

1992 Second Extraordinary Session
Of The
Seventy-Fourth General Assembly
Of The
State Of Iowa

HELD AT DES MOINES, THE CAPITAL OF THE STATE

SECOND EXTRAORDINARY SESSION HELD ON THE TWENTY-FIFTH DAY OF JUNE, A.D. 1992
IN THE ONE HUNDRED FORTY-SIXTH YEAR OF THE STATE

CHAPTER 1001

APPROPRIATIONS, REDUCTIONS, TAXES, AND OTHER BUDGET MATTERS
S.F. 2393

AN ACT relating to state and local budgets by making appropriations from the general fund of the state and other funds and reductions in certain appropriations and changes in the sales and use tax, income tax thresholds, property tax assessments, revenue and finance provisions, and related statutory provisions, and providing effective dates and applicability provisions.

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

DIVISION I
SALARIES

Section 101. STATE COURTS – JUSTICES, JUDGES, AND MAGISTRATES.

1. There is appropriated from the general fund of the state to the judicial department for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the sum of \$1,100,000, or so much thereof as is necessary, to fund the following salary rates. The salary rates specified in this section are effective for the fiscal year beginning July 1, 1992, and for subsequent fiscal years until otherwise provided by the general assembly.

2. The following annual salary rates shall be paid to the persons holding the judicial positions indicated:

a. Chief justice of the supreme court:	\$	93,700
.....		
b. Each justice of the supreme court:	\$	90,300
.....		
c. Chief judge of the court of appeals:	\$	90,200
.....		
d. Each associate judge of the court of appeals:	\$	86,800
.....		
e. Each chief judge of a judicial district:	\$	85,900
.....		
f. Each district judge except the chief judge of a judicial district:	\$	82,500
.....		
g. Each district associate judge:	\$	71,900
.....		
h. Each judicial magistrate:	\$	18,100
.....		

Sec. 102. SALARY RATE LIMITS. Persons receiving the salary rates established under section 101 of this Act shall not receive any additional salary adjustments provided by this Act.

Sec. 103. APPOINTED STATE OFFICERS. The governor shall establish a salary for appointed nonelected persons in the executive branch of state government holding a position enumerated in section 104 of this Act within the range provided by considering, among other items, the experience of the individual in the position, changes in the duties of the position, the incumbent's performance of assigned duties, and subordinates' salaries. However, the attorney general shall establish the salary for the consumer advocate, the chief justice of the state supreme court shall establish the salary for the state court administrator, and the state fair board shall establish the salary of the secretary of the state fair board each within the salary range provided in section 104 of this Act. A person selected to act for another in an appointed nonelected position shall not receive more than the salary range allows for a person appointed to that nonelected position.

The governor, in establishing salaries as provided in section 104 of this Act, shall take into consideration other employee benefits which may be provided for an individual including, but not limited to, housing.

A person whose salary is established pursuant to section 104 of this Act and who is a full-time permanent employee of the state shall not receive any other remuneration from the state or from any other source for the performance of that person's duties unless the additional remuneration is first approved by the governor or authorized by law. However, this provision does not exclude the reimbursement for necessary travel and expenses incurred in the performance of duties or fringe benefits normally provided to employees of the state.

In establishing salaries pursuant to section 104 of this Act, an appointed nonelected person shall not receive a salary increase of more than 5 percent over the person's salary as of June 30, 1992, for the same position.

Sec. 104. STATE OFFICERS — SALARY RATES AND RANGES. The following annual salary ranges are effective for the positions specified in this section for the fiscal year beginning July 1, 1992, and for subsequent fiscal years until otherwise provided by the general assembly. The governor or other person designated in section 103 of this Act shall determine the salary to be paid to the person indicated at a rate within the salary ranges indicated from funds appropriated by the general assembly for that purpose.

1. The following salary ranges are effective beginning with the fiscal year beginning July 1, 1992, and as otherwise provided in this section:

SALARY RANGES	<u>Minimum</u>	<u>Maximum</u>
a. Range 1	\$ 7,900	\$23,800
b. Range 2	\$28,700	\$47,700
c. Range 3	\$39,400	\$55,700
d. Range 4	\$47,400	\$63,700
e. Range 5	\$55,700	\$71,700

2. The following are range 1 positions: There are no range 1 positions as of the fiscal year beginning July 1, 1992.

3. The following are range 2 positions: administrator of criminal and juvenile justice planning of the department of human rights, administrator of the arts division of the department of cultural affairs, administrators of the division of persons with disabilities, the division on the status of women, the division on the status of African-Americans, the division for deaf services, and the division of Latino affairs of the department of human rights, administrator of the division of professional licensure of the department of commerce, executive director of the commission of veterans affairs, and administrator of the division of emergency management of the department of public defense.

4. The following are range 3 positions: administrator of the library division of the department of education, administrator of the division of community action agencies of the department of human rights, and chairperson and members of the employment appeals board of the department of inspections and appeals.

5. The following are range 4 positions: superintendent of banking, superintendent of credit unions, superintendent of savings and loan associations, administrator of the alcoholic beverages division of the department of commerce, state public defender, commandant of the veterans home, and chairperson and members of the board of parole.

6. The following are range 5 positions: chairperson and members of the utilities board, consumer advocate, job service commissioner, labor commissioner, industrial commissioner, commissioner of insurance, administrators of the historical division and the public broadcasting division of the department of education, the administrator of the state racing and gaming commission of the department of inspections and appeals, and secretary of the state fair board.

7. The following salary ranges are effective beginning with the fiscal year beginning July 1, 1992, and as otherwise provided in this section:

SALARY RANGES	<u>Minimum</u>	<u>Maximum</u>
a. Range 6	\$43,100	\$57,800
b. Range 7	\$58,900	\$72,300
c. Range 8	\$63,100	\$84,000
d. Range 9	\$70,500	\$99,900

8. The following are range 6 positions: director of the department of human rights, director of the Iowa state civil rights commission, executive director of the college student aid commission, director of the law enforcement academy, director of the department for the blind, and executive secretary of the campaign finance disclosure commission.

9. The following are range 7 positions: director of the department of cultural affairs, director of the department of personnel, director of public health, executive director of the department of elder affairs, commissioner of public safety, director of the department of general services, director of the department of commerce, and director of the department of inspections and appeals.

10. The following are range 8 positions: executive director of the Iowa finance authority, director of revenue and finance, director of the department of natural resources, director of the department of corrections, and director of the department of employment services.

11. The following are range 9 positions: director of the department of education, director of human services, director of the department of economic development, executive director of the state board of regents, director of the state department of transportation, lottery commissioner, the state court administrator, and the director of the department of management.

Sec. 105. PUBLIC EMPLOYMENT RELATIONS BOARD.

1. The salary rates specified in this section are effective for the fiscal year beginning July 1, 1992, and for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds appropriated to the department or agency specified in this section.

2. The following annual salary rates shall be paid to the persons holding the positions indicated:

a. Chairperson of the public employment relations board:	\$	55,700
.....		
b. Two members of the public employment relations board:	\$	51,700
.....		

Sec. 106. PAY RATES AND RANGES – EFFECTIVE DATES. The annual salary rates or ranges provided in sections 101, 104, and 105 of this Act become effective for the fiscal year beginning July 1, 1992, with the pay period beginning July 3, 1992.

Sec. 107. COLLECTIVE BARGAINING AGREEMENTS FUNDED – GENERAL FUND. There is appropriated from the general fund of the state to the salary adjustment fund for distribution by the department of management to the various state departments, boards, commissions, councils, and agencies for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the sum of \$62,900,000, or so much thereof as is necessary, to fully fund the following annual pay adjustments, expense reimbursements, and related benefits, except that the amount

appropriated in this section shall be reduced by the amount of any other funds appropriated for any fiscal year to the salary adjustment fund pursuant to any other Act enacted by the Seventy-fourth General Assembly, 1992 Session:

1. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the blue collar bargaining unit.
2. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the state police officers council bargaining unit.
3. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the security bargaining unit.
4. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the technical bargaining unit.
5. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional fiscal and staff bargaining unit.
6. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the university of northern Iowa faculty bargaining unit.
7. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the clerical bargaining unit.
8. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional social services bargaining unit.
9. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the community-based corrections bargaining unit.
10. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the judicial branch of government bargaining unit.

Sec. 108. NONCONTRACT STATE EMPLOYEES — GENERAL.

1. There is appropriated from the general fund of the state to the salary adjustment fund for distribution by the department of management to the various state departments, boards, commissions, councils, and agencies for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the sum of \$32,000,000, or so much thereof as is necessary, to fund the following annual pay adjustments, expense reimbursements, and related benefits referred to in this section and section 109 of this Act for employees not covered by a collective bargaining agreement.

2. a. The maximum salary levels of all pay plans provided for in section 19A.9, subsection 2, as they existed for the fiscal year ending June 30, 1991, shall be increased for employees who are not included in a collective bargaining agreement made final under chapter 20 and who are not otherwise specified in this Act, by 7.5 percent for the fiscal year beginning July 1, 1992, effective with the pay period beginning July 3, 1992. The department of personnel shall revise the pay plans as provided under section 19A.9, subsection 2, by increasing the maximum salary levels for the various grades by 7.5 percent and the minimum salary levels of the various grades in such a way, not to exceed 7.5 percent, as to achieve comparability with other executive branch pay plans excluding those of the state board of regents. In addition to the increases specified in this subsection, for the fiscal year beginning July 1, 1992, employees may receive a merit increase in accordance with policies to be adopted by the department of personnel for the reimplementation of merit increases.

b. Notwithstanding paragraph "a", those employees who are excluded from collective bargaining pursuant to section 20.4, and who are employed in the same job title as employees covered by a collective bargaining agreement made final under chapter 20, shall receive, effective with the pay period beginning July 3, 1992, the same combined across-the-board percentage increases for the fiscal years beginning July 1, 1991, and July 1, 1992; shall each receive a bonus of \$400 payable in December 1992, if applicable; and may receive merit increases for the fiscal years beginning July 1, 1991, and July 1, 1992, if applicable; as though the employees were covered by the applicable collective bargaining agreement. However, this paragraph applies only to employees identified in this paragraph who are placed in a pay plan grade for which the minimum salary level is equal to or less than the minimum salary level for the pay plan grade for an employee with the same job title who is covered by a collective bargaining agreement made final under chapter 20.

3. The pay plans for state employees who are exempt from chapter 19A and who are included in the department of revenue and finance's centralized payroll system, and the board office employees of the state board of regents shall be increased by the same percent and in the same manner as provided in subsection 2, paragraph "a", including merit increases.

4. This section does not apply to members of the general assembly, board members, commission members, salaries of persons set by the general assembly pursuant to this Act, or set by the governor, employees designated under section 19A.3, subsection 5, and employees under the state board of regents, but subsection 3 does apply to office employees of the state board of regents.

5. The pay plans for the bargaining eligible employees of the state shall be increased by the same percent and in the same manner as provided in subsection 2, paragraph "a", including merit increases. As used in this section, "bargaining eligible employee" means an employee who is eligible to organize under chapter 20, but has not done so.

6. If an employee eligible for a salary increase under a pay plan revised pursuant to this section in the manner provided pursuant to subsection 2, paragraph "a", or provided pursuant to section 109, subsection 2, of this Act, would have received a greater annual salary if the pay plan had been revised by 6.0 percent for the fiscal year beginning July 1, 1992, and the employee had received a bonus of \$400 in December 1992, the employee shall receive a one-time bonus in December 1992 equal to the annual salary difference between the employee's annualized salary under subsection 2, paragraph "a", or under section 109, subsection 2, of this Act, and the employee's annualized salary under a 6.0 percent pay plan revision and a \$400 bonus.

7. The policies for implementation of this section shall be approved by the governor.

Sec. 109. NONCONTRACT STATE EMPLOYEES — STATE BOARD OF REGENTS. The funds allocated to the state board of regents for the purpose of providing increases for employees not covered by a collective bargaining agreement shall be used as follows:

1. The amount necessary to fund for the fiscal year beginning July 1, 1992, and ending June 30, 1993, an average base salary increase of 7.5 percent for the fiscal year beginning July 1, 1992, of the base salaries of professional and scientific staff members, except board office employees as provided for in section 108 of this Act, paid during the preceding fiscal year, to be allocated to professional and scientific staff members at the discretion of the state board of regents.

2. For employees under the state board of regents merit system who are not included in the collective bargaining agreement made final under chapter 20, except board office employees, the amount necessary to increase the state board of regents merit system pay plans as they existed for the fiscal year beginning July 1, 1991, and ending June 30, 1992, by increasing the salary levels for each grade and step within the plans by 7.5 percent for the fiscal year beginning July 1, 1992. In addition to the increases specified above, employees may receive a merit increase or the equivalent of a merit increase.

3. For faculty members who are not included in the collective bargaining agreement made final under chapter 20, for the fiscal year beginning July 1, 1992, and ending June 30, 1993, an average base salary increase of 7.5 percent for the fiscal year beginning July 1, 1992, to be allocated at the discretion of the state board of regents.

Sec. 110. COMMUNITY COLLEGES — SALARY INCREASES. Notwithstanding chapter 286A, there is appropriated from the general fund of the state for allocation to community colleges the sum of \$2,000,000 for the fiscal year beginning July 1, 1992, and ending June 30, 1993, to be used for pay adjustments for community college employees. The moneys appropriated in this section shall be allocated to community colleges based upon the proportion that the general state financial aid allocated to a community college in 1992 Iowa Acts, chapter 1246, House File 2465, section 1, subsection 10, bears to the total general state financial aid appropriated in 1992 Iowa Acts, chapter 1246, House File 2465, section 1, subsection 10. However, the moneys allocated to community colleges under this section shall be included in the foundation support level of the community colleges under chapter 286A for the fiscal year beginning July 1, 1993.

Sec. 111. APPROPRIATIONS FROM ROAD FUNDS.

1. There is appropriated from the road use tax fund to the salary adjustment fund for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:
..... \$ 5,159,862

2. There is appropriated from the primary road fund to the salary adjustment fund, for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:
..... \$ 14,030,835

3. Except as otherwise provided in this Act, the amounts appropriated in subsections 1 and 2 shall be used to fund the annual pay adjustments, expense reimbursements, and related benefits for public employees as provided in this Act.

Sec. 112. BACK PAY. The moneys appropriated in section 107 of this Act shall also be used to pay annual pay adjustments, interest, and related benefits due employees covered by collective bargaining agreements negotiated pursuant to chapter 20 for the fiscal year beginning July 1, 1991, and ending June 30, 1992. The moneys appropriated in section 108 of this Act to fund annual pay adjustments, expense reimbursements, and related benefits for employees included in section 108 of this Act shall not be used to pay annual pay adjustments, interest, and related benefits to employees not covered by collective bargaining agreements negotiated pursuant to chapter 20 for the fiscal year beginning July 1, 1991, and ending June 30, 1992.

Sec. 113. SPECIAL FUNDS — AUTHORIZATION. To departmental revolving, trust, or special funds, except for the primary road fund or the road use tax fund, for which the general assembly has established an operating budget, a supplemental expenditure authorization is provided, unless otherwise provided, in an amount necessary to fund salary adjustments as otherwise provided in this Act.

Sec. 114. GENERAL FUND SALARY MONEYS. Funds appropriated from the general fund of the state in this Act relate only to salaries supported from general fund appropriations of the state.

Sec. 115. FEDERAL FUNDS APPROPRIATED. All federal grants to and the federal receipts of the agencies affected by this Act which are received and may be expended for purposes of this Act are appropriated for those purposes and as set forth in the federal grants or receipts.

Sec. 116. 1992 Iowa Acts, chapter 1201, House File 2450, section 76, as enacted by the Seventy-fourth General Assembly, 1992 Session, is amended to read as follows:

SEC. 76. SENIOR JUDGES — IMPLEMENTATION.

1. Section 73 of this Act takes effect January 1, 1993.

2. Notwithstanding the amendments to section 602.9204 contained in section 73 of this Act, all judges whose names are entered on the roster of senior judges pursuant to section 602.9203, subsection 3, as of ~~June 30~~ December 31, 1992, and all persons who are retired senior judges as of ~~June 30~~ December 31, 1992, shall continue to receive an annuity calculated pursuant to section 602.9204, 1991 Code of Iowa, and shall not be subject to the amendments to that section contained in this Act. This Act shall not be construed in a manner which reduces benefits to persons who participated as senior judges prior to ~~July 1, 1992~~ January 1, 1993.

Sec. 117. 1992 Iowa Acts, chapter 1245, House File 2490, is repealed.

DIVISION II
SALES AND USE TAX

Sec. 201. Section 99E.10, subsection 1, paragraph b, Code Supplement 1991, is amended to read as follows:

b. An amount equal to ~~four percent of the product of the state sales tax rate under section 422.43~~ multiplied by the gross sales price of each ticket or share sold shall be deducted as the sales tax on the sale of that ticket or share, remitted to the treasurer of state and deposited into the state general fund.

Sec. 202. Section 307B.26, Code 1991, is amended to read as follows:

307B.26 APPROPRIATION TO AUTHORITY.

Notwithstanding section 423.24 and prior to the application of section 423.24, subsection 1, paragraph "b c", there is appropriated to the authority from eighty percent of the revenues derived from the operation of section 423.7 the amounts certified by the authority under section 307B.25. However, the total amount credited to the Iowa railway finance authority under this section shall not exceed two million dollars annually. Moneys credited to the Iowa railway finance authority under this section are appropriated only for the payment of principal and interest on obligations or the payment of leases guaranteed by the authority as provided under section 307B.25.

Sec. 203. Section 312.1, subsection 3, Code 1991, is amended to read as follows:

3. ~~Except as To the extent provided in section 423.24, subsection 1, paragraph "c", from revenue derived from the use tax, under chapter 423 on motor vehicles, trailers, and motor vehicle accessories and equipment, as same may be collected as provided by section 423.7.~~

Sec. 204. Section 321.34, subsection 10, paragraph c, Code Supplement 1991, is amended to read as follows:

c. The fees for a collegiate registration plate are as follows:

- (1) A registration fee of twenty-five dollars.
- (2) A special collegiate registration fee of twenty-five dollars.

These fees are in addition to the regular annual registration fee. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and credited by the treasurer of state to the road use tax fund. Notwithstanding section 423.24 and prior to the application of revenues being credited to the road use tax fund under section 423.24, subsection 1, paragraph "b c", the treasurer of state shall credit monthly from those revenues derived from the operation of section 423.7, respectively, to Iowa State University of science and technology, the University of Northern Iowa, and the state University of Iowa, the amount of the special collegiate registration fees collected in the previous month for collegiate registration plates designed for the university. The moneys credited are appropriated to the respective universities to be used for scholarships for students attending the universities.

Sec. 205. Section 321.34, subsection 14, paragraph c, Code Supplement 1991, is amended to read as follows:

c. The special sesquicentennial fee for letter number designated sesquicentennial plates is fifteen dollars. The fee for personalized sesquicentennial plates is twenty-five dollars which shall be paid in addition to the special sesquicentennial fee of fifteen dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and credited to the road use tax fund. Notwithstanding section 423.24, and prior to the application of crediting of revenues to the road use tax fund under section 423.24, subsection 1, paragraph "b c", the treasurer of state shall credit monthly from the those revenues derived from the operation of section 423.7 to the sesquicentennial fund established in section 7G.1, the amount of the special sesquicentennial fees collected in the previous month for the sesquicentennial plates.

Sec. 206. Section 422.43, subsections 1, 2, 4, 5, 6, 7, and 10, Code Supplement 1991, are amended to read as follows:

1. There is imposed a tax of ~~four~~ five percent upon the gross receipts from all sales of tangible personal property, consisting of goods, wares, or merchandise, except as otherwise provided in this division, sold at retail in the state to consumers or users; a like rate of tax upon the gross receipts from the sales, furnishing, or service of gas, electricity, water, heat, pay television service, and communication service, including the gross receipts from such sales by any municipal corporation or joint water utility furnishing gas, electricity, water, heat, pay television service, and communication service to the public in its proprietary capacity, except as otherwise provided in this division, when sold at retail in the state to consumers or users; a like rate of tax upon the gross receipts from all sales of tickets or admissions to places of amusement, fairs, and athletic events except those of elementary and secondary educational institutions; and a like rate of tax upon that part of private club membership fees or charges paid for the privilege of participating in any athletic sports provided club members.

2. There is imposed a tax of ~~four~~ five percent upon the gross receipts derived from the operation of all forms of amusement devices and games of skill, games of chance, raffles, and bingo games as defined in chapter 99B, operated or conducted within the state of Iowa, the tax to be collected from the operator in the same manner as is ~~provided~~ for the collection of taxes upon the gross receipts of tickets or admission as provided in this section. The tax shall also be imposed upon the gross receipts derived from the sale of lottery tickets or shares pursuant to chapter 99E. The tax on the lottery tickets or shares shall be included in the sales price and distributed to the general fund as provided in section 99E.10.

4. There is imposed a like rate of tax of five percent upon the gross receipts from the sales of engraving, photography, retouching, printing, and binding services. For the purpose of this division, the sales of engraving, photography, retouching, printing, and binding services are sales of tangible property.

5. There is imposed a like rate of tax of five percent upon the gross receipts from the sales of vulcanizing, recapping, and retreading services. For the purpose of this division, the sales of vulcanizing, recapping, and retreading services are sales of tangible property.

6. There is imposed a tax of ~~four~~ five percent upon the gross receipts from the sales of optional service or warranty contracts which provide for the furnishing of labor and materials and require the furnishing of any taxable service enumerated under this section. The gross receipts are subject to tax even if some of the services furnished are not enumerated under this section. For the purpose of this division, the sale of an optional service or warranty contract is a sale of tangible personal property. Additional sales, services, or use ~~tax~~ taxes shall not be levied on services, parts, or labor provided under optional service or warranty contracts which are subject to tax under this section.

7. A like rate of tax ~~There~~ is imposed a tax of five percent upon the gross receipts from the renting of rooms, apartments, or sleeping quarters in a hotel, motel, inn, public lodging house, rooming house, mobile home which is tangible personal property, or tourist court, or in any place where sleeping accommodations are furnished to transient guests for rent, whether with or without meals. "Renting" and "rent" include any kind of direct or indirect charge for such rooms, apartments, or sleeping quarters, or their use. For the purposes of this division, such renting is regarded as a sale of tangible personal property at retail. However, this tax does not apply to the gross receipts from the renting of a room, apartment, or sleeping quarters while rented by the same person for a period of more than thirty-one consecutive days.

10. There is imposed a tax of ~~four~~ five percent upon the gross receipts from the rendering, furnishing, or performing of services as defined in section 422.42.

Sec. 207. Section 422.43, subsection 12, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

A tax of ~~four~~ five percent is imposed upon the gross receipts from all sales of tangible personal property, consisting of goods, wares, or merchandise, except as otherwise provided in this division, sold at retail in the state to consumers or users within the state by retailers that meet any of the following criteria:

Sec. 208. Section 422.43, subsection 13, paragraph a, unnumbered paragraph 1, as enacted by 1992 Iowa Acts, chapter 1232, Senate File 2116, section 404, as amended by 1992 Iowa Acts, chapter 1019, Senate File 2346, section 4, is amended to read as follows:

A tax of ~~four~~ five percent is imposed upon the gross receipts from the sales, furnishing, or service of solid waste collection and disposal service.

Sec. 209. Section 422.47, subsection 2, Code 1991, is amended to read as follows:

2. Construction contractors may make application to the department for a refund of the additional one percent tax paid under this division or the additional one percent tax paid under chapter 423 by reason of the increase in the tax from ~~three to four~~ to five percent for taxes paid on goods, wares, or merchandise under the following conditions:

a. The goods, wares, or merchandise are incorporated into an improvement to real estate in fulfillment of a written contract fully executed prior to ~~March 1, 1983~~ July 1, 1992. The refund shall not apply to equipment transferred in fulfillment of a mixed construction contract.

b. The contractor has paid to the department or to a retailer the full ~~four~~ five percent tax.

c. The claim is filed on forms provided by the department and is filed within one year of the date the tax is paid.

A contractor who makes an erroneous application for refund shall be liable for payment of the excess refund paid plus interest at the rate in effect under section 421.7. In addition, a contractor who willfully makes a false application for refund is guilty of a simple misdemeanor and is liable for a penalty equal to fifty percent of the excess refund claimed. Excess refunds, penalties, and interest due under this subsection may be enforced and collected in the same manner as the tax imposed by this division.

Sec. 210. Section 422C.3, subsection 1, as enacted by 1992 Iowa Acts, chapter 1006, House File 695, section 4, is amended to read as follows:

1. A tax of ~~four~~ five percent is imposed upon the rental price of an automobile if the rental transaction is subject to the sales and services tax under chapter 422, division IV, or the use tax under chapter 423. The tax shall not be imposed on any rental transaction not taxable under the state sales and services tax, as provided in section 422.45, or the state use tax, as provided in section 423.4, on automobile rental receipts.

Sec. 211. Section 423.2, Code 1991, is amended to read as follows:

423.2 IMPOSITION OF TAX.

An excise tax is imposed on the use in this state of tangible personal property purchased for use in this state, at the rate of ~~four~~ five percent of the purchase price of the property. The excise tax is imposed upon every person using the property within this state until the tax has been paid directly to the county treasurer or the state department of transportation, to a retailer, or to the department. An excise tax is imposed on the use in this state of services enumerated in section 422.43 at the rate of ~~four~~ five percent. This tax is applicable where services are rendered, furnished, or performed in this state or where the product or result of the service is used in this state. This tax is imposed on every person using the services or the product of the services in this state until the user has paid the tax either to an Iowa use tax permit holder or to the department.

Sec. 212. Section 423.24, subsection 1, Code Supplement 1991, is amended to read as follows:

1. Eighty percent of all revenues derived from the use tax on motor vehicles, trailers, and motor vehicle accessories and equipment as collected pursuant to section 423.7 shall be deposited and credited as follows:

a. Twenty-five percent of all such revenue derived from the use tax on motor vehicles, trailers, and motor vehicle accessories and equipment as collected pursuant to section 423.7, up to a maximum of three million eight hundred twenty-five thousand dollars per quarter, shall be deposited into and credited to the Iowa comprehensive petroleum underground storage tank fund created in section 455G.3, and the moneys so deposited are a continuing appropriation for expenditure under chapter 455G, and moneys so appropriated shall not be used for other purposes.

b. Any such revenues remaining revenue derived from the use tax on motor vehicles, trailers, and motor vehicle accessories and equipment as collected pursuant to section 423.7 shall be credited to the primary road fund to the extent necessary to reimburse that fund for the expenditures, not otherwise eligible to be made from the primary road fund, made for repairing, improving and maintaining bridges over the rivers bordering the state. Expenditures for those portions of bridges within adjacent states may be included when they are made pursuant to an agreement entered into under sections 313.63, 313A.34, and 314.10.

c. Any such revenues remaining revenues derived from the operation of section 423.7 shall be credited to the road use tax fund.

Sec. 213. APPLICABILITY. This section applies in regard to the increase in the state sales, services, and use taxes from four to five percent. The five percent rate applies to all sales of taxable personal property, consisting of goods, wares, or merchandise if delivery occurs on or after July 1, 1992. The use tax rate of five percent applies to motor vehicles subject to registration which are registered on or after July 1, 1992. The five percent use tax rate applies to the use of property when the first taxable use in this state occurs on or after July 1, 1992. The five percent rate applies to the gross receipts from the sale, furnishing, or service of gas, electricity, water, heat, pay television service, and communication service if the date of billing the customer is on or after July 1, 1992. In the case of a service contract entered into prior to July 1, 1992, which contract calls for periodic payments, the five percent rate applies to those payments made or due on or after July 1, 1992. This periodic payment applies, but is not limited to, tickets or admissions, private club membership fees, sources of amusement, equipment rental, dry cleaning, reducing salons, dance schools, and all other services subject to tax, except the aforementioned utility services which are subject to a special transitional rule. Unlike periodic payments under service contracts, installment sales of goods, wares, and merchandise are subject to the full amount of sales or use tax when the sales contract is entered into or the property is first used in Iowa.

Sec. 214. Sections 202 through 205 and 212 of this Act apply to the revenues derived from the five percent use tax on motor vehicles, trailers, and motor vehicle accessories and equipment as collected on and after July 1, 1992, pursuant to section 423.7.

INCOME TAX THRESHOLDS AND
LOW-INCOME PROPERTY TAX PROVISIONS

Sec. 215. Section 135D.22, subsection 2, paragraph a, Code Supplement 1991, is amended to read as follows:

a. If the owner of the mobile home is an Iowa resident, was totally disabled, as defined in section 425.17, subsection 11 on or before December 31 of the base year, is a surviving spouse having attained the age of fifty-five years on or before December 31, 1988 or has attained the age of ~~sixty-five~~ eighteen years on or before December 31 of the base year, and has an income when included with that of a spouse which is less than six thousand dollars per year, the annual tax shall not be imposed on the mobile home. If the income is six thousand dollars or more but less than fourteen thousand dollars, the annual tax shall be computed as follows:

If the Household Income is:	Annual Tax Per Square Foot:
\$ 6,000 — 6,999.99	3.0 cents
7,000 — 7,999.99	6.0
8,000 — 9,999.99	10.0
10,000 — 11,999.99	13.0
12,000 — 13,999.99	15.0

Sec. 216. Section 135D.22, subsection 2, paragraph b, Code Supplement 1991, is amended by striking the paragraph.

Sec. 217. Section 422.5, subsections 2 and 8, Code Supplement 1991, are amended to read as follows:

2. However, the tax shall not be imposed on a resident or nonresident whose net income, as defined in section 422.7, is ~~seven thirteen~~ thousand five hundred dollars or less in the case of married persons filing jointly or filing separately on a combined return, unmarried heads of household, and surviving spouses or ~~five nine~~ thousand dollars or less in the case of all other persons; but in the event that the payment of tax under this division would reduce the net income to less than ~~seven thirteen~~ thousand five hundred dollars or ~~five nine~~ thousand dollars as applicable, then the tax shall be reduced to that amount which would result in allowing the taxpayer to retain a net income of ~~seven thirteen~~ thousand five hundred dollars or ~~five nine~~ thousand dollars as applicable. The preceding sentence does not apply to estates or trusts. For the purpose of this subsection, the entire net income, including any part of the net income not allocated to Iowa, shall be taken into account. For purposes of this subsection, net income includes all amounts of pensions or other retirement income received from any source which is not taxable under this division as a result of the government pension exclusions in section 422.7, or any other state law. If the combined net income of a husband and wife exceeds ~~seven thirteen~~ thousand five hundred dollars, neither of them shall receive the benefit of this subsection, and it is immaterial whether they file a joint return or separate returns. However, if a husband and wife file separate returns and have a combined net income of ~~seven thirteen~~ thousand five hundred dollars or less, neither spouse shall receive the benefit of this paragraph, if one spouse has a net operating loss and elects to carry back or carry forward the loss as provided in section 422.9, subsection 3. A person who is claimed as a dependent by another person as defined in section 422.12 shall not receive the benefit of this subsection if the person claiming the dependent has net income exceeding ~~seven thirteen~~ thousand five hundred dollars or ~~five nine~~ thousand dollars as applicable or the person claiming the dependent and the person's spouse have combined net income exceeding ~~seven thirteen~~ thousand five hundred dollars or ~~five nine~~ thousand dollars as applicable.

In addition, if the married persons', filing jointly or filing separately on a combined return, unmarried head of household's, or surviving spouse's net income exceeds ~~seven thirteen~~ thousand five hundred dollars, the regular tax imposed under this division shall be the lesser of the maximum state individual income tax rate times the portion of the net income in excess of ~~seven thirteen~~ thousand five hundred dollars or the regular tax liability computed without regard to this sentence. Taxpayers electing to file separately shall compute the alternate tax described in this paragraph using the total net income of the husband and wife. The alternate tax described in this paragraph does not apply if one spouse elects to carry back or carry forward the loss as provided in section 422.9, subsection 3.

8. In addition to the other taxes imposed by this section, a tax is imposed on the amount of a lump sum distribution for which the taxpayer has elected under section 402(e) of the Internal Revenue Code to be separately taxed for federal income tax purposes for the tax year. The rate of tax is equal to twenty-five percent of the separate federal tax imposed on the amount of the lump sum distribution. A nonresident is liable for this tax only on that portion of the lump sum distribution allocable to Iowa. The total amount of the lump sum distribution subject to separate federal tax shall be included in net income for purposes of determining eligibility under the ~~seven thirteen~~ thousand five hundred dollar or less or ~~five nine~~ thousand dollar or less exclusion, as applicable.

Sec. 218. Section 422.5, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 11. For purposes of the net income exclusion in subsections 2 and 8 for tax years beginning on or after January 1, 1992, but before January 1, 1993, subsections 2 and 8 shall be applied by striking from the section the words "seven thousand five hundred

dollars” and substituting in lieu thereof the words “eleven thousand five hundred dollars” and by striking from the section the words “five thousand dollars” and substituting in lieu thereof the words “seven thousand five hundred dollars”.

Sec. 219. Section 422.13, subsection 1, paragraphs a and b, Code 1991, are amended to read as follows:

- a. The individual is required to file a federal income tax return under the Internal Revenue Code.
- b. The individual has net income of five nine thousand dollars or more for the tax year from sources taxable under this division.

Sec. 220. Section 425.17, subsection 2, Code Supplement 1991, is amended to read as follows:
 2. “Claimant” means either one of the following:

a. A person filing a claim for credit or reimbursement under this division who has attained the age of sixty-five eighteen years on or before December 31 of the base year ~~or who is a surviving spouse having attained the age of fifty-five years on or before December 31, 1988, or who is totally disabled and was totally disabled on or before December 31 of the base year,~~ and was domiciled in this state during the entire base year, and is domiciled in this state at the time the claim is filed or at the time of the person’s death in the case of a claim filed by the executor or administrator of the claimant’s estate and, in the case of a person who is not disabled and has not reached the age of sixty-five, was not claimed as a dependent on any other person’s tax return for the base year.

b. A person filing a claim for credit or reimbursement under this division who has attained the age of eighteen years on or before December 31 of the base year but has not attained the age or disability status described in paragraph “a”, and was domiciled in this state during the entire base year and is domiciled in this state at the time the claim is filed or at the time of the person’s death in the case of a claim filed by the executor or administrator of the claimant’s estate and was not claimed as a dependent on any other person’s tax return for the base year.

“Claimant” under paragraph “a” or “b” includes a vendee in possession under a contract for deed and may include one or more joint tenants or tenants in common. In the case of a claim for rent constituting property taxes paid, the claimant shall have rented the property during any part of the base year. If a homestead is occupied by two or more persons, and more than one person is able to qualify as a claimant, the persons may determine among them who will be the claimant. If they are unable to agree, the matter shall be referred to the director of revenue and finance not later than October 31 of each year and the director’s decision is final.

Sec. 221. Section 425.23, subsection 1, paragraph a, Code Supplement 1991, is amended to read as follows:

a. The tentative credit or reimbursement for a claimant described in section 425.17, subsection 2, paragraph “a” shall be determined in accordance with the following schedule:

If the household income is:	Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:
\$ 0 — 5,999.99	100%
6,000 — 6,999.99	85
7,000 — 7,999.99	70
8,000 — 9,999.99	50
10,000 — 11,999.99	35
12,000 — 13,999.99	25

Sec. 222. Section 425.23, subsection 1, paragraph b, Code Supplement 1991, is amended by striking the paragraph.

Sec. 223. Section 425.23, subsection 3, paragraph a, Code Supplement 1991, is amended to read as follows:

a. A person who is eligible to file a claim for credit for property taxes due and who has a household income of six thousand dollars or less and who has a special assessment levied against the homestead may file a claim with the county treasurer that the claimant had a household income of six thousand dollars or less and that a special assessment is presently levied against the homestead. The department shall provide to the respective county treasurers the forms necessary for the administration of this subsection. The claim shall be filed not later than September 30 of each year. Upon the filing of the claim, a penalty or interest for late payment shall not accrue against the amount of the special assessment due and payable. The claim filed by the claimant constitutes a claim for credit of an amount equal to the actual amount due and payable upon the special assessment payable during the fiscal year against the homestead of the claimant or an amount equal to the annual payment of the special assessment levied against the homestead of the claimant and payable in annual installments through the period of years provided by the governing body of the city, whichever is less. ~~However, where the claimant is an individual described in section 425.17, subsection 2, paragraph "b", the claim filed constitutes a claim for credit of an amount equal to one-half of the actual amount due and payable during the fiscal year or equal to one-half of the annual payment, whichever is less.~~ The department of revenue and finance shall, upon the filing of the claim with the department by the county treasurer, pay that amount of the special assessment during the current fiscal year to the county treasurer. The county treasurer shall submit the claims to the director of revenue and finance not later than October 15 of each year. The director of revenue and finance shall certify the amount of reimbursement due each county for special assessment credits allowed under this subsection. The amount of reimbursement due each county shall be paid by the director of revenue and finance on October 20 of each year, drawn upon warrants payable to the respective county treasurer. There is appropriated annually from the general fund of the state to the department of revenue and finance an amount sufficient to carry out the provisions of this subsection. The county treasurer shall credit any moneys received from the department against the amount of the special assessment due and payable on the homestead of the claimant.

Sec. 224. Sections 217 and 219 of this Act take effect January 1, 1993, for tax years beginning on or after that date.

Sec. 225. Sections 215, 216, 220, 221, 222, and 223 of this Act take effect January 1, 1993, for mobile home tax claims and property tax claims filed on or after that date. Sections 220, 221, and 222 of this Act are applicable to rent reimbursement claims filed on or after January 1, 1994.

Sec. 226. Section 218 of this Act applies retroactively to January 1, 1992, for tax years beginning on or after January 1, 1992, but before January 1, 1993.

Sec. 227. Notwithstanding and in lieu of the requirements for making and filing a state income tax return under section 422.13, subsection 1, paragraph "b", if a resident or nonresident of this state has net income of seven thousand five hundred dollars from sources taxable by the state for the tax year beginning in the 1992 calendar year, the resident or nonresident is required to make and file a state income tax return.

REVENUE AND FINANCE PROVISIONS

Sec. 228. Section 8.54, subsection 1, paragraph b, as enacted by 1992 Iowa Acts, chapter 1227, Senate File 2351, section 4, is amended to read as follows:

b. "New revenues" means moneys which are received by the state due to increased tax rates and fees or newly created taxes and fees over and above those moneys which are received due to state taxes and fees which are in effect as of January 1 following the December state revenue estimating conference. "New revenues" also includes moneys received by the general fund of the state due to new transfers over and above those moneys received by the general fund of the state due to transfers which are in effect as of January 1 following the December state revenue estimating conference. The department of management shall obtain concurrence

from the revenue estimating conference on the eligibility of transfers to the general fund of the state which are to be considered as new revenue in determining the state general fund expenditure limitation.

Sec. 229. Section 8.57, subsection 1, paragraph b, as enacted by 1992 Iowa Acts, chapter 1227, Senate File 2351, section 7, is amended to read as follows:

b. Commencing June 30, 1993, the surplus existing in the general fund of the state at the conclusion of the fiscal year is appropriated for distribution as provided in this section. As used in this paragraph, "surplus" means the positive ending balance in the general fund, if any excess of revenues and other financing sources over expenditures and other financing uses for the general fund of the state in a fiscal year.

Sec. 230. Section 8.57, subsection 2, as enacted by the 1992 Iowa Acts, chapter 1227, Senate File 2351, section 7, is amended to read as follows:

2. Moneys appropriated under subsection 1 shall be first credited to the cash reserve fund. To the extent that moneys appropriated under subsection 1 would make the moneys in the cash reserve fund exceed the cash reserve goal percentage of the adjusted revenue estimate for the fiscal year, the moneys are appropriated to the department of management to be spent for the purpose of eliminating Iowa's GAAP deficit. These moneys shall be deposited into a GAAP deficit reduction account established within the department of management. Unspent moneys in this account shall be available for expenditure for subsequent fiscal years. The department of management shall annually file with both houses of the general assembly at the time of the submission of the governor's budget a schedule of the items for which moneys appropriated under this subsection for the purpose of eliminating Iowa's GAAP deficit shall be spent in the fiscal year commencing July 1 following the date of the filing of the report. The schedule shall list each item of expenditure and the maximum dollar amount of moneys to be spent on that item for the fiscal year. If moneys appropriated under this subsection are not enough to pay for all listed expenditures, the department of management shall allocate the payments among the listed expenditure items. Moneys appropriated to the department of management under this subsection shall not be spent on items other than those included in the filed schedule. After elimination of the GAAP deficit, any moneys in the GAAP deficit reduction account shall be appropriated to the Iowa economic emergency fund.

Sec. 231. Section 48.21, Code 1991, is amended to read as follows:

48.21 VOTER REGISTRATION FORMS IN INCOME TAX RETURNS AND BOOKLETS.

The For odd-numbered tax years, the director of the department of revenue and finance shall insert securely in each individual income tax return form or instruction booklet two voter registration forms, designed according to rules adopted by the state voter registration commission.

Sec. 232. Section 99B.21, Code 1991, is amended to read as follows:

99B.21 TAX ON PRIZES.

All prizes awarded are Iowa earned income and are subject to state and federal income tax laws. A person conducting a game of skill, game of chance, or a raffle shall deduct state income taxes, pursuant to section 422.16, subsection 1, from a cash prize awarded to an individual ~~in~~ in excess of six hundred dollars. An amount deducted from the prize for payment of a state tax shall be remitted to the state department of revenue and finance on behalf of the prize winner.

Sec. 233. Section 99D.16, Code 1991, is amended to read as follows:

99D.16 WITHHOLDING TAX ON WINNINGS.

All winnings provided in section 99D.11 are Iowa earned income and are subject to state and federal income tax laws. An amount deducted from winnings for payment of the state tax, pursuant to section 422.16, subsection 1, shall be remitted to the department of revenue and finance on behalf of the individual who won the wager.

Sec. 234. Section 99E.19, subsection 1, unnumbered paragraph 2, Code 1991, is amended to read as follows:

All prizes awarded are Iowa earned income. All lottery winnings and are subject to state and federal income tax laws. An amount deducted from the prize for payment of a state tax, pursuant to section 422.16, subsection 1, shall be transferred by the commissioner to the department of revenue and finance on behalf of the prize winner.

Sec. 235. NEW SECTION. 99F.18 TAX ON WINNINGS.

All winnings derived from slot machines operated pursuant to this chapter are Iowa earned income and are subject to state and federal income tax laws. An amount deducted from winnings for payment of the state tax, pursuant to section 422.16, subsection 1, shall be remitted to the department of revenue and finance on behalf of the winner.

Sec. 236. Section 421.28, Code 1991, is amended to read as follows:

421.28 EXCEPTIONS TO SUCCESSOR LIABILITY.

The immediate successor to a licensee's or retailer's business or stock of goods under chapter 422A or 422B, or section 324.65, 422.52, 423.13, or 423.14 is not personally liable for the amount of delinquent tax, interest, or penalty due and unpaid if the immediate successor shows that the purchase of the business or stock of goods was made in good faith that no delinquent tax, interest, or penalty was due and unpaid. For purposes of this section the immediate successor shows good faith by evidence that ~~no tax liens were filed~~, that the department had ~~informed~~ provided the immediate successor with a certified statement that no delinquent tax, interest, or penalty is unpaid, or that the immediate successor had taken in good faith a certified statement from the licensee, ~~or retailer, or seller~~ that no delinquent tax, interest, or penalty is unpaid. When requested to do so by a person with whom the licensee or retailer is negotiating the sale of the business or stock of goods, the director of revenue and finance shall, upon being satisfied that such a situation exists, inform that person as to the amount of unpaid delinquent tax, interest, or penalty due by the licensee or the retailer. The giving of the information under this circumstance is not a violation of section 324.63, 422.20, or 422.72.

Sec. 237. Section 422.15, subsection 1, Code 1991, is amended to read as follows:

1. Every person or corporation being a resident of or having a place of business in this state, ~~in whatever capacity acting~~, including lessees or mortgagors of real or personal property, fiduciaries, employers and all officers and employees of the state or of any political subdivision of the state, or agent of the person or corporation, having the control, receipt, custody, disposal or payment of interest (other than interest coupons payable to bearer), rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, unemployment compensation, royalties, patronage dividends, or other fixed or determinable annual or periodical gains, profits and income, amounting to one thousand dollars or over in an amount sufficient to require that an information return be filed under the Internal Revenue Code if the income is subject to federal tax, paid or payable during any year to any individual, whether a resident of this state or not, shall make a complete information return under such regulations and in such form and manner and to such extent as may be prescribed by the director. However, the person or corporation shall not be required to file an information return if the information is available to the department from the internal revenue service.

Sec. 238. Section 422.16, subsection 1, Code Supplement 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For the purposes of this subsection, state income tax shall be withheld on winnings in excess of six hundred dollars derived from gambling activities authorized under chapter 99B or 99E. State income tax shall be withheld on winnings in excess of one thousand dollars from gambling activities authorized under chapter 99D. State income tax shall be withheld on winnings in excess of twelve hundred dollars derived from slot machines authorized under chapter 99F.

Sec. 239. Section 422.34, subsection 1, Code 1991, is amended to read as follows:

1. All state banks, as defined in section 524.103, and all national, and private, co-operative, and savings banks, credit unions, title insurance and trust companies, building savings and

loan associations, production credit associations, insurance companies or insurance associations, reciprocal or inter-insurance exchanges, fraternal beneficiary associations, ~~now or hereafter organized or incorporated by or under the laws of this state or lawfully operating in the state.~~

Sec. 240. Section 422.37, subsection 2, Code 1991, is amended to read as follows:

2. All members of the affiliated group shall join in the filing of an Iowa consolidated return to the extent they are subject to the tax imposed by section 422.33 ~~or have operations which constitute a part of the unitary business of one or more members which are subject to the Iowa tax.~~

Sec. 241. Section 422.42, subsection 9, Code 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For the purposes of this subsection, the sale of carpeting is not a sale of building materials. The sale of carpeting to owners, contractors, sub-contractors, or builders shall be treated as the sale of ordinary tangible personal property and subject to the tax imposed under section 422.43, subsection 1.

Sec. 242. Section 422.43, subsection 11, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

The following enumerated services are subject to the tax imposed on gross taxable services: Alteration and garment repair; armored car; ~~automobile~~ vehicle repair; battery, tire and allied; investment counseling; service charges of all financial institutions; barber and beauty; boat repair; ~~car~~ vehicle wash and wax; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dry cleaning, pressing, dyeing, and laundering; electrical and electronic repair and installation; rental of tangible personal property, except mobile homes which are tangible personal property; excavating and grading; farm implement repair of all kinds; flying service; furniture, rug, upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; house and building moving; household appliance, television, and radio repair; jewelry and watch repair; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pipe fitting and plumbing; wood preparation; licensed executive search agencies; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; sewing and stitching; shoe repair and shoeshine; storage warehousing of raw agricultural products; telephone answering service; test laboratories, except tests on humans or animals; termite, bug, roach, and pest eradicators; tin and sheet metal repair; turkish baths, massage, and reducing salons; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl and vegetables; wrecking service; wrecker and towing; pay television; campgrounds; carpet and upholstery cleaning; gun and camera repair; janitorial and building maintenance or cleaning; lawn care, landscaping and tree trimming and removal; pet grooming; reflexology; security and detective services; tanning beds or salons; and water conditioning and softening.

Sec. 243. Section 422.54, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 3. The five-year period of limitation provided in subsection 1 may be extended by a taxpayer by signing a waiver agreement form to be provided by the department. The agreement shall stipulate the period of extension and the tax period to which the extension applies. The agreement shall also provide that a claim for refund may be filed by the taxpayer at any time during the period of extension.

Sec. 244. Section 423.16, Code 1991, is amended to read as follows:

423.16 DETERMINATION BY DEPARTMENT.

If any return required by this chapter is not filed, or if any return when filed is incorrect or insufficient, and the maker or person from whom it is due fails to file a corrected or sufficient return within twenty days after the same is required by notice from the department, the department shall have the same power to determine the amount due, as is vested in the

department by sections 422.54, 422.55, and 422.57, subject to all of the provisions, and restrictions, and rights to seek judicial review provided in said the sections. Where If a return required by this chapter has been filed, the five-year period of limitation specified in section 422.54, subsection 1, shall apply to the making of a determination by the department of the amount of tax due hereunder and to the giving of notice to the taxpayer of such determination. The right to waive the five-year period of limitation as provided in section 422.54, subsection 3, is applicable to this chapter.

Sec. 245. Section 450.68, unnumbered paragraph 2, Code 1991, is amended to read as follows:

Federal tax returns, copies of returns, and return information as defined in section 6103(b) of the Internal Revenue Code, and state inheritance tax returns, which are required to be filed with the department for the enforcement of the inheritance and estate tax laws of this state, shall be deemed and held as confidential by the department. However, such returns or return information, may be disclosed by the director to officers or employees of other state agencies, subject to the same confidentiality restrictions imposed on the officers and employees of the department.

Sec. 246. Section 450A.12, Code 1991, is amended to read as follows:

450A.12 APPLICABLE STATUTES.

All of the provisions of chapter 450 with respect to the payment and collection of the tax imposed under that chapter, including penalty and interest upon delinquent taxes and the confidentiality of the tax return, are applicable to the provisions of this chapter, except as they are in conflict with this chapter. The director shall adopt and promulgate rules necessary for the enforcement of this chapter.

Sec. 247. Section 450B.7, Code 1991, is amended to read as follows:

450B.7 OTHER INHERITANCE TAX LAWS APPLICABLE.

All the provisions of chapter 450 with respect to the payment, collection and administration of the inheritance tax imposed under that chapter, including the confidentiality of the tax return, are applicable to the provisions of this chapter to the extent consistent. The director of revenue and finance shall adopt and promulgate all rules necessary for the enforcement and administration of this chapter.

Sec. 248. Section 451.12, Code 1991, is amended to read as follows:

451.12 APPLICABLE STATUTES.

All the provisions of chapter 450 with respect to the lien provisions of section 450.7, and the determination, imposition, payment and collection of the tax imposed under that chapter, including penalty and interest upon delinquent taxes and the confidentiality of the tax return, are applicable to this chapter, except as they are in conflict with this chapter. The director of revenue and finance shall adopt rules necessary for the enforcement of this chapter.

Sec. 249. Section 236 of this Act is applicable to sales of a business or stock of goods occurring on or after the effective date of this Act.

Sec. 250. Section 237 of this Act is effective January 1, 1993, and applies to income payments made on or after that date.

Sec. 251. Section 239 of this Act is retroactively applicable to January 1, 1991, for tax years beginning on or after that date.

Sec. 252. Section 240 of this Act is effective July 1, 1992, for tax years beginning on or after that date.

DIVISION III PROPERTY TAX LIMITATION

Sec. 301. NEW SECTION. 444.25 PROPERTY TAX LIMITATIONS FOR 1994 AND 1995 FISCAL YEARS.

1. COUNTY LIMITATION. The maximum amount of property tax dollars which may be certified by a county for taxes payable in the fiscal year beginning July 1, 1993, shall not exceed the amount of property tax dollars certified by the county for taxes payable in the fiscal year beginning July 1, 1992, and the maximum amount of property tax dollars which may be certified by a county for taxes payable in the fiscal year beginning July 1, 1994, shall not exceed the amount of property tax dollars certified by the county for taxes payable in the fiscal year beginning July 1, 1993, for each of the levies for the following, except for the levies on the increase in taxable valuation due to new construction, additions or improvements to existing structures, remodeling of existing structures for which a building permit is required, annexation, and phasing out of tax exemptions, and on the increase in valuation of taxable property as a result of a comprehensive revaluation by a private appraiser under a contract entered into prior to January 1, 1992, or as a result of a comprehensive revaluation directed or authorized by the conference board prior to January 1, 1992, with documentation of the contract, authorization, or directive on the revaluation provided to the director of revenue and finance, if the levies are equal to or less than the levies for the previous year, levies on that portion of the taxable property located in an urban renewal project the tax revenues from which are no longer divided as provided in section 403.19, subsection 2, or as otherwise provided in this section:

- a. General county services under section 331.422, subsection 1.
- b. Rural county services under section 331.422, subsection 2.
- c. Other taxes under section 331.422, subsection 4.

2. CITY LIMITATION. The maximum amount in property tax dollars which may be certified by a city for taxes payable in the fiscal year beginning July 1, 1993, shall not exceed the amount in property tax dollars certified by the city for taxes payable in the fiscal year beginning July 1, 1992, and the maximum amount of property tax dollars which may be certified by a city for taxes payable in the fiscal year beginning July 1, 1994, shall not exceed the amount of property tax dollars certified by the city for taxes payable in the fiscal year beginning July 1, 1993, for each of the levies for the following, except for the levies on the increase in taxable valuation due to new construction, additions or improvements to existing structures, remodeling of existing structures for which a building permit is required, annexation, and phasing out of tax exemptions, and on the increase in valuation of taxable property as a result of a comprehensive revaluation by a private appraiser under a contract entered into prior to January 1, 1992, or as a result of a comprehensive revaluation directed or authorized by the conference board prior to January 1, 1992, with documentation of the contract, authorization, or directive on the revaluation provided to the director of revenue and finance, if the levies are equal to or less than the levies for the previous year, levies on that portion of the taxable property located in an urban renewal project the tax revenues from which are no longer divided as provided in section 403.19, subsection 2, or as otherwise provided in this section:

- a. City government purposes under section 384.1.
- b. Capital improvements reserve fund under section 384.7.
- c. Emergency fund purposes under section 384.8.
- d. Other city government purposes under section 384.12.

3. EXCEPTIONS. The limitations provided in subsections 1 and 2 do not apply to the levies made for the following:

- a. Debt service to be deposited into the debt service fund pursuant to section 331.430 or section 384.4.
- b. Taxes approved by a vote of the people which are payable during the fiscal year beginning July 1, 1993, or July 1, 1994.
- c. Hospitals pursuant to chapters 37, 347, and 347A.
- d. Unusual need for additional moneys to finance existing programs which would provide substantial benefit to city or county residents or compelling need to finance new programs which would provide substantial benefit to city or county residents. The increase in taxes levied under this exception for the fiscal year beginning July 1, 1993, is limited to no more than the

product of the total tax dollars levied in the fiscal year beginning July 1, 1992, and the percent change in the price index for government purchases by type for state and local governments computed for calendar year 1992. The increase in taxes levied under this exception for the fiscal year beginning July 1, 1994, is limited to no more than the product of the total tax dollars levied in the fiscal year beginning July 1, 1993, and the percent change in the price index for government purchases by type for state and local governments computed for calendar year 1993. The price index for government purchases by type for state and local governments is defined by the bureau of economic analysis of the United States department of commerce and published in table 7.11 of the national income and products accounts. For purposes of this paragraph, tax dollars levied in the fiscal years beginning July 1, 1992, and July 1, 1993, shall not include funds levied for paragraphs "a", "b", and "c" of this subsection.

Application of this exception shall require an original publication of the budget and a public hearing and a second publication and a second hearing both in the manner and form prescribed by the director of the department of management, notwithstanding the provisions of sections 331.434, 384.16, and 362.3. The publications and hearings prescribed in this paragraph shall be held and the budget certified no later than March 15. The taxes levied for cities and counties whose budgets are certified after March 15, 1993, shall be frozen at the fiscal year beginning July 1, 1992, level, and the taxes levied for cities and counties whose budgets are certified after March 15, 1994, shall be frozen at the fiscal year beginning July 1, 1993, level.

4. APPEAL PROCEDURES. In lieu of the procedures in sections 24.48 and 331.426, which procedures do not apply for taxes payable in the fiscal years beginning July 1, 1993, and July 1, 1994, if a city or county needs to raise property tax dollars from a tax levy in excess of the limitations imposed by subsection 1 or 2, the following procedures apply:

a. Not later than March 1, and after the publication and public hearing on the budget in the manner and form prescribed by the director of the department of management, notwithstanding sections 331.434, 384.16, and 362.3, the city or county shall petition the state appeal board for approval of a property tax increase in excess of the increase provided for in subsection 3, paragraph "d", on forms furnished by the director of the department of management. Applications received after March 1 shall be automatically ineligible for consideration by the board.

b. Additional costs incurred by the city or county due to any of the following circumstances shall be the basis for justifying the excess in property tax dollars:

(1) Natural disaster or other life-threatening emergencies.

(2) Unusual need for additional moneys to finance existing programs which would provide substantial benefit to city or county residents or compelling need to finance new programs which would provide substantial benefit to city or county residents.

(3) Need for additional moneys for health care, treatment and facilities, including mental health and mental retardation care and treatment pursuant to section 331.424, subsection 1, paragraphs "a" through "h".

(4) Judgments, settlements, and related costs arising out of civil claims against the city or county and its officers, employees, and agents, as defined in chapter 613A.

c. The state appeal board shall approve, disapprove, or reduce the amount of excess property tax dollars requested. The board shall take into account the intent of this section to provide property tax relief. The decision of the board shall be rendered at a regular or special meeting of the board within twenty days of the board's receipt of an appeal.

d. Within seven days of receipt of the decision of the state appeal board, the city or county shall adopt and certify its budget under section 331.434 or 384.16, which budgets may be protested as provided in section 331.436 or 384.19. The budget shall not contain an amount of property tax dollars in excess of the amount approved by the state appeal board.

5. In addition to the requirement of the county auditor in section 444.3 to establish a rate of tax which does not exceed the rate authorized by law, the county auditor shall also adjust the rate if the amount of property tax dollars to be raised is in excess of the amount specified in subsection 1 or 2, as may be adjusted pursuant to subsection 4.

Sec. 302. NEW SECTION. 444.26 PROPERTY TAX LEVY LIMITATIONS NOT AFFECTED.

Section 444.25 shall not be construed as removing or otherwise affecting the property tax limitations otherwise provided by law for any tax levy of the political subdivision, except that, upon an appeal from the political subdivision, the state appeal board may approve a tax levy consistent with the provisions of section 24.48 or 331.426.

Sec. 303. NEW SECTION. 444.27 SECTIONS VOID.

Sections 24.48 and 331.426 are void for the fiscal years beginning July 1, 1993, and July 1, 1994.

DIVISION IV
APPROPRIATIONS

Sec. 401. GREEN THUMB PROGRAM. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the green thumb program for the employment of the elderly in conservation and outdoor recreation related fields in coordination with other agencies as provided by law, and for not more than the following full-time equivalent positions:

.....	\$	129,279
.....	FTEs	10.00

Sec. 402. LAKE PROJECT. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the purpose of supporting lake preservation efforts at Black Hawk Lake:

.....	\$	397,780
-------	----	---------

The moneys appropriated in this section shall be allocated by the department to continue lake preservation, including dredging operations, at Black Hawk Lake, located at Lake View, Iowa. Remaining moneys previously designated for Black Hawk Lake under the federal clean lakes program shall be allocated on a matching basis with moneys appropriated in this section for purposes of preserving Black Hawk Lake. The allocation of moneys shall be contingent upon land used as a spoil site for the lake being provided without financial obligation to the state and the active participation of a local entity in preparing the spoil site.

Sec. 403. HOUSING PROGRAMS. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, for deposit in the housing improvement fund created in section 220.100, of which \$600,000 shall be allocated to programs for the homeless, and \$400,000 shall be allocated to rental rehabilitation programs:

.....	\$	1,000,000
-------	----	-----------

Sec. 404. DRUG ABUSE RESISTANCE EDUCATION. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 1992, and ending June 30, 1993, in addition to other appropriations made for the following purpose for that fiscal year, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For use by the department to provide law enforcement officials for project D.A.R.E. (drug abuse resistance education) within local communities targeted to fifth and sixth grade students:

.....	\$	28,500
-------	----	--------

Sec. 405. PILOT PROGRAMS FOR RUNAWAYS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

- 1. For a pilot program for runaways in Woodbury county:

.....	\$	20,000
-------	----	--------
- 2. For a pilot program for runaways in Polk county:

.....	\$	30,000
-------	----	--------

The pilot programs shall involve joint efforts by local courts, law enforcement agencies, shelter care facilities, and family-centered service providers which contract with the department of human services. The programs shall identify runaways and children at risk of running away from home and shall identify available and needed services. The programs shall use a family-oriented approach intended to assist families in dealing with the various issues related to runaways. The local courts shall cooperate with the programs and shall enter appropriate orders to facilitate the implementation of the programs and the provision of services by the programs to runaways and children at risk of running away.

Sec. 406. **CENTRALIZED JUVENILE INTAKE CENTER.** There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1992, and ending June 30, 1993, in addition to other appropriations made to the department for that fiscal year, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the development of a centralized juvenile intake center in a county with a population of more than 300,000, as determined pursuant to the 1990 federal census:	\$	125,000
--	----	---------

The department of human services shall work with the judicial department, local law enforcement agencies, youth service agencies, and other persons as necessary in the development and operation of a centralized juvenile intake center in a county with a population of more than 300,000, as determined pursuant to the 1990 federal census. The centralized juvenile intake center shall serve as a central location for the placement, prior to adjudication, of juveniles involved in delinquency or child in need of assistance proceedings pursuant to chapter 232. The center shall be staffed by a juvenile court officer and a youth services aide. The center shall be used to provide a safe and secure setting for juveniles prior to adjudication, during the assessment of their cases.

Sec. 407. **SUMMER WORK AND LEARN ALTERNATIVE FOR INNER CITY YOUTH.**

1. There is appropriated from the general fund of the state to the judicial department for the fiscal year beginning July 1, 1992, and ending June 30, 1993, in addition to other appropriations made to the department for that fiscal year, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the award of a grant to a model program managed by the Sioux City community school district, to provide a summer work and learn alternative for inner city youth:	\$	75,000
---	----	--------

2. The judicial department shall award a grant to a model program managed by the Sioux City community school district, to provide a summer work and learn alternative for inner city youth. The judicial department shall develop criteria for the operation of the model program. At a minimum, the model program shall do each of the following:

- a. Utilize existing resources to the greatest extent possible.
- b. Have the support and involvement of a broad array of existing community programs.
- c. Have a duration of at least ten weeks.
- d. Provide a work or community service component.
- e. Provide a career development component, including intensive exploration of work options and related prerequisite skills.
- f. Provide a teaching and learning component, including reading and language skills, mathematics skills, and basic keyboard and computer literacy.
- g. Provide a social skills training component.
- h. Provide an athletics and physical fitness component.
- i. Provide a health assessment component, including referral to appropriate health care or service providers.

j. Provide a total program evaluation component.

Sec. 408. COUNTY DETENTION HOME — 72-HOUR REIMBURSEMENT. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For reimbursement of counties in accordance with the provisions of this section:
..... \$ 900,000

During the fiscal year beginning July 1, 1992, and ending June 30, 1993, if a child has been adjudicated delinquent and remains in a county detention home awaiting placement for more than 72 hours after the first dispositional hearing after adjudication, the department shall reimburse the county for any period from that time forward in which the child remains in the detention home, at the rate established by the detention home for holding juveniles from another county. If it is determined that reimbursements to counties in any quarter of the fiscal year would exceed that quarter's allotment of this appropriation, the payments to the counties for that quarter shall be prorated. The department may adopt emergency rules to implement the provisions of this section.

Sec. 409. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:
..... \$ 276,161,251

1. Medically necessary abortions are those performed under any of the following conditions:

- a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.
- b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.
- c. The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.
- d. The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.
- e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled.

2. Of the funds appropriated in this section, \$100,000 is allocated until January 31, 1993, for contingency assistance for the federal nutrition program for women, infants, and children and shall be transferred to the Iowa department of public health as necessary in order to fully utilize funding available for the program. Any moneys allocated in this subsection which are unexpended or unobligated on January 31, 1993, shall be available during the remainder of the fiscal year to the department of human services for the purposes of this section.

3. Notwithstanding section 8.39, the department may transfer funds appropriated in this section to a separate account established in the department's case management unit for expenditures required to provide case management services pursuant to the appropriation made in 1992 Iowa Acts, chapter 1241, Senate File 2355, section 27, for mental health, mental retardation, and developmental disabilities services under medical assistance which are jointly funded by the state and county, pending final settlement of the expenditures. Funds received by the case management unit in settlement of the expenditures shall be used to replace the transferred funds and are available for the purposes for which the funds were appropriated in this section.

4. If implementing a procedure of purchase and distribution of vaccines to physicians participating in the medical assistance program is determined by the department of human services to be cost-effective for the department, the department of human services may use moneys appropriated in this section to contract with the Iowa department of public health for this purpose. In implementing the procedure, the department of human services shall adopt rules requiring physicians to obtain vaccines from the Iowa department of public health for immunization of medical assistance recipients. The department of human services may adopt emergency rules to implement the provisions of this subsection.

5. The department shall seek federal approval of a medical assistance waiver in order to expand the availability of the MediPASS program to an additional 27,000 enrollees. If federal approval is granted, the department may adopt emergency rules to implement the provisions of this subsection.

6. Of the funds appropriated in this section, \$60,000 shall be used by the department for the fiscal year 1992-1993 costs to establish and operate an HIV and AIDS insurance continuation assistance pilot program. The pilot program shall be administered by the medical services division to provide insurance continuation assistance to persons with AIDS or HIV-related illnesses who are unable to maintain health insurance premium payments due to illness. The pilot program shall operate for a two-year period beginning October 1, 1992. The funds shall be made available in a manner that provides the assistance, as needed, to recipients at any time until the end of the pilot program or until the appropriated funding is exhausted.

a. The department shall publicize the program for enrollment of potential participants through provision of information through the Iowa department of public health, the regional AIDS coalitions funded by the Iowa department of public health, physicians, hospitals, social workers, and social service providers, and other groups identified by the coalitions.

b. The program shall provide all of the following:

(1) That an applicant is eligible for participation in the program if all of the following conditions are met:

(a) The applicant is a resident of the state.

(b) The applicant suffers from AIDS or an HIV-related illness.

(c) The applicant has an income of not more than 300 percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services and cash assets of not more than \$10,000.

(d) The applicant is enrolled in an individual or group private health insurance plan.

(e) The applicant is or will be unable, due to AIDS or the HIV-related illness, to continue employment in the applicant's current position or the applicant must significantly reduce hours of employment.

(f) Enrollment in the program is the most cost-effective, available means of providing the applicant with health insurance coverage.

(2) That an applicant is required to provide the following to verify eligibility for participation in the program:

(a) Documentation of income and assets, as required by rule of the department.

(b) Documentation through submission of a statement by the applicant's physician that the applicant suffers from AIDS or an HIV-related illness and that the applicant is, or will within a period of six months be, unable to continue employment or be required to significantly reduce hours of employment.

(3) An expedited eligibility determination process to ensure that an eligible applicant is not denied coverage under the applicant's existing policy due to nonpayment of premiums during the determination process period. This may include but is not limited to accepting preapplications from any HIV-infected person or the making of payments based on preliminary determinations.

(4) A requirement that following enrollment in the program, a person must apply for medical assistance, if the department determines that the person is likely to be eligible for payment of premiums under the medical assistance program.

(5) That all information relating to an applicant is confidential information and the provisions of chapter 141 are applicable to the information.

(6) Insurance premiums and medical expenses for which the applicant has no coverage, which are incurred in the month of application, shall be deducted from the applicant's gross income for the purpose of determining eligibility for the program.

c. The department shall provide a preliminary report to the general assembly by January 1, 1993, and a final report to the general assembly by January 1, 1994, regarding the cost-effectiveness of the pilot program, the impact of the requirements of federal law on the pilot program, and the current and projected costs to the state for payment of medical assistance for the health care costs of persons with AIDS or HIV-related illnesses.

d. For the purposes of this subsection, "AIDS" and "HIV" mean "AIDS" and "HIV" as defined in section 141.21.

e. For the purposes of this subsection, "health insurance plan" includes nonprofit health service corporation contracts regulated under chapter 514 and health maintenance organization evidences of coverage regulated under chapter 514B.

f. Of the funds allocated in this subsection, the department may transfer not more than \$10,000 to the appropriation made in 1992 Iowa Acts, chapter 1241, section 29, for general administration to be used for administrative costs associated with this program. The department is authorized a 0.5 FTE position in addition to the positions authorized in that appropriation made in this Act for general administration in order to administer the program.

g. The program shall start by October 1, 1992, and the department is authorized to adopt emergency rules to implement the provisions of this section by that date.

7. The department shall take action to provide for the continuing medical assistance eligibility without a spend down requirement for those persons whose eligibility is related to federal supplemental security income eligibility and who are eligible for the medically needy program without a spend down requirement. If providing for the continuing eligibility is permitted under federal requirements, the department may adopt emergency rules to implement the eligibility.

8. The department of human services shall work cooperatively with the department of elder affairs and the area agencies on aging to expedite and improve the assessment and eligibility determination process used for the medical assistance home and community-based waiver program for the elderly.

9. It is the intent of the general assembly that copayments shall not be charged to recipients for services which are mandatory under federal requirements for the medical assistance program.

10. The department shall actively pursue the potential to fund child welfare services under the early and periodic screening, diagnosis, and treatment (EPSDT) option of the medical assistance program. If the funding is implemented, the department may transfer moneys appropriated for foster care in 1992 Iowa Acts, chapter 1241, Senate File 2355, section 12, or home-based services in 1992 Iowa Acts, chapter 1241, Senate File 2355, section 14, as necessary to pay the nonfederal costs of services reimbursed under EPSDT which are provided to children who would otherwise receive services paid under those appropriations. The department may adopt emergency rules to implement the provisions of this subsection.

11. Except as otherwise provided in the appropriation made in 1992 Iowa Acts, chapter 1241, Senate File 2355, section 27, for mental health, mental retardation, and developmental disabilities services provided under medical assistance, if a medical assistance recipient is receiving care which is reimbursed under a federally approved home and community-based services waiver but would otherwise be approved for care in an intermediate care facility for the mentally retarded, the recipient's county of legal settlement shall reimburse the department on a monthly basis for the portion of the recipient's cost of care which is not paid from federal funds.

12. The department shall develop program standards, admission criteria, and reimbursement rates which are consistent with the day treatment needs of children and adolescents with severe psychiatric and behavioral disorders. The department may adopt emergency rules to implement the provisions of this subsection.

13. Administrative rules adopted by the department establishing intermediate care facility for the mentally retarded (ICFMR) standards relating to family scale and size, location, and community inclusion, including, but not limited to, rules adopted pursuant to 1991 Iowa Acts, chapter 267, section 103, subsection 5, and 1992 Iowa Acts, chapter 1043, Senate File 2311, shall not prohibit any ICFMR with eight beds or less.

14. This subsection applies to services provided on or after July 1, 1992. The department shall expand utilization review of medical assistance recipient visits to physician and family and pediatric nurse practitioners, federally qualified health centers, rural health clinics, other clinics, and emergency rooms. The review shall not apply to medical assistance recipients who are enrolled in the MediPASS program or a health maintenance organization or are children under 21 years of age or residents of a nursing facility. If a medical assistance recipient utilizes more than 24 visits in any 12-month period, the recipient shall be subject to utilization review. If found to be cost-effective, the department shall implement a prospective system for limiting the number of physician-related visits eligible for reimbursement under the medical assistance program. For the purposes of this subsection, the term "physician" does not include a psychiatrist. The department may adopt emergency rules to implement the provisions of this subsection.

Sec. 410. MEDICAL CONTRACTS — PRIOR AUTHORIZATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

In addition to the funds appropriated for medical contracts in 1992 Iowa Acts, chapter 1241, Senate File 2355, section 4, for costs associated with implementation of a prior authorization program under the medical assistance program for selected drugs in accordance with the provisions of this section:

..... \$ 120,000

1. Effective October 1, 1992, the department shall implement a program of prior authorization for drugs which are reimbursed under the medical assistance program. Drug selection shall be based upon medical effectiveness and the selections shall be made by the department with the assistance of the Iowa medicaid drug utilization review commission. The drugs selected may include but are not limited to anti-ulcer and anti-arthritic agents and benzodiazepines. The department shall consult with the Iowa pharmacists association during implementation of the program. The program shall fully comply with the federal Omnibus Budget Reconciliation Act of 1990.

2. The department may implement a point-of-service claims transmission system for the prescription drug component of the medical assistance program.

3. The department may adopt emergency rules to implement the provisions of subsection 1.

Sec. 411. IOWA VETERANS HOME. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, for the purpose designated:

In addition to the funds appropriated for the operation of the Iowa veterans home in 1992 Iowa Acts, chapter 1241, Senate File 2355, section 18:

..... \$ 10,000

Sec. 412. FAMILY PLANNING — REPRODUCTIVE HEALTH SERVICES INTEGRATION WITH SUBSTANCE ABUSE PROGRAMS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For the provision of family planning services to eligible women as specified in this subsection:

..... \$ 350,000

To be eligible for family planning services under this subsection, the following criteria apply: the woman has an income which is equal to or less than 185 percent of the federal poverty level as defined by the most recently published guidelines issued by the United States department of health and human services; the woman was receiving medical assistance at the time the child was born; the woman is no longer eligible for medical assistance; and the woman is not covered by health insurance for family planning services. The family planning services shall be provided for not more than 12 months from the date of expiration of an eligible woman's postpartum medical assistance coverage. The department shall include information concerning the availability of the family planning services at the time the department notifies a recipient that her 60 days of postpartum medical assistance coverage will expire. The department may adopt emergency rules to implement the provisions of this subsection.

2. For the use of the Iowa department of public health, division of substance abuse and health promotion, for the integration of reproductive health services with substance abuse programs: \$ 100,000

To be eligible for funding under this subsection, a program shall be a residential treatment provider which provides services to a large number of women of childbearing age.

3. Nothing in this section shall be construed or is intended as, or shall imply, a grant of entitlement for services to persons who are eligible for services in accordance with the provisions of this section. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

Sec. 413. MEDICAL ASSISTANCE — ENHANCED SERVICES FOR HIGH-RISK PREGNANCIES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For provider costs to perform risk assessments for pregnant women eligible for medical assistance: \$ 71,000

2. For medical assistance costs to provide enhanced services for high-risk pregnancies in accordance with this section: \$ 72,000

The department of human services and the Iowa department of public health shall jointly develop risk assessment criteria which shall be applied to all pregnant women eligible for medical assistance. If a pregnant woman is determined to have a high-risk pregnancy by use of the risk assessment, enhanced services shall be made available to the woman. Enhanced services shall include care coordination, health education, social services, nutrition education, and a postpartum home visit. The department of human services may adopt emergency rules to implement the provisions of this section.

Sec. 414. INFANT MORTALITY AND MORBIDITY PREVENTION PILOT PROJECT. The Iowa department of public health shall award grants to establish an infant mortality and morbidity prevention pilot project beginning October 1, 1992, and ending June 30, 1995, in the designated areas of Polk, Scott, and Woodbury counties. The recipient of a grant shall establish a resource mothers program or coordinate existing resource mothers programs in the targeted areas and shall do all of the following:

1. Identify barriers to positive birth outcomes and encourage cooperation in the targeted area to reduce infant mortality and morbidity.

2. Develop an inventory of existing community resources, including both public and private organizations, which are designed to reduce infant mortality.

3. Collaborate with local chambers of commerce, businesses, and civic organizations, including both public and private organizations, to establish a coupon bonus program for pregnant women residing in the targeted area to encourage the pregnant women to seek prenatal care and to encourage mothers of children through one year of age to utilize the early and periodic screening, diagnosis, and treatment program. The coupon bonus program shall provide for the

validation of coupons by health care providers, following the provision of prenatal care or care provided to a child through one year of age, which may be exchanged for the provision of goods or services by sponsors within the community.

Sec. 415. PRENATAL TO PRESCHOOL FAMILY AND CHILD PROTECTION SERVICES PROGRAM.

1. The Iowa department of public health shall develop a program for the awarding of a grant to a statewide child abuse prevention organization for the development and implementation of the prenatal to preschool family and child protection services program to be implemented beginning October 1, 1992, and ending October 1, 1995, in at least three urban and three rural counties, three of which shall be coordinated with the existing infant mortality and morbidity programs in Polk, Scott, and Woodbury counties, and all of which shall be implemented through the use of existing nonprofit home health programs. The department shall make a request for proposals application available to any organization requesting an application by August 1, 1992, and shall require the completed application to be returned to the department by September 1, 1992.

2. The department shall adopt rules which establish the criteria for the awarding of a grant to an applicant. The criteria shall include but are not limited to the required match of one dollar provided by the organization for each two dollars provided by the state.

3. A grant recipient shall do all of the following:

- a. Implement the proposed program by October 1, 1992.
- b. Coordinate the program with the infant mortality and morbidity prevention programs in existence in Polk, Scott, and Woodbury counties.
- c. To the maximum extent possible, utilize existing programs and services necessary for implementation of the program.
- d. Utilize nonprofit home health programs in the development and implementation of the program.

4. The Iowa department of public health shall submit an evaluation of the program, by January 15, annually, to the governor and the general assembly.

Sec. 416. APPROPRIATION – INFANT MORTALITY AND MORBIDITY – HEALTHY FAMILY PROGRAM. There is appropriated from the general fund of the state to the Iowa department of public health, for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, for the purposes designated:

.....	\$ 665,000
-------	------------

1. Of the moneys appropriated in this section, not more than \$165,000 shall be used to award grants to establish infant mortality and morbidity prevention pilot projects in Polk, Scott, and Woodbury counties in the areas designated by the Iowa department of public health as areas with the highest infant mortality rates. Of the amount appropriated, not more than 15 percent shall be used for administrative expenses.

2. Of the moneys appropriated in this section, not more than \$335,000 shall be used to award a grant to a statewide child abuse prevention organization for the development and implementation of the prenatal to preschool family and child protection services program to be implemented beginning October 1, 1992.

3. Of the moneys appropriated in this section, not more than \$25,000 shall be used for departmental staff support of a multidisciplinary team conducting research concerning the causes of individual infant deaths in the state. Funding of the multidisciplinary team concerning an individual case shall be used solely for research purposes.

4. Of the moneys appropriated in this section, not more than \$140,000 shall be used to increase the use of mid-level practitioners to improve access to prenatal health care. The funds shall be used to issue three grants in equal amounts to hospitals, public health programs, or maternal health clinics to develop programs to provide services to pregnant women, utilizing nurse midwives with hospital privileges and physician support, in areas of the state with insufficient availability of obstetrical services.

Sec. 417. IOWA CENTER FOR HEALTH ISSUES — ESTABLISHED. There is appropriated from moneys collected by the division of insurance pursuant to section 505.7, subsection 3, from the amount collected in excess of \$310,815, to the division of insurance for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary to be used for the purposes designated:

For the awarding of a grant, by the division, to a private institution to establish a center for use as a forum for the purposes of community discussion and consensus building, public education, and research in the area of health care and health-related issues, particularly in the area of ethical decision making:

..... \$ 75,000

Criteria for the awarding of a grant includes but is not limited to:

- 1. That the recipient be a private institution which is centrally located in the state, which does not directly provide medical or health services, and which has developed credibility among the health care and business community.
- 2. That the institution is able to draw from a variety of disciplines including but not limited to the health services, law, sociology, insurance, economics, education, and public administration in carrying out the purpose of the center.
- 3. That the institution provide physical space for the holding of meetings, forums, and other activities of the center, and that the institution be capable of holding meetings, forums, and other activities throughout the state.
- 4. That the institution provide or develop independent funding, in an amount which is one dollar for every state dollar provided, from sources including but not limited to private contributions or federal funding.

The grant recipient shall cooperate with the division in establishing the center. The division shall perform ongoing evaluation of the activities of the center and shall make recommendations to the grant recipient regarding improved effectiveness of the activities of the center.

Sec. 418. VERIFICATION OF SPENDING REDUCTIONS. The department of human services, the Iowa department of public health, and the commissioner of insurance, shall submit reports to the governor and the general assembly by January 15, 1993, regarding the effectiveness or proposed effectiveness of the initiatives established in this division in reducing health care costs.

Sec. 419. NEW SECTION. 135.106 IOWA HEALTHY FAMILY PROGRAM — ESTABLISHED.

1. The Iowa department of public health shall establish an Iowa healthy family program to provide services to families and children during the prenatal through preschool years. The program shall be designed to promote optimal child development, improve family coping skills and functioning, and promote positive parenting skills and intrafamilial interaction, with the goal of prevention of child abuse and neglect.

2. The program shall include the following components which shall be developed and implemented to provide for coordination of services to the greatest extent possible:

- a. An infant mortality and morbidity prevention program.
- b. A prenatal to preschool family and child protection services program.

3. The infant mortality and morbidity prevention program shall include, but is not limited to, the following components:

a. The establishment of pilot projects, through the awarding of grants, in three counties of the state which have areas with the state's highest infant mortality rates, to identify barriers to positive birth outcomes, to encourage collaboration and cooperation among providers of health care, social services, and other services to pregnant women and infants, and to encourage pregnant women and women of childbearing years to seek health care and other services which result in positive birth outcomes.

b. The establishment of a resource mothers program to provide pregnant and postpartum women with individual guidance, information, and access to health care. As used in this section, "resource mothers program" means a community outreach program which provides for home visits by women who have experience as mothers and who have knowledge of health care services, social services, or related fields of services and who provide pregnant and postpartum women with information and access to health care and other services necessary for positive birth outcomes.

4. The prenatal to preschool family and child protection services program shall be developed and implemented by the recipient of a grant awarded by the department and shall include but is not limited to all of the following components:

a. Systematic hospital-based screening for the highest percent of high-risk families of newborns in specific geographic areas. The systematic hospital-based screening component shall provide that a resource mother identifies hospital admissions data for childbirths to determine high-risk families, based upon risk indicators developed by rule of the department. The woman who is a member of a family which is identified to be at high-risk shall be interviewed by the resource mother to encourage the woman to accept services including but not limited to home visits, support services, and instruction in child care and development.

b. Community-based home visiting family support services. Following identification of a family as high-risk and acceptance of a family of services under the program, the resource mother shall initiate home visits to assess the needs of the family and to refer the family to appropriate services.

c. Individualization of the intensity of services based upon the family's need and level of risk. The resource mother shall assess the specific needs of the participating family to ensure appropriate access to services and necessary frequency of services.

d. Linkage to a "medical home". The resource mother shall assist participating families in the selection of a primary care provider in order to promote preventive health care and positive child development. The resource mother assigned to a family shall track the scheduling and completion of and the provision of transportation to health care visits. The resource mother shall also review the results of health care visits and coordinate future visits or referrals to necessary services.

e. Coordination of a range of health and social services for at-risk families, including the provision of the appropriate levels or types of immunizations to children participating in the program.

f. Continuous follow-up with the family until the identified child reaches age three, except in the case of high-risk families in which case the follow-up shall continue to age four.

g. A structured training program in the dynamics of abuse and neglect. The grant recipient shall provide a training program to establish uniform standards for service delivery.

h. Provision of crisis child care through utilization of existing child care services to participants in the program.

i. Evaluation of the program, including an evaluation of the effects on the reduction in risk factors for the participants, an evaluation of the services provided, and recommendations for changes in or expansion of the program.

j. To the extent possible, private party, third party, and medical assistance including the early and periodic screening, diagnosis, and treatment (EPSDT) program, shall be utilized as a reimbursement to defray the costs of services provided.

5. The department shall adopt rules to establish and implement the healthy family program which address all of the following:

a. The entering of an interagency agreement with the department of human services by which the department may refer a family at high-risk, based upon reports to the department of human services, of the need for services.

b. The criteria for the awarding of a grant for the development and implementation of the infant mortality and morbidity prevention pilot program and for the development and implementation of the prenatal to preschool family and child protection services program.

c. The components required of a grant applicant for inclusion in an infant mortality and morbidity prevention pilot program proposal and in a prenatal to preschool family and child protection services program proposal.

d. Establishment of risk indicators to be used in the systematic hospital-based screening component of the prenatal to preschool family and child protection services program.

e. Designation of the areas of the counties selected for implementation of the infant mortality and morbidity prevention pilot program which have the highest infant mortality rate based on census tracts.

f. Designation, in cooperation with the grant recipient, of the counties of the state for implementation of the prenatal to preschool family and child protection services program.

Sec. 420. Section 249A.3, subsection 7, Code Supplement 1991, is amended to read as follows:

7. In determining the eligibility of an individual for medical assistance under this chapter, the department shall consider resources transferred to the individual's spouse ~~on or after October 1, 1989,~~ or to a person other than the individual's spouse ~~on or after July 1, 1989~~ 1992, as provided under which are nonexempt resources or interests in resources, owned by the transferor within the preceding sixty months which the transferor gave away or sold at less than fair market value for the purpose of establishing eligibility for medical assistance under this chapter, to the extent consistent with the federal Social Security Act, section 1917(c), as codified in 42 U.S.C. § 1396p(c), as amended.

Sec. 421. EMERGENCY RULES. If specifically authorized by a provision of this Act, the department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing, unless a later effective date is specified in the rules. Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

DIVISION V ACROSS-THE-BOARD REDUCTIONS

Sec. 501. REDUCTIONS OF FISCAL YEAR 1992-1993 APPROPRIATIONS.

1. Moneys appropriated from the general fund of the state for the fiscal year beginning July 1, 1992, by the Seventy-fourth General Assembly, and standing unlimited appropriations from the general fund of the state subject to the provisions of section 8.31 for the fiscal year beginning July 1, 1992, are reduced by 5 percent. However, moneys appropriated from the general fund of the state for the fiscal year beginning July 1, 1992, shall not be reduced by this subsection if the appropriation is made in this Act or is listed in subsection 2 or 3.

2. The following appropriations from the general fund of the state for the fiscal year beginning July 1, 1992, are reduced by 2 percent: 1992 Iowa Acts, chapter 1243, House File 2459, section 16, subsection 1; 1992 Iowa Acts, chapter 1244, House File 2462, sections 8 and 9; 1992 Iowa Acts, chapter 1246, House File 2465, section 1, subsection 10; 1992 Iowa Acts, chapter 1246, House File 2465, section 3, subsection 1; 1992 Iowa Acts, chapter 1246, House File 2465, section 8; 1992 Iowa Acts, chapter 1246, House File 2465, section 10; 1992 Iowa Acts, chapter 1240, Senate File 2348, sections 7 and 8; Code Supplement 1991, section 261.25, subsections 1, 2, and 3, as amended by 1992 Iowa Acts, chapter 1246, House File 2465, section 30; Code Supplement 1991, section 261.85, as amended by 1992 Iowa Acts, chapter 1246, House File 2465, section 33; 1991 Iowa Acts, chapter 267, section 202, subsection 1; 1992 Iowa Acts, chapter 1240, Senate File 2348, section 1, subsections 1, 2, 5, and 6, sections 2 and 3, section 5, subsections 1 through 4, and section 6; Code Supplement 1991, section 663A.5; and Code 1991, section 815.1.

3. The appropriation reduction in subsections 1 and 2 shall not apply to the following appropriations: 1992 Iowa Acts, chapter 1247, House File 2486, section 21; 1992 Iowa Acts, chapter 1243, House File 2459, section 16, subsections 2 through 6; 1992 Iowa Acts, chapter 1237, House File 2457; 1992 Iowa Acts, chapter 1241, Senate File 2355, except for section 29; Code 1991,

section 229.35; Code 1991, section 230.8; Code 1991, section 230.11; 1992 Iowa Acts, chapter 1240, Senate File 2348, section 4, and section 5, subsections 5 and 6; 1992 Iowa Acts, chapter 1242, House File 2455, section 7, subsections 1 and 2; Code 1991, section 19.10; Code 1991, section 19.29; Code 1991, sections 25.2 and 25A.11; 1991 Code Supplement, section 257.16, as amended by the following: 1992 Iowa Acts, chapter 1232, Senate File 2116, section 303, and 1992 Iowa Acts, chapter 1208, Senate File 2371, section 1; 1991 Code Supplement, section 257.20, as amended by the following: 1992 Iowa Acts, chapter 1227, Senate File 2351, section 16, and 1992 Iowa Acts, chapter 1230, Senate File 2320, section 8; Code Supplement 1991, section 96.7, subsection 7, paragraph "d"; and section 503 of this Act.

4. The reductions in appropriations in subsections 1 and 2 shall be carried out uniformly and proportionately in the manner specified in section 8.31. Upon implementing the reductions specified in subsections 1 and 2, the department of management shall submit a report to the chairpersons and ranking members of the appropriations committees of each house and to the legislative fiscal bureau detailing how the reductions in subsections 1 and 2 were implemented.

5. Notwithstanding the contingency language contained in 1992 Iowa Acts, chapter 1247, House File 2486, section 22, the appropriation made in that section shall be made and is effective upon the enactment of the increase in the sales and use tax rate from four percent to five percent by any session of the general assembly. The appropriation made in that section shall not be reduced under the provisions of subsection 1 or 2 of this section.

Sec. 502. Section 602.8106, subsection 4, Code Supplement 1991, is amended to read as follows:

4. The clerk shall deposit all other fines and forfeited bail received from a magistrate in the court revenue distribution account established in section 602.8108, ~~except that annually the first two million five hundred thousand dollars in including those~~ fines which are imposed through vehicle violation citations issued by motor vehicle division personnel at portable and fixed weigh stations in the state ~~which shall be credited to the road use tax fund.~~

Sec. 503. 1992 Iowa Acts, chapter 1246, House File 2465, section 4, subsection 1, is amended to read as follows:

1. Notwithstanding section 294A.25, for the educational excellence program:

.....	\$	92,297,891
.....		<u>80,297,891</u>
.....	FTEs	1.00

Sec. 504. 1992 Iowa Acts, chapter 1247, House File 2486, section 26, is amended to read as follows:

SEC. 26. RECOMMENDATIONS OF THE GOVERNOR'S COMMITTEE ON GOVERNMENT SPENDING REFORM. The general assembly ~~encourages and~~ authorizes the governor to implement the following recommendations of the governor's committee on government spending reform:

1. Consolidate and provide for common management of state data processing centers.
2. Provide through the state department of transportation for renewal of drivers' licenses by mail.
3. Establish state collection standards and policy.
4. Identify unrecognized receivables owed the state.
5. Review personal computer acquisitions by the state.
6. Initiate local government coordination of information systems, subject to approval of the legislative council.
7. Consolidate state printing facilities.
8. Eliminate the state aircraft pool or consolidate the Iowa state university aircraft pool.
9. Develop a uniform financial reporting and accounting system.
10. Develop a statewide system for delivery of state-offered services.
11. Implement a system for management of federal funds.

- 12. Expand the use of voice mail telephone answering systems.
- 13. Establish an enterprise plan for technology.

The cost savings realized under implementation of recommendations pursuant to this section during the fiscal year beginning July 1, 1992, shall not be less than \$500,000.

In addition the governor shall submit to the general assembly by February 1, 1993, a status report delineating the implementation status of all of the recommendations of the governor's committee on government spending and reform.

Sec. 505. 1990 Iowa Acts, chapter 1271, section 1701, subsection 3, is amended to read as follows:

3. For the fiscal year beginning July 1, 1992, and ending June 30, 1993:

	\$ 3,913,600
	<u>0</u>

Sec. 506. REVERSION OF GENERAL FUND MONEYS. For those departments and agencies for which the general administration moneys appropriated from the general fund of the state were reduced by less than five percent in section 501 of this Act, the director of the department of management shall reduce the allotment of general fund moneys for general administration proportionally to achieve a savings in out-of-state travel and equipment purchases of \$6,000,000 for the fiscal year beginning July 1, 1992.

Sec. 507. Section 328.56, Code 1991, is repealed.

Sec. 508. The state department of transportation shall sell all aircraft in the state aircraft pool. Any moneys derived from the sale of the aircraft shall be deposited in the general fund of the state. Any unencumbered moneys existing in the state aircraft revolving fund shall be transferred to the general fund of the state. The sale of aircraft in the state's aircraft pool shall be completed by January 1, 1993.

DIVISION VI
EFFECTIVE DATE

Sec. 601. EFFECTIVE DATE. Except as otherwise provided in this Act, this Act takes effect July 1, 1992.

Approved June 25, 1992