

M I N U T E S
STUDIES COMMITTEE
OF THE LEGISLATIVE COUNCIL

June 9, 1976

The meeting of the Studies Committee was called to order at 10:55 a.m. by the Co-chairperson, Senator George R. Kinley in the Speaker's Room, State House, Des Moines, Iowa, on June 9, 1976. Members present in addition to Co-chairperson Kinley were:

Representative Jerome Fitzgerald, Co-chairperson
Senator Willard R. Hansen
Senator Eugene M. Hill
Senator Bass Van Gilst
Speaker Dale Cochran
Representative William J. Hargrave
Representative Floyd H. Millen
Representative Andrew Varley

Also attending the meeting were:

Mr. Burnette E. Koebernick, Senior Legal Counsel, Legislative Service Bureau
Mr. Thane R. Johnson, Senior Research Analyst, Legislative Service Bureau

Co-chairperson Kinley recognized Senator James M. Redmond regarding a study proposal he submitted in writing to the Secretary of the Senate, which request was distributed to the members of the Studies Committee at the meeting. Senator Redmond's request to the Legislative Council is for an interim study of the statutes regulating the sale of controlling interests in a corporation and governing corporate mergers and protecting interests of minority shareholders in these transactions. The request also asked that a study be made regarding the role of the Attorney General's office in enforcing the present statutes on this subject matter. Senator Redmond cited as a basis for this request, the facts and circumstances surrounding the 1967 merger of General Life Investment Company of Iowa with Equity, Inc. of Delaware and the 1973 merger with a third company, All American Life and Casualty Company of Delaware.

Co-chairperson Kinley inquired as to whether the basis of the Redmond proposal is a study to protect rights of minority shareholders in situations where companies are merging or selling companies to another company. Senator Redmond responded in the affirmative. Senator Hill inquired as to how this subject matter might presently be subject to federal law. Senator Redmond indicated that such transactions are normally subject to state law. Senator Hill noted that the action regarding the case in question has been filed in federal court and inquired as to the reasons for

this course of action. Senator Redmond suggested that the filing of the suit in federal court might be based upon the diversity of citizenship of the parties involved in the case but indicated that further study would be needed to determine whether or not this was the basis for filing the action in federal court. Co-chairperson Fitzgerald inquired as to whether the request for a study committee is to look at the general problems in this area and using only the examples contained in the Redmond request as an example. Senator Redmond responded in the affirmative.

Co-chairperson Kinley noted that Senator Ray Taylor has also submitted a request for a study committee to review and revise the drainage laws in the state. The Taylor request suggested that the study committee should specifically consider the subject matter included in S.F. 93. He suggested that the Studies Committee should review all requests for studies submitted and make a determination at the next meeting regarding which studies would be authorized. Co-chairperson Fitzgerald agreed suggesting that in reviewing all of the study requests submitted to the Studies Committee at this time, the members might make suggestions and classify each study either as an "A", "B" or "C" to determine their priority.

Co-chairperson Kinley asked the members of the Committee their feelings regarding the study of peace officers' retirement system mandated pursuant to S.J.R. 1008. Representative Hargrave noted that this study as well as the study on the State Insurance Pool, the Title XIX study, the Local Government Task Force, and the Advisory Commission on Corrections Relief, would be mandated studies. Speaker Cochran suggested that the first five items noted on the Summary for Requests for Interim Studies would be mandated since these five items were all acted upon by both houses of the General Assembly. Co-chairperson Fitzgerald suggested that the Local Government Task Force and the Advisory Commission on Corrections Relief would require no action by the Legislative Council since these committees are established by the legislation enacted by the Sixty-sixth General Assembly, 1976 Session.

Attached and by this reference made a part of these minutes is the first six pages of the Summary of Requests for Interim Studies prepared by the Legislative Service Bureau for consideration by the Studies Committee and the Legislative Council in 1976. The members of the Studies Committee reviewed each of the proposals and designated each study as "A", "B", "C", or "D". The "A" designation was given to items 8, 34, 44, the Redmond proposal, and the gas tax study. A "B" designation was given to items 6, 9, 10, 11, 14, 16, 17, 21, 25, 28, 29, 31, 41, 43, 45, 46, and 49. A "C" designation was given to items 7, 12, 15, 20, 23, 24, 25, 27, 30, 32, 36-40, 42, and 47. A "D" designation was given to items 19 and 48.

Co-chairperson Kinley suggested that in appointing the memberships for interim study committees, consideration should be given to the appointment of members of standing committees in all

cases. He inquired as to whether members of the Committee saw any objections to this approach. Speaker Cochran suggested that this approach would eliminate the Speaker from serving on any interim committees. He further suggested that the concept is good but that already some members of House committees have indicated that if they are re-elected, they would prefer serving on committees other than the ones to which they were assigned during the Sixty-sixth General Assembly. Co-chairperson Fitzgerald suggested that another problem is that there is no precise method for assigning bills and that the Council could assign members of a particular standing committee to discuss or review a specific subject matter and when a bill was submitted to the General Assembly, it would be assigned to another committee. Speaker Cochran suggested that this approach could be used to serve as a general guideline in appointing members to particular studies but that it should not become a hard and fast rule. Co-chairperson Kinley noted that during the 1975 interim he had tried to use standing committee memberships when possible.

Co-chairperson Kinley asked members of the Committee whether other studies should be made which have been omitted in resolutions that were filed during the last session. Senator Hill suggested that no study has been requested relative to the gas tax or the distribution of road moneys and that the State Department of Transportation ran into merit rules which prevented some of the proposed layoffs which had been suggested and urged that some study be made of the merit rules. Co-chairperson Fitzgerald indicated that the gas tax may not require a study. Co-chairperson Kinley noted that the reason for the study would be the need to determine the feasibility of whether Iowa should maintain a cent-per-gallon gas tax or whether Iowa should attempt to implement a percentage formula. Co-chairperson Kinley suggested that the gas tax study might need an "A" designation.

Co-chairperson Kinley suggested that the studies be designated at the next meeting and that it might be possible also to consider the appointment of the study committee members at that meeting. There being no objection, the next meeting of the Studies Committee was scheduled for 10:00 a.m., July 13, 1976.

There being no further business, the meeting of the Studies Committee was adjourned at 12:00 noon.

Respectfully submitted,

BURNETTE E. KOEBERNICK
Senior Legal Counsel