

# M I N U T E S

## IOWA LEGISLATIVE COUNCIL

December 16-17, 1969

The seventh meeting of the 1969-1971 Legislative Council was called to order by the Council Chairman, Senator Elmer F. Lange, at 9:55 a.m., Tuesday, December 16, 1969 in Senate Committee Room 22, State House, Des Moines. Council members present for the meeting were:

Representative Ralph F. McCartney, Vice Chairman  
Speaker of the House William H. Harbor  
Senator James E. Briles  
Senator Andrew G. Frommelt  
Senator Eugene M. Hill  
Senator Arthur A. Neu  
Senator George E. O'Malley  
Senator Robert R. Rigler  
Representative Dale M. Cochran  
Representative William J. Gannon  
Representative Charles P. Miller  
Representative Leroy S. Miller  
Representative Andrew P. Varley  
Lieutenant Governor Roger W. Jepsen

(Representative Nathan F. Sorg was unable to be present due to illness.)

Also present were Director Serge Garrison and Phil Burks of the Legislative Service Bureau staff, a number of Senators and Representatives who were in attendance for the purpose of presenting reports of study committees and special interim subcommittees of standing committees, and several representatives of the news media and other interested persons.

Chairman Lange noted the presence of a quorum of the Council. He stated that the purpose of the present meeting was to hear and consider final reports or progress reports, as the case might be, of legislative committees which had functioned during the present interim. He pointed out that it is the responsibility of the Council to act upon the reports of each of the study committees established pursuant to resolutions of the General Assembly, and copies of the reports of these committees had been mailed to Council members in advance. He added that the Council would hear, but take no action upon, reports from interim subcommittees of standing committees. Reports had been prepared by most of these subcommittees, with the assistance of the Legislative Service Bureau when requested, and copies of these reports would be distributed to Council members as the respective reports were presented in the course of the meeting.

Chairman Lange recognized Representative Charles F. Strothman, Chairman of the Subcommittee on Relocation of Department

of Agriculture Offices and Laboratories of the joint standing Agriculture Committees. Representative Strothman filed a copy of his report with the Council.

In response to questions, Representative Strothman stated that it is presently estimated that the proposed Agriculture Office and Laboratory building would cost approximately \$35 to \$40 per square foot of floor space. He added that it is conservatively estimated that a building with 140,000 square feet of floor space would be necessary to meet the needs of the Department of Agriculture.

Senator Rigler inquired whether the members who served on the Subcommittee on Relocation of Department of Agriculture Offices and Laboratories anticipate introducing a bill for construction of a new Department of Agriculture building in the 1970 session, and whether they contemplate financing the building through revenue bonds. Representative Strothman replied in the affirmative, adding that they would prefer to have an appropriation made for the construction of the building, but that at the present time the prospects that the Legislature would approve such an appropriation do not appear favorable. In response to a further question from Senator Neu, Representative Strothman stated that the Subcommittee would leave the final decision of how such a building should be financed to the Ways and Means Committees.

Representative Gannon inquired what revenues would be used to pay off bonds issued for the construction of the contemplated Department of Agriculture building. Representative Strothman replied that the revenues involved would be a portion of the fees received for the inspection and laboratory work presently carried on by the Department. Representative Gannon inquired to what extent the Subcommittee had studied the adequacy of present inspections and laboratory tests, and whether the staff of employees performing this work needs to be expanded or upgraded. Representative Strothman replied to the effect that one of the principle limiting factors in the department's inspection and testing program at the present time is the inadequacy of existing laboratory facilities. He added that he had been a member of a subcommittee which had visited the Department of Agriculture laboratories during the 1969 session, that at that time the statement had been made that it would require approximately \$100,000 to upgrade the existing laboratory, and that the members of the group which had visited the laboratory had been in agreement that construction of new facilities would be preferable, over the long run, to spending the funds necessary to upgrade the laboratory in its present location. He added that the existing Department of Agriculture staff can be made much more effective if adequate, modern laboratory facilities are provided.

In response to a further question from Senator Rigler, Representative Strothman stated that the fund created by fees received for tests on fertilizers is presently growing more rapidly than the fund created by fees from tests on feeds, and the fertilizer fund may eventually become larger than the feeds fund although the latter is now the largest.

Chairman Lange expressed appreciation to Representative Strothman for his report, and directed that the report be received. He recognized Representative Stanley T. Shepherd for the report of the Consumer Credit Code Subcommittee of the joint Committees on Commerce. Copies of the Subcommittee's report, prepared with the assistance of the Legislative Service Bureau, were distributed to all Council members present.

Representative Gannon inquired whether the Subcommittee had formulated any specific recommendations relating directly to protection of the consumer, and in particular whether any study had been given to the possible effects of an increase in the permissible interest on small loans which, Representative Gannon stated, is to take effect January 1, 1970. Representative Shepherd replied in the negative.

Senator Hill requested clarification of the concept of "free entry", referred to in point four of the opponents' list of reasons why the UCCC should not be adopted, as summarized in the Subcommittee report. Senator Rigler stated that this concept means, in effect, that there should be no licensing of small loan and industrial loan firms; anybody who desires to do so could then enter this field and charge whatever rates he wishes up to the legal maximum ceiling, thus theoretically stimulating competition in the small loan and industrial loan fields.

Senator Rigler then asked whether it is correct that the Consumer Credit Code Subcommittee is not, at this time, recommending that Iowa adopt the UCCC. Representative Shepherd confirmed that this is correct, adding that the Subcommittee wishes to study the matter further. Representative Gannon asked if it is contemplated that this study be continued during the 1970 legislative interim. Representative Shepherd replied in the affirmative.

Chairman Lange expressed appreciation to Representative Shepherd for his report, and directed that the report be received. He recognized Representative Edgar J. Koch for the report of the Financial Institutions Subcommittee of the standing Commerce Committees. Representative Koch filed a copy of his report.

At the conclusion of Representative Koch's prepared report, Representative Gannon observed that the report appears to include no specific recommendations for legislation, only an endorsement of further study of the UCCC. Representative Koch confirmed that this is correct, adding that the Financial Institutions Subcommittee members quickly realized that they were working in areas closely akin to fields being studied by several other Subcommittees. Representative Koch added that, in his opinion, if the state does not adopt the UCCC, it should adopt further legislation relating to control of credit cards and revolving charge accounts. In response to further questions from Representative Gannon, Representative Koch stated that he believes the present situation in Iowa with respect to use and abuse of consumer credit is satisfactory, and that there is no need for the

state to adopt the UCCC. There was discussion of the extent of present state law governing revolving charge accounts, in the course of which Representative Koch observed that he believes the state of North Dakota has a good law in this area.

Chairman Lange expressed appreciation to Representative Koch for his report, and directed that the report be received. He recognized Senator Rigler for the report of the Commerce Commission Subcommittee of the Standing Committees on Commerce. Copies of the Subcommittee's report were distributed to all Council members present.

Senator Rigler pointed out that the report contains 14 specific recommendations, and stated that bills have been or shortly will be drafted where necessary to implement these recommendations. He added that officials of the Commerce Commission had seemed appreciative of the attention directed toward the Commission's activities by the Subcommittee, that the Commerce Commission has been perhaps the most neglected major state agency in recent years, and that future General Assemblies should not lose sight of the importance of this agency.

In response to inquiries by Representative Gannon, Senator Rigler stated that it was not the intent of the Subcommittee to include the matter of constructing automatic grade crossing warning signals within the scope of the Subcommittee's recommendation number two, relating to care of grade crossings, and that recommendation number five relates only to the form in which the Commission's annual report is published, not the report's contents. Senator Rigler added that possibly some attention should also be given to making the report of the Commerce Commission a more understandable record of its activities and decisions.

Representative Varley inquired about the extent of the Commerce Commission's present authority to require railroads to maintain their tracks in good condition. Senator Rigler replied that there is some authority of this type in the present Code of Iowa, but that the Commerce Commission has only a small staff with which to enforce this authority and that the desirability of requiring railroads to repair or recondition their tracks must be weighed against the possibility that the railroads will use the increased costs thus incurred as an added argument in favor of further abandonment of existing tracks. Senator Rigler added that since the railroads are a major artery of interstate commerce, this appears to be an area which is particularly appropriate for federal regulation.

Senator Hill expressed concern about what he termed the trend of the Commerce Commission to approve utility rate increases and consider the justification for such increases thereafter. He suggested that there should be a statutory requirement for a study of the justification for any proposed increase before the increase is permitted. Senator Rigler commented that the Subcommittee considered this point, and was concerned about it, but pointed out

that the Commerce Commission's decision regarding rates charged by the Davenport water company is now being appealed through the courts, and that it appears that when this case is finally settled it will serve as a basis for determining rates of many other utility firms. There have been some utility rate rollbacks by the Commission, and there will undoubtedly be others in the future.

Senator Frommelt asked whether the Subcommittee has recommended a general strengthening of the entire Commerce Commission. Senator Rigler replied that the Subcommittee's immediate concerns are in the area of utility and railroad regulation, although undoubtedly the entire Commission could be strengthened.

Representative Charles Miller inquired why the Subcommittee had rejected the suggestion of the grain dealers associations that a state bonding company for licensed warehouses be established. Senator Rigler replied that the Subcommittee had not been particularly impressed by the arguments presented in support of this suggestion, adding that there appears to be no lack of private firms prepared to write such bonds for responsible firms and individuals. He added that the purpose of such bonds is to protect the public against loss, and that it is not clear to him why taxpayers should be expected to assume risks with respect to bonding of licensed warehouses which private companies are reluctant to accept.

In reply to a question from Chairman Lange, Senator Rigler stated that the Commerce Commission does not assess the railroads for the costs incurred by the Commission in discharging its statutory duties with respect to regulation of railroads.

Chairman Lange expressed appreciation to Senator Rigler for his report, and directed that the report be received. He recognized Representative Harold O. Fischer for the report of the Insurance Subcommittee of the Standing Committees on Commerce. Copies of the Subcommittee's report were distributed to all Council members present.

Representative Fischer noted that the most recent meeting of the Subcommittee had been held on the previous day, at which time the Subcommittee had adopted a recommendation for enactment of the Iowa Insurance Guaranty Association Act, in order to avoid financial loss to individuals due to the insolvency of an insurer. Representative Fischer explained that he had been unable to be present for the Subcommittee meeting on the previous day, and stated that he presently entertains some reservations about the Insurance Guaranty Association Act and therefore cannot himself support that particular recommendation at this time.

Several Council members expressed concern about the Subcommittee's recommendation number six, to exempt from taxation all premiums collected by private insurance companies for hospital and medical insurance policies, from the standpoint of replacement of the revenue which would be lost by such a step. Representative Fischer explained that the Subcommittee had concluded that Blue

Cross-Blue Shield, which is already exempt from such taxation as a nonprofit corporation, is not really much different from other companies writing insurance in this field. Representative Fischer also stated that, as an alternative to the Subcommittee's recommendation six, the General Assembly might choose to impose taxes on premiums collected by Blue Cross-Blue Shield for hospital and medical insurance policies on persons under sixty-five years of age.

In response to a series of questions from Representative Gannon, Representative Fischer stated that the Subcommittee had taken no position on the "no fault" concept of automobile insurance; that the purpose of the recommended bill relating to conflicts of interest of officers and directors of insurance companies is to make certain that business leaders--the persons most likely to be engaged in endeavors leading to greater industrial and commercial development in Iowa--are not barred from seeking loans from insurance companies because they themselves are insurance company directors; and that the Subcommittee has not yet taken any position on the question of allowing sale of title insurance by Iowa licensed insurers. With respect to the last point, Senator Briles, a member of the Subcommittee, stated that the Insurance Commissioner had informed the Subcommittee that the sale of title insurance in Iowa could be legalized simply by removing three words from the present Code, but this procedure would not authorize any regulation of sale of such insurance. The Commissioner would prefer to proceed by enactment of legislation providing for regulation of the sale of title insurance.

Representative Fischer noted that Senator Gene W. Glenn, a member of the Subcommittee, had prepared a minority report expressing several points of disagreement with the Subcommittee report just submitted. Representative Fischer stated that he desired to address himself to one particular point raised in Senator Glenn's minority report, namely the charge that there was no opportunity for presentation of the views of the general public during the meetings of the Subcommittee. Representative Fischer asserted that the other members of the Subcommittee believe the Insurance Commissioner is familiar with consumer complaints in the insurance field, and that he adequately represents the public interest. Representative Fischer further stated that it should be recognized that it is not feasible to throw open hearings of legislative bodies to all persons who may desire to voice a complaint.

In response to questions by several Council members, it was stated that all members of the Insurance Subcommittee who had been present at the meeting on the previous day, except Senator Glenn, had supported the majority report just presented by Representative Fischer. It was further stated that Senator Glenn was aware of his right to appear before the Council and personally present his minority report, but that the press of personal business did not permit him to do so. Copies of Senator Glenn's minority report, previously filed with the Council, were distributed to all Council members present.

Chairman Lange requested that Representative Fischer at this time yield to Representative Charles E. Grassley, who would be unable to attend the afternoon Council session, for presentation of the report of the School Standards Subcommittee of the Standing Committees on Schools. Representative Fischer stated that he would be glad to do so, but that he would be unable to attend the afternoon session, and requested that Senator Jim Griffin be permitted to respond to whatever additional questions Council members might have with respect to the work and recommendations of the Insurance Subcommittee. Chairman Lange agreed, expressed appreciation to Representative Fischer for the report he had presented, and directed that the report and Senator Glenn's minority report be received.

In response to questions from Senator Frommelt and Representative Gannon, Representative Grassley stated that he personally had prepared the final report of the School Standards Subcommittee, which was not at that moment available in printed form. (The report was prepared in printed form and distributed to Council members prior to adjournment of the meeting.) Representative Grassley proceeded with oral presentation of his report. There being no questions from Council members, Chairman Lange expressed appreciation to Representative Grassley for his report, directed that the report be received, and recessed the meeting for lunch at 12:10 p.m.

The meeting was reconvened in Senate Committee Room 22 at 1:40 p.m. All Council members who had been present for the morning session were again present. As previously agreed, Chairman Lange recognized Senator Griffin.

Senator Hill posed a series of questions regarding reported arrangements between Hospital Service, Incorporated, and Iowa Medical Service (Blue Cross-Blue Shield), and certain life insurance companies, whereby unlicensed representatives of Blue Cross-Blue Shield and agents of such life insurance companies jointly call upon prospects for the purpose of selling policies of their respective companies which are written so that they are in effect a package plan. Senator Hill expressed particular interest in whether such arrangements involve a cash consideration to Blue Cross-Blue Shield. Senator Griffin replied that while he cannot document his statement, he is inclined to believe that Blue Cross-Blue Shield does derive a financial benefit from arrangements of the type referred to by Senator Hill. Senator Griffin made particular reference to the testimony of Mr. William A. Guy, President of Hospital Service Incorporated, of Iowa (Blue Cross) at the Insurance Subcommittee meeting of September 17, 1969. Senator Hill commented that a "financial benefit" is not necessarily the same thing as a cash consideration.

There was some discussion of Senator Glenn's minority report. Representative Gannon made reference to Senator Glenn's statement, on page three of his minority report, relating to his reason for voting against the credit insurance bill recommended by the Subcommittee. Representative Gannon inquired in what respects the bill recommended by the Subcommittee differs from

House File 671 of the Sixty-third General Assembly, of which he is sponsor. Senator Griffin replied that he could not answer this question specifically without direct reference to copies of the two bills. Senator Briles commented that the bill recommended by the Subcommittee is substantially similar to Representative Gannon's bill.

Chairman Lange expressed appreciation to Senator Griffin for the additional information he had provided regarding the Insurance Subcommittee, and recognized Representative Walter V. Langland for the report of the School Code Subcommittee of the Standing Committees on Schools. Representative Langland stated that he prepared the report of his Subcommittee, and that he would subsequently make available to the Legislative Service Bureau a copy of his report so that the report could be prepared in printed form. He stated that the School Code Subcommittee will recommend to the standing Committees on Schools two bills. The first will revise and update the statutes relating to schools by eliminating obsolete provisions and duplication, thus shortening the present school laws by approximately four thousand words without sacrifice of useful content, and also make the term of office for elective school board members uniform throughout the state, at three years, by eliminating the present provisions for six year school board terms in certain cities. The second bill will provide for run-off elections in cases where there are more than two candidates for election to the same office at a school election and none of the candidates receives a majority of the votes cast for that office.

Senators O'Malley and Neu suggested that a search of the computer Code be made to ascertain that proper conforming amendments have been drafted to all sections of the law affected by the changes being recommended by the Subcommittee.

In response to a question from Chairman Lange, Representative Langland stated that the Subcommittee did not consider the possibility of permitting county boards of education to merge into a single multi-county board in areas where two or more counties are now jointly employing a county school superintendent.

Chairman Lange expressed appreciation to Representative Langland for his report, and directed that the report be received. He again recognized Senator Griffin for the report of the Subcommittee on Automobile Dealership Franchises of the Standing Committees on Commerce. Copies of the Subcommittee's report were distributed to Council members.

Senator Neu inquired why the Subcommittee had referred the bill identified in its report as the "Griffin Bill" to the Commerce Committees for further study, rather than recommending for or against the bill. Senator Griffin replied that copies of the bill were not available to members of the Subcommittee until December 8, the date of the Subcommittee's most recent meeting, and that therefore Subcommittee members did not have time to fully



evaluate the bill. However Senator Griffin added that he does not believe there are any serious differences of opinion about the bill, and that if one more meeting of the Subcommittee can be held prior to the convening of the 1970 session, it should be possible to reach final agreement on a recommendation regarding the bill.

Senator Hill inquired what basic problem the bill considered by the Subcommittee is intended to solve. Senator Griffin explained that in order for an individual to become a dealer for a given make of automobile, he must receive a franchise for a particular area from the manufacturer of the automobile, that these franchises usually run for a period of five years and are subject to review before renewal, and that a number of automobile dealers in Iowa have expressed concern about actual or threatened refusal of automobile manufacturers to renew franchises of established dealers, thus destroying or seriously damaging the dealer's investment of time and money in building up his business. Senator Neu commented that in at least some cases the manufacturer's true reason for refusal to renew an individual dealer's franchises is that the dealer has achieved such good acceptance for that particular manufacturer's automobiles in a given area that the manufacturer elects to establish its own factory-owned outlet in the area.

Senator Hill suggested that enactment of legislation such as that under consideration by the Subcommittee would be an unwarranted interference with free enterprise. Senator Neu replied that it is absurd to oppose such legislation on the grounds of protecting free enterprise, unless one interprets free enterprise to mean that a larger entrepreneur should have unrestricted right to crush a smaller entrepreneur whenever the larger party wishes and is able to do so.

Senator Frommelt expressed objection to the fact that the revised bill, presented to the Subcommittee on December 8, 1969, is designated in the Subcommittee report as the "Griffin Bill". Senator Griffin stated that the bill is a revision of Senate File 539 which he had prepared, and that the term "Griffin Bill" is simply a shorthand reference appearing in the minutes of the December 8 meeting.

Senator Neu moved that the Council approve one additional meeting of the Subcommittee on Automobile Dealership Franchises of the Standing Committees on Commerce, for the purpose of giving further consideration to the revised version of Senate File 539 prepared by Senator Griffin. The motion was seconded by Representative Cochran, and adopted.

Chairman Lange expressed appreciation to Senator Griffin for his report, and directed that the report be received. He recognized Senator Ernest Kosek for the report of the Revenue Problems Subcommittee of the Standing Committees on Cities and Towns. Senator Kosek stated that no formal report of the Subcommittee had been prepared, however he provided copies of the minutes of the

Subcommittee's most recent meeting, held December 6, 1969, which he stated would serve as a report of the Subcommittee's work during the interim. Senator Kosek orally outlined the procedure of the Subcommittee, and its suggestions to the full Cities and Towns Committees.

Senator Frommelt and Representative Gannon noted that under the heading "Local Option Taxes" in the minutes of the Subcommittee's December 6 meeting, specific reference is made to local sales and use taxes, gross payroll taxes, and vehicle taxes. There is also a reference to "other local option taxes" which might be employed, and Senator Frommelt and Representative Gannon asked what other taxes the Subcommittee had in mind at this point. In reply Senator Kosek stated that such taxes might include wheel taxes, gross receipts taxes, or other levies.

Representative Leroy Miller expressed strong objection to the fact that the Revenue Problems Subcommittee, as well as other Subcommittees which the Council had originally authorized to function as joint subcommittees of the Senate and House Standing Committees on Cities and Towns, had in fact functioned only as three-member subcommittees of the Senate Cities and Towns Committee since no House members had ever been appointed to any of the authorized joint subcommittees. Representative Miller asserted that none of the meetings held by these three-member subcommittees composed only of senators should be regarded as legitimate meetings of interim subcommittees.

Chairman Lange expressed appreciation to Senator Kosek for his report, and directed that the report be received. He recognized Senator Harold Thordsen for the report of the Cities and Towns Transportation Subcommittee. Copies of the Subcommittee's report, prepared by Senator Thordsen, were distributed to Council members.

Representative Gannon noted the statement in the final sentence of the report that "It is the feeling of the members of this Subcommittee that there is a need for some type of legislation . . .", and requested specific information as to what the Subcommittee might be considering recommending to the 1970 session. Senator Thordsen replied that he could not give a definite answer at the present time, but that one possibility would be an adjustment of the provisions of the present Code relating to the permissible width of buses, because the Subcommittee has been informed that some buses now in use in cities in Iowa exceed the present maximum legal width. He also suggested that there may be a need to resolve certain ambiguities relating to speed limits established by the state and by cities and towns.

Chairman Lange expressed appreciation to Senator Thordsen for his report, and directed that the report be received. He recognized Senator Wayne Keith for the report of the Cities and Towns Subcommittee on Accounting and Budgeting. Senator Keith explained that the Subcommittee had held its first meeting on the morning of the present day, and was therefore not in a position to submit a

report at this time. He added that the Subcommittee had been waiting for completion of a study being made by Mr. Angus McDonald for the City of Dubuque. The study is quite detailed and includes a number of recommendations, a major one of which is that city and town budgets should be prepared for more than one year in advance. Senator Keith stated that it would be the recommendation of the Subcommittee that the Legislative Service Bureau be requested to work with the Office for Planning and Programming, the League of Iowa Municipalities, and Mr. McDonald in determining what Code provisions would have to be amended in order to adopt the budgeting system suggested by Mr. McDonald for all incorporated municipalities of over 2,000 population. Senator Keith added that it is believed that the system suggested by Mr. McDonald should not be made mandatory for smaller communities, although its employment might be made optional so that such communities could use the system if they wish to do so.

Representative Gannon inquired whether the recommendation just outlined to the Council by Senator Keith is the only recommendation that the Subcommittee anticipates making during the present interim. Senator Keith replied in the affirmative. Senator Hill stated that it is his understanding that the Budget and Financial Control Committee has recently turned over to the Office for Planning and Programming a proposal for a revised method of budgeting for higher education in Iowa, and inquired whether there is any comparison between this proposal and that of Mr. McDonald. Senator Keith said that Mr. McDonald and Mr. Baxter, who formulated the recommendations submitted by the BFCC to OPP, are associates in the same firm and that it is quite likely there are similarities in the two proposals. After further discussion, it was agreed that the Legislative Service Bureau will attempt to obtain a copy of Mr. McDonald's recommendations, and make it available to any interested legislators.

Chairman Lange expressed appreciation to Senator Keith for his report, and directed that the report be received. He recognized Senator Ralph W. Potter for the report of the Cities and Towns Subcommittee on Compensation of Municipal Employees. Copies of the Subcommittee's report were distributed to Council members.

Senator Hill noted that the Subcommittee appeared to have concerned itself entirely with municipal retirement and pension laws and programs, and inquired whether any consideration had been given to the adequacy of salaries per se. Senator Potter replied that the Subcommittee did not consider the subject of salaries to be a part of its area of responsibility, and added that it is his understanding that the Municipal Laws Review Study Committee is working in this area.

Chairman Lange expressed appreciation to Senator Potter for his report, and directed that the report be received. He recognized Representative William Hill for the report of the Family Court and Divorce Subcommittee of the Standing Committees on Judiciary. Representative Hill stated that no written report was available at

the present time. He reported that the Family Court and Divorce Subcommittees of the Senate and House of Representatives had each met separately, and then had met together to discuss the provisions of Senate File 4 and House File 4, the companion bill submitted pursuant to the work of the Legislative Divorce Laws Study Committee during the 1967-1969 interim. He stated that the present situation is that the House Subcommittee wishes to divide House File 4 into two separate bills, while the Senate Subcommittee prefers to report out Senate File 4 with certain amendments.

Senator Hill expressed concern that the family court concept may not be consistent with the unified court structure toward which some progress has been made in recent years. Representative Hill stated that it is his understanding that the so-called family court would be simply another division of the district court, as is presently the case with the juvenile and probate courts. Senator Neu confirmed this statement, adding that this arrangement is already being followed in practice in some areas of the state. The chief judge of the district simply assigns a particular judge as the family court judge for that district, and thereafter the judge so designated normally hears all divorce cases and other actions of a family nature. Senator Neu concluded that it has been suggested that this arrangement be made mandatory for judicial districts whose populations are above a given level, and optional for other judicial districts. Senator Hill expressed the view that it would be better to rely on special professional staff people to provide the necessary background in divorce and other family related actions, and allow such cases to be heard by any judge in the district.

Chairman Lange stated that as it would not be possible for Representative Hill to attend the following day's session of the present Council meeting, the Council would at this time take up the progress report of the Criminal Code Review Study Committee, of which Representative Hill is Chairman. Representative Hill briefly summarized the progress report of the Study Committee, which had previously been mailed to Council members.

In response to a question from Chairman Lange, Representative Hill confirmed that the Criminal Code Review Study Committee will have no recommendations to present to the 1970 session of the General Assembly but plans to complete its work for presentation to the Sixty-fourth General Assembly in 1971. Senator Hill inquired whether the Study Committee is coordinating its work with the Iowa State Bar Association. Representative Hill replied that the Bar Association had done some work in this area several years ago, and that the Study Committee has at its disposal the material prepared by the Bar Association at that time.

Chairman Lange expressed appreciation to Representative Hill for the report he had presented, and directed that the progress report be received without formal action by the Council. He then stated that Senator Clifton C. Lamborn, Chairman of the Highway Commission Study Committee, would also be unable to be present for

the Council's session on the following day, and that therefore the Council would at this time take up the report of that Study Committee. Chairman Lange further pointed out that the Council had established the Highway Commission Study Committee pursuant to Senate Joint Resolution 25, that the report about to be presented was the Study Committee's final report, and that it would be necessary for the Council to formally adopt or reject the report.

Senator Lamborn made reference to the report prepared for the Highway Commission Study Committee, which had previously been mailed to members of the Council. He pointed out that the Study Committee had divided itself into three subcommittees, a Land Use Policies Subcommittee, a General Operations Subcommittee, and an Employment Policies Subcommittee. Each of these subcommittees had submitted a report including both administrative recommendations, which are essentially suggestions that the Highway Commission change its policies or procedures relating to certain matters and therefore not accompanied by legislation, and legislative recommendations which are accompanied by draft bills. The final report, as mailed to Council members, indicates the action of the full Study Committees on the various recommendations of each of the Subcommittees.

It was necessary for Chairman Lange to leave the meeting at 4:00 p.m., and Vice Chairman McCartney assumed the chair at that time. Senator Lamborn briefly summarized the major legislative recommendations of the Highway Commission Study Committee. He noted that the Employment Policies Subcommittee had recommended to the full Committee that the present five-member Highway Commission be replaced by a Department of Highways, administered by a Director of Highways to be appointed for a term of four years by the Governor, with confirmation by two-thirds of the members of the Senate. The full Committee had rejected this recommendation, but it was anticipated that a minority report in support of this particular recommendation, signed by seven of the sixteen members of the Study Committee, would be submitted to the Council on the following day.

Vice Chairman McCartney expressed appreciation to Senator Lamborn for the report he had presented, and stated that no action would be taken on the report until the Council had received the minority report to which Senator Lamborn had referred. The meeting was recessed at 4:20 p.m., until the following morning.

Wednesday, December 17

The meeting was reconvened in Senate Committee Room 22 at 9:45 a.m., Wednesday, December 17, with all Council members present except Representative Sorg. Also present were several other legislators scheduled to make reports during the day, Mr. Garrison, Mr. Burks, and a number of representatives of the news media and other interested persons.

Chairman Lange recognized Senator Neu for the report of the Judicial Redistricting Subcommittee of the Standing Committees

on Judiciary. (A written report was subsequently submitted by Senator Lucas J. De Koster, the Subcommittee Chairman.) Senator Neu stated that another meeting of this Subcommittee was scheduled to be held on the following day. He added that there have been several alternative approaches suggested to the problem of matching availability of judges with judicial work load throughout the state, and that it is not clear which alternative the Subcommittee may elect to recommend. Senator Rigler urged that the Subcommittee support a complete judicial redistricting of the state.

Senator Hill stated that it appears that there are pressures in the direction of preserving or aggravating present inequities in the numbers of judges available in different areas of the state, and suggested that the Subcommittee endorse the former Court Study Commission's recommendation for a twelve judicial district plan. Representative McCartney pointed out that the Court Study Commission had developed several alternative redistricting plans, however Senator Hill asserted that the twelve-district plan was the one preferred by the Commission.

Chairman Lange expressed appreciation to Senator Neu for his report, and recognized Representative Edgar H. Holden for the report of the Nursing Homes Subcommittee of the Standing Social Services Committees. Copies of the Subcommittee's interim report were distributed to Council members. In addition to the information presented in the interim report, Representative Holden summarized for the Council some of the information presented to the Subcommittee.

Representative Holden was critical of the Department of Health, asserting that it has given greater priority to enforcing detailed technical requirements relating to the physical construction of nursing home facilities than to insuring that patients of nursing homes are receiving proper care. He stated that the Department's recent action against a nursing home in the city of Clinton, Iowa, came about only after action had first been initiated at the local level pursuant to complaints made to county authorities, yet the Department's own records show that its inspectors had several months earlier noted indications that the quality of patient care in the home was not what it should be. Representative Holden further asserted that, although the Department of Health is using the tragic nursing home fire at Marshalltown several months ago as an argument in favor of more stringent requirements relating to physical construction of nursing home facilities, the fact is that the primary cause of that fire was placement in the home by the state of a patient with a history of setting fires, without notification to the operators of the home that the patient had such tendencies. In summary, he stated that the purpose of the legislation which the Subcommittee will recommend is to place as much emphasis on the quality of care received by patients of nursing homes and other residential care facilities as on the physical structure of such facilities.

Senator Neu inquired whether the Department of Health has adequate staff to administer legislation requiring licensing

of such a broad range of health care facilities as is proposed in the interim report of the Subcommittee. Representative Holden replied that the department has stated that ninety-five percent of its present problems originate with a small minority of the existing facilities, and that it is believed that requiring licensing of facilities which may offer only boarding care will actually make the Department's task easier, since the marginal and substandard custodial homes now sometimes attempt to escape regulation by claiming that they are not in fact custodial homes, but only boarding homes, and therefore are not required to have licenses under present law.

Senator Frommelt and Representative Charles Miller asked if it is the intent of the Subcommittee to recommend that a license be required in situations such as, for example, a family or individual taking in three or more college students as roomers or boarders. In reply, Representative Holden read from a portion of the bill being prepared for the Subcommittee, defining boarding homes which must be licensed as those caring for three or more persons "who by reason of age, illness, disease, or physical or mental infirmity are unable to sufficiently or properly care for themselves, but who are essentially capable of managing their own affairs."

Senator Hill inquired whether the Subcommittee has given attention to the recent statement by nursing home operators that they will take in no additional welfare patients after January 31, 1970, unless the rates paid for care of welfare patients in nursing homes are increased, and to the matter of licensing of nursing home administrators, which will be required in order for Iowa to remain eligible for participation in the federal Medicaid program. Representative Holden replied that neither of these matters was within the scope of the Subcommittee's assignment. However, he added that he is also a member of the Nursing Home Advisory Committee of the Department of Health, and that this group has been working during the present legislative interim on the proposed bill for licensing of nursing home administrators. Representative Holden stated that, to date, no one has been able to provide this group with firm written information as to exactly what are the federal government's requirements with respect to the body which will issue licenses to nursing home administrators. He stated that the composition of this body is the only unsettled question of any substance with respect to the nursing home administrators licensing bill.

Chairman Lange expressed appreciation to Representative Holden for the report he had presented, and directed that the report be received. He again recognized Senator Kosek for the report of the Finance Subcommittee of the Standing Social Services Committees. Senator Kosek stated that no written report was then available (a written report from the Subcommittee was subsequently submitted by Senator Kosek). He added that the Subcommittee planned to hold one additional meeting immediately before convening of the 1970 session, at which time it is anticipated that Commissioner of Social Services James Gillman would discuss with the Subcommittee his recommendations to the 1970 session regarding financing of the state's present welfare programs.

Senator Kosek then presented a number of recommendations from the Subcommittee orally. These recommendations are summarized in the written report later submitted.

In response to a question from Senator Hill, Senator Kosek stated that the Finance Subcommittee did not study the matter of state payments for care of welfare patients in nursing homes.

Representative Leroy Miller asked if it is not correct that the state at one time served as its own carrier for welfare medical assistance payments. Senator Rigler stated that this is correct, and added that the state had not performed well in this role.

Representative Charles Miller questioned the wide scope of the Finance Subcommittee's activities. Senator Kosek defended the work of the Subcommittee, stating that it had appeared that each of these areas is one with which the General Assembly should be concerned. Chairman Lange observed that many of the matters touched on in Senator Kosek's oral report are within the jurisdiction of the Medicaid Study Committee, and suggested that the Council take up the report of this Study Committee for consideration at this time.

Chairman Lange then recognized Representative Joan Lipsky, Chairman of the Medicaid Study Committee, for presentation of the Study Committee's report. He pointed out that the Study Committee, established pursuant to House Concurrent Resolution 29, is another of the committees whose recommendations must be acted upon by the Council.

Representative Lipsky briefly reviewed some of the key points made, and the recommendations presented, in the interim report prepared for the Medicaid Study Committee by the Legislative Service Bureau, and revised and approved by the Study Committee at its most recent meeting. Copies of the report had previously been mailed to members of the Council. Representative Gannon pointed out that House Concurrent Resolution 29 provided that the Study Committee make a final report on or before March 1, 1970, and inquired if this would be done. Representative Lipsky replied that it is hoped that a final report can be presented some time before March 1.

Senator Frommelt made reference to the comments on page six of the Study Committee's interim report, relating to the cutoff of Medicaid benefits to the group commonly known as the "medical only recipients". He inquired whether it would not be preferable to continue Medicaid benefits to such persons rather than to have many of them becoming Old Age Assistance recipients. Representative Lipsky agreed that it would certainly be preferable, if Medicaid appropriations were sufficient to permit this to be done. Senator Frommelt then inquired how much expenditures from Medicaid appropriations have actually been reduced by the cutoff of benefits to



the "medical only" recipients. Representative Lipsky replied that she cannot say exactly how much such expenditures have been reduced, but that the amount is significant.

Senator Hill asserted that many members of the Legislature voted to implement the Medicaid program in Iowa in an effort to transfer this burden from counties to state and federal funds. He noted that both Senator Kosek and Representative Lipsky had indicated in their respective reports that there is a relationship between the cutback of Medicaid services and the increase in the Old Age Assistance rolls, and that additional money is going to be needed to fund one or more of these programs, but there have been no recommendations forthcoming as to approximately what amount of additional money is needed. Representative Lipsky replied that her reason for voting for the Medicaid program was to try to improve health care services to needy persons in Iowa, and that the Medicaid Study Committee had made a particular effort to ascertain from persons providing health care services and supplies, welfare workers, and others who have appeared before the Committee whether there has in fact been an improvement in the quality of health care available to the needy in Iowa. She added that with one exception all replies had been to the effect that there has been improvement in such care. She concluded that she had not supposed that detailed information on the fiscal aspects of the Medicaid program was what the Council expected from her on the present occasion.

Representative Leroy Miller stated that he had understood Representative Lipsky to say, in the course of her summary of the Study Committee's interim report, that the Medicaid program was \$5,000,000 in the red at the end of the last fiscal year. He asked if this was true even after the \$2,000,000 deficiency appropriation to Medicaid made by the 1969 legislature. Representative Lipsky replied that the \$2,000,000 figure represented the state's share of the total amount by which expenditures for the biennium ending June 30, 1969 exceeded the amount originally budgeted for the program for that period; however the total program was \$5,000,000 in deficit in terms of both state and federal funds.

Representative Leroy Miller then asked about the possibility that arrangements might be made for a private insurance carrier to underwrite at least some aspects of the state's Medicaid program. Representative Lipsky replied that this idea had been discussed during the 1969 session, that the Governor and the Department of Social Services are interested in this possibility, and that the Department is presently working with the United States Department of Health, Education and Welfare in investigating the feasibility of such an arrangement, but she added that it is not at all certain that the Study Committee will be in a position to make a report on this particular matter by March 1.

Representative Gannon noted that the Study Committee's interim report contains no indication that any Medicaid recipients at any time appeared before the Committee. He asked whether any effort had been made to ascertain whether recipients are satisfied

with the program. Representative Lipsky stated that a subcommittee had been appointed to undertake a random sampling of claims on file with the state's private Medicaid carrier (Blue Cross-Blue Shield) and that the Subcommittee had then proceeded to contact the individual recipients whose claims were reviewed in the random sample. Representative Lipsky stressed that these contacts had been made individually by members of the Study Committee, in order to respect the confidentiality of the individual's Medicaid file and avoid any embarrassment to the recipients involved. Representative Gannon asked if the Study Committee members who contacted individual recipients inquired whether the recipients believe they are receiving better health care services under Medicaid than were formerly available to them. Representative Lipsky replied that this had been done, and that in every case an affirmative answer had been received.

Senator Rigler stated that he wished to commend Representative Lipsky and the members of the Medicaid Study Committee for the manner in which they had conducted the study, and moved that the Council approve the interim report submitted by the Study Committee. The motion was seconded by Representative McCartney. Representative Gannon inquired whether the Council will meet again to approve the Medicaid Study Committee's final report, when that is available, even if this should be after the 1970 session has convened. Chairman Lange replied that this would be done. Senator Rigler's motion was then adopted unanimously.

Chairman Lange expressed appreciation to Representative Lipsky for the report she had presented, and recognized Representative Fischer for presentation of the minority report from the Highway Commission Study Committee. Copies of the minority report were distributed to Council members.

Representative Fischer noted that the recommendation for replacement of the five-member Highway Commission by a Department of Highways headed by a single Director of Highways had originally been brought to the Highway Commission Study Committee by its Employment Policies Subcommittee, that the recommendation had initially been approved by the full Committee, but that the full Committee later the same day reversed itself and defeated the recommendation by a narrow margin. Representative Fischer added that the minority report in support of the recommendation carries the signatures of seven of the sixteen members of the full Study Committee, and that an eighth member had indicated an interest in studying a possible change in the method of administering the state's highway agency although he did not formally join in the minority report.

In support of the recommendation for replacement of the Highway Commission, Representative Fischer argued that appointments to the Commission have too often been used by governors as political rewards. He also expressed objection to the fact that three of the five present Commissioners are residents of the eastern one-third of the state and a fourth is a resident of Des Moines, while there is only one Commissioner from the western one-half of the state.

Chairman Lange directed that the minority report be received.

Representative Gannon asked Representative Fischer whether the Study Committee had given any consideration to establishment of a state department of transportation, whose jurisdiction would include that of the present Highway Commission as well as of other state agencies concerned with some aspect of transportation. Representative Fischer replied that while the report of the Study Committee does not include a recommendation for or against such a step, the matter had been considered informally by the Study Committee during some of its meetings.

Representative Gannon then inquired whether Representative Fischer would support a change in the manner of administering the present Liquor Control Commission, similar to that which he is proposing with respect to the Highway Commission. Representative Fischer replied that he would support such a change, in preference to taking the state entirely out of the liquor business.

Senator Rigler moved to substitute the minority report just presented for part III, division B, paragraph 3 of the Highway Commission Study Committee report as submitted to the Council. The motion was seconded by Senator Neu, and a roll call was requested. Senator Rigler's motion was defeated on a vote of four affirmative (Speaker Harbor, Senator Briles, Senator Neu, Senator Rigler) to eight negative (Chairman Lange, Representative McCartney, Senator Frommelt, Senator Hill, Representative Cochran, Representative Gannon, Representative Leroy Miller).

Representative Leroy Miller moved to delete part I, division B, paragraph 4 of the Highway Commission Study Committee report, explaining that the effect of his motion would be to delete the Study Committee's recommendation for passage of a bill entitled "An Act relating to the installation of limited access diagonal highways and highway placement." The motion was seconded by Senator Frommelt, and a roll call was requested.

In discussion on the motion, Senator Rigler expressed strong objection to the recommended bill, explaining that he believes it is unworkable. He added that the bill appears to imply that most or at least many secondary roads are constructed on true north-south and east-west lines and meet each other at 90 degree angles, when in fact this is not the case.

Senator Hill said that it is likely that there will be a pressing need for every available acre of arable land within the not-too-distant future, and that the Highway Commission should be firmly discouraged from taking any more of the state's high-grade agricultural land out of production for highway use than is really necessary. Representative Cochran expressed agreement, adding that those who are not farmers are perhaps unable to fully appreciate the added difficulty farmers encounter when level land areas are broken up into triangular or other odd shaped plots by construction

of diagonal highways, railroads, and other man-made obstructions. Representative Varley said that he does not believe farming of odd-shaped plots of land is unduly difficult, pointing out that farmers in many areas of the state have always found it necessary to do so due to the terrain.

A roll call vote on the pending motion was requested. The motion was adopted by a vote of seven affirmative (Representative McCartney, Senator Frommelt, Senator Neu, Senator Rigler, Representative Cannon, Representative Leroy Miller, Representative Varley) to five negative (Chairman Lange, Speaker Harbor, Senator Briles, Senator Hill, Representative Cochran).

Representative Cannon moved to substitute for part III, division B, paragraph 2 of the Highway Commission Study Committee report, the substance of part III, division A, paragraph 2 of the report. The motion was seconded by Senator Neu. Representative Cannon explained that the intent of the motion is to restore the recommendation originally made by the Employment Policies Subcommittee to the full Study Committee that the Highway Commission be permitted to employ its own administrative legal staff, which would handle much of the Commission's internal legal work, with the Attorney General's staff continuing to represent the Commission in all litigation and issue all formal legal opinions. Senator Hill stated that he is well aware of the serious problem existing within the Highway Commission at the present time with regard to the manner in which legal services are provided to the agency, but that he is concerned about the division of responsibilities between two separate legal staffs.

Chairman Lange stated that it would be necessary at this time to suspend further consideration of the Highway Commission Study Committee report in order to take up the report of the School Transportation Subcommittee of the Standing Committees on Schools, since the Subcommittee Chairman, Senator W. Charlene Conklin, would be unable to be present for the afternoon session. Chairman Lange recognized Senator Conklin, who stated that no report from the Subcommittee was available in printed form at the present time. Copies of two draft bills developed by the Subcommittee were distributed to Council members.

One of the bills is a very minor corrective change in a term used in a bill passed by the 1969 session, the effect of which is to require former school buses sold and converted for other uses to be painted a color other than national school bus chrome. Senator Conklin briefly reviewed the provisions of the Subcommittee's main bill, entitled "An Act relating to public school transportation," and pointed out that the bill carries a fairly detailed explanation.

It was necessary for Chairman Lange to leave the meeting temporarily at 12:00 noon, and Vice Chairman McCartney assumed the chair at that time.

Senator Frommelt expressed concern about the adequacy of compensation to parents for bringing children from their homes to

a point where they may board a school bus. He stated that parents who do this are often performing a very valuable service, since the school bus might otherwise have to make a side trip on an unimproved road, turn around in a narrow driveway, or be otherwise seriously inconvenienced. Senator Frommelt added that parents who bring children to meet school buses at points other than their homes often are not just making a round trip from the home to the boarding point, they must also wait for some time in cold or otherwise inclement weather for the bus to arrive. Taking these factors into account, Senator Frommelt suggested that the compensation should be considerably higher than ten cents per mile from the residence of the pupil to the point where the pupil boards the school bus.

Senator Neu noted that at the Council's previous meeting, it had declined to approve a request from Senator Conklin and Representative Grassley for a meeting of a subcommittee, prior to the convening of the 1970 session, to begin a "comprehensive study of the problems of the nonpublic school in Iowa". He asked Senator Conklin to clarify the intent of the request. Senator Conklin replied that she had in mind appointing a subcommittee which could begin such a study prior to the convening of the 1970 session, and continue it during the session. She added that she had assumed Council approval would not be required for meetings of such a subcommittee during the session, and had therefore requested authority from the Council only for the one meeting which it was contemplated would be held prior to the convening of the session. She stated that in retrospect it would appear that this request should have been submitted to the Council, and the study begun, much earlier in the interim.

Representative Gannon inquired whether the School Transportation Subcommittee had considered the matter of public transportation for private school pupils. Senator Conklin replied that the Subcommittee had considered the matter only incidentally, because the statistics gathered for the Subcommittee contain some information about public transportation of private school students in other states. However, she added, the Subcommittee did not feel that the question of public school transportation for private school students in Iowa was within its jurisdiction.

Vice Chairman McCartney directed that the report of the Subcommittee be received, and expressed appreciation to Senator Conklin for appearing to present the report. He declared the meeting recessed for lunch at 12:10 p.m.

The meeting was reconvened by Chairman Lange in Senate Committee Room 22 at 1:30 p.m., with all Council members present except Representative Sorg. Consideration of the report of the Highway Commission Study Committee was resumed.

Representative Gannon withdrew his motion, pending when the consideration of the Study Committee's report was suspended during the morning session, and instead moved that the portion of part

III, division A, paragraph 2 of the report beginning with the words "In addition, . . ." be added to and become a part of part III, division B, paragraph 2 of the report. The motion was seconded by Senator Frommelt.

Representative Cochran asked how many additional persons would be added to the Highway Commission staff if the recommendation were followed by the General Assembly. Representative Gannon replied that he is presently unable to answer this question specifically. Representative Leroy Miller stated that Highway Commission officials appearing before the Study Committee had estimated they would need four to six additional attorneys. Representative Gannon commented that possibly the additional attorneys employed by the Highway Commission could be balanced at least partially by a reduction in the number of attorneys which it would be necessary for the Attorney General to assign to the Highway Commission.

A roll call vote was requested. The motion was adopted by a vote of ten affirmative (Senator Frommelt, Senator Hill, Senator Neu, Senator O'Malley, Senator Rigler, Representative Cochran, Representative Gannon, Representative Charles Miller, Representative Leroy Miller, Representative Varley) to two negative (Chairman Lange, Senator Briles).

Representative Leroy Miller moved that the Council approve the report of the Highway Commission Study Committee, as amended. The motion was seconded by Senator Rigler. Senator Frommelt stated that while he does not wish to oppose the adoption of the Study Committee report, he is unwilling to vote for anything implying that he might be willing to consider abandonment of the merit employment system. He therefore moved to amend Senator Rigler's motion so as to delete from the last sentence in part III, division B, paragraph 1 of the report (which reads "The study should either recommend measures to improve the merit system, or recommend its repeal.") the words "either" and ", or recommend its repeal". The motion was seconded by Senator Hill.

A roll call was requested on Senator Frommelt's motion to amend Senator Rigler's motion. The amendment was adopted by a vote of ten affirmative (Senator Briles, Senator Frommelt, Senator Hill, Senator Neu, Senator O'Malley, Senator Rigler, Representative Cochran, Representative Gannon, Representative Charles Miller, Representative Varley) to two negative (Chairman Lange, Representative Leroy Miller).

Senator Rigler's motion, as amended, was then adopted on a voice vote. Representative Cochran requested that he be recorded as voting in the negative on adoption of the Highway Commission Study Committee report, as amended by the Council.

Chairman Lange recognized Representative Richard W. Welden for the report of the Functional Classification of Highways Subcommittee of the Standing Committees on Transportation. Copies of the Subcommittee's final report were distributed to Council members, and Representative Welden briefly summarized the report.

Representative Cochran inquired whether adoption of the Subcommittee's recommendations would have any affect upon the abandonment of certain roads. Representative Welden replied in the negative. Senator Hill expressed strong objection to the implications of House File 394, the bill under study by the Subcommittee, as it relates to future allocations of road use tax fund money. After Senator Hill had explained his concerns, Representative Welden and Representative Leroy Miller stated that they could rebut the points raised by Senator Hill, but would not do so during the present meeting.

Chairman Lange expressed appreciation to Representative Welden for his presentation, directed that the report be received, and recognized Senator Wayne D. Keith for the report of the Farm Machinery and Trailers Subcommittee of the Standing Committees on Transportation. Copies of the Subcommittee's final report were distributed to Council members. An error was noted in the third line from the bottom of page two of the Subcommittee report; the word "repeal" in that line should be "enactment".

Senator Keith reported that the Subcommittee had contacted surrounding states for additional information, and that some additional information had been received too late for inclusion in the report distributed to Council members, and it is anticipated that more information will be received.

Representative Gannon asked whether the Subcommittee had inquired into the extent of public awareness of the significance of the slow-moving vehicle emblem. Senator Keith replied that the Subcommittee did consider the possibility of encouraging and assisting publicity campaigns on this point at harvest time, when a particularly large number of farm vehicles are on the roads and highways. Representative Gannon suggested that a requirement that the Highway Commission post a number of informational signs along highways in the state also be considered.

Chairman Lange expressed appreciation to Senator Keith for his presentation, and directed that the report be received. It was noted that, in view of the number of reports remaining to be heard, it was likely that some Council members would find it necessary to leave the meeting before all of the reports had been presented. It was therefore suggested that immediate priority be given reports of special study committees on which the Council is required to take action. Chairman Lange agreed, and recognized Senator Ralph W. Potter for the report of the Municipal Laws Review Study Committee. Copies of the progress report prepared for the Study Committee by the Legislative Service Bureau had previously been mailed to Council members.

Senator Potter briefly outlined the Study Committee's procedure and progress to date, stating that it is anticipated that comprehensive recommendations will be ready for submission to the Sixty-fourth General Assembly in 1971, but that the Study Committee does not expect to present any recommendations to the 1970 session.

Representative Gannon inquired whether the \$25,000 appropriation made by the 1969 session to conduct the Municipal Laws Review will be adequate to complete the study. Senator Potter replied in the affirmative, and Mr. Garrison expressed agreement on this point.

Representative McCartney moved that the Council accept the Study Committee's progress report as presented. The motion was seconded by Senator Rigler, and unanimously adopted.

Chairman Lange expressed appreciation to Senator Potter for his presentation, and recognized Representative Dewey E. Goode for the report of the Federal Highway Programs Study Committee. The report prepared for the Study Committee by the Legislative Service Bureau had previously been mailed to Council members.

Representative Goode stated that the Study Committee had not held a meeting following distribution to its members of the report prepared for the Study Committee by the Service Bureau, and therefore had not formally adopted the report. He further stated that in his view the report does not, in some cases, accurately reflect the views of the majority of the Study Committee members. He specifically cited paragraphs number 5 and 8, on page four of the report, and paragraph 12 on page five, each of which contains language to the effect that further legislative action in the area under discussion "is desirable". Representative Goode expressed the view that the Study Committee's assignment was to determine what Iowa must do in order to avoid loss of federal aid highway funds, not what some agency or group of individuals may consider "desirable" in terms of new highway-related legislation.

Several Council members inquired if Representative Goode's comments mean that the report submitted is not a final report of the Federal Highway Programs Study Committee. Representative Goode replied that, pursuant to House Concurrent Resolution 27, the Study Committee's final report would be made to the forthcoming session of the General Assembly on or before January 15, 1970. He added that at the request of the Council, he had agreed to appear at the present meeting and make an interim report on the work of the Study Committee.

Senator Neu stated that he does not agree with Representative Goode's view that the Study Committee's final report is to be made directly to the General Assembly, without action by the Council. There was a discussion of the question of to whom the final report of the Study Committee must initially be submitted. Representative Varley observed that, in any case, the Study Committee apparently is not in a position to submit what it regards as a final report, and added that he would assume that when the Study Committee has completed a final report it will also have prepared any bills necessary to implement its recommendations. Representative Goode replied in the affirmative. Representative Leroy Miller expressed the view that a bill to implement a relocation and assistance program in connection with federal aid highway construction projects in Iowa is the only legislation which



will have to be enacted at the 1970 session in order to avoid loss of federal highway funds to the state.

Representative Varley then moved that the matter be deferred until a final report has been completed by the Federal Highway Programs Study Committee. The motion was seconded by Senator Neu and unanimously adopted.

Chairman Lange expressed appreciation to Representative Goode for his presentation, and recognized Representative Charles H. Pelton, Chairman of the Collective Bargaining Study Committee. Representative Pelton noted that copies of a progress report prepared for the Study Committee by the Legislative Service Bureau had previously been mailed to Council members, and that copies of an additional document entitled Report to the Legislative Council by the Collective Bargaining Study Committee had just been distributed to Council members. Representative Pelton briefly outlined the major points in the latter document, noting dissents by one or more members of the Study Committee at various points.

Representative Pelton stated that a bill to implement the recommendations of the Study Committee was presently in the course of its fourth draft, and was expected to be ready for further review by the Study Committee within the next few days. He added that it had been decided to place all of the Committee's recommendations in a single bill, due to the total number of bills which will be pending before the Sixty-third General Assembly when it reconvenes in January, 1970.

Senator Frommelt inquired whether the Study Committee had considered the matter of binding arbitration. Representative Pelton replied that this matter had been considered, although he had not mentioned it in his oral summary of the Study Committee's recommendations. He added that the Study Committee's present intent is to recommend a procedure by which an employer and the employees of that employer may voluntarily agree in advance to submit issues to binding arbitration under certain circumstances, but that it is not anticipated that any procedure will be provided under which either employers or employees could be required to submit to involuntary binding arbitration.

Senator Neu noted that the Study Committee is apparently attempting to make a distinction between essential and nonessential public employees, with reference to the right to strike. He asked how such a distinction is to be made. Representative Pelton replied that, with the exception of policemen, firemen, security officers, and peace officers defined under section 748.3 of the Code, the determination of whether an employee is or is not an "essential" employee in the context of a particular work stoppage would be made by the courts. He added that the membership of the Study Committee is split on the basic question of whether strikes by any public employees should be permitted, and that the provision permitting strikes by nonessential employees is in the nature of a compromise between the two points of view. However, it is likely that this matter will be given further consideration at another meeting.

Senator Rigler commented that he believes the concept of nonessential public employees is a poor one, because there should be no nonessential employees on the public payroll. Representative Pelton replied that he personally agrees with the point of view expressed by Senator Rigler.

Representative Pelton stated that Attorney Val Schoenthal of Des Moines, a member of the Collective Bargaining Study Committee, was present for the purpose of presenting a minority statement from the Study Committee. Representative Pelton added that there are a number of minority positions on various points in the Study Committee's recommendations, but that written statements of these various minority points of view are not available at present. Mr. Schoenthal's statement is believed to represent most of the points common to what Representative Pelton termed the "conservative position" on the Study Committee.

Chairman Lange expressed appreciation to Representative Pelton for his presentation, and recognized Mr. Schoenthal. Copies of the minority statement prepared by Mr. Schoenthal were distributed to Council members, and Mr. Schoenthal briefly summarized some of the major points in his statement.

At the conclusion of Mr. Schoenthal's statement, Senator Neu moved to defer further action by the Council on the Collective Bargaining study until a final report from the Study Committee is available. The motion was seconded by Representative Varley, and unanimously adopted.

Chairman Lange expressed appreciation to Mr. Schoenthal for his presentation, and recognized Senator Charles O. Laverty for the report of the Environmental Preservation Study Committee. Copies of a progress report prepared for the Study Committee had previously been mailed to Council members, and Senator Laverty briefly summarized major points in the progress report.

Senator Hill expressed concern about the blanket endorsement of companion bills House and Senate File 17, and asked Senator Laverty whether the Study Committee thoroughly investigated the implications of these bills. Senator Laverty replied that the Subcommittee on Air and Water Pollution Control was told repeatedly that soil is the number one pollutant of Iowa's waterways, and that there is an urgent need to control siltation of Iowa's rivers and streams in order to reduce such pollution.

Representative Cochran stated that the Air and Water Pollution Control Subcommittee was told that there are two major sources of water pollution in Iowa; industrial and municipal, and agricultural. He added that the experts in the field had testified that industrial and municipal pollution sources, and the portion of agricultural pollution originating from sources such as feedlot runoff, either are or can be controlled under present law, but that there is no effective way to get at the real problem of silt, and accompanying organic material and pesticide and fertilizer residues, carried into streams by soil erosion.

Representative Leroy Miller expressed the view that the Study Committee exceeded its authority in even considering House File 17. Representative Varley, who served as Chairman of the Subcommittee on Air and Water Pollution Control, replied that the Subcommittee had arrived at consideration of House File 17 indirectly, in the course of its work in the area of controlling water pollution. He added that witnesses appearing before the Subcommittee had stated that waterways in Iowa are regularly monitored, and that at times of heavy runoff up to one-half of the chemicals found in Iowa's rivers and streams are still connected to soil particles with which they were washed into such waterways. Representative Varley stated that in his view, Iowa farmers are faced with the necessity of either accepting some degree of control over farming methods in order to reduce soil erosion, or facing very stringent restrictions on the use of pesticides and fertilizers within the next few years.

Representative Gannon noted that the Study Committee recommended enactment of Senate File 519 with minor amendments, "with the amount of the appropriations subject to the available financial resources of the state general fund." He inquired how large an appropriation is needed to implement this legislation. Representative Cochran replied that the original bill called for an appropriation of \$4,000,000 in state assistance for the construction of local sewage treatment facilities, but that it now appears that an appropriation of \$8,250,000 would be needed to take full advantage of available federal matching funds for this purpose.

After further discussion, Senator Rigler stated that he will vote to approve the Study Committee's progress report, but that this does not imply support for House File 17 at this time. He added that he will not be prepared to vote on that particular bill until he has heard it thoroughly debated. Senator Lavery stated that when the Environmental Preservation Study Committee began its work, he held the same views as had earlier been expressed by Senator Hill, but that after hearing an entire day of expert testimony to the effect that there is urgent need to control soil erosion in Iowa, not only to conserve the resources of the soil itself, but to control pollution of the state's waterways, he had changed his mind. Representative Varley agreed, adding that he had opposed House File 17 during the 1969 legislative session, but had also changed his mind on the basis of testimony presented to the Air and Water Pollution Control Subcommittee.

Senator Frommelt noted that House File 17, as presently written, would impose a statewide property tax of up to one mill to support the conservancy districts which the bill would establish, and declared that he will not vote for any recommendation which contemplates a new property tax levy of as much as one mill for any purpose whatever. Senator Neu pointed out that House File 17 had been approved by the Council's predecessor body, the Legislative Research Committee, prior to the 1969 session, and that Senator Frommelt was a member of the Research Committee at that time. Senator Frommelt replied that if he voted to approve House File 17 in its present form at that time, he made a mistake.

Senator Hill expressed agreement with Senator Frommelt, adding that he will not be prepared to vote for House File 17 until he sees an indication that the General Assembly is willing to provide massive financial assistance to farmers to meet the cost of the conservation practices which could be required under the bill. Representative Cochran asserted that none of the conservation practices which could be required of individual landowners under the bill are unduly expensive.

Representative Leroy Miller moved that the Council approve the Environmental Preservation Study Committee's report, with deletion of all references to House File 17. The motion was seconded by Senator Frommelt. Senator Rigler moved, as a substitute for Representative Miller's motion, that the Council approve the Study Committee's report, but go on record as taking no position on House File 17. The motion was seconded by Senator Neu.

A roll call vote on Senator Rigler's substitute motion for Representative Miller's motion was requested. Chairman Lange pointed out that the question before the Council was on adoption of recommendations to the General Assembly, and that therefore nine affirmative votes would be required to pass the motion. The motion was defeated by a vote of eight affirmative (Chairman Lange, Speaker Harbor, Senator Briles, Senator Frommelt, Senator Hill, Senator Neu, Senator Rigler, Representative Varley) to four negative (Representative Cochran, Representative Gannon, Representative Charles Miller, Representative Leroy Miller).

After a brief discussion of the effect of adoption of Representative Leroy Miller's original motion, Representative Miller withdrew the motion and instead moved to strike all reference to House File 17 from the report of the Environmental Preservation Study Committee. The motion was seconded by Senator Frommelt, and a roll call was requested. The motion was defeated by a vote of four affirmative (Senator Briles, Senator Frommelt, Senator Hill, Representative Leroy Miller) to eight negative (Chairman Lange, Speaker Harbor, Senator Neu, Senator Rigler, Representative Cochran, Representative Gannon, Representative Charles Miller, Representative Varley).

Representative Gannon moved that the Council adopt the progress report of the Environmental Preservation Study Committee as submitted. The motion was seconded by Representative Cochran, and a roll call was requested. The motion was defeated by a vote of five affirmative (Senator Neu, Representative Cochran, Representative Gannon, Representative Charles Miller, Representative Varley) to seven negative (Chairman Lange, Speaker Harbor, Senator Briles, Senator Frommelt, Senator Hill, Senator Rigler, Representative Leroy Miller).

Senator Rigler stated that he wished to express gratitude to Senator Lavery on behalf of the Council for the excellent manner in which the Environmental Preservation study had been conducted. He added that the Council's refusal to approve the Study

Committee's progress report relates only to the fact that some Council members are unwilling to appear to endorse House File 17, and not to the merit of the Study Committee's work.

Representative Gannon moved to reconsider the vote by which Senator Rigler's substitute for Representative Leroy Miller's motion was defeated by the Council. Senator Frommelt raised a point of order that final disposition had been made of the matter pursuant to which Senator Rigler's substitute motion was offered, and that reconsideration of the substitute motion was therefore out of order. Chairman Lange ruled the point well taken.

Senator Rigler moved to reconsider the vote by which the Council failed to adopt the report of the Environmental Preservation Study Committee. The motion was seconded by Representative Gannon, and adopted by voice vote.

Senator Rigler moved, as a substitute for the motion to adopt the Study Committee's report as submitted, that the Council adopt the report but go on record as taking no position on House File 17. The motion was seconded by Senator Neu, and a roll call vote was requested. The substitute motion was adopted with eleven affirmative and no negative votes, Representative Leroy Miller passing.

Chairman Lange recognized Representative Holden for the report of the Eminent Domain Study Committee. Representative Holden noted that although the report prepared for the Study Committee by the Legislative Service Bureau and previously mailed to Council members is labeled "Progress Report", it is in fact the final report of the Study Committee. He further noted that a written minority report with respect to two items included in the recommendations of the Study Committee had been filed by Attorney Ira E. Delk of Sioux City, a member of the Study Committee. Copies of Mr. Delk's minority report were distributed to Council members.

Senator Rigler suggested that, on page three, third paragraph, line twelve, of the report, the word "individuals" be substituted for the word "men". It was agreed that this would be done.

Senator Hill asked Representative Holden whether the Study Committee had requested an opinion of the Attorney General with regard to the constitutional question of impairment of the right to contract if legislation were enacted prohibiting public utilities from purchasing right-of-way easements for power lines, pipelines, and similar facilities prior to the granting of a franchise by the Commerce Commission. Representative Holden replied that no official opinion had been requested of the Attorney General, but that the attorneys on the Committee had discussed the issue and arrived at the conclusion that it would be unconstitutional to prohibit the utilities from purchasing such easements prior to the granting of a franchise.

Senator Hill further inquired whether members of the Study Committee were familiar with the new federal regulations in

the area of pipeline safety. Representative Holden replied that representatives of the Iowa Commerce Commission appearing at Study Committee hearings indicated that pipelines are presently subject to the safety regulations of the state of Iowa. He further noted that the United States Department of Transportation is presently in the process of promulgating rules and regulations with regard to pipeline safety and that upon completion and issuance of these rules, federal rules will preempt state legislation and become effective. He also noted that the Commerce Commission representatives were instructed to keep the Eminent Domain Study Committee informed of any additional federal legislation or rules and regulations applicable to pipeline safety.

In response to a question from Senator Rigler, Representative Holden confirmed that the reason for taking away the present authority of the Highway Commission to condemn land for construction of farm-to-market roads is that such roads are constructed by counties, rather than the Commission.

Senator Neu inquired whether it has been determined if there are any Iowa court decisions supporting the view that it would be an unconstitutional impairment of the right of contract to prevent utilities from acquiring right-of-way easements prior to approval of a franchise by the Commerce Commission. Representative Holden replied that, as laymen, most of the legislators on the Study Committee accepted the word of the attorneys on this point. Representative Gannon, a member of the Study Committee, noted that he did not necessarily accept the attorneys' views on this point. Senator Neu expressed the opinion that there are other states which require approval of projects by a state utilities commission before the utility involved may begin acquiring right-of-way.

Senator Frommelt commented that, as a practical matter, it is obvious that a utility must exercise the right of eminent domain once the construction of a pipeline, power line, or similar facility has been approved. The real issue is whether or not a particular project has been or should be approved by the Commerce Commission, and it is the Commerce Commission's failure to exercise sufficient discretion at this point which is really at the root of much of the public complaint. Senator Neu stated that all that is really necessary is for the Commerce Commission to make it generally known that utility company proposals for construction of such projects are not necessarily going to be automatically approved, and then abide by this policy in practice.

Senator Frommelt expressed concern about the proposed requirement that each compensation commission include two farmers, even when the area being condemned is entirely urban. Representative Holden pointed out that the requirement is that two members of the compensation commission be agricultural landowners, not necessarily farmers, and that there is a significant difference in the two terms.

Representative Cochran inquired whether the recommendation that a governmental subdivision or agency taking land make

available to the landowner information relating to actual land value, value of damages, and value of loss of access, would require making the actual appraisal prepared for the taking body available to the landowner. Representative Holden replied that the taking body would have to provide the designated information, but not the appraisal itself. He added that the Highway Commission, in particular, had objected that requiring the landowner to be provided a copy of the actual appraisal could lead to endless controversy over alleged failure to take into account in the appraisal particular items of value relating to the property to be taken.

Representative Cochran inquired whether appraisals of land to be taken are to be based on current use, or potential future use of the land. Representative Holden replied that the appraisals should reflect the highest and best potential use of the land, not necessarily its current use. There was a discussion of the factors which should be considered in determining the value of land for condemnation purposes, and for tax purposes. Representative Holden pointed out that the Study Committee's report notes, on page seven, that "The Committee has not completed its study of procedures relating to damages and compensation to landowners."

In response to a question from Representative Charles Miller, Representative Holden stated that, under the Study Committee's proposal, a landowner who believes he is not being properly compensated for value of loss of access in connection with a condemnation may request and receive from the taking body a statement of the value placed by that body upon the loss of access resulting from the condemnation. Then, if the landowner is still dissatisfied, the value of the loss of access may be determined by a compensation commission as one of the factors in establishing the value of the land being taken.

Senator Rigler moved that the Council adopt the report of the Eminent Domain Study Committee as submitted. Representative Gannon seconded the motion, which was adopted on a unanimous voice vote, with Chairman Lange passing.

Chairman Lange expressed appreciation to Representative Holden for his presentation, and directed that the minority report by Mr. Delk be received. He recognized Representative Norman Roorda for the report of the Subcommittee on Property Tax Replacement in the School Aid Formula, of the Standing Committees on Ways and Means. Copies of the Subcommittee's report were distributed to Council members.

Senators Neu and Frommelt expressed concern over some of the conclusions implied or stated in the Subcommittee's report. Senator Neu asked why the Subcommittee believes it is not feasible to extend the corporation income tax to the local level. Representative Roorda replied that this is due to the difficulty of determining origin of corporate income and situs.

Senator Neu then asked if it is correct that the Subcommittee does, however, feel that an individual income tax could

feasibly be imposed at the local level for support of schools. Representative Roorda replied in the affirmative, although he pointed out that the Subcommittee has not yet completed its study and is seeking authority for one additional meeting before the convening of the 1970 session. Senator Frommelt asserted that it is simply not possible to replace the property tax with a local income tax for support of schools, adding that he himself had several years ago proposed that twenty percent of the county budgets be derived from sources other than the property tax, but had discovered that in one particular Iowa county this would have resulted in an increase in the individual income tax of such magnitude that no one could afford to live in the county.

Representative Cannon inquired if it is correct that the Subcommittee has no specific recommendations to present at this time, and is seeking authority for one additional meeting prior to the 1970 session in order to complete formulation of specific recommendations. Representative Roorda replied in the affirmative. Representative Cochran then moved that the Council authorize the Subcommittee one additional meeting prior to the 1970 session. The motion was seconded by Representative Cannon.

Senator Neu stated that he is sufficiently disturbed by the direction of the Subcommittee's work to date that he will not vote to authorize any additional meetings of the Subcommittee. Senator Frommelt expressed agreement with Senator Neu on this point. Chairman Lange suggested that possibly the Subcommittee could hold a meeting to complete its work during the first week of the 1970 session. Representative Roorda replied that if the Subcommittee could meet prior to the convening of the session, it would possibly save considerable time in preparing legislation for introduction during the session.

After further discussion, the question was called for on Representative Cochran's motion, and a roll call vote was requested. The motion was adopted by a vote of six affirmative (Chairman Lange, Representative Cochran, Representative Cannon, Representative Charles Miller, Representative Leroy Miller, Representative Varley) to three negative (Senator Frommelt, Senator Hill, Senator Neu).

Chairman Lange directed that the report of the Subcommittee on Property Tax Replacement in School Aid Formula be received, and expressed appreciation to Representative Roorda and also to Representative Goode for their patience in waiting throughout much of the day to present reports which had been deferred in order to allow consideration of the reports of study committees on which Council action was required. Chairman Lange then recognized Representative Goode for the report of the Personal Property Tax Replacement Subcommittee of the Standing Committees on Ways and Means. Copies of the Subcommittee's report were distributed to Council members.

Representative Goode briefly summarized the Subcommittee's report. He noted that the report includes the statement that an



additional meeting of the Subcommittee is to be held when requested research is completed. He stated that it now appears that this information will not be available prior to the convening of the 1970 session, and that the information will therefore be submitted directly to the Ways and Means Committees of the two houses.

Representative Goode also presented the final report of the Pending Bills Subcommittee of the Standing Committees on Transportation. Copies of the report were distributed to Council members. Chairman Lange directed that both of the reports just presented by Representative Goode be received.

Copies of the report of the Subcommittee on Interstate Truck Registration Reciprocity of the Standing Committees on Transportation were distributed to Council members present. Chairman Lange directed that the report be received, explaining that the report would not be formally presented due to the illness of Representative William Darrington, Subcommittee Chairman. Chairman Lange also explained that the Subcommittee on Taxation of Banks and Other Financial Institutions of the Standing Committees on Ways and Means would hold another meeting on the following day, and therefore would present no report at the present time.

No further business appearing, the meeting was adjourned at 5:15 p.m.

Respectfully submitted,

PHIL BURKS  
Senior Research Analyst

SERGE H. GARRISON  
Director