

physical plant and equipment levy to be used as an alternative to the schoolhouse fund levy then authorized under chapter 278 of the Code of Iowa; and

WHEREAS, the legislation authorizing the physical plant and equipment levy did not take effect until July 1, 1990, for the purpose of computations required for payment of state aid to and levying of property taxes by school districts for the budget year beginning July 1, 1991; and

WHEREAS, the Pleasant Valley Community School District's ten-year schoolhouse fund levy was to expire in September of 1990; and

WHEREAS, on July 17, 1989, the board of directors of the Pleasant Valley Community School District adopted a resolution to submit a proposition to the voters for the levy of a physical plant and equipment tax for a ten-year period; and

WHEREAS, the proposition was included on the ballot for the regular school election held on September 12, 1989, and was approved by the voters; and

WHEREAS, a question has arisen as to whether the timing of the levy was one year premature under the legislation authorizing the physical plant and equipment levy, and it is deemed advisable to remove forever such doubts as to the validity of the board's resolution, approval of the levy, and the budgeting of funds raised by the levy; NOW THEREFORE,

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. All proceedings taken by the board of directors of the Pleasant Valley Community School District relating to the 1989 board resolution and all actions pertaining to voter approval of the physical plant and equipment tax levy are hereby legalized and constitute a legal schoolhouse fund levy for the school year beginning July 1990, and constitute a legal and binding physical plant and equipment levy for nine consecutive years commencing with the school year beginning July 1991.

Sec. 2. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 28, 1991

CHAPTER 209

MOTOR CARRIERS — WORKERS' COMPENSATION INSURANCE PROVISIONS

S.F. 550

AN ACT relating to transportation provided by motor carriers.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 85.61, subsection 13, paragraph c, Code 1991, is amended to read as follows:

c. An owner-operator who, as an individual or partner, or shareholder of a corporate owner-operator, owns a vehicle licensed and registered as a truck, road tractor, or truck tractor by a governmental agency, is an independent contractor while performing services in the operation of the owner-operator's vehicle if all of the following conditions are substantially present:

- (1) The owner-operator is responsible for the maintenance of the vehicle.
- (2) The owner-operator bears the principal burden of the vehicle's operating costs, including fuel, repairs, supplies, collision insurance, and personal expenses for the operator while on the road.
- (3) The owner-operator is responsible for supplying the necessary personnel to operate the vehicle, and the personnel are considered the owner-operator's employees.

(4) The owner-operator's compensation is based on factors related to the work performed, including a percentage of any schedule of rates or lawfully published tariff, and not on the basis of the hours or time expended.

(5) The owner-operator determines the details and means of performing the services, in conformance with regulatory requirements, operating procedures of the carrier, and specifications of the shipper.

(6) The owner-operator enters into a contract which specifies the relationship to be that of an independent contractor and not that of an employee and requires the owner-operator to provide and maintain a certificate of workers' compensation insurance with the carrier.

Sec. 2. Section 87.1, Code 1991, is amended to read as follows:

87.1 INSURANCE OF LIABILITY REQUIRED.

Every employer subject to the provisions of this and chapters 85 and 86, unless relieved therefrom as hereinafter provided, shall insure the employer's liability thereunder in some corporation, association, or organization approved by the commissioner of insurance.

A motor carrier who contracts with an owner-operator who is acting as an independent contractor pursuant to section 85.61, subsection 13, shall not be required to insure the motor carrier's liability for the owner-operator. A motor carrier may procure compensation liability insurance coverage for these owner-operators, and may charge the owner-operator for the costs of the premiums. A motor carrier shall require the owner-operator to provide and maintain a certificate of workers' compensation insurance covering the owner-operator's employees. An owner-operator shall remain responsible for providing compensation liability insurance for the owner-operator's employees.

Every such employer shall exhibit, on demand of the industrial commissioner, evidence of the employer's compliance with this section; and if such employer refuses, or neglects to comply with this section, the employer shall be liable in case of injury to any worker in the employer's employ under the common law as modified by statute.

Sec. 3. NEW SECTION. 87.23 COMPENSATION LIABILITY INSURANCE NOT REQUIRED.

A corporation, association, or organization approved by the commissioner of insurance to provide compensation liability insurance shall not require a motor carrier that contracts with an owner-operator who is acting as an independent contractor pursuant to section 85.61, subsection 13, to purchase compensation liability insurance for the employer's liability for the owner-operator or its employees.

Approved May 28, 1991

CHAPTER 210

INCOME TAX — PRIVATE CLUB EXPENSE DEDUCTIONS

H.F. 417

AN ACT relating to private club expense deductions for individual and corporate state income tax purposes.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 422.7, Code 1991, is amended by adding the following new subsection:
NEW SUBSECTION. 24. If the federal adjusted gross income includes income or loss from a business or farm or from an interest in a corporation whose income is taxed to the shareholders, add the expenses otherwise deductible under section 162(a) of the Internal Revenue