weekly workers' compensation benefit rate to be computed by including an employee's shift differential pay.

The Act also changes the weekly workers' compensation rate for permanent disability compensation for inmates of certain state institutions from 66 and two-thirds of the state average weekly wage to the minimum rate provided in Code Chapter 85.

**[HOUSE FILE 2645](#) - Public Employee Collective Bargaining — Teacher Discipline — VETOED BY THE GOVERNOR**

BY COMMITTEE ON LABOR. This bill would have made changes relative to public employee collective bargaining and teacher discipline.

*PUBLIC EMPLOYEE COLLECTIVE BARGAINING.* The bill would have modified items that are within the scope of negotiations relative to public employee collective bargaining. The bill would have required negotiations between the public employer and the employee organization about several new items, in addition to those currently required, such as work shifts and schedules, determination of the health insurance carrier, preparation time, class size, discipline and discharge, work uniforms, staffing levels, and certain retirement-related matters. Unlike current law, which provides that additional items can be negotiated only if the parties mutually agree, the bill would have required negotiations on other terms of employment not specifically excluded from the scope of negotiations. The bill specifically excluded from negotiations all retirement systems established by statute and discharge procedures for teachers. The bill also would have made additional changes to the law governing public employee collective bargaining.

*TEACHER CONTRACTS AND DISCIPLINE.* The bill would have amended Code Sections 279.15 through 279.18 concerning the teacher termination process. The bill provided that a teacher may request a private meeting with the school board in closed session following notification that the superintendent intended to terminate the teacher. The bill also would have provided that if the school board accepted the superintendent's decision that the teacher contract should be terminated, the teacher may request that the decision be reviewed at a private hearing by an adjudicator selected by the parties from a list provided by the Public Employment Relations Board. Current law provides that the decision is reviewed by the school board; however, under the bill, the adjudicator selected would have been responsible for conducting the private hearing and for reaching a decision which decision is deemed final. Code Section 279.17, providing for an appeal from the school board's decision to an adjudicator, and Code Section 279.18, providing for a further appeal to district court following the adjudicator's decision, would have been repealed by the bill.

Code Section 279.19, concerning the probationary period for teachers in the first three years of employment, would have been stricken and rewritten to apply only to beginning teachers. The bill then provided that the procedures governing termination of teachers applied to beginning teachers and also provided that if an adjudicator were utilized, the adjudicator would have determined if the beginning teacher had sufficiently demonstrated competency under the standards listed in Code Section 284.3, subsection 1. If the adjudicator determined that such competency had been established, the bill would have required the Board of Educational Examiners to issue a standard license to the teacher.

Code Section 279.40, concerning public school employee sick leave amounts, would have been amended to provide that the amounts would not be reduced pursuant to benefits payable under workers' compensation.

Code Section 279.46, concerning early retirement incentives for school employees, would have been amended to provide the incentive program under this Code section as an option if the school district and an employee organization had not negotiated an early retirement incentive plan pursuant to Code Chapter 20.



## LOCAL GOVERNMENT

- [SENATE FILE 2054](#) - County Mental Health, Mental Retardation, and Developmental Disabilities Services Expenditures — State Payment
- [SENATE FILE 2415](#) - Emergency Response Districts — Pilot Projects
- [SENATE FILE 2429](#) - Budget Requirements for Qualified Cities
- [HOUSE FILE 247](#) - Joint E911 Service Boards — Voting Membership for Cities or Townships With Volunteer Fire Departments
- [HOUSE FILE 2366](#) - Peace Officer and Emergency Services Communication Equipment and Services — Bonding
- [HOUSE FILE 2392](#) - City Utilities or Enterprises — Rates and Services
- [HOUSE FILE 2423](#) - County Mental Health, Mental Retardation, and Developmental Disabilities Services — Risk Pool Assistance Procedures

### RELATED LEGISLATION

- [SENATE FILE 261](#) - Real Property Transfers — Private Sewage Disposal Systems Inspections  
**SEE ENVIRONMENTAL PROTECTION.** This Act relates to required inspections of certain private sewage disposal systems upon the sale or transfer of property.
- [SENATE FILE 2132](#) - Disposition of Seized Property — Notice — Value  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act relates to seized property and the disposal of such property.
- [SENATE FILE 2134](#) - Veterans — County Commissions, Training, and Motor Vehicle Registration Plates  
**SEE PUBLIC DEFENSE AND VETERANS.** This Act contains provisions concerning county commissions of veteran affairs, including requirements for minimum hours of service based on the county's population and a requirement that each county employ an executive director or administrator. The Act also specifies training requirements for executive directors and administrators. Beginning July 1, 2009, the Act appropriates \$1 million each year from the General Fund of the State to a County Commissions of Veteran Affairs Fund. The Act directs the Department of Veterans Affairs to allocate \$10,000 from the fund to each county to be used for the employment of an executive director or administrator. The Act further directs the department to use remaining moneys in the fund to provide training, certification, and accreditation programs for executive directors, administrators, and employees. Portions of the Act concerning county commissions of veteran affairs take effect July 1, 2009.
- [SENATE FILE 2246](#) - Real Estate Transaction Disclosure Requirements  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act relates to mandatory disclosures in real estate transactions by eliminating from the required disclosures under Code Section 558A.4 whether the property is located in a real estate improvement district and the amount of any special assessment against the property.
- [SENATE FILE 2248](#) - Providers of Municipal Cable or Video Services — Certificate of Franchise Authority Applications  
**SEE BUSINESS, BANKING AND INSURANCE.** This Act modifies certain provisions applicable to an application for a certificate of franchise authority to provide cable and video services.
- [SENATE FILE 2337](#) - Liability Insurance Coverage for Fairs  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act allows the Association of Iowa Fairs or a fair that is a member of the association to establish a self-insured program

for the payment of workers' compensation benefits and to be deemed a municipality for the purpose of joining a local government risk pool to purchase liability insurance.

- [SENATE FILE 2340](#) - Children Under Out-of-Home Placement Orders — Identity Documents  
**SEE CHILDREN AND YOUTH.** This Act relates to children who are subject to a court order for out-of-home placement by requiring that on or before the date such a child reaches age 18 a certified copy of the child's birth certificate and assistance in securing a federal Social Security card be provided to the child. The state or county registrar is required to waive the fee for the birth certificate.
- [SENATE FILE 2347](#) - Elections, Voting Systems, and Infrastructure — Funding  
**SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE.** This Act requires a county, for elections held on or after November 4, 2008, to use an optical scan voting system only and requires that continuing education be provided to certain employees of the office of county commissioner of elections. The Act takes effect April 1, 2008.
- [SENATE FILE 2400](#) - Appropriations — Administration and Regulation  
**SEE APPROPRIATIONS.** This Act relates to and appropriates from the General Fund of the State, and from other funds, to various administrative and regulatory state departments, agencies, and funds for FY 2008-2009. The Act also establishes three deputy sheriffs positions classified as second deputy sheriffs in counties with a population of more than 150,000 but not more than 200,000, allows county boards of supervisors to reimburse educational expenses for county officials after the officer is elected but prior to taking office, and provides that community colleges are considered part of a community-wide area that can present local governance and revenue models to the Local Government Innovation Commission.
- [SENATE FILE 2419](#) - Speculative Shell Building Property Tax Incentives  
**SEE TAXATION.** This Act modifies the current property tax exemption for reconstruction or renovation of a building as a speculative shell building to provide that the exemption shall be for the value of the land and the building and the exemption may begin in the assessment year following the assessment year in which the project commences. The Act applies to speculative shell building projects that involve complete replacement or refitting of an existing building or structure, and applies retroactively to January 1, 2007, for projects approved prior to that date.
- [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME-21  
**SEE TRANSPORTATION.** This Act increases certain vehicle registration fees and title fees collected by county treasurers and establishes a new vehicle classification, the "business-trade truck," for registration of small trucks owned by qualifying business entities or farmers. Penalties are established for improper registration of a business-trade truck, and a percentage of penalties collected by a county treasurer may be retained for deposit in the county general fund. The Act repeals the use tax on vehicles subject to registration and leased vehicles and replaces the tax with a one-time registration fee to be collected by county treasurers in the same manner as the use tax.
- [SENATE FILE 2425](#) - Appropriations — Health and Human Services  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations for health and human services for FY 2008-2009 and includes numerous provisions involving local government, including funding for mental health, mental retardation, and developmental disabilities; services administered by counties; community empowerment areas, and local public health authorities.

- [HOUSE FILE 2119](#) - Fingerprinting of Children  
**SEE CHILDREN AND YOUTH.** This Act relates to the taking of fingerprints of a child by a governmental unit at a county or district fair, as authorized by the child's parent or guardian for use if the child becomes a runaway or missing child.
- [HOUSE FILE 2195](#) - Enterprise Zones — County Distress Criteria  
**SEE ECONOMIC DEVELOPMENT.** This Act relates to the designation of enterprise zones by modifying the calculation of a county's percentage population loss.
- [HOUSE FILE 2196](#) - Department of Transportation Revenue Collection Methods — Electronic Payment Study  
**SEE TRANSPORTATION.** This Act requires the Department of Transportation, in cooperation with the Treasurer of State, to study the possibility of accepting electronic payments at its customer service sites, including those operated by county treasurers.
- [HOUSE FILE 2212](#) - Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas. The Act specifically prohibits smoking in public transportation facilities and conveyances under the authority of the state or its political subdivisions, including buses and taxicabs and including the ticketing, boarding, and waiting areas of these facilities and in public buildings and vehicles owned, leased, or operated by or under the control of the state government or its political subdivisions. The Act also prohibits smoking on the grounds of public buildings, but specifically exempts from the prohibition state, district, and county fairgrounds. The Act provides for enforcement by the Department of Public Health or its designee, and if a local authority is designated by the department for enforcement, any civil penalties paid are to be deposited in the general fund of the respective city or county.
- [HOUSE FILE 2213](#) - Regulation of Motor Vehicles — Miscellaneous Changes  
**SEE TRANSPORTATION.** This Act contains technical provisions relating to the titling and registration of vehicles by county treasurers. The Act broadens the authority of county treasurers to collect civil penalties required for reinstatement of a driver's license and expands the scope of installment agreements between a person with a revoked driver's license and a county attorney to include revocations for operating while intoxicated and financial responsibility violations.
- [HOUSE FILE 2215](#) - Private Activity Bond Allocation Procedures and Limitations  
**SEE ECONOMIC DEVELOPMENT.** This Act amends the Private Activity Bond Allocation Act by limiting the amount of the annual state ceiling which may be allocated to a single project, by increasing the length of the validity period following certification of the allocation from 30 days to 120 days, and by decreasing the extension period from 45 days to 30 days.
- [HOUSE FILE 2554](#) - Levee and Drainage Districts — Repair and Improvement Procedure Thresholds  
**SEE AGRICULTURE.** This Act amends provisions in Code Section 468.126, which authorizes a governing board of a drainage or levee district (e.g., a county board of supervisors) to make improvements to a drainage or levee district by increasing the amount of money required to be paid by the board for making the improvement before triggering the right of public participation in decision making.
- [HOUSE FILE 2620](#) - Elections, Voting, and Voter Registration — Miscellaneous Provisions  
**SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE.** This Act makes various changes to the Code relating to the conduct of elections, voting, and voter registration. Division III of the Act limits and specifies the dates that cities and counties can hold special elections on certain public measures.

- [HOUSE FILE 2642](#) - Validity of Treasurer's Deeds — Defects in Notice of Redemption Rights  
**SEE TAXATION.** This Act modifies statutory provisions relating to challenges to the validity of treasurer's deeds under certain circumstances. The Act takes effect April 8, 2008, and applies to treasurer's deeds issued on or after that date.
- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act establishes a policy of cooperation between highway authorities and utility companies during the design phase of highway construction projects; addresses statutory limits on the transfer of a county's general fund moneys to the county's secondary road fund; and provides for the creation of benefited secondary road services districts to allow certain residential subdivisions to obtain county road services.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters. Division IV includes amendments to the regular local sales and services tax to allow the increase in certain revenues collected in the city to be used for urban renewal projects, addresses appeals of the decisions of property tax assessment boards of review, and prohibits cities and counties from imposing licensing or registration fees relating to owner-occupied manufactured or mobile homes.

## LOCAL GOVERNMENT

### **SENATE FILE 2054 - County Mental Health, Mental Retardation, and Developmental Disabilities Services Expenditures — State Payment**

BY COMMITTEE ON HUMAN RESOURCES. This Act authorizes state payment of certain mental health, mental retardation, and developmental disabilities services (MH/MR/DD) allowed growth funding and property tax relief funding for certain counties that did not originally meet the requirements for the payment.

Under current law, in order to be eligible to receive the funding, a county must accurately report the county's expenditures for such services for the previous fiscal year and an annual management plan review by December 1. The Act provides that a county is also eligible if the report was received after December 1, 2007, and on or before March 15, 2008. Senate File 2425 (see Appropriations) amends Code Section 331.439 to allow the department in future years to extend the deadline for good cause.

The Act takes effect February 4, 2008, and is retroactively applicable to December 1, 2007.

### **SENATE FILE 2415 - Emergency Response Districts — Pilot Projects**

BY COMMITTEE ON WAYS AND MEANS. This Act authorizes a county to participate in a five-year pilot project to establish an emergency response district to facilitate the delivery and funding of fire protection service and emergency medical service. A district may only be established by a resolution of the county board of supervisors following a public hearing and approval of the district plan by the State Fire Marshal in consultation with a report provided by the county finance committee. The district plan must include information related to personnel, equipment, facilities, and resources that may be shared by the various fire departments and emergency medical service providers, financial information, and transition procedures.

The district is governed by a commission consisting of a member of the board of supervisors, the sheriff, and the mayor from each city within the district. The Act directs the commission to appoint a district fire chief who is responsible for the coordination of fire protection service and emergency medical service throughout the district. The Act also provides transition provisions relating to existing fire protection and emergency medical services provided by townships and existing emergency medical services districts.

The commission is required to submit an annual report to the State Fire Marshal and also submit the fourth annual report to the Governor and the General Assembly.

The commission may annually levy a tax of not more than \$1.60 and 3/4 cents per \$1,000 of assessed value on all the taxable property within the district after holding a public hearing on the proposed property tax levy rate. The Act provides that a city within the district shall reduce its general fund tax levy rate by the amount of the tax rate levied within the city by the district. The district may issue bonds if the indebtedness is authorized by election.

### **SENATE FILE 2429 - Budget Requirements for Qualified Cities**

BY COMMITTEE ON APPROPRIATIONS. This is a general legalizing Act that in this instance applies to a city which has a population of 75 persons or less according to the 2000 federal census and that failed to comply with state budgetary requirements relating to preparing and submitting an annual report and a budget to the county auditor and Department of Management in 2005 and 2006. Such a city that complies with the requirements by July 1, 2008, is deemed to have complied with the statutory requirements. The Act provides that statutory provisions requiring a public hearing and allowing a written citizen protest are inapplicable.

The Act takes effect May 7, 2008.

### **HOUSE FILE 247 - Joint E911 Service Boards — Voting Membership for Cities or Townships With Volunteer Fire Departments**

BY WHITAKER, ET AL. This Act relates to voting membership on joint E911 service boards. Currently, Code Section 34A.3, subsection 1, confers voting membership privileges on political subdivisions having a public safety agency serving territory within a county, and nonvoting membership privileges to private safety agencies

operating within the area. The Code section also provides that a township contracting for such services in lieu of operating its own public safety agency shall not be entitled to membership privileges, but that the contracting entity shall be entitled to a voting or nonvoting membership depending on its status as a public or private safety agency. The Act provides that a township operating a volunteer fire department or a city operating a volunteer fire department not financed through city government shall be regarded as a political subdivision having a public safety agency, thereby conferring voting member status.

**HOUSE FILE 2366 - Peace Officer and Emergency Services Communication Equipment and Services — Bonding**

BY COMMITTEE ON LOCAL GOVERNMENT. This Act amends the definitions of "essential county purpose" and "essential corporate purpose" to include peace officer communication equipment and other emergency services communication equipment and systems. A county board of supervisors may approve the issuance of general obligation bonds to carry out an essential county purpose without approval by voters at an election. Similarly, a city council may approve the issuance of general obligation bonds to carry out an essential corporate purpose without approval by voters at an election.

The Act takes effect March 13, 2008.

**HOUSE FILE 2392 - City Utilities or Enterprises — Rates and Services**

BY COMMITTEE ON LOCAL GOVERNMENT. This Act relates to certain services provided by a city utility or city enterprise by making changes to the procedures for notice and collection of delinquent rates and charges and by making changes to billing notifications for water services provided to certain residential property by a city utility or city enterprise.

Under current law, delinquent rates or charges for the services of water, sewer systems, storm water drainage systems, sewage treatment, or solid waste collection and disposal provided by a city utility, city enterprise, or combined city enterprise (utility) become a lien against the property receiving the services upon certification of the delinquent amount to the county treasurer. The delinquent amount then becomes collectible as a special assessment. Special assessments are collected in the same manner as property taxes. Current law also provides that service may be discontinued at the property if rates or charges for these services become delinquent. Notice of discontinuance of service or notice of intent to certify a delinquency to the county treasurer for collection must be provided to the account holder.

The Act specifies that notice of discontinuance or notice of intent to certify a delinquency to the county treasurer must be provided to the account holder in whose name the delinquent rates or charges were incurred. If delinquent rates or charges were incurred prior to the date a fee simple transfer of the property where the service was provided is filed with the county recorder, and such delinquency was not certified to the county treasurer prior to the date the transfer was filed, the delinquency is not eligible for certification to the county treasurer. If certification of such a delinquency is attempted, the county treasurer is directed to return the certification to the utility along with a notice stating that the delinquent rates or charges cannot be made a lien against the property. However, the delinquent rates or charges may be certified against any other property or premises located in the state and owned by the account holder in whose name the delinquent amount was incurred.

Service to a new account holder may not be withheld or discontinued based on delinquent charges incurred by a prior account holder at the same premises unless the utility has certified the delinquent amount to the county treasurer in a timely manner, i.e., prior to the date a transfer of the property in fee simple is filed with the county recorder. Such delinquent amount may not be collected from the new account holder unless the delinquent amount has been certified to the county treasurer in a timely manner, i.e., prior to the date the transfer of the property is filed with the county recorder.

Under current law, if water service is separately metered and paid directly by a tenant of residential rental property, the owner of the property, in order to be exempt from a lien for delinquent rates or charges, is required to notify the city utility that the property is rental property, that the tenant is responsible for water charges at the property, and the name of the tenant. Current law also requires the owner to notify the city

utility each time there is a change in tenant at the residential rental property within 10 days of the change in tenant. The Act increases this notification period from 10 to 30 days.

**[HOUSE FILE 2423](#) - County Mental Health, Mental Retardation, and Developmental Disabilities Services — Risk Pool Assistance Procedures**

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to the risk pool for county mental health, mental retardation, and developmental disabilities (MH/MR/DD) services by revising procedural and qualifying requirements.

The Act changes the application deadline from January 25 to October 31, requires the risk pool board to issue its decisions on or before December 15 instead of February 25, eliminates a preapproval application process, and requires the warrants for risk pool assistance to be issued on or before January 1 instead of by the end of the fiscal year. Under prior law, to qualify for risk pool assistance, the ending balance in a county's MH/MR/DD services fund in the fiscal year ending immediately preceding the fiscal year of application had to be less than 20 percent of the gross services expenditures for that fiscal year. The Act changes the qualifying fiscal year to the fiscal year which commenced two years prior to the fiscal year of application.



## NATURAL RESOURCES AND OUTDOOR RECREATION

- [SENATE FILE 2108](#) - Gift to Iowa's Future Recognition Day
- [SENATE FILE 2198](#) - Brushy Creek Recreation Area — Advisory Board Membership
- [SENATE FILE 2230](#) - Turkey and Deer Hunting Licenses — Nonresident Disabled or Terminally Ill Persons
- [SENATE FILE 2328](#) - Wild Animal Depredation Management — Deer Harvesting
- [SENATE FILE 2380](#) - Water Trails and Low Head Dam Public Hazard Program
- [S.J.R. 2002](#) - Proposed Constitutional Amendment — Natural Resources and Outdoor Recreation Trust Fund
- [HOUSE FILE 2177](#) - Transportation Tags on Antlered Deer
- [HOUSE FILE 2580](#) - Sustainable Natural Resource Funding Advisory Committee
- [HOUSE FILE 2581](#) - Donation of Food to Department of Natural Resources or County Conservation Boards — Liability
- [HOUSE FILE 2612](#) - Natural Resources Regulation — Miscellaneous Provisions

### RELATED LEGISLATION

- [SENATE FILE 261](#) - Real Property Transfers — Private Sewage Disposal Systems Inspections  
**SEE ENVIRONMENTAL PROTECTION.** This Act relates to required inspections of certain private sewage disposal systems upon the sale or transfer of property.
- [SENATE FILE 2276](#) - Solid Waste Disposal — Miscellaneous Changes  
**SEE ENVIRONMENTAL PROTECTION.** This Act relates to the disposal of solid waste by changing permitting requirements and updating and clarifying existing provisions.
- [SENATE FILE 2317](#) - Substantive Code Corrections  
**SEE STATE GOVERNMENT.** This Act contains statutory corrections in provisions relating to the definitions of "person" and "navigable waters" and applications for a hunting preserve operating license.
- [SENATE FILE 2321](#) - Mercury-Containing Lamps Recycling Study  
**SEE ENVIRONMENTAL PROTECTION.** This Act relates to the recycling of mercury-containing lamps by providing for a study.
- [SENATE FILE 2428](#) - Debts Owed the State or Political Subdivisions — Collection, Payment, and Sanctions  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act withholds the issuance of a hunting, fishing, or other recreational license if the person owes a debt greater than \$1,000 placed with the Centralized Collection Unit of the Department of Revenue.
- [HOUSE FILE 2400](#) - Surface Water Quality — Assessment, Protection, and Improvement  
**SEE ENVIRONMENTAL PROTECTION.** This Act relates to the protection of surface water by establishing a Water Resources Coordinating Council, authorizing a marketing campaign, directing assistance to local communities for monitoring and measurement, providing for a wastewater and storm water infrastructure assessment and for community-based watershed improvement plans, and creating a Regional Watershed Assessment Program.
- [HOUSE FILE 2601](#) - State Interagency Missouri River Authority  
**SEE AGRICULTURE.** This Act amends provisions which create the State Interagency Missouri River Authority, which is responsible for representing the interests of this state concerning the management of the Missouri River, including by providing for decision

making by the authority's membership which includes the heads of the departments of Natural Resources, Agriculture and Land Stewardship, Transportation, Economic Development, and the Iowa Utilities Board or their designees.

[HOUSE FILE 2662](#)

- Appropriations — Agriculture and Natural Resources  
**SEE APPROPRIATIONS.** This Act relates to agriculture and natural resources by making appropriations for FY 2008-2009 to support related entities, including the Department of Natural Resources. The Act appropriates moneys to the department to support the department's administration, regulation efforts, and a wide variety of programs, and especially water and air quality and public lands and waters; and provides moneys to support specific programs or projects administered by the department from a number of sources, including the General Fund of the State, the Fish and Game Protection Fund, the Groundwater Protection Fund, and the Environment First Fund. The Act appropriates moneys from the Unassigned Revenue Fund to restore moneys appropriated from the Special Snowmobile Fund and the All-Terrain Vehicle Fund in 2002 for other purposes.

[HOUSE FILE 2685](#)

- Water Well Drilling Site Wastewater Discharge  
**SEE ENVIRONMENTAL PROTECTION.** This Act relates to rules for the discharge to wastewater from water well drilling sites, including the imposition of a fee.

[HOUSE FILE 2700](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters. Division IV includes income tax credit provisions involving the contribution of real estate for qualified conservation purposes.

## NATURAL RESOURCES AND OUTDOOR RECREATION

### [SENATE FILE 2108](#) - Gift to Iowa's Future Recognition Day

BY BLACK. This Act authorizes the Governor to proclaim the first Monday in April as Gift to Iowa's Future Recognition Day to honor individuals who have donated land or a conservation easement in land to benefit Iowa's public natural resource areas, including parks, open spaces, and public recreation areas and for other public uses.

### [SENATE FILE 2198](#) - Brushy Creek Recreation Area — Advisory Board Membership

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act revises requirements for appointment of the membership of the Brushy Creek Recreation Area Trails Advisory Board. Under prior law, the Governor appointed one voting member and the Legislative Council appointed six voting members. These seven members will instead be appointed by the Natural Resource Commission. The public members must be active participants in various listed outdoor activities at the recreation area. The list of outdoor activities is expanded to include bicycling.

### [SENATE FILE 2230](#) - Turkey and Deer Hunting Licenses — Nonresident Disabled or Terminally Ill Persons

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act authorizes the Natural Resource Commission to issue special nonresident turkey and any sex deer hunting licenses to nonresidents who are 21 years of age or younger who have a severe physical disability or a terminal illness.

An application for the licenses must be accompanied by a form signed by the applicant's attending physician declaring that the applicant has a severe physical disability or has been diagnosed with a terminal illness.

The special licenses are in addition to the number of nonresident turkey hunting licenses and nonresident deer hunting licenses that are otherwise authorized by law. The licenses are valid in all applicable zones and are available for issuance and use during any applicable hunting season. A nonresident who receives a special license pursuant to the Act must purchase a hunting license and the applicable nonresident turkey or deer hunting license and pay the wildlife habitat fee, but is not required to complete the hunter safety and ethics education course if the licensee is accompanied by another hunter who is at least 18 years of age, is qualified to hunt and has a hunting license, and remains within arm's reach of the nonresident licensee during the hunt.

### [SENATE FILE 2328](#) - Wild Animal Depredation Management — Deer Harvesting

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act establishes the Deer Depredation Management Program and provides for a Deer Study Advisory Committee.

The Act specifies that the Farmer Advisory Committee that provides information to the Department of Natural Resources (DNR) regarding crop and tree damage caused by deer, wild turkey, and other predators must include representatives of specified organizations and state agencies.

The Act expands the scope of the Wild Animal Depredation Unit of the DNR to include damage suffered by producers of horticultural products and trees as well as crops and nurseries, establishes the Deer Depredation Management Program, and requires the DNR to issue deer depredation licenses and shooting permits.

Deer depredation licenses are available for issuance to resident hunters to shoot antlerless deer on the land designated in a producer's depredation plan during any established deer hunting season. Such licenses are in addition to free licenses that are available to landowners and family members under Code Section 483A.24. A producer who enters into a depredation agreement with the DNR will be issued a set of authorization numbers. Each number authorizes a resident hunter to obtain one depredation license. A producer may transfer such an authorization number to any resident hunter who is otherwise qualified to hunt, has a hunting license, and has paid the wildlife habitat fee and the Deer Herd Population Management Program fee. This program must be implemented by August 15, 2008.

The Act also requires the DNR to issue deer shooting permits to landowners who incur crop, horticultural product, tree, or nursery damage, or for use on areas where public safety may be an issue, which are valid for use outside of established deer hunting seasons to harvest deer.

Deer harvested pursuant to deer depredation licenses or deer shooting permits must be reported using the current deer harvest reporting system, and are not subject to different disposal or reporting requirements than are applicable to the harvest of deer pursuant to other deer hunting licenses except that antlers on a deer taken with a shooting permit must be delivered to the local conservation officer for disposal.

DNR is required to make educational materials available explaining the program to the general public and specifically to farmers and farm and commodity organizations, in both electronic and brochure formats by June 30, 2008, to conduct outreach programs for farmers and farm and commodity organizations to explain the program, and to develop a Master Hunter Program and maintain a list of master hunters who are available to assist producers in the Deer Depredation Management Program by harvesting antlerless deer on the producer's property.

The Act establishes a Deer Study Advisory Committee to study the best way to maintain a sustainable, socially acceptable deer population in the state while maximizing and balancing the economic value of deer hunting to Iowa's economy with the needs of the agricultural industry and public safety concerns. The committee is required to complete its deliberations in December 2008 and submit a final report to the Governor and the General Assembly by January 10, 2009.

The Act takes effect April 8, 2008.

**SENATE FILE 2380 - Water Trails and Low Head Dam Public Hazard Program**

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act establishes the Water Trails and Low Head Dam Public Hazard Program to be administered by the Department of Natural Resources.

In conducting the program, the department must develop a statewide plan by January 1, 2010, which includes compiling an inventory of low head dams, seeking participation from experts in a number of fields, developing standard recommendations for local communities, recommending design templates for low head dams, developing criteria for prioritizing removal or modification of low head dams, and developing priorities for developing water trails. The Act authorizes the department to contract with persons to assist in developing the plan.

The department is not required to implement the plan until the department is appropriated necessary moneys. See S.F. 2432 (Appropriations), which appropriates moneys from the Iowa Infrastructure Fund to the department to support the program.

**SENATE JOINT RESOLUTION 2002 - Proposed Constitutional Amendment — Natural Resources and Outdoor Recreation Trust Fund**

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Joint Resolution proposes an amendment to the Constitution of the State of Iowa to dedicate a portion of state sales and service tax revenue for the benefit of water quality, natural areas, and agricultural soils in this state.

The Joint Resolution establishes a Natural Resources and Outdoor Recreation Trust Fund and credits the fund with an amount equal to the amount generated by a sales tax rate of three-eighths of 1 percent as may be imposed upon the retail sales price of tangible personal property and the furnishing of enumerated services sold in this state. No revenue is to be credited to the fund until the tax rate in effect on the effective date of the Joint Resolution is increased. After the increased tax rate becomes effective, an amount equal to the amount generated by the increase in the tax rate is credited to the fund, not to exceed the amount generated by the tax rate of three-eighths of 1 percent.

The proposed amendment to the Constitution of the State of Iowa, if adopted, would be referred to the Eighty-third General Assembly for adoption a second time, before being submitted to the electorate for ratification.

**[HOUSE FILE 2177](#) - Transportation Tags on Antlered Deer**

BY COMMITTEE ON NATURAL RESOURCES. This Act requires deer transportation tags to be affixed to the antlers of an antlered deer that has been taken pursuant to a deer hunting license. Currently, by rule, the tag is only required to be attached to the deer carcass.

**[HOUSE FILE 2580](#) - Sustainable Natural Resource Funding Advisory Committee**

BY COMMITTEE ON NATURAL RESOURCES. This Act establishes a Sustainable Natural Resource Funding Advisory Committee based on legislation enacted in 2006 which established a committee with the same name (see 2006 Iowa Acts, Chapter 1185, Section 43, and Chapter 1182, Section 65) that was required to submit a report to the Governor and General Assembly by January 10, 2007. The Act provides that the advisory committee include representatives from two additional organizations, the Iowa Rivers Revival and the Iowa Land Improvement Contractors Association. The advisory committee is to study one or more sustainable sources of funding for natural resources and outdoor recreation needs in Iowa, and advise members of the General Assembly in efforts to establish or administer sustainable funding sources. The advisory committee must submit a report to the General Assembly on or before January 9, 2009, and on January 8, 2010, which summarizes its activities, and any findings or recommendations. The advisory committee is eliminated on July 1, 2010.

See also Senate Joint Resolution 2002, which proposes an amendment to the Iowa Constitution establishing a permanent funding source for natural resources.

**[HOUSE FILE 2581](#) - Donation of Food to Department of Natural Resources or County Conservation Boards — Liability**

BY COMMITTEE ON NATURAL RESOURCES. This Act limits the liability of a person who donates food for free distribution to the needy if the donor reasonably inspects the food at the time of the donation and finds the food fit for human consumption. The Act extends the same liability protection to persons who donate food to the Department of Natural Resources or a county conservation board for use in a free interpretive educational program.

**[HOUSE FILE 2612](#) - Natural Resources Regulation — Miscellaneous Provisions**

BY COMMITTEE ON NATURAL RESOURCES. This Act amends a number of provisions relating to natural resources regulated by the Department of Natural Resources (DNR), and specifically provisions under the jurisdiction of the Natural Resource Commission which provide for public lands and outdoor recreation.

Division I — County Resource Enhancement Committee

Division I of the Act amends provisions in Code Section 455A.20, which provides for persons serving on a county resource enhancement committee, including the chairpersons of the board of supervisors, county conservation board, commissioners of the soil and water district, and board of directors of each school district in the county. The division eliminates a requirement that a designee appointed by a chairperson must be a member of the designee's respective board or commission. The division amends a provision that provides that a mayor of a city in the county or a mayor's designee must serve on the committee by eliminating a requirement that the designee must be a member of the city council. The division expands the committee's membership to include persons representing a historic preservation commission, a private organization that recognizes and protects historic places, and a historical museum or organization that maintains historical documents.

Division II — All-Terrain Vehicles

Division II amends Code Section 3211.2 by providing that the DNR may adopt rules regarding the operation or maintenance of designated riding trails.

The division provides that a person is also subject to civil remedies upon conviction of criminal prohibitions involving the operation of an all-terrain vehicle in a manner that damages growing stock at a tree nursery, on public land in violation of official signs, or in a park, wildlife area, preserve, refuge, game management area, or

stream bed. Upon conviction of such a violation, a court shall assess the defendant a civil penalty of \$250 to be deposited in the Special All-Terrain Vehicle Fund established in Code Section 3211.8, and the court may order the defendant to pay restitution to the titleholder of land for damages caused by the defendant's violation, including to the state or other governmental entity.

The Act excuses the ordinary requirement that a person cannot operate an all-terrain vehicle carrying more persons than it is designed to carry, if used as part of a farm operation.

#### Division III — Construction on State-Owned or State-Managed Land or Waters

Division III amends Code Section 461A.4 authorizing the DNR to regulate the construction of structures (piers, wharfs, sluices, pilings, walls, fences, or buildings) upon or over any state-owned land. The division makes stylistic changes to the provisions, provides that the DNR's authority extends to state-managed land or waters, and provides for the issuance of orders to persons who are in violation of the law.

The division creates new Code Sections 461A.5A and 461A.5B, which provide the DNR with enforcement authority. It authorizes the DNR to obtain injunctive relief against a person who is in violation of Code Section 461A.4 or refuses to comply with an order issued by the DNR. The division rewrites but does not alter the criminal penalty for committing a violation of the Code section, which is a simple misdemeanor, and provides that the penalty applies to a person who fails to comply with an order issued by the DNR under that Code section. A simple misdemeanor is punishable by confinement for no more than 30 days or a fine of at least \$65 but not more than \$625 or by both. The state may also proceed against the person by initiating an alternative civil enforcement action in lieu of a criminal prosecution. The amount of the civil penalty cannot exceed \$5,000, and the division provides for enforcement by the DNR or the Attorney General.

The division eliminates Code Section 461A.5, relating to the removal of obstructions, because it includes redundant provisions, and amends Code Section 461A.6, referring to the DNR's authority to enforce a lien against a structure for the cost of its removal, in a manner consistent with the Act's other provisions.

#### Division IV — Water Safety

Division IV prohibits a person from operating a vessel on the waters of this state unless each passenger under 13 years of age is wearing a personal flotation device. The prohibition does not apply to a passenger who is in an enclosed cabin, below deck, or on a commercial vessel with a capacity of 25 or more persons. For the 12 months after the effective date of the division, peace officers must only issue warning citations for the violations. The division takes effect May 10, 2008.

#### Division V — Driving Over Ice

Division V amends Code Section 462A.33, which requires that certain crafts or vehicles cannot operate on ice over certain state waters without obtaining a permit from the DNR. The Act expands the types of vehicles not requiring a permit to include all-terrain vehicles, off-road motorcycles, and off-road utility vehicles. The division amends a provision that prohibits vehicles from exceeding 15 miles per hour when traveling over ice on the waters of the state without a special permit. The division replaces the speed limit with a requirement that the vehicle cannot exceed a rate of speed that is reasonable and proper under all existing circumstances.

#### Division VI — Reporting Hunting Incidents

Division VI amends Code section 481A.18, which requires persons who are involved in an accident using a firearm while hunting to report the accident to the county sheriff or the DNR if the accident caused injury or property damage of more than \$100. A report is required for any hunting incident involving a firearm or a fall from a device (such as a so-called tree stand) that allows or assists a person to hunt from an elevated location. A person who fails to make such a report is guilty of a simple misdemeanor. A simple misdemeanor is punishable by confinement for no more than 30 days or a fine of at least \$65 but not more than \$625 or by both.

Division VII — Reciprocity

Division VII amends Code Section 481A.19, which provides for reciprocal agreements with neighboring states to allow an Iowa resident to take fish, game, mussels, or fur-bearing animals in boundary waters. The division provides a similar arrangement for a resident of a border state to take fish, game, mussels, or fur-bearing animals on land beyond the boundary of a boundary river, but which is still subject to Iowa sovereignty (e.g., land which is on the Nebraska side of the Missouri river but still considered Iowa territory under the Iowa-Nebraska Boundary Compromise). The division amends provisions in Code Section 483A.31, which provides authority to the commission to negotiate such agreements involving hunting or trapping in addition to fishing.

Division VIII — Special Hunting and Fishing Licenses

Division VIII amends Code Section 483.24, which provides for the issuance of a lifetime fishing license or lifetime combined hunting and fishing license to a resident of Iowa who served in the Armed Forces of the United States on active federal service, and who was disabled or a prisoner of war. The division eliminates the reference to the person's veteran status, a requirement that the person must have served a minimum aggregate 90 days in active service, and that the person, if disabled, must have been entitled to compensation under federal law.

Division IX — Hunter Education Training

Division IX amends Code section 483A.27, which requires that a person complete a hunter safety and ethics education course before being issued a hunting license. The division provides that the certificate of course completion may be issued by another state, country, or province that meets the standards adopted by the International Hunter Education Association, and the DNR may produce hunter safety and ethics education manuals in an electronic format.

Division X — Use of Laser Sights by Blind Hunters

Division X provides that a person who is totally blind may hunt using a gun or bow equipped with a laser sight so long as the person is accompanied and aided by a sighted person. The person's blindness must be certified by medical evidence.

Division XI — Trespassing While Hunting

Division XI amends Code Chapter 716, which prohibits trespass to property as defined in Code Section 716.7, presumably governing how that term is used throughout the Code chapter. The division amends Code Section 716.8, which provides that a person who commits trespass and takes a deer owned by the state is subject to a civil penalty. The division eliminates the express reference in that section to a definition of trespass provided in Code Section 716.7, subsection 2, paragraph "a" (entering upon or in property without the express permission of the owner, entering or remaining upon or in property without justification after being notified or requested to leave, entering on property to commit an unlawful use, or entering on railway property without lawful authority). A person who commits trespass while hunting commits a simple misdemeanor regardless of whether a deer is taken. A simple misdemeanor is punishable by confinement for no more than 30 days or a fine of at least \$65 but not more than \$625 or by both.

Division XII — Citation in Lieu of Arrest

Division XII amends Code Section 805.8B, which authorizes the department to issue a citation for certain violations of law involving the spreading of an aquatic invasive species (e.g., Eurasian water milfoil, purple loosestrife, zebra mussels) by increasing the scheduled fine from \$100 to \$500.



## PUBLIC DEFENSE AND VETERANS

- [SENATE FILE 2124](#) - Veterans Trust Fund Expenditures and Income Tax Checkoffs
- [SENATE FILE 2134](#) - Veterans — County Commissions, Training, and Motor Vehicle Registration Plates
- [SENATE FILE 2289](#) - Educational Assistance for Children of Persons Who Die During Active Military Service
- [SENATE FILE 2333](#) - Regulation of Veterans Commemorative Property
- [SENATE FILE 2354](#) - Home Ownership Assistance for Military Personnel
- [HOUSE FILE 2065](#) - Employment and Leaves of Absence — Military Service
- [HOUSE FILE 2283](#) - Vietnam Conflict Veterans Bonus
- [HOUSE FILE 2287](#) - Military Courts-Martial — Permissible Penalties
- [HOUSE FILE 2359](#) - Veterans Benefits Funding Sources

### RELATED LEGISLATION

- [SENATE FILE 2425](#) - Appropriations — Health and Human Services  
**SEE APPROPRIATIONS.** This Act relates to and makes appropriations for health and human services for FY 2008-2009 and includes funding and other provisions involving the Department of Veterans Affairs, the Iowa Veterans Home, and veterans programs.
- [SENATE FILE 2432](#) - Appropriations — Infrastructure and Capital Projects  
**SEE APPROPRIATIONS.** Division X of this Act authorizes the Department of Administrative Services to contract for design services relating to the planned expansion project at the Iowa Veterans Home in order to secure federal funding. Division X takes effect May 9, 2008.
- [HOUSE FILE 2212](#) - Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas. The Act specifically exempts from the smoking prohibition the Iowa Veterans Home.
- [HOUSE FILE 2213](#) - Regulation of Motor Vehicles — Miscellaneous Changes  
**SEE TRANSPORTATION.** This Act clarifies policy for the issuance of special motor vehicle registration plates to seriously disabled veterans who are entitled to regular registration plates at no cost. The Act also makes technical changes to language allocating certain special motor vehicle registration fees to the Veterans License Fee Fund.
- [HOUSE FILE 2417](#) - State Income Taxes — Federal Tax Rebates  
**SEE TAXATION.** This Act provides that federal income tax rebates received pursuant to the federal Economic Stimulus Act of 2008 shall not be considered for purposes of determining either eligibility for admission to the Iowa Veterans Home or whether a resident of the home must contribute to the resident's own support.
- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act allows seriously disabled veterans who are issued free motor vehicle registration plates to park in persons with disabilities parking spaces without obtaining a permit.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly

related matters. Division IV provides that the Department of Veterans Affairs, not the Commissioner of Veterans Affairs, is to establish rules concerning the Vietnam veterans bonus and provides that the bonus is available to any person who served on active duty for no less than 120 days and who served at any time between July 1, 1973, and May 31, 1975. The division also allows certain National Guard members to exclude from state income tax duty pay associated with service in Iraq.

## PUBLIC DEFENSE AND VETERANS

### [SENATE FILE 2124](#) - Veterans Trust Fund Expenditures and Income Tax Checkoffs

BY COMMITTEE ON VETERANS AFFAIRS. This Act concerns authorized expenditures from the Veterans Trust Fund and income tax checkoffs.

The Act modifies what expenses for the benefit of veterans may be paid from moneys in the Veterans Trust Fund. The Act eliminates expenses related to nursing facility care and benefits provided to children of disabled or deceased veterans as permissible expenditures from the trust fund. The Act adds, as permissible expenditures from the trust fund, travel expenses of a wounded veteran's spouse if the travel is related to follow-up care for the veteran; expenses related to the purchase of durable medical equipment or services to allow veterans to remain in their homes; expenses related to hearing care, dental care, vision care, prescription drugs, and ambulance and emergency room services for veterans who are trauma patients; emergency expenses related to vehicle repair, housing repair, or temporary housing assistance; expenses related to establishing whether a minor child is a dependent of a deceased veteran; and matching funds for accredited veteran service officers. The amount expended as matching funds for veteran service officers shall not exceed the lesser of \$150,000 or 20 percent of the moneys appropriated from the fund in that fiscal year.

The Act also establishes two income tax checkoffs, for tax years beginning on or after January 1, 2008, to allow taxpayers filing individual income tax returns to designate \$1 or more on their return to be paid for the purpose of the respective checkoff. One income tax checkoff is for the Child Abuse Prevention Program Fund created under the control of the Department of Human Services, with moneys in the fund to be used by the department's Child Abuse Prevention Program. The other income tax checkoff is a joint checkoff for the Veterans Trust Fund and the Volunteer Fire Fighter Preparedness Fund. Moneys designated for the joint checkoff are split evenly between the two funds.

The Act takes effect May 5, 2008.

### [SENATE FILE 2134](#) - Veterans — County Commissions, Training, and Motor Vehicle Registration Plates [Fiscal Analysis](#)

BY COMMITTEE ON VETERAN AFFAIRS. This Act requires each county commission of veteran affairs to maintain an office and to employ an executive director or an administrator to assist veterans and their families in accessing available veterans benefits. Each executive director or administrator must meet minimum hours of service each week based on the county's population. Two or more counties may share the services of an executive director or administrator.

The Act requires the Department of Veterans Affairs to provide training to executive directors and administrators that is certified and accredited by the National Association of County Veteran Service Officers (NACVSO), and ensures proficiency in electronic mail use, general computer use, and use of the Internet to access information on veterans benefits. The Act specifies that if an executive director or administrator fails to acquire or maintain certification, such executive director or administrator shall be removed from office.

Beginning July 1, 2009, the Act appropriates \$1 million each fiscal year from the General Fund of the State to a County Commissions of Veteran Affairs Fund. The Act directs the department to allocate \$10,000 from the fund to each county to be used for the employment of an executive director or administrator. If moneys remain in the fund after allocation to the counties, such remaining moneys shall be deposited in an account for use in the County Commission of Veteran Affairs Training Program, which requires the department to provide training, certification, and accreditation programs for county commissions of veteran affairs executive directors, administrators, and employees.

Finally, the Act broadens the eligibility requirements for special gold star motor vehicle registration plates to surviving relatives of a member of the armed forces who died as a result of such military service.

The Act takes effect on July 1, 2009, except for the portion of the Act relating to gold star motor vehicle registration plates, which takes effect July 1, 2008.

**SENATE FILE 2289 - Educational Assistance for Children of Persons Who Die During Active Military Service**

BY COMMITTEE ON VETERANS AFFAIRS. This Act concerns state postsecondary educational assistance provided to children of persons who died in active military service on or after September 11, 2001.

Code Section 35.9, concerning educational assistance to children of persons who died on active duty on or after September 11, 2001, is amended to eliminate the requirement that the child seeking assistance must have lived in this state for two years preceding the application for assistance and instead requires that the child applying for assistance must be less than 31 years old and the deceased veteran must have resided in the state for a period of at least six months immediately before entering into active military service.

The Act also provides that the state educational assistance can be used at any postsecondary institution in the state and not just community colleges and Board of Regents universities. In addition, the child seeking assistance must begin postsecondary education prior to reaching age 26 and must meet academic progress standards at the institution; and payments of educational assistance shall be made to the institution, not the child.

The Act also provides that the maximum educational assistance to be awarded per year is an amount equal to the highest annual resident undergraduate tuition rate at a Board of Regents university less any state and federal aid received by the child. In addition, the Act caps the maximum amount to be awarded during a child's lifetime at five times the highest annual undergraduate tuition rate at a Board of Regents university.

The Act takes effect April 11, 2008, and applies retroactively to July 1, 2007.

**SENATE FILE 2333 - Regulation of Veterans Commemorative Property**

BY COMMITTEE ON VETERANS AFFAIRS. This Act relates to the regulation of veterans commemorative property by the Department of Veterans Affairs. Previously, an owner or person who controls a cemetery where any veterans commemorative property that is over 75 years old has been placed may not sell, trade, or transfer such property unless the department authorizes the person to do so. The Act removes the requirements that the property be over 75 years old and that the property be placed in a cemetery. Accordingly, the Act expands the department's ability to regulate the sale, trade, or transfer of veterans commemorative property to include all owners or controllers of property where veterans commemorative property of any age is placed.

**SENATE FILE 2354 - Home Ownership Assistance for Military Personnel**

BY COMMITTEE ON VETERANS AFFAIRS. This Act concerns the Home Ownership Assistance Program for members of the military.

The Act provides that a person who served at least 90 days of active duty beginning on or after September 11, 2001, is eligible for the program. The Act also makes persons who were injured prior to serving 90 days and were honorably discharged from service for those injuries eligible for the program.

The Act provides that a person eligible for the program may participate in other loan and grant programs of the Iowa Finance Authority.

The Act establishes additional requirements for participation in the program. If the eligible person is a first-time homebuyer, the person shall, for purchases that close on or after July 1, 2008, participate in the authority's applicable programs for first-time homebuyers. In addition, the Act requires a title guaranty certificate to be issued for the property being purchased under the program and that the eligible person use a lender that participates in the authority's programs for first-time homebuyers.

The Act grants the authority rulemaking authority for administering the program and provides that the rules may provide for limiting the period of time for which an award of funds under the program shall be reserved for an eligible person pending the closing of a home purchase and compliance with all program requirements.

**[HOUSE FILE 2065](#) - Employment and Leaves of Absence — Military Service**

BY COMMITTEE ON VETERANS AFFAIRS. This Act concerns employee rights relative to leaves of absence from work for purposes of military service. For state and local government employees, the Act provides that the employee is only required to take a leave of absence for one day for each workday the employee is required to take a leave of absence even if the employee's typical workday encompasses more than one calendar day.

For employees generally, the Act provides that a person returning from military duty shall, if not restored to the position held prior to the leave of absence, be restored to a position of like seniority, status, and pay. A violation of this provision shall be prosecuted by the Attorney General or the county attorney of the county in which the violation occurred.

The Act takes effect February 14, 2008.

**[HOUSE FILE 2283](#) - Vietnam Conflict Veterans Bonus**

BY COMMITTEE ON VETERANS AFFAIRS. This Act creates a Vietnam Conflict veterans bonus for certain persons who served on active duty in the United States Armed Forces at any time between July 1, 1958, and May 31, 1975, and who have not received a bonus for that service from this or another state. To be eligible, a person must have been inducted into active duty from Iowa, had previously applied for a bonus from this state and been denied, and reapply for this bonus by July 1, 2010. The Act provides for a maximum bonus of \$500 for those persons who served in the Vietnam service area and a maximum bonus of \$300 for those persons who served during the specified period but not in the Vietnam service area. The bonus payments are exempt from taxation, levy, and execution. The Act also provides a criminal penalty for the fraudulent submission of an application for the bonus.

The Act takes effect May 5, 2008, and the bonus provision is repealed June 30, 2011.

**[HOUSE FILE 2287](#) - Military Courts-Martial — Permissible Penalties**

BY COMMITTEE ON VETERANS AFFAIRS. This Act increases the maximum fines and forfeitures that may be adjudged by general, special, and summary courts-martial under the Iowa Code of Military Justice.

The Act increases the maximum possible fine from \$200 to \$5,000 under a general court-martial, from \$100 to \$2,500 under a special court-martial, and from \$50 to \$1,000 under a summary court-martial. The Act also increases the maximum forfeiture of pay and allowances under a general or special court-martial from \$1,000 to an amount equal to 20 days of pay and allowances.

**[HOUSE FILE 2359](#) - Veterans Benefits Funding Sources**

BY COMMITTEE ON VETERANS AFFAIRS. This Act concerns the Veterans Trust Fund and lottery games for veterans.

As to the Veterans Trust Fund, the Act provides that the minimum balance before expenditures from interest and earnings on the fund can be made is permanently set at \$5 million. Previously, the minimum balance required would have increased from \$5 million to \$50 million on July 1, 2009.

The Act also provides that the Iowa Lottery develop and conduct two additional instant scratch and two additional pull-tab lottery games annually for the benefit of veterans. Moneys received from the games, less prizes, shall be deposited in the Veterans Trust Fund.

Once the balance in the Veterans Trust Fund reaches \$50 million, the Act provides that proceeds from the games shall be appropriated to the Department of Revenue for distribution to county directors of veterans affairs.



## STATE GOVERNMENT

- [SENATE FILE 2059](#) - Cultural Affairs — Duties and Services of Department
- [SENATE FILE 2129](#) - Interpreters for Asian and Pacific Islander Persons
- [SENATE FILE 2176](#) - Cultural Affairs — Records, Programs, and Committees
- [SENATE FILE 2301](#) - Uniform Finance Procedures for State Bond Issuance
- [SENATE FILE 2317](#) - Substantive Code Corrections
- [SENATE FILE 2320](#) - Nonsubstantive Code Corrections
- [SENATE FILE 2406](#) - Statutory Boards, Commissions, Councils, and Committees — Legislative Appointments and Membership
- [SENATE FILE 2424](#) - Public Retirement Systems and Analogous Benefits
- [SENATE FILE 2427](#) - Lobbying by State Agencies — Restrictions
- [HOUSE FILE 2151](#) - Advanced Practice Registered Nurse Licensure Compact
- [HOUSE FILE 2390](#) - Licensing and Regulation of Plumbers and Mechanical Professionals
- [HOUSE FILE 2410](#) - Alarm System Installer or Contractor Certification and Electrician Licensure
- [HOUSE FILE 2411](#) - Electrician Licensure — Experience in Lieu of Examination
- [HOUSE FILE 2547](#) - Alarm System Installer or Contractor Certification and Electrician Licensure — Miscellaneous Additional Revisions
- [HOUSE FILE 2646](#) - Regulation and Licensure of Fire Protection System Installation and Maintenance

### RELATED LEGISLATION

- [SENATE FILE 2132](#) - Disposition of Seized Property — Notice — Value  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act relates to seized property and the disposal of such property.
- [SENATE FILE 2133](#) - Iowa Crop Improvement Association  
**SEE AGRICULTURE.** This Act amends Code Chapter 177, which provides for the Iowa Crop Improvement Association, by amending Code sections relating to the association's recognition, its duties and objectives, and its management by a board of directors and employees.
- [SENATE FILE 2136](#) - Iowa Finance Authority Housing Programs and Real Estate Broker Trust Accounts  
**SEE ECONOMIC DEVELOPMENT.** This Act relates to real estate broker trust accounts, abolishes the Local Housing Assistance Program and the program's fund, and transfers moneys from the fund to the Housing Trust Fund.
- [SENATE FILE 2198](#) - Brushy Creek Recreation Area — Advisory Board Membership  
**SEE NATURAL RESOURCES AND OUTDOOR RECREATION.** This Act revises the requirements for appointing the membership of the Brushy Creek Recreation Area Trails Advisory Board.
- [SENATE FILE 2250](#) - Licensure of Real Estate Brokers and Salespersons  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act revises licensing and disciplinary processes for real estate brokers and salespersons by expanding the offenses that preclude an applicant from licensure and expanding the period for criminal background checks.

- [SENATE FILE 2338](#) - Administration and Regulation of Health-Related Professions  
**SEE HEALTH AND SAFETY.** This Act revises the licensing provisions relating to health care professions.
- [SENATE FILE 2361](#) - State Purchase of Biobased Products  
**SEE AGRICULTURE.** This Act provides that when purchasing products, the Department of Administrative Services and other state governmental entities with independent purchasing authority must give a preference to purchasing designated biobased products (other than food or feed) that are composed in significant part of biological products, such as renewable or agricultural materials, according to procedures and specifications adopted by the state governmental entity after consulting with guidelines or regulations for biobased products promulgated by the U.S. Department of Agriculture and subject to a number of qualifications relating to availability, functionality, and cost.
- [SENATE FILE 2367](#) - Air Pollution From Small Business Stationary Sources — Regulation and Technical Assistance  
**SEE ENVIRONMENTAL PROTECTION.** This Act amends Code provisions providing for implementation of provisions of the federal Clean Air Act of 1990 by the Department of Natural Resources, which acts on behalf of the United States Environmental Compliance Assistance Program, and makes appointments to a Compliance Advisory Panel to monitor the program and report on its effectiveness to the Environmental Protection Agency.
- [SENATE FILE 2379](#) - Regulation of Practice of Certified Public Accounting  
**SEE BUSINESS, BANKING, AND INSURANCE.** This Act allows persons licensed as certified public accountants in other states to practice in Iowa. The Act takes effect July 1, 2009.
- [SENATE FILE 2400](#) - Appropriations — Administration and Regulation  
**SEE APPROPRIATIONS.** This Act relates to and appropriates from the General Fund of the State, and from other funds, to various administrative and regulatory state departments, agencies, and funds for FY 2008-2009. The Act also makes changes relative to Department of Administrative Services operations, establishes a Commission on Native American Affairs, and requires the Secretary of State to post an Internet link to a free Internet site to certain completed IRS forms that most tax-exempt organizations must use to report information about their operations.
- [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME-21  
**SEE TRANSPORTATION.** This Act requires the Department of Transportation, in cooperation with the Office of Energy Independence and the Department of Natural Resources, to conduct a study regarding public transit funding.
- [S.J.R. 2005](#) - World Food Prize Awards Ceremony  
**SEE ALCOHOL REGULATION AND SUBSTANCE ABUSE.** This Joint Resolution authorizes the consumption of wine and beer at an awards ceremony to be held by the World Food Prize Foundation at the State Capitol on or around October 16, 2008.
- [HOUSE FILE 2103](#) - College Student Aid Commission Membership  
**SEE EDUCATION.** This Act revises the requirements for appointments to the College Student Aid Commission.
- [HOUSE FILE 2119](#) - Fingerprinting of Children  
**SEE CHILDREN AND YOUTH.** This Act relates to the taking of fingerprints of a child by a governmental unit at the Iowa State Fair, as authorized by the child's parent or guardian for use if the child becomes a runaway or missing child.

- [HOUSE FILE 2166](#) - Dispensing of Prescription Drugs — Permissible Practices  
**SEE HEALTH AND SAFETY.** This Act creates a "Tech-Check-Tech Program" relating to the operation of a pharmacy.
- [HOUSE FILE 2196](#) - Department of Transportation Revenue Collection Methods — Electronic Payment Study  
**SEE TRANSPORTATION.** This Act requires the Department of Transportation, in cooperation with the Treasurer of State, to study the possibility of accepting electronic payments at its customer service sites.
- [HOUSE FILE 2212](#) - Smoking in Public — Restrictions and Prohibitions  
**SEE HEALTH AND SAFETY.** This Act, the Smokefree Air Act, relates to the prohibition of smoking in public places, places of employment, and specified outdoor areas. The Act specifically prohibits smoking in public transportation facilities and conveyances under the authority of the state or its political subdivisions, including buses and taxicabs and including the ticketing, boarding, and waiting areas of these facilities, and in public buildings and vehicles owned, leased, or operated by or under the control of the state government or its political subdivisions. The Act also prohibits smoking on the grounds of public buildings, but specifically exempts from the prohibition state, district, and county fairgrounds. The Act provides for enforcement by the Department of Public Health or its designee, and if the department enforces the provisions of the Act, any civil penalties paid are to be deposited in the General Fund of the State.
- [HOUSE FILE 2215](#) - Private Activity Bond Allocation Procedures and Limitations  
**SEE ECONOMIC DEVELOPMENT.** This Act amends the Private Activity Bond Allocation Act by limiting the amount of the annual state ceiling which may be allocated to a single project, by increasing the length of the validity period following certification of the allocation from 30 days to 120 days, and by decreasing the extension period from 45 days to 30 days.
- [HOUSE FILE 2385](#) - Authorized Public Funds Investments  
**SEE ECONOMIC DEVELOPMENT.** This Act adds obligations of the Iowa Finance Authority issued pursuant to Code Chapter 16 to the list of allowable investments that the Treasurer of State and other authorized state agencies may invest in or purchase.
- [HOUSE FILE 2553](#) - Iowa Soybean Association Board — Per Diem Compensation  
**SEE AGRICULTURE.** This Act raises the per diem payment to \$100 for directors of the Iowa Soybean Association Board.
- [HOUSE FILE 2601](#) - State Interagency Missouri River Authority  
**SEE AGRICULTURE.** This Act amends provisions which create the State Interagency Missouri River Authority, which is responsible for representing the interests of this state concerning the management of the Missouri River, including by providing for decision making by the authority's membership which includes the heads of the departments of Natural Resources, Agriculture and Land Stewardship, Transportation, Economic Development, and the Iowa Utilities Board or their designees.
- [HOUSE FILE 2609](#) - Elder Group Homes, Assisted Living Facilities, and Adult Day Services Programs — Disclosure of Certification Compliance Information  
**SEE HEALTH AND SAFETY.** This Act opens investigative information, relating to certain care facilities, to public inspection. The Act takes effect April 8, 2008.
- [HOUSE FILE 2660](#) - Appropriations — Justice System  
**SEE APPROPRIATIONS.** This Act establishes a Central Warehouse Fund under the control of the Department of Corrections for maintaining and operating a central warehouse and supply depot and distribution facility for surplus government products, canned goods, paper products, and other staples.

- [HOUSE FILE 2674](#) - Grants Enterprise Management Office Appropriation — Continuation  
**SEE APPROPRIATIONS.** This Act provides a \$35,000 annual appropriation to the Office of Grants Enterprise Management of the Department of Management through fiscal year 2009-2010.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters, including state employee compensation and state elected official salaries in Division III. Division IV contains provisions relating to conflicts of interest, lobbying activities, and receipt of gifts by certain government officials and employees.

## STATE GOVERNMENT

### [SENATE FILE 2059](#) - Cultural Affairs — Duties and Services of Department

BY COMMITTEE ON STATE GOVERNMENT. This Act makes the State Historical Society of Iowa responsible for administering the Iowa Heritage Fund. The Act also repeals Division III of Code Chapter 304A, which contains an indemnification program for special exhibit items lost or damaged while on loan to nonprofit organizations or governmental entities in Iowa.

### [SENATE FILE 2129](#) - Interpreters for Asian and Pacific Islander Persons

BY COMMITTEE ON STATE GOVERNMENT. This Act requires the Commission on the Status of Iowans of Asian and Pacific Islander Heritage to establish interpreter qualifications for the languages spoken by Asian and Pacific Islander persons and to provide a list of qualified interpreters to agencies and entities which include the courts, social service agencies, and health agencies.

### [SENATE FILE 2176](#) - Cultural Affairs — Records, Programs, and Committees

BY COMMITTEE ON STATE GOVERNMENT. This Act relates to cultural affairs by providing for the preservation of electronic records, establishing local cultural committees, and creating a Civil War Sesquicentennial Advisory Committee.

The Act requires the Historical Division of the Department of Cultural Affairs to create a digital collection of records for research purposes and to make the collection available to the public. The Act establishes the Civil War Sesquicentennial Advisory Committee to help the Historical Division plan a sesquicentennial commemoration of Iowa's role in the American Civil War. The Act authorizes the division and the committee to plan the commemoration and the division to produce materials and memorabilia for licensed use or sale.

The Act requires the department to establish and maintain an archive of records created electronically and having historical value, and to make the archive available to the public. The Act also requires the department to establish a statewide culture, history, and arts teams program, and to implement the program by creating local committees for the coordination of cultural efforts.

### [SENATE FILE 2301](#) - Uniform Finance Procedures for State Bond Issuance

BY COMMITTEE ON STATE GOVERNMENT. This Act makes revisions and modifications to uniform finance procedures applicable to bonds issued by the state as provided in Code Chapter 12A.

The Act substitutes the words "bond" and "bonds" for the words "obligation" and "obligations" and modifies the definition of "authorizing document" to refer to "documents." The Act clarifies that bonds issued under Code Chapter 12A shall contain a statement that they are issued pursuant to the enabling legislation, as defined in Code Chapter 12A, if so issued. The Act adds a provision stating that bonds shall not constitute an obligation, indebtedness, or debt of the state or any political subdivision of the state and the issuer and the state have no obligation to satisfy any deficiency or default of any payment using any moneys, assets, or revenues other than those specifically pledged in the enabling legislation for payment of the bonds. Further, the Act provides that unspecified moneys paid into a bond reserve fund must be legally available from other sources, and that reserve fund moneys used for purposes as provided in the Code chapter must be used and withdrawn in accordance with the authorizing documents.

The Act deletes a provision which requires an issuer of reserve funds to annually deliver to the Governor a certificate stating the sum necessary to restore a bond reserve fund to a minimum required level, with subsequent submission of copies of a budget including that sum by the Governor to the General Assembly, and also deletes a provision stating that any sums appropriated by the General Assembly and paid to an issuer pursuant to these deleted provisions shall be deposited by the issuer into the applicable bond reserve fund.

The Act modifies provisions relating to amounts pledged as security for bonds being held in separate and distinct funds in the State Treasury to allow for the authorizing documents specifying a different manner of holding, and changes a directive that the Treasurer of State act as custodian of funds to indicate that the treasurer "may" so act. The Act deletes a statement that the provisions of the authorizing documents shall be a

part of the contract with the holders of obligations to be issued, states that the authorizing documents may contain limitations not just on the use of a project but also use of property or facilities, deletes a reference to pledging issue sale proceeds for payment of an issue of an obligation, and provides that the authorizing documents may include provisions restricting an individual right of action by holders of the bond.

The Act deletes references to obligations being secured by a trust agreement, instead referring to bonds secured by authorizing documents, and also deletes a section stating that obligations and interest thereon are exempt from state income and inheritance tax. The Act alters a provision which restricts the state's ability to limit or alter rights vested in an issuer until obligations and interest thereon are met and discharged, and contracts performed, unless adequate protection of the holders' rights are provided for. The Act substitutes a provision relating to the state's limitation or alteration of the issuers or holders of obligations with a provision that provides that the state reserves the right at any time to alter, amend, repeal, or otherwise change the structure, organization, programs, or activities of any issuer, including the power to terminate the issuer, except that a law shall not be enacted that impairs any obligation made pursuant to any contract entered into by the issuer with or on behalf of the holders of the bonds to the extent that any such law would contravene specified Articles of the State Constitution or United States Constitution concerning impairing the obligation of contracts.

Finally, bonds issued under the Code chapter shall be subject to Code Section 12.30, relating to coordination of bonding activities by the Treasurer of State.

**SENATE FILE 2317 - Substantive Code Corrections**

BY COMMITTEE ON JUDICIARY. This Act contains statutory corrections that adjust language to reflect current practices, insert earlier omissions, delete redundancies and inaccuracies, delete temporary language, resolve inconsistencies and conflicts, update ongoing provisions, or remove ambiguities.

Changes are made in provisions relating to paid state holidays; legislative committees; gubernatorial appointments; legislative insurance plan participation; Office of Citizen's Aide responsibilities; legislative enactments; the administration, duties, meetings, and membership of various state government agencies, boards, and commissions; capital projects; travel agency registration; reports on technology commercialization expenditures; sales and use tax refunds to certain eligible businesses; public improvement contracts; administrative rulemaking procedures; ethics and campaign finance regulation; resident bidder preferences in public contracts; peace officer authority and training; HIV-related information transmission by law enforcement agencies; workers' compensation and the Department of Workforce Development; boiler inspection certificates; certain Iowa Public Employment Retirement System benefits payments; fire service training center programming; electrician licensing; building regulations; hepatitis C information distribution; adult day services certification; public school instruction on voting procedures; school administrator licensing procedures; civil service appeal procedures; rural water district property; film investment and expenditure tax credits; tax assessments on railway sleeping and dining cars; the definitions of "person" and "navigable waters" under natural resources and environment regulation; hunting preserve license applications; business corporations; state banking council information disclosure; central credit union purposes; public accountancy examinations; uniform commercial code; pedestrian rights-of-way; rights and duties of guardians and custodians in termination of parental rights proceedings; execution on judgments in certain real estate actions; probate proceedings; and employers of alien workers.

The change relating to the effective date of changes pertaining to business corporations takes effect April 2, 2008, and applies retroactively to July 1, 1989.

**SENATE FILE 2320 - Nonsubstantive Code Corrections**

BY COMMITTEE ON JUDICIARY. This Act makes Code changes and corrections that are considered to be nonsubstantive and noncontroversial, in addition to style changes.

Changes made include adding, correcting, or updating references to various Code chapters and sections; correcting or updating references to or names of various state officials, terms, and programs; correcting grammar or punctuation; correcting misspellings and other minor clerical errors; standardizing citations and internal references to various Code provisions; updating the style or format of various Code sections, with a particular focus on renumbering and reformatting provisions in Volume I of the Code as well as all of the interstate compacts; and making technical corrections to various Acts to reflect editorial corrections that were either made when the Acts provisions were codified or are made in the Act in anticipation of future codification. The correction made to 2007 Iowa Acts, Chapter 182, Section 3, applies retroactively to May 24, 2007. The amendments to 2007 Iowa Acts, Chapter 197, Sections 33, 34, 35, 36, 38, 41, 42, and 43, take effect April 2, 2008, and apply beginning January 1, 2009. The amendments to 2007 Iowa Acts, Chapter 198, Sections 10, 11, and 18, take effect July 1, 2008.

**SENATE FILE 2406 - Statutory Boards, Commissions, Councils, and Committees — Legislative Appointments and Membership**

BY GRONSTAL. This Act revises provisions for legislative appointments made by members of the General Assembly to statutory boards, commissions, councils, committees, and other bodies and addresses representation in the membership of all codified bodies by minority persons.

Unless otherwise specifically provided by law, such appointments will now be made at the pleasure of the appointing member. Unless the appointing member replaces an appointee, the regular term of appointment is for two years beginning upon the convening of a new General Assembly and ending upon the convening of the following General Assembly or when their successors are appointed, whichever occurs later. If the appointee is a member of the General Assembly, a vacancy occurs in the appointed office if the appointee ceases to be a member of the General Assembly. Terms of such appointments under prior law generally matched that of executive branch appointments which typically begin May 1 and end April 30 for periods of two, three, or four years.

Both legislative and nonlegislative appointments made to codified bodies should now provide for minority representation of persons who are Black, Latino, Asian or Pacific Islander, American Indian, or Alaskan Native American, to the extent practicable.

Unless otherwise specifically provided by law, a temporary body created by an uncodified statute that provides for issuance of a final report by the body is dissolved on or about the date the body's final report is issued.

Each appointing authority is required to inform the Legislative Services Agency of the appointment. The agency is then required to inform the appointee and the board, commission, council, or committee to which the appointment is made, of the appointment. The agency is required to maintain an up-to-date listing of all appointments made or to be made by members of the General Assembly. Unless otherwise specifically provided by law, a member of the General Assembly will be paid per diem and necessary travel and actual expenses incurred in attending meetings of a statutory board, commission, council, or committee to which the member is appointed by a member of the General Assembly.

For most bodies with legislative appointments there will be four legislative appointments comprised of one majority and one minority party appointee from each legislative chamber. The number of legislative appointments for various bodies is increased or decreased by the legislation to four. In many provisions of prior law the President of the Senate, Majority Leader of the Senate, or the Speaker of the House of Representatives was designated to appoint legislative members on behalf of the minority party in consultation with the minority party leader. For most bodies with legislative appointments, the Act provides independent appointment authority for the minority leader of each chamber to make the minority party appointments.

The Act abolishes a number of dormant boards, commissions, councils, committees, task forces, and study groups.

The Act takes effect May 10, 2008.

**SENATE FILE 2424 - Public Retirement Systems and Analogous Benefits**

BY COMMITTEE ON APPROPRIATIONS. This Act makes numerous changes pertaining to public retirement systems, including the Public Safety Peace Officers' Retirement, Accident, and Disability System (PORS, Code Chapter 97A), the Iowa Public Employees' Retirement System (IPERS, Code Chapter 97B), the Statewide Fire and Police Retirement System (Code Chapter 411), and the Judicial Retirement System (Code Chapter 602), as well as other employee benefit-related matters.

*PUBLIC SAFETY PEACE OFFICERS' RETIREMENT, ACCIDENT, AND DISABILITY SYSTEM (PORS).* The Act contains the following provisions relating to PORS:

The Act eliminates references in Code Chapter 97A to the Pension Accumulation Fund, the Pension Reserve Fund, and the Expense Fund as separate funds of PORS and provides that the assets of PORS are in one retirement fund.

Code Section 97A.5(8), concerning the medical board for the system, is amended to provide that the board of trustees can designate a single medical provider network as the medical board of the system.

The Act provides that the board of trustees shall select the actuarial cost method to be used in conducting the annual actuarial valuation of the system and eliminates the requirement that the aggregate cost method be used.

A member's disability retirement shall cease if the disabled member is under age 55 and becomes employed in another public safety occupation.

The Act changes the determination of the contribution rate paid by the state to the PORS retirement fund. The state's normal contribution rate shall increase from the current minimum 17 percent rate by 2 percentage points per fiscal year, beginning July 1, 2008, until reaching a maximum of 27 percent in the fiscal year beginning July 1, 2012. Beginning July 1, 2012, the state's contribution rate for a fiscal year shall be the lesser of 27 percent or the normal contribution rate calculated pursuant to the actuarial valuation of the system.

*IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM.* The Act contains the following provisions relating to IPERS:

Code Section 97B.1A(20), concerning the definition of service, is amended to provide that service includes a period of military service from which the IPERS member does not return to IPERS covered service due to injury or disease resulting in death.

The Act amends the definition of wages to exclude bonuses and allowances, except allowances included as wages for members of the General Assembly, from the definition of wages.

Code Section 97B.7(3), concerning the payment of investment management expenses from the retirement fund, is amended to eliminate the cap on the amount authorized to be expended to pay the expenses during a fiscal year. The prior cap was four-tenths of 1 percent of the market value of the retirement fund.

Code Section 97B.11, concerning contributions to the system by employers and employees, is amended. Beginning July 1, 2011, IPERS will determine a required contribution rate for each membership group, including members in regular service, which is the contribution rate the system actuarially determines is the rate required by the system to discharge its liabilities as to that membership group as a percentage of the covered wages of members in that membership category. However, the required contribution rate for each membership group in a fiscal year shall not vary by more than one-half percentage point from the required contribution rate for the previous year. For members in regular service under IPERS, the employers shall pay 60 percent of the rate and members shall pay 40 percent of the rate. While the law already provided for an actuarial determination of the rates for members in each of the special service categories, the contribution rate for members in regular service was fixed.

Code Section 97B.34A, concerning payment to minors, is amended to provide that if the sum to be paid is less than the greater of \$25,000 or the amount authorized in Code Section 565B.7, subsection 3 (currently

\$25,000), the funds may be paid to an adult as custodian for the minor. Payments in excess of this amount are to be paid to a court-established conservator. Prior law set the maximum amount that could be paid to an adult custodian at \$10,000.

Code Section 97B.38, concerning fees for services, is amended to allow the system to charge fees to anyone for the costs incurred by the system in performing its duties. Previously, members, beneficiaries, and the general public, but not employers, could be charged fees.

The Act adds county jailers and detention officers, Iowa National Guard installation security officers, emergency medical services providers, and county attorney investigators as members in a protection occupation for purposes of IPERS benefits.

Code Section 97B.50, concerning early retirement due to disability, is amended to provide that a member who qualifies for IPERS' regular disability benefits by becoming eligible for federal disability benefits must demonstrate their continued qualification for federal disability benefits to receive IPERS benefits.

Code Section 97B.53B, concerning rollovers of members' accounts from IPERS to another eligible retirement plan, is amended to reflect Internal Revenue Code changes. This provision of the Act takes effect May 15, 2008, and is retroactively applicable to January 1, 2007.

Code Section 97B.80C(1) and (2), concerning purchases of permissive service credit, are amended. The Act provides that any period of time when there was not performance of services is considered nonqualified service eligible for a purchase of service. The Act also provides that a member may convert existing regular service credit to special service credit upon paying the actuarial cost of that enhanced benefit. If the existing service was nonqualified service, then the purchase of special service credit for that service shall be made pursuant to the requirements governing the purchase of nonqualified service. Alternatively, if the existing service was qualified service, then the purchase of special service credit for that service shall be made pursuant to the requirements governing the purchase of qualified service.

The Act also allows a person who, prior to July 1, 1998, left IPERS, received a refund of their contributions, and returned to IPERS service as a full-time employee, to receive a credit on the cost of purchasing service for that prior service equal to the amount of the employer's contributions made to IPERS during the prior service. This provision takes effect January 1, 2009.

Code Section 97B.82, concerning the purchase of service credit from a direct rollover of moneys from another retirement plan to IPERS, is amended to reflect Internal Revenue Code changes. This provision of the Act takes effect May 15, 2008, and is retroactively applicable to January 1, 2007.

*STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM (Code Chapter 411).* The Act contains the following provisions relating to the Code Chapter 411 Retirement System:

Code Sections 411.5 and 411.8, concerning the actuarial valuation and the method of financing the retirement system, are amended to provide that the board of trustees shall select the actuarial cost method to be used in the annual actuarial valuation of the system and in calculating the cities' contribution rate to the system. Prior law required the system to use the aggregate cost actuarial method.

New Code Section 411.10 permits current members of the retirement system with at least five years of service to purchase up to five years of service credit under the system for military service. The member is required to pay the full actuarial cost of the service purchase and must make written application with the retirement system for the purchase of service.

The cost of hospitalization and medical attention required to be provided by cities to members of the system injured on the job shall not be funded through an employee-paid health insurance policy.

*JUDICIAL RETIREMENT SYSTEM.* The Act contains the following provisions relating to the Judicial Retirement System:

Beginning July 1, 2008, the judge's contribution percentage shall be 7.7 percent of salary for FY 2008-2009, 8.7 percent for FY 2009-2010, and 9.35 percent for FY 2010-2011 and each fiscal year thereafter until the system reaches fully funded status. In addition, beginning July 1, 2008, and for each fiscal year thereafter until the system reaches fully funded status, the state's contribution shall be 30.6 percent of salary of all judges. Once the fund reaches fully funded status, the state shall pay 60 percent and judges shall pay 40 percent of the required contribution rate. Previously, judges were required to contribute 6 percent and the state was required to contribute 23.7 percent of salary.

Code Section 602.9116, concerning the actuarial valuation of the system, is amended to provide that the court administrator determine the actuarial assumptions and methods to be used by the actuary. A corresponding change is made in Code Section 602.9104 to eliminate the requirement that the projected unit actuarial cost method be used.

*MISCELLANEOUS PROVISIONS.* The Act changes the law concerning the granting of a leave of absence for a person elected to a municipal, county, state, or federal office. The Act eliminates the provision that an employer, with at least 20 employees, was only required to grant a leave of absence for six years.

The Act establishes new Code Section 97D.5, which requires each public retirement system (PORS, IPERS, the Statewide Fire And Police Retirement System created in Code Chapter 411, and the Judicial Retirement System) to determine, using the entry age normal actuarial cost method, the actuarially required contribution rate and normal cost rate for the public retirement system and to include this information in the system's actuarial valuation or update beginning with the 2008-2009 fiscal year.

The Act also makes changes relative to deferred compensation plans offered to certain public educational employees. The Act provides that a community college, Area Education Agency board, or school district may establish a deferred compensation plan in accordance with Section 403(b) of the Internal Revenue Code allowing eligible employees to select one or more investment contracts. Investment contracts in the plan shall either be selected pursuant to a competitive bidding process conducted by the employer in coordination with employees or by participation in the Tax-Sheltered Investment Program established by the Department of Administrative Services (DAS). The determination of whether to select investment contracts by competitive bid or by participation in the DAS plan shall be by agreement between the employer and employee organizations representing employees. These provisions of the Act take effect January 1, 2009. However, the Act provides for a transition period for calendar year 2009 which provides that investment contracts in the plan for that year shall either be investment contracts included in a deferred compensation or similar plan offered by DAS or no more than five companies authorized to issue investment contracts as selected by the applicable employer and no more than three companies authorized to issue investment contracts as selected by the employee organizations representing the employer's employees. The Act further authorizes and provides that DAS establish, by January 1, 2010, a tax-sheltered investment program that may be offered to eligible public employers in the state.

**[SENATE FILE 2427](#) - Lobbying by State Agencies — Restrictions**

BY GRONSTAL AND WIECK. This Act creates new Code Section 68B.8, which prohibits a state agency of the executive branch of state government from using or permitting the use of its public funds for certain paid advertisements or public service announcements regarding pending legislation. A person who knowingly and intentionally violates the new provision is guilty of a serious misdemeanor and may be reprimanded, suspended, or dismissed from the person's position or otherwise sanctioned.

**[HOUSE FILE 2151](#) - Advanced Practice Registered Nurse Licensure Compact**

BY COMMITTEE ON HUMAN RESOURCES. This Act repeals the July 1, 2008, sunset of the Advanced Practice Registered Nurse Compact. That compact allows advanced practice registered nurses to hold a license in the state of residency and practice in other compact states subject to each state's practice law and regulation.

The Act takes effect March 5, 2008.

**[HOUSE FILE 2390](#) - Licensing and Regulation of Plumbers and Mechanical Professionals**

BY COMMITTEE ON STATE GOVERNMENT. This Act revises previously enacted legislation (2007 Iowa Acts, H.F. 908, to take effect July 1, 2008) relating to the licensing of plumbers and mechanical professionals. The Plumbing and Mechanical Systems Examining Board is required to adopt licensing examinations which are specific to each type of license issued by the board.

A variety of persons are exempted from the licensing requirements:

1. A person licensed as a manufactured home retailer or certified as a manufactured home installer.
2. A person employed by a rate-regulated gas or electric public utility which provides plumbing or mechanical services as part of a systematic marketing effort.
3. A person employed by state or local government.
4. A person employed by manufacturers, manufacturer representatives, or wholesale suppliers who provide consultation or develop plans.

The Act establishes July 1, 2009, as the date when all plumbing and mechanical licensing provisions promulgated by any governmental subdivision shall be null and void.

The Act revises the effective dates of the enabling legislation itself. Provisions relating to the organization and operation of the board itself take effect April 16, 2008. Provisions relating to actual licensing of plumbers and mechanical professionals take effect July 1, 2008, and provisions relating to enforcement actions by the Department of Inspections and Appeals take effect January 1, 2009.

**[HOUSE FILE 2410](#) - Alarm System Installer or Contractor Certification and Electrician Licensure**

BY COMMITTEE ON STATE GOVERNMENT. This Act relates to requirements pertaining to applicants for alarm system contractor and installer certification, and to specified exceptions to electrician licensure provisions.

The Act provides that applicants for certification as an alarm system contractor or alarm system installer must provide fingerprints to the Department of Public Safety for submission through the State Criminal History Repository to the Federal Bureau of Investigation for the purposes of conducting a national criminal history check. Fees for the history check shall be paid by the applicant or the applicant's employer, and the results of the check shall not be considered a public record.

The Act amends a provision that takes effect July 1, 2009, to clarify that employees of investor-owned utilities, municipal utilities, and electric membership or cooperative associations acting within the scope of their employment are all exempt from electrician licensure requirements.

Additionally, the Act modifies an exception from electrician licensure for persons holding a valid license issued by a political subdivision and doing work only within that political subdivision's jurisdictional limits. Previously, the exception was available if the political subdivision issued a license that met the requirements of Code Chapter 103, which regulates electricians and electrical contractors. The Act modifies this provision such that the license issued by a political subdivision shall be based upon requirements substantially equivalent to the licensing requirements of the Code chapter.

Sections of the Act amending provisions currently in effect take effect April 11, 2008.

**HOUSE FILE 2411 - Electrician Licensure — Experience in Lieu of Examination**

BY COMMITTEE ON STATE GOVERNMENT. This Act modifies requirements applicable for licensure as a Class B master electrician or a Class B journeyman electrician pursuant to Code Chapter 103.

Previously, an applicant who can provide proof that the applicant has been working in the electrical business and involved in planning for, laying out, supervising, and installing electrical wiring, apparatus, or equipment for light, heat, and power prior to 1990 may be granted a Class B master electrician license by the Electrical Examining Board without taking an examination. The Act changes the condition for licensure without an examination to performing the applicable work activities since January 1, 1998, and for a total of at least 16,000 hours, of which at least 8,000 hours shall have been accumulated since January 1, 1998. Similarly, prior law provided that an applicant who can provide proof that the applicant has been employed as a journeyman electrician since 1990 may currently be granted licensure as a Class B journeyman electrician without taking an examination. The Act makes a corresponding change in the condition for licensure as a Class B journeyman electrician without an examination to employment since January 1, 1998, and for a total of at least 16,000 hours, of which at least 8,000 hours shall have been accumulated since January 1, 1998.

The Act takes effect April 11, 2008.

**HOUSE FILE 2547 - Alarm System Installer or Contractor Certification and Electrician Licensure — Miscellaneous Additional Revisions**

BY COMMITTEE ON STATE GOVERNMENT. This Act makes several changes with regard to electrician and alarm system contractor and installer licensure and certification legislation passed during the 2007 Legislative Session.

In connection with Code Chapter 100C, relating to certification of fire extinguishing system contractors, alarm system contractors, and alarm system installers, the Act changes references to "medical alarm" systems to "nurse call" systems, and provides that an alarm system does not include a security system or portion of a combination system installed in a prison, jail, or detention facility owned by the state, a political subdivision of the state, the Department of Human Services, or the Iowa Veterans Home. The Act adds a certification requirement applicable to a subcontractor of a certified alarm system contractor who is an alarm system installer and not licensed as an electrician pursuant to Code Chapter 103. The Act also modifies definitions applicable to an "alarm system contractor" and an "alarm system installer." The Act deletes references to an alarm system contractor as being engaged in the "activity" of layout, installation, repair, alteration, addition, maintenance, or maintenance inspection of alarm systems, but retains alarm system contractors being engaged in the "business" of layout, installation, repair, alteration, addition, maintenance, or maintenance inspection of alarm systems, and provides that they are so engaged as an employee of an alarm system contractor, or as an employee of any employer other than an alarm system contractor in a building or facility owned or occupied by such an employer. Further, the Act provides an exemption from the requirements of Code Chapter 100C for a licensed engineer providing consultation or developing plans or other work concerning the installation or design of fire protection systems.

Relating to licensure of electricians and electrical contractors, the Act deletes the definitions of "commercial installations" and "residential installations," and modifies the definition of "electrical contractor" to include a person who may not be licensed as a class A or class B master electrician but employs a person so licensed. The Act additionally modifies the definition of "routine maintenance," adding that it does not include any new electrical installation or the expansion or extension of any circuit.

The Act changes a reference to nonunion contractors represented on the Electrical Examining Board to contractors not signed to a collective bargaining agreement, and a reference to the offices of the Secretary of State to the State Law Library regarding a requirement that the board file the most current publication of the National Electrical Code and amendments thereto. No person other than a licensed electrical contractor shall engage in the business of providing new electrical installations or any other electrical services.

The Act adds a provision that the board may reject an application for licensure from an applicant who would be subject to suspension, revocation, or reprimand pursuant to board disciplinary authority. A person may be qualified to wire for or install electrical wiring, apparatus, or equipment, or supervise an apprentice electrician

or unclassified person if working under the supervision of a class A or class B master electrician. The Act also removes the ability of an applicant for a class A or class B journeyman electrician license to petition for a waiver of apprenticeship training requirements, providing in the alternative that the applicant shall have received training or experience for a period of time and under conditions established by the board. Also, the requirement of achieving a specified score on an examination prescribed by the board is removed.

The Act modifies provisions relating to licensure as an unclassified person after a period of 100 continuous days of employment, adding that employment as a nonlicensed unclassified person will not be credited toward any applicable apprenticeship experiential requirement. Records regarding employment of unclassified persons must be maintained by any employer.

The Act changes the frequency with which licensure examinations must be offered by the board from monthly to quarterly, provides for the confidentiality of Social Security numbers provided on applications, deletes fees for licensure examinations, and establishes a license and renewal fee for unclassified persons of \$20.

The Act provides that an exemption from licensure for electrical work performed on an owner's principal residence does not apply to an apartment that is attached to any other apartment or building as defined in Code Section 499B.2, provides an exemption for a person licensed as a manufactured or mobile home retailer or certified as a manufactured or mobile home installer pursuant to Code Chapter 103A, and states licensure shall not be required regarding any person, including an employee of the state or any political subdivision of the state, performing routine maintenance. The Act also provides for the obtaining of electrical inspector's certificates by persons appointed to act as electrical inspectors for the state or a political subdivision by specified dates, deletes a provision that notice of failure to request an inspection can be sent by the State Fire Marshal's office in addition to the board, and changes the date after which a political subdivision can choose to discontinue performing its own inspections from December 31, 2012, to December 31, 2013. The Act adds the State Building Code Commissioner as originally approving a construction plan with regard to circumstances under which an inspector may add to, modify, or amend such a plan.

The Act takes effect April 16, 2008.

**[HOUSE FILE 2646](#)** - **Regulation and Licensure of Fire Protection System Installation and Maintenance** BY COMMITTEE ON STATE GOVERNMENT. This Act provides for statewide licensing of fire sprinkler installer and maintenance workers. The State Fire Marshal, Chief Officer of the Division of the State Fire Marshal within the Department of Public Safety, is to promulgate rules for the administration and enforcement of the licensing requirements.

The Act takes effect on August 1, 2009.



## TAXATION

- [SENATE FILE 572](#) - Taxation of Electric Utilities — Extension of Soy-Based Transformer Fluid Credit
- [SENATE FILE 2123](#) - Internal Revenue Code References and Income Tax Provisions
- [SENATE FILE 2419](#) - Speculative Shell Building Property Tax Incentives
- [HOUSE FILE 2233](#) - Sales, Use, and Property Tax Exemptions for Web Search Portal Businesses
- [HOUSE FILE 2417](#) - State Income Taxes — Federal Tax Rebates
- [HOUSE FILE 2642](#) - Validity of Treasurer's Deeds — Defects in Notice of Redemption Rights
- [HOUSE FILE 2663](#) - School Infrastructure Funding and Taxation
- [HOUSE FILE 2673](#) - Inheritance Taxes on Qualified Tuition Plans

### RELATED LEGISLATION

- [SENATE FILE 2124](#) - Veterans Trust Fund Expenditures and Income Tax Checkoffs  
**SEE PUBLIC DEFENSE AND VETERANS.** This Act establishes two income tax checkoffs for tax years beginning on or after January 1, 2008. One checkoff is for the Child Abuse Prevention Program Fund and the other checkoff is a joint checkoff for the Veterans Trust Fund and the Volunteer Fire Fighter Preparedness Fund. The Act takes effect May 5, 2008.
- [SENATE FILE 2317](#) - Substantive Code Corrections  
**SEE STATE GOVERNMENT.** This Act contains statutory corrections in provisions relating to sales and use tax refunds to certain eligible businesses; film investment and expenditure tax credits; and tax assessments on railway sleeping and dining cars.
- [SENATE FILE 2350](#) - Trusts, Estates, and Conservatorships — Interests, Rights, Fiduciaries, and Taxation  
**SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION.** This Act relates to trusts and estates, including the administration of small estates, and includes a provision repealing Code Chapter 451 (the Iowa Estate Tax).
- [SENATE FILE 2400](#) - Appropriations — Administration and Regulation  
**SEE APPROPRIATIONS.** This Act relates to and appropriates from the General Fund of the State, and from other funds, to various administrative and regulatory state departments, agencies, and funds for FY 2008-2009, and includes various policy and technical changes to tax provisions and related laws administered by the Department of Revenue.
- [SENATE FILE 2405](#) - Renewable Energy Production — Financing and Incentives  
**SEE ENERGY AND PUBLIC UTILITIES.** This Act provides for acquisition of equity interests in wind energy production facilities by state banks financing such facilities for customers, and relates to qualification for specified wind energy tax credits.
- [SENATE FILE 2415](#) - Emergency Response Districts — Pilot Projects  
**SEE LOCAL GOVERNMENT.** This Act provides that the commission governing an emergency response district may annually levy a tax of not more than \$1.60 and 3/4 cents per \$1,000 of assessed value on all the taxable property within the district after holding a public hearing. The Act provides that the maximum tax levy authorized for the general fund of a city within the district shall be reduced by the amount of the tax rate levied within the city by the district.

- [SENATE FILE 2418](#) - Income Tax Refunds and Credits — Information and Assistance  
**SEE HUMAN SERVICES.** This Act relates to income tax assistance to be provided by the Department of Human Services. The Act directs the department to provide to certain client households materials and publications related to the federal and state earned income tax credits. The publications or materials to be provided are from the Internal Revenue Service, the Department of Revenue, and tax preparers who provide services to low-income and other eligible persons.
- [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME-21  
**SEE TRANSPORTATION.** This Act repeals the use tax on vehicles subject to registration and leased vehicles and replaces the tax with a one-time registration fee to be collected by county treasurers and administered by the Department of Revenue in the same manner as the use tax. The Act also creates a new vehicle classification, the "business-trade truck," for annual registration purposes and authorizes the Department of Revenue to refer to its tax records, upon request of the Department of Transportation or a county treasurer, to confirm or refute that a business entity or individual qualifies for the registration.
- [SENATE FILE 2428](#) - Debts Owed the State or Political Subdivisions — Collection, Payment, and Sanctions  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act provides that the Department of Revenue shall not attempt to collect delinquent sales tax on a transaction involving the furnishing of lawn care, landscaping, or tree trimming and removal services which occurred more than five years from the date of an audit.
- [SENATE FILE 2432](#) - Appropriations — Infrastructure and Capital Projects  
**SEE APPROPRIATIONS.** Division IX of this Act amends current law relating to the disposition of real estate transfer tax receipts received by the Treasurer of State.
- [S.J.R. 2002](#) - Proposed Constitutional Amendment — Natural Resources and Outdoor Recreation Trust Fund  
**SEE NATURAL RESOURCES AND OUTDOOR RECREATION.** This Joint Resolution proposes an amendment to the Constitution of the State of Iowa to dedicate a portion of state sales and service tax revenue for the benefit of water quality, natural areas, and agricultural soils in this state.
- [HOUSE FILE 2283](#) - Vietnam Conflict Veterans Bonus  
**SEE PUBLIC DEFENSE AND VETERANS.** This Act provides that Vietnam Conflict veterans bonuses paid as provided by this Act are exempt from state income tax. The Act takes effect May 5, 2008, and is applicable for tax years beginning on or after July 1, 2008. The provision creating the bonus is repealed June 30, 2011.
- [HOUSE FILE 2539](#) - Health Care Reform and Funding  
**SEE HEALTH AND SAFETY.** This Act relates to health care reform and directs the Director of Revenue to draft the income tax form to allow, with tax returns for tax year 2008, a person who files an individual or joint income tax return to indicate the presence or absence of health care coverage for each dependent child for whom an exemption is claimed, provides that a person filing individually or jointly may report on the income tax return the presence or absence of health care coverage for each dependent child, and provides that if the taxpayer indicates that a dependent child does not have health care coverage and the income of the taxpayer reported does not exceed the income eligibility standard for Medicaid or hawk-i, the Department of Revenue is to send a notice to the taxpayer indicating that the dependent child may be eligible for these programs and providing information about how to enroll in the programs. The Department of Revenue is to consult with the Department of Human Services in developing the tax return form and the information to be provided and in adopting rules to administer the program. The Department of Revenue, in cooperation

with the Department of Human Services, is also to report certain information to the Governor and the General Assembly, annually, with regard to the program.

- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds  
**SEE TRANSPORTATION.** This Act provides for the creation of benefited secondary road services districts to allow certain residential subdivisions to levy property taxes to obtain county road services.
- [HOUSE FILE 2687](#) - Underutilized Property Redevelopment Tax Credits  
**SEE ECONOMIC DEVELOPMENT.** This Act relates to economic development by providing tax credits for the redevelopment of certain underutilized properties commonly referred to as brownfield or grayfield sites.
- [HOUSE FILE 2688](#) - Livestock Operation Odor Mitigation  
**SEE AGRICULTURE.** This Act provides for the establishment and administration of efforts to mitigate odor emitted from livestock operations involving swine, beef or dairy cattle, chickens, or turkeys conducted by Iowa State University. Livestock producers and other interested persons contribute to a research livestock odor effort by making monetary and in-kind contributions on a cost-share basis.
- [HOUSE FILE 2689](#) - Renewable Fuels — Miscellaneous Changes  
**SEE AGRICULTURE.** This Act amends Code provisions relating to renewable fuel, and specifically ethanol and biodiesel, including by providing that the biodiesel blended fuel tax credit is calculated on a site-by-site basis.
- [HOUSE FILE 2700](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes  
**SEE APPROPRIATIONS.** This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other properly related matters. Division IV includes individual and corporate income tax credits for charitable contribution of real estate for qualified conservation purposes, an authorization for certain cities to use all of the increase in local sales and services tax revenues collected in designated urban renewal areas for urban renewal projects, increase the use tax exemption for mobile and manufactured homes, and a change in the calculation of the distribution of the school infrastructure sales tax moneys from that enacted in H.F. 2663.



## TAXATION

### [SENATE FILE 572](#) - Taxation of Electric Utilities — Extension of Soy-Based Transformer Fluid Credit

BY COMMITTEE ON WAYS AND MEANS. This Act extends by a year the time period during which costs must be incurred in order to receive state tax benefits for the use of soy-based transformer fluid by electric utilities from January 1, 2008, to January 1, 2009. Because of this extension, the repeal of the tax benefits is also extended one year, from December 31, 2008, to December 31, 2009. The state tax benefits that are affected by this extension are the tax credit under the individual or corporate income tax and the refund of sales and use taxes or utility replacement taxes paid.

The Act takes effect February 20, 2008, and applies to applications for the tax credit made on or after February 20, 2008.

### [SENATE FILE 2123](#) - Internal Revenue Code References and Income Tax Provisions

BY COMMITTEE ON WAYS AND MEANS. This Act updates references to the Internal Revenue Code to make the federal income tax revisions enacted by Congress in 2007 applicable for Iowa income tax purposes. Code Sections 422.3 and 422.32, general definition sections in the income tax chapter of the Code, are amended to update the reference to the Internal Revenue Code.

Code Sections 15.335, 15A.9, 422.10, and 422.33 are amended to update references to the state research activities credit for individuals, corporations, corporations in economic development areas, and corporations in quality jobs enterprise zones to include the 2007 federal changes in the research activities credit and the alternative incremental research credit.

Code Sections 422.7 and 422.35 are amended to specify that, for purposes of computing state income tax liability, a taxpayer is allowed to take the increased expensing allowance provided for in the federal Economic Stimulus Recovery Act enacted by Congress in 2008.

The Act takes effect March 11, 2008. The amendments related to the expensing allowance apply retroactively to January 1, 2008, for tax years beginning on or after that date. The remainder of the Act applies retroactively to January 1, 2007, for tax years beginning on or after that date.

### [SENATE FILE 2419](#) - Speculative Shell Building Property Tax Incentives

BY COMMITTEE ON WAYS AND MEANS. This Act modifies the current property tax exemption for reconstruction or renovation of a building as a speculative shell building to provide that the exemption shall be for the value of the land and the building and the exemption may begin in the assessment year following the assessment year in which the project commences. The Act applies to speculative shell building projects that involve complete replacement or refitting of an existing building or structure.

The Act takes effect May 7, 2008, and applies retroactively to January 1, 2007, for projects approved prior to that date. Claims for exemption for the 2007, 2008, or 2009 assessment year must be filed with the appropriate local governing body on or before October 1, 2008.

### [HOUSE FILE 2233](#) - Sales, Use, and Property Tax Exemptions for Web Search Portal Businesses

BY COMMITTEE ON WAYS AND MEANS. This Act provides a sales and use tax exemption for the sale or rental of computers and equipment that are necessary for the maintenance and operation of a web search portal business and property that is directly or indirectly connected to the computers; the sale of back-up power generation fuel; and electricity used in the operation and maintenance of the web search portal business.

To qualify for the sales and use tax exemption, the purchaser or renter must be a web search portal business, the web search portal business must have a physical location in the state that is used for the operations and maintenance of the web search portal business, the business must have a minimum investment within the first six years of operation in Iowa of \$200 million, and the business must purchase, option, or lease land in the state not later than December 31, 2008.

The Act also provides a property tax exemption for property utilized by a web search portal business as defined in and meeting the qualifications of the provisions for the sales and use tax exemption.

The statutory requirement that the state provide funding to implement a new property tax exemption does not apply to the property tax exemption in the Act.

**[HOUSE FILE 2417](#) - State Income Taxes — Federal Tax Rebates**

BY COMMITTEE ON WAYS AND MEANS. Under state individual income tax, an individual is allowed a deduction for federal income tax paid during the tax year, adjusted by any federal income tax refunds received during the same tax year. This Act provides that for the 2008 tax year any federal tax rebate received under the federal Economic Stimulus Act of 2008 is not subject to tax and thus would not be used to reduce any deduction an individual has for federal income taxes paid. These federal income tax rebates shall also not be considered for purposes of determining either eligibility for admission to the Iowa Veterans Home or whether a resident of the home must contribute to the resident's own support.

The Act applies retroactively to January 1, 2008, for tax years that begin on or after that date and before January 1, 2009.

**[HOUSE FILE 2642](#) - Validity of Treasurer's Deeds — Defects in Notice of Redemption Rights**

BY COMMITTEE ON JUDICIARY. This Act provides that a treasurer's deed issued after expiration of the period of redemption is void if it is established that notice of expiration of right of redemption was not served on the owner of record or the person in whose name the parcel is taxed if other than the owner of record. The Act further provides that the deed is not invalid solely because notice was not provided to a person with an interest in the parcel conveyed by tax deed or a person who is in possession of the parcel and such persons were entitled to notice of expiration of right of redemption. However, the deed remains subject to challenge under other statutory provisions.

The Act takes effect April 8, 2008, and applies to treasurer's deeds issued on or after that date.

**[HOUSE FILE 2663](#) - School Infrastructure Funding and Taxation**

BY COMMITTEE ON WAYS AND MEANS. This Act replaces the local option sales and services tax for school infrastructure purposes by increasing the state sales and use taxes from 5 percent to 6 percent, effective July 1, 2008. The state sales and use tax rates are reduced from 6 percent to 5 percent on January 1, 2030.

The increased state sales and use tax revenues are deposited into the Secure an Advanced Vision for Education Fund created in new Code Chapter 423F to be distributed to all school districts. All existing local sales and services taxes for school infrastructure purposes are repealed. A statewide amount per pupil is computed each fiscal year based upon the estimated amount that would have been generated by a 1 percent local sales and services tax in all counties divided by the combined enrollment of all school districts. Each district will receive an amount equal to the amount that it would have received under the formula if the local sales and services tax for school infrastructure was still imposed. Any funds left over after distribution under the formula are to be distributed to the new Property Tax Equity and Relief Fund to be used to reduce school districts' additional property tax levy. This reduction would be in addition to the amounts already appropriated for this purpose pursuant to Code Section 257.4, subsection 4.

The Act provided that in determining the amounts that would have been collected statewide and by each county and school district, a statewide average state sales and use tax growth percentage was to be applied for each fiscal year regardless of the growth in a particular county. This calculation method was subsequently stricken by H.F. 2700 (see Appropriations) and the previous method of calculating the amount of local sales and services tax that is collected in each county is to be used.

Revenues received are to be used according to a revenue purpose statement that was in existence under the replaced tax. Prior to the use of any revenues after the revenue purpose statement expires, the school district may hold an election on the adoption of a new revenue purpose statement. However, an election is not

needed if the purposes for which the revenues are to be used are for bond levy and physical plant and equipment levy reductions.

The purposes for which the revenues may be used are the reduction of bond levies; regular and voter approved physical plant and equipment levies; public educational and recreational levy; and schoolhouse tax levy; authorized infrastructure purposes as defined in new Code Section 423F.3, which are the same activities listed under the repealed Code Section 423E.1, subsection 3; and payment of principal and interest of bonds issued under Code Chapter 423E or 423F. If a revenue purpose statement is not approved, the revenues are to be used in the order listed for the above purposes.

The increased use tax rate does not apply to the sale or lease of motor vehicles. The exemption from the increased use tax rate for the sale or lease of motor vehicles was subsequently amended by S.F. 2420 (see Transportation) and then again by H.F. 2700 (see Appropriations) to exempt from the increase the use of vehicles subject only to the issuance of a certificate of title and the use of manufactured housing and on the use of leased vehicles that do not require titling or registration.

New Code Chapter 423F is repealed December 31, 2029, at the time of the state sales and use tax rate reductions.

**[HOUSE FILE 2673](#) - Inheritance Taxes on Qualified Tuition Plans**

BY COMMITTEE ON WAYS AND MEANS. This Act exempts from the state inheritance tax the value of any interest in an Iowa Educational Savings Plan that is established pursuant to Code Chapter 12D by the Treasurer of State and any other plans established under Section 529 of the Internal Revenue Code. The exemption applies to such plans in existence on or after July 1, 1998.



## TRANSPORTATION

- [SENATE FILE 2156](#) - Commercial Motor Vehicle Regulation — Operators and Employers
- [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME 21
- [HOUSE FILE 2196](#) - Department of Transportation Revenue Collection Methods — Electronic Payment Study
- [HOUSE FILE 2213](#) - Regulation of Motor Vehicles — Miscellaneous Changes
- [HOUSE FILE 2407](#) - Motor Vehicle Registration Fees — Vehicles Equipped for Disabled Persons or Wheelchairs
- [HOUSE FILE 2452](#) - Specialty Vehicle Titles and Registration
- [HOUSE FILE 2651](#) - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds

## RELATED LEGISLATION

- [SENATE FILE 2134](#) - Veterans — County Commissions, Training, and Motor Vehicle Registration Plates  
**SEE PUBLIC DEFENSE AND VETERANS.** This Act broadens the eligibility requirements for special gold star motor vehicle registration plates to surviving relatives of a member of the armed forces who died as a result of such military service.
- [SENATE FILE 2394](#) - Appropriations — Transportation  
**SEE APPROPRIATIONS.** This Act makes appropriations from the Road Use Tax Fund and the Primary Road Fund to the Department of Transportation.
- [SENATE FILE 2425](#) - Appropriations — Health and Human Services  
**SEE APPROPRIATIONS.** This Act relates and makes appropriations for health and human services for FY 2008-2009 and includes a provision requesting a legislative interim study committee to conduct a comprehensive study of the ways in which mass transit might be employed to provide public transportation services among Iowa counties.
- [SENATE FILE 2428](#) - Debts Owed the State or Political Subdivisions — Collection, Payment, and Sanctions  
**SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS.** This Act authorizes the Centralized Collection Unit of the Department of Revenue to enter into an installment agreement with a debtor for the purpose of the debtor obtaining their driver's license after the driver's license of the debtor has been suspended for unpaid court fines. Currently, the county attorney has the exclusive authority to enter into such an agreement.
- [SENATE FILE 2432](#) - Appropriations — Infrastructure and Capital Projects  
**SEE APPROPRIATIONS.** Division VIII of this Act would have amended 2008 Iowa Acts, S.F. 2420, by requiring the Department of Transportation to submit a report regarding a public transit funding study to the Governor and the General Assembly on or before December 31, 2008, instead of December 1, 2009. The Governor item vetoed the provision.
- [HOUSE FILE 2551](#) - Commercial Aerial Pesticide Applicator Licensing — Nonresidents  
**SEE AGRICULTURE.** This Act regulates nonresidents engaged in the aerial application of pesticides who are regulated as commercial applicators by the Department of Agriculture and Land Stewardship by providing special requirements for the operation of the aircraft used in the aerial application and the supervision of the nonresident commercial applicator. The Act takes effect April 8, 2008.

[HOUSE FILE 2689](#)

- Renewable Fuels — Miscellaneous Changes

**SEE AGRICULTURE.** This Act amends Code provisions relating to renewable fuel, and specifically ethanol and biodiesel, including by requiring the Office of Energy Independence, in cooperation with the Department of Transportation, to develop a direct marketing campaign to encourage the increased use of E-85 and biodiesel fuel.

## TRANSPORTATION

### [SENATE FILE 2156](#) - Commercial Motor Vehicle Regulation — Operators and Employers

BY COMMITTEE ON TRANSPORTATION. This Act contains provisions relating to commercial motor vehicle regulation that conform Iowa law more closely with federal law.

For purposes of administering and enforcing commercial driver's license provisions, the term "employer" is defined to mean any person who owns or leases a commercial motor vehicle or assigns an employee to operate a commercial motor vehicle. The definition of "tank vehicle" is revised to exclude portable tanks with a rated capacity of less than 1,000 gallons and permanent tanks with a rated capacity of 119 gallons or less. The definition of "conviction," which applies for purposes of motor vehicle regulation generally, is amended to include a final administrative ruling or determination, and the definition of "motor vehicle" is amended to eliminate a reference to trackless trolleys.

The Act consolidates provisions relating to disqualification from operating a commercial motor vehicle for multiple convictions within a three-year period for offenses committed while operating either a commercial motor vehicle or a noncommercial motor vehicle and holding a commercial driver's license. The multiple periods of disqualification shall apply consecutively.

The Act imposes civil penalties in place of a \$100 scheduled fine for violations of commercial motor vehicle out-of-service orders. A driver who violates an out-of-service order is subject to a fine of not less than \$2,500 upon conviction for a first violation and not less than \$5,000 upon conviction for a second or subsequent violation within a 10-year period. Additionally, an employer who knowingly allows, requires, permits, or authorizes an employee to drive a commercial motor vehicle in violation of an out-of-service order is subject to a fine of not less than \$2,750 and not more than \$25,000.

Employers shall not knowingly allow, require, permit, or authorize a commercial motor vehicle operator to violate provisions relating to railroad grade crossings. The penalty imposed on employers for a violation is a fine of not more than \$10,000. In addition, if a peace officer is unable to identify the driver of a commercial vehicle that failed to stop at a railroad crossing, a citation may be issued to the employer of the driver.

### [SENATE FILE 2420](#) - Transportation Fees, Funds, and Revenue Sources — TIME-21

BY COMMITTEE ON WAYS AND MEANS. This Act primarily addresses various mechanisms for highway funding by generating new revenues for allocation to the Transportation Moves the Economy in the Twenty-First Century (TIME-21) Fund and providing constitutional protection for motor vehicle use tax revenues by repealing the use tax on vehicles subject to registration and leased vehicles and replacing it with a fee for new registration.

#### Division I — Motor Vehicles

Division I increases certain annual motor vehicle registration fees and requires the Treasurer of State to credit the amount collected from motor vehicle registration fees in excess of \$392 million annually to the TIME-21 Fund. When the TIME-21 Fund is dissolved on June 30, 2028, pursuant to current law, the revenues will revert to the Road Use Tax Fund.

Annual registration fees for new passenger cars and sports utility vehicles, which are based on the weight and value of the vehicle, are not increased under the Act. However, the current nine-year schedule for reduction of those fees based on the age of the vehicle is expanded to 12 years, and the minimum registration fee is increased from \$35 to \$50. Current owners are protected from fee increases for the vehicles they currently own: if the registration fee under the new rate schedule is higher than the owner paid for the same vehicle in the previous year, the fee does not increase.

The annual registration fee for a motor truck registered for a combined gross weight of three tons or less is increased from \$65 to \$150. The fee decreases as the vehicle ages, reaching the minimum fee of \$50 in the twelfth model year. Fees for trucks registered for more than three tons but not more than nine tons are

increased as follows: for not more than four tons, from \$80 to \$165; for not more than five tons, from \$90 to \$180; for not more than six tons, from \$105 to \$195; for not more than seven tons, from \$130 to \$215; for not more than eight tons, from \$165 to \$220; and for not more than nine tons, from \$200 to \$225. Current owners are protected from fee increases for the trucks they currently own: the new fees apply only to trucks purchased on or after January 1, 2009.

Beginning with model year 2010, the annual registration fee for a motor truck with an unladen weight of 10,000 pounds or less will be based on the weight and value of the vehicle unless the truck is a business-trade truck.

The business-trade truck is a new vehicle classification for registration purposes, which entitles the owner to pay the flat fees established in the division for registration of three-ton, four-ton, or five-ton trucks. Business-trade trucks will be required to display specially designed registration plates that distinguish them from trucks registered for fees based on weight and value. "Business-trade truck" is defined as a motor truck with an unladen weight of 10,000 pounds or less which is owned by a corporation, limited liability company, or partnership or by a person who files a schedule C or schedule F form for federal tax purposes and which is eligible for depreciation. A leased motor truck qualifies as a business-trade truck if the lessee is a corporation, limited liability company, or partnership or a person who files a schedule C or schedule F form, provided the truck is used primarily for business or farming operations. A person who registers a vehicle as a business-trade truck must provide proof or affirm that the vehicle qualifies for the registration. The division authorizes the Department of Revenue to utilize its tax records to confirm or refute that the owner of a vehicle meets the requirements for business-trade registration. If a person is found to have registered a vehicle as a business-trade truck that is not qualified for the registration, the person shall owe the difference between the regular registration fees for the vehicle for each year the vehicle was improperly registered and the fees actually paid. If the person knowingly registered the vehicle improperly, a penalty applies in the amount of \$750 for each year of violation, up to a maximum amount of \$2,250. The county treasurer who collects the penalty may retain 25 percent of the amount for deposit in the county general fund, with the remaining amount accruing to the Road Use Tax Fund.

The division increases annual registration fees for special trucks used in farming which are registered for a gross weight of six tons through 18 tons. For a gross weight of six tons, the fee is increased from \$80 to \$100; for a gross weight of seven tons, from \$100 to \$125; and for a gross weight of eight tons, from \$120 to \$155. Fees for special trucks with a gross weight of 9 through 18 tons are established as follows: nine tons, \$170; 10 tons, \$190; 11 tons, \$205; 12 tons, \$225; 13 tons, \$245; 14 tons, \$265; 15 tons, \$280; 16 tons, \$295; 17 tons, \$305; and 18 tons, \$315. Current owners are protected from fee increases for special trucks they currently own: the new fees apply only to special trucks purchased on or after January 1, 2009.

Division I of the Act takes effect January 1, 2009, and applies to vehicles registered for registration years beginning in 2009 and subsequent years.

#### Division II — Title Fees

Division II increases the fee charged for issuance of a certificate of title for a motor vehicle or trailer from \$10 to \$20. The fees for a salvage certificate of title and for a title for a motor vehicle returned to the manufacturer under the Lemon Law are increased from \$2 to \$10.

The Treasurer of State is required to credit monthly to the TIME-21 Fund the amount of revenue attributable to the increase in title fees. When the TIME-21 Fund is dissolved on June 30, 2028, pursuant to current law, the revenues will revert to the Road Use Tax Fund.

Division II of the Act takes effect January 1, 2009.

#### Division III — Trailer Registration Fees

Division III increases the fee charged for registration of trailers. Currently, most trailers other than farm trailers and trailers registered for the combined gross weight of the vehicle are subject to a \$10 registration fee. The

division increases the fee to \$20 for such trailers with an empty weight of 2,000 pounds or less, and \$30 for such trailers with an empty weight in excess of 2,000 pounds. The registration fee for travel trailers and fifth-wheel travel trailers, which is based on square footage, is increased from 20 cents to 30 cents per square foot.

The Treasurer of State is required to credit monthly to the TIME-21 Fund the amount of revenue attributable to the increase in trailer registration fees. When the TIME-21 Fund is dissolved on June 30, 2028, pursuant to current law, the revenues will revert to the Road Use Tax Fund.

Division III of the Act takes effect January 1, 2009, and applies to trailers registered for registration years beginning in 2009 and subsequent years.

#### Division IV — Studies

Division IV requires the Department of Transportation (DOT) to conduct two studies concerning transportation funding.

For the first study, DOT is required to analyze additional revenues necessary to provide at least \$200 million annually to the TIME-21 Fund by FY 2011-2012, including an analysis of sources of revenue to create a balance of taxes and fees paid by Iowa drivers and out-of-state drivers. A report of the analysis is required to be submitted to the Governor and the General Assembly on or before December 31, 2008.

For the second study, DOT is required to cooperate with the Office of Energy Independence and the Department of Natural Resources to review current funding for public transit and assess the sufficiency of that funding to meet future needs. The DOT's report to the Governor and the General Assembly is due on or before December 1, 2009. A provision in S.F. 2432 (see Appropriations) that revised the deadline was item vetoed by the Governor.

#### Division V — Motorcycle Operator's License Fee

Division V increases the additional fee required for a license valid for operation of a motorcycle from \$1 to \$2. Revenues from those fees must continue to be credited to the Motorcycle Rider Education Fund.

#### Division VI — Use Tax on Motor Vehicles Repealed — Fee for New Registration Imposed

Division VI of the Act eliminates the imposition of the use tax on vehicles subject to registration and the use tax on leased motor vehicles, provides alternate sources of revenue for purposes currently funded from revenues derived from the vehicle use tax, and establishes a one-time vehicle registration fee called the "fee for new registration."

*PART 1 — ROAD USE TAX FUND.* Some revenues derived from the use tax on vehicles are allocated by statute for purposes which, in some cases, are not eligible under Iowa's Constitution for funding from motor vehicle registration fees. Because of the repeal of the vehicle use tax in part 3 of the division, this part designates new sources of funding for those purposes.

The Treasurer of State is directed to credit monthly, from the Road Use Tax Fund to the Primary Road Fund, an amount equal to 10 percent of the revenue collected from the fee for new registration on vehicles other than leased motor vehicles, to be used for the Commercial and Industrial Highway Network. This continues current funding levels for that purpose.

The remaining purposes currently funded from vehicle use taxes will continue to be funded from revenue sources that accrue to the Road Use Tax Fund but are not constitutionally protected. Those sources include trailer registration fees, fees from driver's licenses and nonoperator's identification cards, title fees and the certificate of title surcharge, revenues from the automobile rental excise tax, and revenues from the use tax on mobile homes and manufactured homes and on leased vehicles not subject to registration and titling. This part creates a Statutory Allocations Fund under the control of DOT for deposit and distribution of those revenues. Pursuant to current law, revenues from the environmental protection charge on petroleum diminution are deposited into the Road Use Tax Fund, and \$4.25 million is credited quarterly from vehicle use tax moneys to

the Iowa Comprehensive Petroleum Underground Storage Tank (UST) Fund. In this part, the Treasurer of State is directed to credit that same amount to the UST Fund from the Statutory Allocations Fund. After the obligation to the UST Fund is met, moneys shall be credited in order of priority as follows:

1. An amount equal to 4 percent of the revenue collected from the fee for new registration on vehicles other than leased vehicles is to be credited for purposes of public transit assistance.
2. An amount equal to \$2 per year of license validity for each issued or renewed driver's license valid for the operation of a motorcycle shall be credited to the Motorcycle Rider Education Fund. The amount to be credited reflects a \$1 increase in the motorcycle operator's license fee in Division V of the Act.
3. Amounts required to be transferred from the sale of special motor vehicle registration plates are to be credited for the various purposes associated with those plates.
4. Amounts of up to \$2 million per year may be credited to the Railway Finance Authority for payments on obligations certified by the authority and lease payments guaranteed by the authority.
5. Amounts required for certain projects on bridges over rivers bordering the state which are not eligible for funding from the Road Use Tax Fund may be credited to the Primary Road Fund at the direction of DOT.
6. Any remaining moneys are to be credited to the Road Use Tax Fund.

*PART 2 — FEE FOR NEW VEHICLE REGISTRATION.* This part establishes a new vehicle registration fee, referred to as the "fee for new registration," which equals 5 percent of the purchase price of a vehicle subject to registration, or 5 percent of the leased price for each vehicle subject to registration with a gross vehicle weight rating of less than 16,000 pounds, excluding motorcycles and motorized bicycles, which is leased for 12 months or more. The imposition of the fee for new registration is subject to the same exemptions currently applicable to the use tax on vehicles. The computation of a vehicle's purchase price for purposes of the fee for new registration mirrors the computation of "sales price" under current sales and use tax provisions. The Director of Revenue, in consultation with DOT, shall administer and enforce the fee for new registration as nearly as possible in conjunction with the administration and enforcement of the use tax law.

The fee for new registration is payable to the county treasurer at the time application is made for a new registration and certificate of title for a vehicle. As is currently the case with the vehicle use tax, the county treasurer shall retain \$1 from the collection of a fee for new registration, to be deposited in the county general fund. The part provides a mechanism for collection of the fee by licensed vehicle dealers at the time a vehicle is purchased and provisions for obtaining a refund of the fee, which continue current practices for collection and refund of the use tax on vehicles. A person who makes a false statement regarding the purchase price of a vehicle for purposes of the fee for new registration commits a fraudulent practice and is subject to the same penalties that now apply for purposes of the use tax on vehicles.

*PART 3 — MOTOR VEHICLE USE TAX — REPEAL.* This part repeals the excise tax on the use of vehicles subject to registration and the motor vehicle lease tax, except for the tax on the use of leased vehicles if the lease transaction does not require titling and registration of the vehicle. The use tax on vehicles subject only to a certificate of title, which applies to mobile homes, and on manufactured homes is retained under the Act. The resulting revenue is to be credited to the Statutory Allocations Fund.

*PART 4 — CONFORMING AMENDMENTS.* This part contains conforming amendments to the Code relating to the repeal of the use tax on vehicles and the establishment of the fee for new registration.

*PART 5 — CONTINGENT CONFORMING AMENDMENTS.* This part contains amendments to conform provisions in the Act relating to the repeal of the vehicle use tax with provisions in H.F. 2663 (see Taxation), which increases the rate of the state sales and use taxes other than the use tax on vehicles subject to registration or subject only to the issuance of a certificate of title and leased vehicles. As a result, the intended tax increase under H.F. 2663 is preserved; the use tax on vehicles subject to registration, including leased vehicles, is

repealed; and the use tax is retained at the rate of 5 percent for leased vehicles not titled or registered in Iowa. A corrective amendment contained in H.F. 2700 (see Appropriations), retains the 5 percent rate for the use tax on vehicles subject only to a certificate of title (mobile homes) and manufactured housing.

*PART 6 — EFFECT ON PRIOR LAW.* This part provides that a person's liability for any use tax, penalty, or interest owed prior to July 1, 2008, is not affected by the Act.

**HOUSE FILE 2196 - Department of Transportation Revenue Collection Methods — Electronic Payment Study**

BY COMMITTEE ON TRANSPORTATION. This Act requires the Department of Transportation to review its methods for collection of payments remitted at customer service sites operated by the department and by county treasurers and, in cooperation with the Treasurer of State, consider offering customers an electronic payment option. The department is required to report its findings and recommendations to the Senate and House of Representatives committees on Transportation by December 31, 2008.

**HOUSE FILE 2213 - Regulation of Motor Vehicles — Miscellaneous Changes**

BY COMMITTEE ON TRANSPORTATION. This Act contains provisions for the regulation of motor vehicles by the Department of Transportation (DOT).

The definition of "bona fide residence" is amended for purposes of Code Chapter 321 by specifying that the bona fide residence of a person with more than one dwelling is the dwelling for which the person claims a homestead tax credit, if applicable. The definitions of "final stage manufacturer" and "incomplete motor vehicle" are stricken; the enactment of the definitions was nullified by a 1987 court ruling.

The Act authorizes DOT to apply the department's seal electronically on certified copies of records.

An application for a certificate of title for a vehicle must now list the mailing addresses, rather than the bona fide addresses, of persons having a security interest in the vehicle. The mailing addresses of the secured parties must also be contained on the title.

The department is prohibited from issuing a certificate of title to an applicant who is under the age of 18 unless the application is made jointly with a person who is at least 18 years of age. Currently, DOT may issue a title but may not register a vehicle to a person under age 18.

The Act clarifies that the revenue credited to the Veterans License Fee Fund from certain special motor vehicle registration plates associated with military service is the revenue from the \$25 fee for issuance of the plates, excluding any extra fee for a personalized special plate.

The longstanding requirement that an owner of a motor vehicle subject to a salvage theft examination must present bills of sale for all essential parts changed on the vehicle is modified to require bills of sale only if applicable.

The deadline for a person with a certificate of authority to apply to the county treasurer for a junking certificate for a vehicle is extended from 15 days to 30 days.

The Act allows a seriously disabled veteran who is entitled to regular motor vehicle registration plates without payment of a fee to substitute a set of special registration plates associated with military service for which the veteran qualifies. However, special fees are required if the veteran chooses to substitute special nonmilitary plates or personalized plates.

The Act amends Code Section 321.173 by extending the deadline for a person to apply for a refund of a vehicle registration fee collected in error from six months to one year from payment of the fee. The Code Editor is asked to transfer the section to another location in the Code to improve its readability. The Code section is further amended by S.F. 2420 to limit its applicability to annual registration fees.

The grace period for renewal of an expired driver's license without taking a written examination is extended from 60 days to one year, which coincides with the grace period for renewal of an expired license without taking a driving test.

The Act amends several provisions relating to the collection of civil penalties for reinstatement of a driver's license. Civil penalties assessed in connection with license revocations for operating while intoxicated or for violation of financial responsibility laws may now be collected under an installment agreement between the licensee and a county attorney. The authority of county treasurers to collect civil penalties required for reinstatement of a driver's license is extended to include licenses revoked for operating while intoxicated. With the amendments in the Act, civil penalties required for reinstatement of a driver's license following revocation for motor vehicle violations under Code Chapter 321, financial responsibility violations under Code Chapter 321A, or operating while intoxicated violations under Code Chapter 321J are all payable either to DOT or, subject to a \$5 processing fee, to a county treasurer authorized to issue driver's licenses, and all are eligible for inclusion in an installment agreement. These provisions of the Act take effect March 25, 2008.

A person who rebuilds new completed motor vehicles into ambulances, rescue vehicles, fire vehicles, or towing or recovery vehicles and is licensed as a used motor vehicle dealer is no longer limited to selling only vehicles of the same make and model the person is licensed to wholesale. Under the Act, the person is allowed to sell used motor vehicles of any make and model.

Due to the transition to electronic titling and registration procedures, the Act strikes the requirement that the official county seal be imprinted on the face of each motor vehicle certificate of title issued by a county treasurer.

**HOUSE FILE 2407 - Motor Vehicle Registration Fees — Vehicles Equipped for Disabled Persons or Wheelchairs**

BY COMMITTEE ON TRANSPORTATION. This Act provides that the \$60 registration fee, which currently only applies to multipurpose vehicles equipped for persons with disabilities or used by persons with wheelchairs, applies to any motor vehicle or station wagon so equipped or used, if the registration fee would otherwise be based on the weight and value of the vehicle.

**HOUSE FILE 2452 - Specialty Vehicle Titles and Registration**

BY COMMITTEE ON TRANSPORTATION. This Act relates to the title, registration, and registration plates of replica vehicles and street rods, as defined in the Act. The Act requires an application for a certificate of title to indicate if a vehicle is to be registered as a street rod or replica vehicle.

The Act requires the Department of Transportation to physically inspect all street rods and replica vehicles upon application for a certificate of title. The Act also requires the department to establish rightful ownership before issuing the owner the authority to have the motor vehicle registered and titled.

The Act specifies that, for registration purposes, the model year of a street rod or replica vehicle is the same as the model year of the motor vehicle it is designed to resemble. The owner of a replica vehicle or street rod may display registration plates from or representing the model year of the motor vehicle or the model year of the motor vehicle the registered vehicle is designed to resemble so long as the current and valid registration plates and card are simultaneously carried within the vehicle.

The Act takes effect July 1, 2009.

**HOUSE FILE 2651 - Transportation Regulation, Fire Fighter Applicants, and Petroleum Underground Storage Tank Fund Bonds**

BY COMMITTEE ON TRANSPORTATION. This Act contains miscellaneous provisions which relate primarily to transportation.

*UTILITY FACILITIES RELOCATION POLICY.* The Act establishes a policy to involve utility companies in the development phase of highway projects and utilize the Iowa One Call notification system in order to limit the impact of the construction on utility facilities and minimize costs associated with relocating utility facilities.

*HIGHWAY CONSTRUCTION CONTRACTS.* The threshold amount for no-bid contracts for emergency construction projects on highways and bridges in the primary road system is increased from \$500,000 to \$1 million.

*DICK DRAKE WAY.* To honor former legislator Richard Drake, the Act directs that the highway known as the "Industrial Connector" in Muscatine, Iowa, be renamed "Dick Drake Way."

*COLLEGIATE REGISTRATION PLATES.* The Department of Transportation (DOT) is authorized to issue special motor vehicle registration plates designed in colors associated with individual private four-year colleges and universities in the state. Initial set-up costs for each plate are the responsibility of the college or university applying for the plate. The plates will be issued for \$25 and renewed annually for \$5 in addition to regular registration fees. Personalized plates require additional fees.

*DEALER REGISTRATION PLATES.* The fee for replacement of special motor vehicle registration plates issued to motor vehicle dealers is increased from \$5 to \$40, which is the full cost for the two-year plates.

*FINES FOR SPEEDING IN WORK ZONES.* Increased penalties are established for speeding violations committed by a motor vehicle operator in a road work zone. The new scheduled fines are as follows: for speeds up to and including 10 miles per hour over the limit, \$150; for speeds 11 through 20 miles per hour over the limit, \$300; for speeds 21 through 25 miles per hour over the limit, \$500; and for speeds 26 miles per hour or more over the limit, \$1,000. The Act requires DOT to post signs informing motorists of the increased fines.

*OVERSIZE LOAD SIGNS.* A provision in current law is addressed to allow a vehicle no wider than nine feet that is covered by a permit for oversize loads and displaying an "oversize load" sign to be used to transport special mobile equipment of a size that does not require a permit. Current law requires removal of the sign when the vehicle is moved without an oversize load.

*IMPLEMENTS OF HUSBANDRY ON BRIDGES.* A prohibition on the movement of certain self-propelled implements of husbandry on bridges is modified to permit the vehicles to cross bridges, provided they do not violate posted weight limitations. The vehicles, commonly known as "floaters," are used for the application of fertilizers and may not be legally operated on highways without a special permit.

*CRANES AND VEHICLES USED IN ALTERNATIVE ENERGY CONSTRUCTION.* The Act eases restrictions on the movement of cranes used in the construction of alternative energy facilities. Subject to the issuance of a single-trip or annual permit by DOT or a local authority, and with the approval of the permitting authority, the cranes may exceed the maximum gross weight limit on any axle. In addition, a special alternative energy multitrip permit is established to facilitate the movement of vehicles hauling oversize loads to alternative energy construction sites or staging areas for alternative energy transportation. The fee for the permit is \$600 for a period not to exceed 12 months. The permit covers a vehicle carrying indivisible loads with a total gross weight of not more than 256,000 pounds and dimensions not exceeding 225 feet in length, 16 feet in width, and 16 feet in height. The permitting authority has discretion to impose conditions regarding responsibility for protection or repair of bridges and roadways. These provisions take effect April 25, 2008.

*DRINKING DRIVER COURSES AT STATE CORRECTIONAL FACILITIES.* State correctional facilities are granted authority to provide approved courses for drinking drivers. Completion of a drinking driver course approved by the Department of Education is required for reinstatement of driving privileges following a conviction for operating while intoxicated. Currently, only community colleges and substance abuse treatment programs offer the approved courses. The Act does not alter the requirement that persons under age 18 attend a course offered by a substance abuse treatment program.

*PARKING FOR SERIOUSLY DISABLED VETERANS.* The permit requirements for use of a persons with disabilities parking space are modified for certain seriously disabled veterans who are issued a motor vehicle by the U.S. government and are entitled to free registration plates. In Iowa, such plates are designated by the letters "DV." The Act allows the standard disabled veteran's plate to substitute for a persons with disabilities parking permit.

*USED MOTOR VEHICLE DEALER EDUCATION.* Under current law, used motor vehicle dealers are exempted from continuing education for 12 months following the completion of prelicensing education requirements. The Act increases the exemption period from 12 months to 24 months. This provision takes effect April 25, 2008.

*COUNTY SECONDARY ROAD FUNDS.* The Act specifies that statutory limits on the transfer of county general fund moneys to the secondary road fund of a county apply only to transfers of property tax revenues.

*BENEFITED SECONDARY ROAD SERVICES DISTRICTS.* A new Code chapter provides for the creation of benefited secondary road services districts to allow residential subdivisions that were originally established with private roads to obtain road services from a county. The option is available to any residential subdivision in existence prior to January 1, 2007, that has received county road services by agreement with the county prior to July 1, 2008. The procedure for establishing a benefited secondary road services district begins with a petition to the county board of supervisors signed by 25 percent of the owners of property within the proposed district if the assessed value of the property owned by the petitioners represents at least 25 percent of the total assessed value of the proposed district. If the proposed district is within two miles of a city, the city is entitled to review the petition and may require that road improvements constructed after establishment of the district meet city standards. Once a district has been approved by the board, an election must be held to approve a levy of a tax of not more than \$1 per \$1,000 of assessed value on property within the district and to choose three trustees to administer the district. The trustees may contract with the county for road services including paving, reconstruction, or maintenance on roads within the district and on any road providing a direct route from the subdivision to the nearest paved highway. The new chapter includes provisions to allow a benefited secondary road services district to issue bonds in anticipation of tax revenue, provisions for dissolving a district, and provisions in the event that a district is annexed or incorporated by a city.

*ANTIQUA MOTOR VEHICLE REGISTRATION.* The future effective date for provisions enacted in 2007 Iowa Acts, Chapter 143, Section 12, relating to registration and fees for antique motor vehicles is extended from July 1, 2008, to January 1, 2009. The 2007 legislation increases registration fees for antique vehicles and lifts restrictions on their use. This Act provides a "limited use" registration option for antique motor trucks, truck tractors, road tractors, and motor homes. The "limited use" registration restricts use of the vehicle to driving to and from state and county fairs and other places for exhibition and educational purposes and to and from service stations, or for purposes of transporting, testing, demonstrating, or selling the vehicle. Fees for the "limited use" registration are established by administrative rule and amount to \$110 for a two-year period. The "limited use" registration provision is effective January 1, 2009, pursuant to H.F. 2700 (see Appropriations).

*FIRE FIGHTER CANDIDATE PHYSICAL ABILITY TEST.* The Act repeals 2007 Iowa Acts, Chapter 167, which mandated a specific candidate physical ability test for fire fighter applicants effective July 1, 2008. The repeal is effective April 25, 2008.

*UST FUND BONDS.* The Iowa Finance Authority is required to defease all bonds issued prior to June 30, 2008, for the Iowa Comprehensive Petroleum Underground Storage Tank Fund. The defeasance is to be accomplished by June 30, 2008, from moneys available in the fund. This provision is contingent upon and takes effect with the enactment of legislation striking the standing appropriation of motor vehicle use tax revenues to the fund. That contingency occurred with the enactment of S.F. 2420 on April 22, 2008.

**APPENDICES:**

[Sections Amended, Added, or Repealed](#)

[Iowa Acts Amended](#)

