

REGULAR & EXTRAORDINARY SESSIONS

The Iowa Legislative Services Agency prepares annually a summary of legislation passed by the Iowa General Assembly. Unless otherwise specified in a summary, the effective date of the legislation is July 1, 2007.

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APPENDIX: [Code Sections & Acts Affected by 2007 Legislative Session](#)

LOCATION OF SUMMARIES BY FILE NUMBER

Senate Files

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Number

Major Subject

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Alcohol Regulation and Substance Abuse

[SJR_5](#)

Alcohol Regulation and Substance Abuse

[SJR_6](#)

State Government

LOCATION OF SUMMARIES BY FILE NUMBER

House Files

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| HF 199 | Civil Law, Procedure, and Court Administration |
| HF 245 | Children and Youth |
| HF 258 | Business, Banking, and Insurance |
| HF 260 | Health and Safety |
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| HF 742 | Natural Resources and Outdoor Recreation |
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| HF 759 | Criminal Law, Procedure, and Corrections |
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| HF 777 | Civil Law, Procedure, and Court Administration |
| HF 780 | Civil Law, Procedure, and Court Administration |
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| HF 790 | Business, Banking, and Insurance |
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| HF 803 | Local Government |
| HF 808 | Local Government |
| HF 817 | Public Defense and Veterans |
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| HF 846 | Agriculture |
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House Joint Resolution

NumberMajor Subject

[HJR 3](#) Elections, Ethics, and Campaign Finance

AGRICULTURE

- [SENATE FILE 200](#) - Habitual Trespass by Livestock — Fence Erection and Maintenance
- [SENATE FILE 319](#) - Cooperative Associations — Miscellaneous Provisions
- [SENATE FILE 406](#) - Killing Tagged Dogs
- [SENATE FILE 543](#) - State Interagency Missouri River Authority — VETOED BY THE GOVERNOR
- [SENATE FILE 564](#) - Dangerous Wild Animals — Possession, Ownership, Transportation — Penalties
- [HOUSE FILE 765](#) - Enforcement of Animal Feeding Operations Regulations
- [HOUSE FILE 846](#) - Iowa Farmers' Market Nutrition Program

RELATED LEGISLATION

- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters and includes an appropriation for farm mediation services; changes the structure of the Agricultural Development Authority; establishment of a Farm-to-School Program; and other provisions affecting agriculture.
- [HOUSE FILE 793](#) - Transportation Regulation and Land Surveying Standards
SEE TRANSPORTATION. This Act imposes permit requirements for certain self-propelled implements of husbandry, known as "floaters," that are equipped with flotation tires and used for the application of fertilizers. Provisions for implementation of the permitting process take effect May 9, 2007. In addition, a speed limit of 35 miles per hour applicable to those vehicles is codified.

AGRICULTURE

SENATE FILE 200 - Habitual Trespass by Livestock — Fence Erection and Maintenance

BY COMMITTEE ON JUDICIARY. This Act amends Code Chapter 169C, which provides a cause of action to a landowner or a county or city, referred to as a local authority, when livestock is trespassing or is taken into custody after straying from its owner's control. The Code chapter provides that a landowner or local authority may take custody of livestock if the livestock trespasses upon the landowner's land or strays on a public road which adjoins the landowner's land, and may bring a civil action against the livestock owner for damages caused by the livestock and costs associated with the trespass or custody.

The Act provides a new remedy for "habitual trespass" when livestock trespass from the land where the livestock are kept onto the same neighbor's land or the same public road on three or more occasions within a 12-month period. The local authority may make a record of the occurrences. After the third occurrence, the neighboring landowner may request that the responsible landowner where the livestock should be kept erect or maintain a fence on the land under the provisions of Code Chapter 359A. That Code chapter provides that an adjacent landowner may compel the erection or maintenance of a partition fence. Each adjacent landowner is liable to contribute an equal amount to pay for the associated costs of constructing the fence or making repairs. The Act treats the neighboring landowner as an adjacent landowner with the right to compel the fence to be constructed or repaired by the responsible landowner who presumably could require contribution from an adjacent landowner. However, the neighboring landowner making the request is not liable for the associated costs unless the neighboring landowner is also the adjacent landowner.

Code Chapter 359A provides that the township trustees may directly provide for the erection and maintenance of a fence, if the parties do not act in a timely manner, and assess the amount as property taxes. The Act allows the board of township trustees to request that the county board of supervisors assume this duty in the case of a neighboring landowner complaining of habitual trespass. If the board constructs or repairs the fence, it may recoup the expenses together with a 5 percent penalty from a defaulted party. The amount of the associated costs is placed on the tax books and collected as property taxes in the same manner as an ordinary fence dispute under the Code chapter.

SENATE FILE 319 - Cooperative Associations — Miscellaneous Provisions

BY COMMITTEE ON AGRICULTURE. This Act amends provisions relating to cooperative associations organized under Code Chapter 499. Code Section 499.15 requires that an association issue certificates of membership or stock. The Act eliminates this requirement, but permits an association to issue a certificate. It retains related requirements that prevent a cooperative from issuing stock or a membership until payment for the interest is made and prevent a subscriber from holding office until the association issues the stock or membership, but eliminates references to certificates.

Code Section 499.44 requires that articles of incorporation, amendments to articles, or the renewal of articles be filed with the Secretary of State and in the county where the association has its principal place of business. The Act eliminates the requirement that articles of incorporation be filed with a county recorder. Code Section 499.47 provides a related requirement that trustees winding up the affairs of an association during dissolution file a report with the Secretary of State and the county recorder. The Act eliminates the requirement for filing the report with the county recorder. See also the amendment to Code Section 499.47, as enacted in S.F. 601 (see Appropriations), which eliminates a requirement for duplicative reports involving an association's dissolution.

Code Section 499.40 requires that a cooperative's articles of incorporation state the address of its principal office. The Act adds new Code Section 499.73A, which allows a cooperative to change its principal office by notifying the Secretary of State of the change, instead of presumably amending its articles of incorporation and filing the amendment with the Secretary of State. The process is similar to that allowed for a cooperative changing the name of its registered office or agent under Code Section 499.73.

SENATE FILE 406 - Killing Tagged Dogs

BY COMMITTEE ON JUDICIARY. This Act amends Code Section 351.27, which allows a person to kill a dog wearing a collar with a rabies vaccination tag attached when the dog is caught worrying, chasing, maiming, or

killing a domestic animal or fowl. The Act removes the lawful ability of a person to kill such a dog when the dog is caught in the act of worrying a domestic animal or fowl.

SENATE FILE 543 - State Interagency Missouri River Authority — VETOED BY THE GOVERNOR

BY COMMITTEE ON AGRICULTURE. This bill would have amended provisions in Code Section 28L.1, which creates the State Interagency Missouri River Authority. The authority is responsible for representing the interests of this state on the Missouri River Basin Association and for promoting the management of the Missouri River in a manner that does not negatively impact landowners along the river or negatively impact the state's economy. The Code section provides that the Governor serves as the chairperson, and the heads of other interested agencies serve as members, including the Department of Natural Resources (DNR). The Director of the DNR serves as chairperson in the Governor's absence. The DNR serves as the coordinating agency for the authority. The bill would have provided that each agency head would serve as vice chairperson of the authority on an annually rotating basis, the vice chairperson would act as chairperson in the absence of the Governor, and the vice chairperson's agency would act as the coordinating agency for the authority during the vice chairperson's tenure. The bill would have also allowed the authority to participate in or withdraw from any interstate association representing issues affecting the Missouri River.

SENATE FILE 564 - Dangerous Wild Animals — Possession, Ownership, Transportation — Penalties

BY COMMITTEE ON WAYS AND MEANS. This Act creates new Code Chapter 717F, which regulates the possession of dangerous wild animals, which are defined to include wolves, coyotes, jackals, hyenas, lions, tigers, cougars, leopards, cheetahs, ocelots, servals, bears, pandas, rhinoceroses, elephants, primates other than humans, alligators, crocodiles, water monitors, venomous snakes, and certain constrictors (pythons and anacondas).

The Department of Agriculture and Land Stewardship (DALs) is charged with administering the Act's provisions, although DALs may execute Code Chapter 28E agreements with other government entities.

The Act prohibits a person from owning or possessing a dangerous wild animal or transporting a dangerous wild animal into this state, with certain exceptions. A person may possess a dangerous wild animal if the person has possession of the dangerous wild animal on July 1, 2007, subject to certain conditions. The person cannot have been convicted of an offense relating to animal welfare and cannot have recently been convicted of an offense relating to a controlled substance or a felony. The person must attach or install an electronic identification device to the dangerous wild animal or beneath its skin or hide. The person must also register the dangerous wild animal with DALs and pay a registration fee which is deposited into a special fund controlled by DALs. The person must confine the dangerous wild animal according to a number of specifications designed to secure it from the public. The person must maintain liability insurance and is strictly liable for damages or injuries resulting from the actions of the dangerous wild animal.

The Act provides for the seizure, custody, and disposal of dangerous wild animals kept in violation of the Act's provisions. The department may allow the person in possession of the dangerous wild animal to correct the violation and keep the animal for 14 days, subject to conditions established by DALs. If the person fails to comply with those conditions at any time or is not in compliance with the Act's provisions following the 14-day period, DALs is required to seize the dangerous wild animal. The dangerous wild animal is considered a threatened animal in the same manner as provided in Code Chapter 717B, which authorizes the rescue of animals other than livestock. Code Chapter 717B provides for notifying the owner of the dangerous wild animal of the seizure, provides for a court hearing to determine disposition, and requires that persons responsible for the dangerous wild animal pay costs associated with its custody and disposition. The Act permits a court to order the return of the dangerous wild animal if it determines that the person is capable of providing for its care.

The Act exempts a number of persons and locations from the requirements of the Act, including an accredited zoo, an accredited wildlife sanctuary, a circus, fair, research facility, licensed veterinarian, pound, animal shelter, a person keeping the dangerous wild animal as an agricultural animal or as an assistive animal, a person who hunts or traps wildlife, a person temporarily transporting the dangerous wild animal through the state, or a person who has been issued a license by the United States Department of Agriculture to keep a dangerous wild animal and who is registered with DALs.

The Act provides for the assessment of various fees which, depending upon the type of dangerous wild animal being kept by persons required to be registered by DALs, range from \$500 for elephants to \$50 for small poisonous snakes. The moneys are deposited into a Dangerous Wild Animal Registration Fund controlled by DALs. Moneys in the fund are appropriated to DALs for purposes of administering the Act's provisions.

A person who violates the Act's provisions is subject to a civil penalty of not more than \$2,000 for each offense.

A person who causes a dangerous wild animal to escape is guilty of an aggravated misdemeanor.

The Act has been further amended by S.F. 601 (see Appropriations), which provides a broader exemption for a circus, qualifies an exception for falconry, and classifies certain swine commonly known as a Russian boar or European boar as a dangerous wild animal. The registration fee is \$10 for each such swine kept by the person responsible for keeping it.

HOUSE FILE 765 - Enforcement of Animal Feeding Operations Regulations

BY COMMITTEE ON AGRICULTURE. This Act relates to animal feeding operations regulated by the Department of Natural Resources, including primarily confinement feeding operations under Code Chapter 459 and open feedlot operations under Code Chapter 459A.

Code Section 455B.175 authorizes the department to: (1) issue an order (sometimes called a "stop order") against a person to desist in a practice which violates state law or to take corrective action which is necessary to ensure that a violation ceases, (2) issue an order necessary to terminate an emergency without immediate notice and hearing, or (3) request the Attorney General to institute legal proceedings in district court. The Act provides that the same provisions that apply to confinement feeding operations apply to open feedlot operations. It provides coordinating amendments in Code Chapters 459 and 459A.

The Act amends Code Section 459.603, which currently provides that a person who violates Subchapter III relating to water quality regulations is to be subject to a civil penalty under Code Section 455B.191 (referring to a court-ordered civil penalty not to exceed \$5,000 for each day of a violation). Currently, Code Section 459.103, subsection 3 requires the department to enforce Code Chapter 459 in the same manner as provided in Code Chapter 455B, Division I. Part of that division includes Code Section 455B.109, which authorizes the department to establish and assess a range of administrative penalties (not to exceed \$10,000 for each day of a violation). The Act transfers Code Section 459.103, subsection 3 to Code Section 459.601 and amends Code Section 459.603 by specifically referring to Code Section 455B.109.

HOUSE FILE 846 - Iowa Farmers' Market Nutrition Program

BY COMMITTEE ON AGRICULTURE. This Act authorizes the Department of Agriculture and Land Stewardship (DALs) to administer two federal programs under the direction of the United States Department of Agriculture (USDA): the federal Women, Infants, and Children (WIC) Farmers' Market Nutrition Program and the Senior Farmers' Market Nutrition Program. The requirements for both federal programs are provided for under federal law (7 C.F.R. pts. 248 and 249).

The Act establishes an Iowa Farmers' Market Nutrition Program to provide for the coordinated administration of the WIC Farmers' Market Nutrition Program and the Senior Farmers' Market Nutrition Program. The Act authorizes DALs to apply and submit a state plan for approval by the USDA and to enter into agreements with other state agencies, local governments, or nonprofit entities participating in the federal programs.

ALCOHOL REGULATION AND SUBSTANCE ABUSE

[S.J.R. 4](#)

- World Food Prize Awards Ceremony

[S.J.R. 5](#)

- Hy-Vee World Cup Triathlon Awards Ceremony

[HOUSE FILE 650](#)

- Beer Keg Regulation and Sales

RELATED LEGISLATION

[HOUSE FILE 260](#)

- Controlled Substances — Regulation and Classification
SEE HEALTH AND SAFETY. This Act makes various changes relating to controlled substances to correspond with recent amendments to federal controlled substances laws and regulations and to make technical and corresponding corrections. The Act makes changes relating to hallucinogenic substances, opiates, anabolic steroids, and depressants.

[HOUSE FILE 759](#)

- Clarinda Correctional Facility — Purpose and Use
SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS. This Act specifies the Clarinda Correctional Facility shall be utilized for offenders with chemical dependence, mental retardation, or mental illness.

[HOUSE FILE 787](#)

- Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2007, and ending September 30, 2008, and for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The Act includes funding for various substance abuse and drug enforcement programs.

[HOUSE FILE 907](#)

- Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2007-2008, including appropriations to the Department of Public Health (DPH) for the Comprehensive Tobacco Use Prevention and Control Initiative and for additional substance abuse treatment under the Substance Abuse Treatment Program. The appropriations to DPH also include funding for a grant program, utilizing a request for proposals process, to provide substance abuse prevention programming for children. The Act also appropriates funding to the Department of Corrections for the Drug Court Program, substance abuse treatment, and services for dual diagnosis offenders.

ALCOHOL REGULATION AND SUBSTANCE ABUSE

SENATE JOINT RESOLUTION 4 - **World Food Prize Awards Ceremony**

BY GRONSTAL, LUNDBY, AND KIBBIE. This Joint Resolution authorizes the consumption of wine at an awards ceremony to be held by the World Food Prize Foundation at the State Capitol on or around October 18, 2007. The Joint Resolution also authorizes the display of three ceremonial banners on a temporary basis either inside or outside the State Capitol in conjunction with the ceremony.

SENATE JOINT RESOLUTION 5 - **Hy-Vee World Cup Triathlon Awards Ceremony**

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

HOUSE FILE 650 - **Beer Keg Regulation and Sales**

BY COMMITTEE ON STATE GOVERNMENT. This Act provides that specified liquor control licensees and beer permittees who sell beer for off-premises consumption shall affix to each keg of beer an identification sticker provided by the administrator of the Alcoholic Beverages Division of the Department of Commerce. The Act defines "keg" to mean all durable and disposable containers with a liquid capacity of five gallons or more.

The Act requires each of the specified licensees and permittees to keep a record of the identification sticker number of each keg of beer sold by the licensee or permittee with the name and address of the purchaser and the number of the purchaser's driver's license, nonoperator's identification card, or military identification card. This information shall be retained for a minimum of 90 days, and shall be available for inspection by any law enforcement officer during normal business hours. The identification sticker shall be affixed to the keg at the time of the retail sale.

The Alcoholic Beverages Division shall provide the keg identification stickers. Each sticker shall display an identification number and a statement that it is unlawful to sell, give, or otherwise supply any alcoholic beverage, wine, or beer to any person under legal age. Any person who defaces the sticker shall be guilty of criminal mischief and shall forfeit a deposit, if applicable. The licensee or permittee shall purchase the stickers from the division and shall remit to the division certain forfeited deposits. The cost of the stickers shall not exceed the division's production and distribution cost. Moneys collected by the division from the sale of the stickers or from forfeited deposits shall be credited to the Beer and Liquor Control Fund.

The penalty provisions regarding violations being punishable as a simple misdemeanor shall be applicable to a licensee or permittee who fails to affix upon sale, defaces, or fails to record a keg identification sticker or produce a record of keg identification stickers. The provisions of the Act shall be implemented uniformly throughout the state and shall preempt any local county or municipal ordinance regarding keg registration or sale of beer in kegs.

APPROPRIATIONS

- [SENATE FILE 95](#) - Supplemental Appropriations — Veteran and Armed Forces Member Home Ownership Assistance and Injured Veterans Grants
- [SENATE FILE 305](#) - Disaster Grants
- [SENATE FILE 403](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
- [SENATE FILE 551](#) - Appropriations — Agriculture and Natural Resources
- [SENATE FILE 562](#) - Appropriations — Economic Development
- [SENATE FILE 563](#) - Appropriations — Judicial Branch
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- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
- [HOUSE FILE 752](#) - Appropriations — Transportation
- [HOUSE FILE 787](#) - Federal Block Grant Appropriations
- [HOUSE FILE 874](#) - Appropriations — Administration and Regulation
- [HOUSE FILE 896](#) - Disaster Aid Individual Assistance Grants
- [HOUSE FILE 907](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations
- [HOUSE FILE 909](#) - Appropriations — Health and Human Services
- [HOUSE FILE 911](#) - Appropriations — Infrastructure and Capital Projects
- [HOUSE FILE 920](#) - State Board of Regents Institutions — Bonding — Appropriations
- [HOUSE FILE 927](#) - Energy-Related Appropriations

RELATED LEGISLATION

- [SENATE FILE 78](#) - Natural Resources Regulation and Related Public Offenses
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act appropriates penalties collected for the transfer and registration of a vessel with an expired registration from the State Fish and Game Protection Fund to be used for the administration and enforcement of navigation laws and water safety.
- [SENATE FILE 277](#) - Educational Standards — Practitioners and Staff and Student Achievement
SEE EDUCATION. This Act increases the appropriations made from the General Fund of the State under 2006 Iowa Acts, Chapter 1182, to the Department of Education for purposes of the Student Achievement and Teacher Quality Program for FY 2007-2008 by \$34.6 million and for FY 2008-2009 by \$74.6 million, and provides, in a number of instances, changes in the amounts allocated and the purposes for which the funds are allocated.
- [SENATE FILE 302](#) - Regional Tourism Marketing Appropriations — Disbursement
SEE ECONOMIC DEVELOPMENT. This Act relates to moneys appropriated to the Department of Economic Development for regional tourism marketing purposes.
- [SENATE FILE 319](#) - Cooperative Associations — Miscellaneous Provisions
SEE AGRICULTURE. This Act amends provisions relating to cooperative associations organized under Code Chapter 499 by authorizing a number of business practices relat-

ing to the issuance of stock and the filing of documents with the Secretary of State and a county recorder.

- [SENATE FILE 407](#) - Home Ownership Assistance for Armed Forces Members
SEE PUBLIC DEFENSE AND VETERANS. This Act codifies the Home Ownership Assistance Program for Iowa military veterans administered by the Iowa Finance Authority in Code Chapter 35A. The program was initially funded through a supplemental appropriation enacted in 2005.
- [SENATE FILE 499](#) - Underground Storage Tank Regulation
SEE ENVIRONMENTAL PROTECTION. This Act appropriates moneys to the Department of Natural Resources for administration of the Certified Compliance Inspector Program.
- [SENATE FILE 558](#) - Game Bird Habitat Development Programs and Funding
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act increases the wildlife habitat fee by \$3, appropriates moneys collected from the increase, and creates programs to expend the moneys for game bird habitat development.
- [SENATE FILE 564](#) - Dangerous Wild Animals — Possession, Ownership, Transportation — Penalties
SEE AGRICULTURE. This Act regulates the possession of dangerous wild animals which are defined to include wolves, coyotes, jackals, hyenas, lions, tigers, cougars, leopards, cheetahs, ocelots, servals, bears, pandas, rhinoceroses, elephants, primates other than humans, alligators, crocodiles, water monitors, venomous snakes, and certain constrictors (pythons and anacondas), and has been further amended by S.F. 601 to include swine commonly known as a Russian boar or European boar. The Act provides that a person who keeps a dangerous wild animal must pay the Department of Agriculture and Land Stewardship a registration fee which ranges from \$10 to \$500 for deposit into a Dangerous Wild Animal Registration Fund under the department's control. Moneys in the fund are appropriated to the department for purposes of administering and enforcing the Act's provisions.
- [SENATE FILE 578](#) - Veterans — Vietnam Service Bonus Compensation
SEE PUBLIC DEFENSE AND VETERANS. This Act appropriates \$500,000 from the Veterans Trust Fund to the Vietnam Conflict Veterans Bonus Fund for payment of a Vietnam Conflict veterans bonus created by the Act.
- [HOUSE FILE 829](#) - Targeted Industry Promotion, Development, and Education Activities
SEE ECONOMIC DEVELOPMENT. This Act appropriates moneys for the development and commercialization of businesses in the targeted industry areas of advanced manufacturing, bioscience, and information technology.
- [HOUSE FILE 877](#) - Statewide Preschool Programs for Four-Year-Old Children — Appropriations
SEE EDUCATION. This Act creates a statewide voluntary preschool program for four-year-old children to be implemented through school districts. The program is administered at the state level by the State Board of Education and the Department of Education. Standing limited appropriations for fiscal years 2008-2009, 2009-2010, and 2010-2011 are provided to cover the initial year a school district participates in the program.
- [HOUSE FILE 890](#) - Targeted Small Business Assistance — Programs and Appropriations
SEE ECONOMIC DEVELOPMENT. This Act appropriates moneys from the General Fund of the State to the Department of Economic Development and the Department of Inspections and Appeals for purposes of assisting small businesses. The Act takes effect May 22, 2007.

APPROPRIATIONS

SENATE FILE 95 - Supplemental Appropriations — Veteran and Armed Forces Member Home Ownership Assistance and Injured Veterans Grants

BY COMMITTEE ON APPROPRIATIONS. This Act makes two supplemental appropriations of \$2 million each to the Department of Veterans Affairs for FY 2006-2007, one for the Home Ownership Assistance Program administered by the Iowa Finance Authority and the other for the Injured Veterans Grant Program. See S.F. 407 (Public Defense and Veterans) for codification of the Home Ownership Assistance Program, and S.F. 601 and H.F. 909 for FY 2007-2008 appropriations provisions addressing these programs.

The Home Ownership Assistance Program is targeted to Iowa residents who are or were active members of the Armed Forces of the United States. Under the initial appropriation for the program, the eligibility requirements provided that an Iowa resident must have had at least 90 days of active duty service during the period beginning September 11, 2001, and ending June 30, 2007. The Act extends this period by one year to June 30, 2008. A nonreversion clause provides that any unused funds from the appropriation do not revert until the close of FY 2008-2009.

The Injured Veterans Grant Program provides hardship grants to military veterans seriously injured in a combat zone since September 11, 2001.

The Act takes effect February 14, 2007.

SENATE FILE 305 - Disaster Grants

BY COMMITTEE ON APPROPRIATIONS. This Act authorizes the Executive Council to approve funding for providing disaster grants to needy individuals in the event of the Governor's issuance of a proclamation of a state of disaster during fiscal year 2006-2007. The funding derives from the standing appropriation under Code Section 7D.29 for performance of the duties assigned to the Executive Council. The grants are to be administered by the Department of Human Services based upon substantially the same requirements used for distribution of federal disaster aid for a federally declared disaster.

The authorization is effective retroactively for the period beginning February 23, 2007, through June 30, 2007. The Governor issued an emergency declaration on February 24, 2007, for 58 counties to address the effects of a winter storm. See H.F. 896, which codifies a similar authorization.

The Act takes effect February 28, 2007.

SENATE FILE 403 - Miscellaneous Supplemental Appropriations and Financial Regulation

BY COMMITTEE ON APPROPRIATIONS. This Act relates to financial and regulatory matters by making and increasing appropriations for FY 2004-2005, FY 2005-2006, and FY 2006-2007. The Act is organized into divisions.

ADMINISTRATION AND REGULATION. Division I increases appropriations made to the Department of Administrative Services (DAS) for payment of utility costs, to the Department of Revenue for operations, and to the Office of Governor and Lieutenant Governor for the Terrace Hill quarters and for the Governor-elect Fund for transition costs. An appropriation made for the Iowa Energy Independence Office is repealed in S.F. 601. An appropriation for the Office of Energy Independence is provided in H.F. 927. The appropriations in this division are made from the General Fund of the State for FY 2006-2007.

EDUCATION. Division II makes appropriations from the General Fund of the State for FY 2006-2007 for education programs. New appropriations are made to the State Board of Regents for a biomass production project at the University of Northern Iowa (UNI). An FY 2006-2007 appropriation to the Department of Cultural Affairs (DCA) for the African-American Historical Museum and Cultural Center in Cedar Rapids is increased and a report is required. The division makes a new appropriation to DCA for FY 2006-2007 to be used for funding of the Iowa Caucus Project. Nonreversion clauses allow carryforward of unexpended funds from the appropriations involving DCA.

The division also makes three supplemental appropriations to the Department of Education: for the Skills Iowa Technology Grant Program, for the Division of Vocational Rehabilitation Services for a foundation grant to provide assistive technology loans and loan guarantees, and for a mobile television production unit and digital equipment at the Division of Public Broadcasting. The appropriations are subject to nonreversion clauses allowing for the carryforward of unexpended funds.

HEALTH AND HUMAN SERVICES. Division III makes a supplemental appropriation for FY 2006-2007 from the IowaCare Account for the University of Iowa Hospitals and Clinics. The appropriation is subject to a nonreversion clause.

JUSTICE SYSTEM. Division IV addresses certain appropriations from the General Fund of the State for FY 2006-2007 included in the justice system budget.

Appropriations to the Department of Corrections for departmental facilities, general administration, and county confinement costs are increased.

Appropriations to the Department of Public Safety (DPS) for the divisions of Criminal Investigation, State Fire Marshal, and State Patrol are increased. A new appropriation is included for the Division of State Patrol for equipment costs and the balance of this appropriation may be carried to the next fiscal year if unexpended at the close of the fiscal year.

TOBACCO SETTLEMENT TRUST FUND, REBUILD IOWA INFRASTRUCTURE FUND, AND ROAD USE TAX FUND. Division V makes new appropriations and revises existing appropriations from the Tax-exempt Bond Proceeds Restricted Capital Funds Account of the Tobacco Settlement Trust Fund, the Rebuild Iowa Infrastructure Fund, and the Road Use Tax Fund.

New appropriations are made for FY 2006-2007 to DAS for the Iowa Juvenile Home powerhouse, for roof replacement at Terrace Hill, for upgrades to the Capitol Complex electrical distribution system, and to DPS for property acquisition and maintenance, radio consoles, and equipment.

Reductions are made in existing appropriations for FY 2004-2005 to DAS for purchase and installation of an Integrated Information for Iowa System and for FY 2005-2006 to DPS for construction of an Iowa State Patrol post.

A new FY 2006-2007 appropriation is made from the Road Use Tax Fund to the Office of the Treasurer of State for information technology-related expenses.

OTHER APPROPRIATIONS. Division VI makes appropriations for FY 2006-2007 from the Property Tax Relief Fund and the General Fund of the State for allocation to counties that meet certain population criteria. The allocations are required to be credited to the counties' mental health, mental retardation, and developmental disabilities services funds.

REAL ESTATE EDUCATION. Division VII revises provisions involving real estate education. Code Section 543B.54 is amended to provide that the Real Estate Education Fund is to be used to establish and maintain real estate education throughout the state with the development of college credit real estate education programs at Iowa community colleges and other Iowa colleges and universities. A portion of the real estate salesperson and real estate broker license fees deposited in the fund are appropriated to the Real Estate Commission to establish and maintain a grant program to fund these programs. The grants are required to be awarded by a grant committee established by the commission. The provision amending Code Section 543B.54 takes effect July 1, 2007.

Previously, the Real Estate Education Fund and the portion of the license fees deposited were used to fund a real estate education program at UNI. An appropriation of \$160,000 is made for FY 2007-2008 to be allocated to UNI for its Real Estate Education Program.

EFFECTIVE DATE. Division IX provides that, except as provided otherwise, the Act takes effect May 21, 2007.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A standing appropriation of \$160,000, which would have begun with FY 2008-2009, for the Real Estate Education Program at UNI. The Governor's veto message suggested that funding of the program should be addressed in the regular budget process.

Provisions that would have restricted the sale, exchange, or other means of disposal of certain state real property with a fair market value threshold of \$5 million or more by certain state agencies without prior approval by the General Assembly and the Governor. Most state agencies are required to obtain prior approval to dispose of real property, regardless of value, and the legislation would have addressed agencies that are not subject to prior approval.

SENATE FILE 551 - Appropriations — Agriculture and Natural Resources

BY COMMITTEE ON APPROPRIATIONS. This Act relates to agriculture and natural resources by making appropriations for the 2007-2008 fiscal year to support related entities, including the Department of Agriculture and Land Stewardship (DALS), the Department of Natural Resources (DNR), the Department of Economic Development (DED), and Iowa State University (ISU).

The Act principally appropriates moneys to DALS and the DNR. The appropriations are made to support the administration of programs and the enforcement of regulations under their control.

The Act affects a number of funds and makes a number of appropriations from the General Fund of the State. For agriculture, the Act affects moneys deposited into or expended from the Iowa Horse and Dog Breeders Fund, the Grape and Wine Development Fund, the Watershed Improvement Fund, and the Loess Hills Development and Conservation Fund. For natural resource conservation, the Act affects moneys deposited into or expended from the State Fish and Game Protection Fund, the Special Snowmobile Fund, the Marine Fuel Tax Fund, and the Iowa Resources Enhancement and Protection Fund. For environmental protection, the Act affects moneys deposited into or expended from the Brownfield Redevelopment Fund, the Groundwater Protection Fund, the National Pollutant Discharge Elimination System Permit Fund, the Agrichemical Remediation Fund, the Environment First Fund, and the Renewable Fuel Infrastructure Fund.

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

The Act appropriates moneys from the General Fund of the State to support animal husbandry, including for the administration of a chronic wasting disease program carried by deer populations, horse and dog racing, dairy products control, and avian influenza control. The Act supports programs for plant protection and crop production, including apiary law, and the control of pests affecting trees. The Act also appropriates moneys to reimburse commissioners of soil and water conservation districts for expenses. The Act appropriates moneys from the General Fund of the State to support food marketing and security, including a Senior Farmers' Market Nutrition Program, an Emergency Veterinarian Rapid Response Services Program, the regulation of organic agricultural products, and grape and wine promotion in this state.

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

The Act appropriates moneys to the DNR from the State Fish and Game Protection Fund to support programs related to fish and wildlife conservation.

The Act includes miscellaneous provisions. It transfers moneys from the Special Snowmobile Fund to the Fish and Game Protection Fund for snowmobile programs. An appropriation is made from the Unassigned Revenue Fund administered by the Iowa Comprehensive Underground Storage Tank Fund Board for the administration and expenses of the Underground Storage Tank Section. The Act appropriates moneys from the Groundwater Protection Fund to support groundwater quality programs. The Act appropriates moneys from the National Pollutant Discharge Elimination System Permit Fund for processing permit applications.

The Act authorizes the DNR to use additional funds for staffing to reduce the DNR's floodplain permit backlog and to implement the federal Total Maximum Daily Load Program.

IOWA STATE UNIVERSITY. The Act appropriates moneys to ISU from the Agricultural Remediation Fund to continue a project to perform water quality research to determine methods to reduce risks to water quality associated with open feedlot runoff.

The Act appropriates moneys to support the College of Veterinary Medicine for the operation of the Veterinary Diagnostic Laboratory. It also expresses an intent to provide for increased support for the following two fiscal years.

ENVIRONMENT FIRST FUND. The Act appropriates funding from the Environment First Fund to DALs, DED, and the DNR to support a number of programs and projects. For DALs, this includes support for soil and water conservation, a farm-to-school nutrition program (see S.F. 601), and the State Apiarist. For DED, this includes support for the Brownfield Redevelopment Program. For the DNR, this includes support for state parks, air and water quality, the regulation of animal feeding operations, and resource conservation. The Act appropriates \$15.5 million from the Environment First Fund to the Resources Enhancement and Protection Fund in lieu of the \$20 million appropriated by statute from the General Fund of the State.

CODE LANGUAGE — EMERGENCY PLANNING. The Act amends Code Chapter 30 to transfer authority and duties associated with the federal Emergency Planning and Community Right-to-Know Act, relating to emergency and hazardous chemicals and recordkeeping, from the Department of Workforce Development to the DNR.

CODE LANGUAGE — IOWA HORSE AND DOG BREEDERS FUND. The Act amends Code Section 99D.22, establishing qualifications for the breeder of a dog involved in racing to qualify for the Horse and Dog Breeders Fund, by requiring that such dogs must be housed in a state (DALs) inspected and licensed facility.

CODE LANGUAGE — WATER QUALITY INITIATIVES. The Act provides for water quality improvements and watershed improvements by requiring DALs and the DNR to cooperate in administering programs relating to water quality improvement and watershed improvements for purposes of maximizing the receipt of federal funds. Innovative water quality projects shall be encouraged when moneys are awarded from the Watershed Improvement Fund. The Act allows public water supply utilities, county conservation boards, and cities to apply for a watershed improvement grant for water quality improvement projects. The applicant must cooperate with a local watershed improvement committee or soil and water conservation district and include a description of existing projects and the potential impact of a proposed project.

In 2006, the General Assembly enacted S.F. 2363 (2006 Iowa Acts, Chapter 1145), establishing the Watershed Quality Planning Task Force, which was required to report to the General Assembly its recommendations for a voluntary statewide water quality program. The Act changes the reporting date from June 30, 2008, to January 1, 2008.

CODE LANGUAGE — GRAPE AND WINE DEVELOPMENT. The Act amends several provisions which require that a portion of the wine gallonage tax on wine imported into this state for sale at wholesale and sold in this state at wholesale be deposited into the Grape and Wine Development Fund (Code Section 175A.5) with the remaining moneys deposited into the Beer and Liquor Control Fund (Code Section 123.53). All moneys from the tax are to be deposited into the Beer and Liquor Control Fund. Code Section 123.53 provides that moneys in that fund are periodically transferred to the General Fund of the State, and the Act appropriates moneys from the General Fund of the State to DALs for deposit into the Grape and Wine Development Fund.

CODE LANGUAGE — LOESS HILLS DEVELOPMENT AND CONSERVATION AUTHORITY. The Act amends Code Section 161D.1 to add Guthrie County to the counties which are members of the Loess Hills Development and Conservation Authority. The Act places the list of member counties in alphabetical order.

CODE LANGUAGE — MARINE FUEL TAX FUND. The Act amends Code Section 452A.79A, as enacted by the General Assembly in 2006 (2006 Iowa Acts, Chapter 1179, Section 60), which creates the Marine Fuel Tax Fund under the authority of the DNR. The fund consists of revenues derived from the excise tax on the sale of motor

fuel used in watercraft. The Act provides that the Marine Fuel Tax Fund is a trust fund with a standing appropriation for use by the DNR.

CODE LANGUAGE — E-85 GASOLINE STORING AND DISPENSING INFRASTRUCTURE. Code Section 455G.31 provides that a retail dealer may dispense E-85 gasoline (formulated with between 70 percent and 85 percent alcohol) from a motor fuel pump dispenser even though it is not listed with an independent testing laboratory such as ASTM International. The Act provides that the dispenser must be listed by an independent testing laboratory as compatible with ethanol blended gasoline (formulated with at least 10 percent alcohol), and the retail dealer must routinely inspect the dispenser. In addition, the State Fire Marshal must issue an order as soon as practicable after determining that a commercially available dispenser is listed as compatible for use with E-85 gasoline by an independent testing laboratory, and a retail dealer has a four-year grace period in order to comply with the order. The retail dealer is also entitled to apply for supplemental moneys from the Renewable Fuel Infrastructure Fund (Code Section 15G.205) to upgrade or replace a dispenser which is part of a motor fuel pump metering E-85 gasoline.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision requiring that each department or state agency receiving an appropriation in the Act must file a report with the Department of Administrative Services and the General Assembly regarding an assessment of the telecommuting possibilities for employees of the department or state agency.

SENATE FILE 562 - Appropriations — Economic Development

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations and transfers from the General Fund of the State to the Department of Cultural Affairs, the Department of Economic Development (DED), the University of Iowa, the University of Northern Iowa, Iowa State University, the Department of Workforce Development (DWD), Iowa Finance Authority, and the Public Employment Relations Board for the 2007-2008 fiscal year.

The Act provides that the goals for DED shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

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

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

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

The Act appropriates moneys from the Workforce Development Fund Account to the Workforce Development Fund.

Moneys appropriated or transferred to or receipts credited to the Workforce Development Fund may be used for administration of workforce development activities.

All moneys remaining in the Job Training Fund on July 1, 2007, and any moneys appropriated or credited to the fund during the 2007-2008 fiscal year, shall be transferred to the Workforce Development Fund.

The Act requires the State Board of Regents to submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development, DWD to establish accountability measures for all subcontractors, the Auditor of State to annually conduct an audit of DWD, and the Legislative Services Agency to conduct an annual review of salaries paid to employees of entities organized under Code Chapter 28E and salaries paid under a contract with DWD.

Moneys from the Special Employment Security Contingency Fund are appropriated to DWD for the Division of Workers' Compensation.

Interest earned on the Unemployment Compensation Reserve Fund is appropriated to DWD for the operation of field offices.

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

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

For the 2007-2008 fiscal year, any entity that was specifically identified in 2001 Iowa Acts, Chapter 188, to receive funding from DED, excluding any entity identified to receive a direct appropriation beginning July 1, 2007, may apply to DED for assistance through the appropriate program.

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

Moneys credited to the state by the Secretary of the Treasury of the United States pursuant to the Social Security Act are appropriated to DWD for the administration of the Unemployment Compensation Program only.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision requiring each department or state agency receiving appropriations in the Act to file a report with the Department of Administrative Services and the General Assembly regarding an assessment of the telecommuting possibilities for the department or state agency.

SENATE FILE 563 - Appropriations — Judicial Branch

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations for FY 2007-2008 to the judicial branch.

The Act makes an appropriation from the General Fund of the State and the Jury and Witness Fees Revolving Fund created in Code Section 602.1302 to the Judicial Retirement Fund.

The Act authorizes the hiring of additional court employees and the appointment of two judicial officers for the Children's Justice Initiative. The initiative includes the following additional employees or judicial officers: two court reporters, one and one-half full-time equivalent court attendants, four juvenile court officers, two juvenile court technicians, and two district associate judge positions.

Juror compensation is raised from \$10 to \$30 for each day of service or attendance, including attendance required for the purpose of being considered for service.

The Act also permits the court to seal or partially seal a jury questionnaire if the court finds it necessary to protect the safety or privacy of a juror or a family member of a juror.

SENATE FILE 575 - Appropriations — Justice System

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations for FY 2007-2008 to the departments of Justice (DOJ), Corrections (DOC), Public Defense (DPD), and Public Safety (DPS); the Iowa Law Enforcement Academy (ILEA); Office of Consumer Advocate; Office of the State Public Defender; Board of Parole (BOP); and the Iowa State Civil Rights Commission.

DEPARTMENT OF JUSTICE. The Act appropriates \$14.39 million to DOJ, which represents an increase of \$1.78 million compared to the FY 2006-2007 appropriations.

DEPARTMENT OF CORRECTIONS. The Act appropriates \$339.74 million to DOC, which represents an increase of \$20.89 million compared to the FY 2006-2007 appropriations.

STATE PUBLIC DEFENDER. The Act appropriates \$52.13 million to the Office of the State Public Defender, which represents an increase of \$6.59 million compared to the FY 2006-2007 appropriations.

IOWA LAW ENFORCEMENT ACADEMY. The Act appropriates \$1.22 million to ILEA, which represents an increase of \$7,000 compared to the FY 2006-2007 appropriations. For FY 2007-2008, ILEA may charge a department of the state, a member of a police force, or any political subdivision of the state more than one-half of the cost to provide the basic training course for a law enforcement officer, provided a majority of the Iowa Law Enforcement Council approves such a charge. Current law prohibits ILEA from charging more than one-half of the cost of providing the basic training course.

BOARD OF PAROLE. The Act appropriates \$1.12 million to BOP, which equals the appropriations made during FY 2006-2007.

DEPARTMENT OF PUBLIC DEFENSE. The Act appropriates \$8.22 million to DPD, which represents an increase of \$595,000 compared to the FY 2006-2007 appropriations.

DEPARTMENT OF PUBLIC SAFETY. The Act appropriates \$84.14 million to DPS, which represents an increase of \$3.19 million compared to the FY 2006-2007 appropriations. The DPS is directed to study and make recommendations to the General Assembly regarding the benefits, as well as disadvantages, of converting recording equipment in state patrol motor vehicles to digital camera recording technology.

CIVIL RIGHTS COMMISSION. The Act appropriates \$1.41 million to the Iowa Civil Rights Commission, which represents an increase of \$247,000 compared to the FY 2006-2007 appropriations.

HOMELAND SECURITY AND EMERGENCY MANAGEMENT DIVISION. The Act appropriates moneys from the Wireless E911 Emergency Communications Fund to the Homeland Security and Emergency Management Division of DPD for distribution on an equal basis to each public safety answering point for wireless E911 phase 2 upgrades and expenditures. The Act also requires a joint E911 service board to report public safety answering point expenditures to the E911 Program Manager, and requires the E911 Program Manager to compile the expenditure reports into one expenditure report and submit the report to the appropriate legislative committees.

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

Upon the retirement of any outstanding wireless E911 phase 1 obligation, 25 percent of the total amount of the E911 surcharge generated per calendar quarter shall be allocated to the joint E911 service boards and DPS for public safety answering points within the service area of each joint E911 service board and DPS. Prior law allocated 24 percent of the total amount of the E911 surcharge generated per calendar quarter to the joint E911 service boards and DPS.

ENVIRONMENTAL CRIMES INVESTIGATION AND PROSECUTION FUND. The Act establishes an Environmental Crimes Investigation and Prosecution Fund in new Code Section 455B.112A as a separate fund in the state treasury to be administered by the Attorney General. Moneys credited to the fund include court-ordered fines and restitution awarded to the Attorney General as part of a judgment in an environmental criminal case. Not more than \$20,000 is appropriated from the fund to DOJ to be used for the investigation and prosecution of environmental crimes. Not more than \$20,000 shall be credited to the fund in a fiscal year and any moneys in excess of this amount shall be credited to the General Fund of the State.

Under prior law, the funds were appropriated to DOJ in session law each year and were contingent upon the Environmental Crime Fund receiving an amount at least equal to the contributions, court-ordered restitution as part of judgments, and consent decrees entered as part of an environmental enforcement action.

ANTITRUST FUND. The Act establishes an Antitrust Fund in new Code Section 553.19 as a separate fund in the state treasury to be administered by the Attorney General. Moneys credited to the fund shall include amounts received as a result of a state or federal civil antitrust judgment or settlement which are based on damages sustained by the state, civil penalties, costs, attorney fees, and amounts which are specifically directed to the credit of the fund by the judgment or settlement, and amounts which are designated by the judgment or settlement for use by the Attorney General for antitrust enforcement or education. Not more than \$500,000 is appropriated from the fund to DOJ to be used in antitrust enforcement.

Under prior law, the funds were appropriated from the General Fund of the State to DOJ for antitrust enforcement in session laws each year and were contingent upon the General Fund of the State receiving an amount at least equal to the amount received by the state or political subdivision of the state by an antitrust enforcement judgment or settlement, and the funds appropriated to DOJ for antitrust enforcement were not to exceed \$200,000.

CONSUMER EDUCATION AND LITIGATION FUND. The Act establishes a Consumer Education and Litigation Fund in new Code Section 714.16C as a separate fund in the state treasury to be administered by the Attorney General. Moneys credited to the fund include amounts received as a result of a state or federal civil consumer fraud judgment or settlement, civil penalties, costs, attorney fees, and amounts specifically directed to the credit of the fund by the judgment or settlement, and amounts which are designated by the judgment or settlement for use by the Attorney General for consumer litigation or education purposes. Not more than \$1,125,000 is appropriated from the fund to DOJ for consumer fraud education and enforcement, and not more than \$75,000 is appropriated from the fund to DOJ for education, investigation, and prosecution relating to consumer and criminal fraud against older Iowans.

Under prior law, the funds were appropriated to DOJ for consumer fraud in session law each year and were contingent upon the General Fund of the State receiving an amount at least equal to the amount received by the state or political subdivision of the state through a fraud judgment or settlement.

INDIGENT REPRESENTATION. The Act amends Code Section 815.7 to raise the hourly rate for indigent representation from \$65 to \$70 for class "A" felonies and from \$60 to \$65 for class "B" felonies, and maintains the hourly rate for all other felonies and misdemeanors at \$60. The Act also raises the hourly rate for all other cases requiring attorney representation from \$55 to \$60.

PILOT PROJECT. The Attorney General is directed to establish a pilot project with a nonprofit agency that focuses primarily on the representation of children in dissolution of marriage proceedings.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision requiring the director of a department or state agency receiving an appropriation under the Act to assess the extent to which job classifications or individual employment positions might be effectively performed from the employee's residence or other remote location through telecommuting in order to reduce costs, and to submit a report summarizing the assessment to the General Assembly.

SENATE FILE 588 - Appropriations — Education

BY COMMITTEE ON APPROPRIATIONS. This Act appropriates moneys for FY 2007-2008 from the General Fund of the State to the College Student Aid Commission, the Department for the Blind, the Department of Education, and the State Board of Regents and its institutions.

DEPARTMENT FOR THE BLIND. The Act appropriates moneys to the Department for the Blind for its administration.

COLLEGE STUDENT AID COMMISSION. The Act includes appropriations to the College Student Aid Commission for general administrative purposes, student aid programs, an initiative directing primary care physicians to areas of the state experiencing physician shortages, forgivable loans for Des Moines University — Osteopathic Medical Center students, the National Guard Educational Assistance Program, the Teacher Shortage Forgivable Loan and Loan Forgiveness programs, the Registered Nurse and Nurse Educator Loan Forgiveness Program, and the All Iowa Opportunity Assistance Program, which includes the All Iowa Opportunity Foster Care Grant Program and the All Iowa Opportunity Scholarship Program established by the Act under the purview of the commission.

The All Iowa Opportunity Foster Care Grant Program provides financial assistance for postsecondary education or training for young adults ages 18 through 23 who at one time were involved with the state's foster care or juvenile justice programs. A young adult must apply for the financial assistance program and commence the education or training prior to becoming age 23. The All Iowa Opportunity Scholarship Program provides grants to pay the tuition and mandatory fee costs for resident students attending Iowa's community colleges and re-

gents universities. Resident students attending private colleges are eligible for the program if the General Assembly appropriates more than \$500,000 for purposes of the program. Senate File 601 appropriates an additional \$500,000 for purposes of the scholarship program.

The Registered Nurse Recruitment Program is replaced by the Registered Nurse and Nurse Educator Loan Forgiveness Program. Registered nurses and nurse educators who practice or teach in this state are offered loan forgiveness up to the resident tuition rate at a regents university or 20 percent of the individual's total federally guaranteed Stafford loan or federal direct loan amount, whichever is less, for not more than five years. The Teacher Shortage Loan Forgiveness Program established by the Act offers the same loan forgiveness opportunities and terms to individuals who practice in an area the Department of Education designates as a teacher shortage area.

The \$2.75 million standing appropriation for the Iowa Work-Study Program is reduced for FY 2007-2008 to only \$395,600. The commission is directed to conduct a study of the estimated family contribution limit eligibility requirement for Iowa Tuition Grants and to submit a report to the General Assembly by January 14, 2008. The Act amends statute to provide modest increases to the Tuition Grant Program for not-for-profit and for-profit postsecondary institutions and for Vocational-Technical Tuition Grants.

DEPARTMENT OF EDUCATION. The Act appropriates moneys to the Department of Education for purposes of general administration, vocational education administration, the Division of Vocational Rehabilitation Services, independent living, the State Library for general administration and the Enrich Iowa Program, the library service area system, the Public Broadcasting Division, regional telecommunications councils, vocational education to secondary schools, school food service, the Iowa Empowerment Fund, birth to age three services, early Head Start pilot projects, a statewide preschool program for four-year-old children (program enacted in H.F. 877, see Education), textbooks for nonpublic school pupils, Jobs for America's Graduates, a vocational agriculture youth organization, a statewide education data warehouse, advanced placement through the Iowa Online Advanced Placement Academy, the Supplemental Strategies and Educational Services Grant Program established by the Act, the Before and After School Grant Program established by the Act (see S.F. 601 and H.F. 907 for supplemental appropriations), the Beginning Administrator Mentoring and Induction Program, and community colleges. The Act eliminates the standing appropriation for the Beginning Administrator Mentoring and Induction Program.

The number of full-time equivalent positions at the department is increased by 13 percent. The 10 new positions are to be used for support of the Community College Management Information System; for the expansion of the State Board of Education model core curriculum; for the development and implementation of strategic educational goals; for the implementation of the grant request for proposals, technical assistance, and monitoring provisions in the Student Advancement Policy; for the collection and dissemination of resources related to human growth and development curriculum; for district sharing incentive purposes; and for the Senior Year Plus Program study. Of the current positions, one is allocated for district sharing incentive purposes and four for the Student Achievement and Teacher Quality Program.

Under provisions related to the Iowa Empowerment Fund, the Act states General Assembly intent that regional technical assistance teams be established and include staff from various agencies, as appropriate, including the area education agencies (AEAs), community colleges, and the Iowa State University Cooperative Extension Service in Agriculture and Home Economics. The Iowa Empowerment Board must direct staff to work with the advisory council to inventory technical assistance needs. Funds allocated for deposit in the School Ready Children Grants Account may be used by the board for skills development and support for ongoing training of the regional technical assistance teams, but cannot be used for additional staff or for the reimbursement of staff. Each community empowerment area board must report progress on each of the state and local indicators to the Iowa Empowerment Board. Each community empowerment area board must also submit a written plan amendment extending by one year the area's grant plan developed for providing services for children from birth through five years of age. The amendment may provide for changes in the programs and services provided under the plan.

The State Board of Education is directed to adopt rules for the implementation of core contents standards and establishment of a voluntary model core curriculum. Also in statute, the Act permits a reorganization decision by an AEA board to be appealed to the state board, requires school districts to adopt a student advancement policy, and makes a student's receiving district responsible for making driver education available to a student participating in open enrollment.

The department must establish and maintain a process and a procedure, in cooperation with the Board of Educational Examiners, to compare a practitioner's teaching assignment with the license and endorsement held by the practitioner. Employees of the department are directed to report alleged misconduct to the board. School district employees must disclose any occurrence of an inappropriate teaching assignment and failure to do so constitutes an incident of misconduct. If the board verifies that a teacher is assigned inappropriately by a school district, the Executive Director may initiate a complaint against the teacher and the administrator responsible for the assignment.

The department is directed to evaluate the readiness of school districts to adopt and support the voluntary model core curriculum, to convene a community college faculty working group, and to submit its findings and recommendations in reports to the General Assembly by January 14, 2008.

The Act treats virtual shared classes like other types of shared classes that receive supplemental funding by providing that both the school district that provides the class and the instructor and the school district that receives the class over the Iowa Communications Network receive supplemental funding of one-twentieth of the percentage of a student's school day spent in the virtual class. The Act provides the same percentage of supplemental funding for a school district that receives a community college class over the Iowa Communications Network. The school district providing the instructor and class must reserve 50 percent of the supplemental funding it receives for extra pay to the instructor. This provision takes effect July 1, 2007, and applies to school years beginning on or after July 1, 2008.

Each school district is required to adopt a student advancement policy which provides that supplemental strategies will be offered to all students in kindergarten through grade five who do not meet grade level expectations in the core courses; requires students in grades six through eight who fail one or more of the core courses to make up deficiencies before advancing to the next level in the subject area; and provides opportunities to students, such as tutoring, which may be offered before and after school or during the summer and by private services providers to assist the students in meeting district expectations. If a student in kindergarten through grade eight fails to meet core course expectations, the school district must develop a plan for supplemental strategies or supplemental educational services and for measuring student progress, in consultation with the student's parent or guardian. The core courses are English-language arts, social studies, mathematics, and science. The Supplemental Strategies and Educational Services Grant Program established by the Act is available to school districts to provide these strategies and educational services. By January 15 of each year in which funds are appropriated for grants, the department must assess the effectiveness of the program and submit a report to the General Assembly.

Each school district must review and modify existing policies related to student discipline and student conduct. The policies must govern the conduct of students, practitioners, other school personnel, and visitors; provide opportunities for students to exercise self-discipline and practice cooperative classroom behavior; encourage students and practitioners to model fairness, equity, and respect; and specify responsibilities for behavior and the consequences for unacceptable behavior. The policy must be published in the student handbook.

The standards for community college instructors are expanded to require all instructors who are under contract for at least half-time or more to meet the qualifications and requirements which are specified currently in Code for full-time faculty only.

The Act amends 2006 Iowa Acts to reallocate a portion of the funds from the Reading Instruction Pilot Project Grant Program for teacher training and the reconstruction of Reading Recovery in Spanish and to the Iowa Empowerment Fund for implementation of the Business Community Investment Advisory Council report and recommendations. The Act repeals the grant program because the department did not receive any grant applications from school districts. The Act also amends 2006 Iowa Acts to reduce from \$15 million to \$10 million the

appropriation for early care, health, and education and preschool programs and initiatives for FY 2007-2008 and FY 2008-2009. Provisions amending 2006 Iowa Acts take effect May 29, 2007.

STATE BOARD OF REGENTS. The Act appropriates moneys to the State Board of Regents for the board office, for tuition replacement, the universities' general operating budgets, the Southwest Iowa Graduate Studies Center, the Tristate Graduate Center, the Quad-Cities Graduate Studies Center, Iowa's obligation as a member of the Midwestern Higher Education Compact, the State University of Iowa (SUI), Iowa State University (ISU), the University of Northern Iowa, the Iowa School for the Deaf, the Iowa Braille and Sight Saving School, and for tuition and transportation costs for students residing in the Iowa Braille and Sight Saving School and the Iowa School for the Deaf. New to the list of SUI line items funded is the Larned A. Waterman Iowa Nonprofit Resources Center and a program for farmers with disabilities.

The Act appropriates \$500,000 to the state board for FY 2007-2008 and FY 2008-2009 for the establishment of the George Washington Carver Endowed Chair at ISU. ISU must match every state dollar with \$2 from other sources.

The state board is authorized to allow each university to retain its student fees and charges to further the institution's purposes. The fees and charges are not considered repayment receipts. This provision takes effect May 29, 2007.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. A provision that appropriated up to \$100,000 from the Scholarship and Tuition Grant Reserve Fund for FY 2007-2008 to award Iowa Vocational-Technical Tuition Grants for attendance at barber schools and schools of cosmetology arts and sciences.
2. A provision that required the director of a department or agency to which appropriations were made under the Act to assess employment positions that could be effectively performed via telecommuting, to report assessment results to the Director of the Department of Administrative Services and the General Assembly by November 1, 2007, to implement a policy by January 1, 2008, and begin submitting annual reports to the Department of Administrative Services and the General Assembly beginning January 1, 2009.

SENATE FILE 601 - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes

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

Division I — MH/MR/DD/BI Services Allowed Growth Funding — FY 2008-2009

Division I appropriates \$64.6 million in funding for the FY 2008-2009 MH/MR/DD/BI services allowed growth factor adjustment payments to counties and for the Brain Injury Services Program in the Department of Public Health (DPH).

Division II — Standing Appropriations and Related Matters

Division II limits the standing unlimited appropriations for FY 2007-2008 made for the following purposes: instructional support state aid, payment of nonpublic school transportation, the Educational Excellence Program to improve teacher salaries, and the state share of peace officers' retirement benefits.

In addition, for FY 2007-2008 the following property tax credits are funded partly from the Property Tax Credit Fund created in the division and partly from the General Fund of the State (\$28 million): homestead, agricultural land and family farm, military service, and elderly and disabled tax credit and reimbursement. Approximately \$132 million of the amount appropriated from the Property Tax Credit Fund is funded from the ending balance in the State General Fund from FY 2006-2007 for a total of approximately \$160 million.

For the budget process applicable to FY 2008-2009, state agencies are required to submit estimates and other expenditure information as called for by the Director of the Department of Management (DOM) after consultation with the Director of Management instead of the information required under Code Section 8.23.

Of the appropriations made for expenses of the General Assembly under Code Section 2.12, \$775,000 is to be used for security at the Capitol and judicial buildings.

The division provides for the transfer from the Iowa Comprehensive Petroleum Underground Storage Tank Fund of \$3 million to the State General Fund during FY 2007-2008.

Code Section 8.57A is amended to increase the standing appropriation from the Rebuild Iowa Infrastructure Fund to the Environment First Fund from \$35 million to \$40 million.

Code Section 257.35, relating to state aid to schools provided for area education agencies (AEAs), is amended to continue a reduction in that funding for FY 2007-2008. The amount of the reduction is limited to \$5.25 million in place of the \$8 million reduction applied for the previous fiscal year, and the reduction for each AEA will be prorated based upon the reduction in the state aid that the agency received in FY 2003-2004. The division expresses intent of the General Assembly to eliminate this reduction by FY 2009-2010.

The contingent appropriation under Code Section 8.57(1) of up to 1 percent of the adjusted revenue estimate for FY 2007-2008 from the State General Fund to the Cash Reserve Fund in the event the FY 2006-2007 ending balance distribution was insufficient to bring the fund to the designated level shall not be made for FY 2007-2008.

Division III — Salaries, Compensation, and Related Matters

Division III relates to the funding for the fiscal year beginning July 1, 2007, of salary increases for state-appointed, nonelected officers, justices, judges, magistrates, and employees subject to collective bargaining agreements, most noncontract employees, and State Board of Regents employees.

The annual salaries of the justices, judges, and judicial magistrates are increased by approximately 2 percent.

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

The division provides supplemental authorization to fund salaries from trust, revolving, and special funds for which the General Assembly has established a budget in addition to an appropriation of \$106.9 million made from the General Fund of the State.

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

The division provides for the payment of overtime for uniformed peace officers in the Division of State Patrol who are covered by a collective bargaining agreement.

The division amends Code Section 20.5 relating to compensation of members of the Public Employment Relations Board to provide that they are to be compensated as provided by law in lieu of being set by the General Assembly.

The division amends Code Section 99D.6 to provide that the Administrator of the State Racing and Gaming Commission will be paid compensation as set by the Governor rather than within the salary range set by the General Assembly.

The division amends Code Section 421.1A relating to the compensation of members of the Property Assessment Appeal Board to provide that they shall be compensated similar to the salary of a district judge until December 31, 2013.

Division IV — Other Appropriations and Related Matters

Division IV makes numerous appropriations or reductions in appropriations for FY 2007-2008 and involves related matters as follows:

- ❑ To the Department of Administrative Services (DAS), \$120,000 is appropriated to provide for free shuttle service to the Capitol Complex by the Des Moines Area Regional Transit Authority.
- ❑ To the Department of Education (DOE), \$200,000 is appropriated for allocation to the Iowa Western Community College for interpreters for the deaf.
- ❑ To DOE, \$2 million is appropriated for payment of instructors' salaries at community colleges.
- ❑ To the Department of Elder Affairs (DEA), \$50,000 is appropriated to assist a qualifying county to fund a livable community initiative for the elderly and to hire a full-time professional aging specialist.
- ❑ To DOE, a supplemental appropriation of \$500,000 is made for the All Iowa Opportunity Assistance Program established in S.F. 588. The moneys are to be used for the All Iowa Opportunity Scholarship Program.
- ❑ To DOE, a supplemental appropriation of \$295,000 is made for the Before and After School Program established in S.F. 588.
- ❑ To the Department of Justice, an appropriation of \$150,000 is made for farm mediation services to supplement the appropriation made for farm mediation services in S.F. 575.
- ❑ To DPH, \$200,000 is appropriated for awarding to 211 nonprofit call centers on a statewide basis for providing human services information for citizens of the state.
- ❑ To the judicial branch, \$14.2 million is appropriated for salaries, support, and miscellaneous purposes to supplement the appropriation in S.F. 563.
- ❑ To the Department of Inspections and Appeals (DIA), \$3 million is appropriated to the Office of State Public Defender for the Indigent Defense Program to supplement the appropriation in S.F. 575.
- ❑ To the Department of Agriculture and Land Stewardship, \$10,000 is appropriated for allocation to the Iowa Junior Angus Association in connection with the 2008 National Junior Angus Show.
- ❑ To the Department of Corrections (DOC), \$560,000 is appropriated for the Newton Correctional Facility to supplement the appropriation in S.F. 575.
- ❑ To the Office of Attorney General, \$450,000 is appropriated for legal services for persons in poverty grants to supplement the appropriation in S.F. 575.

The division amends H.F. 752 to increase the amounts of the appropriations for the Department of Transportation (DOT) from the Road Use Tax Fund and the Primary Road Fund for utility services by \$43,207 and \$265,417, respectively.

The division amends H.F. 641 (see Transportation) to repeal the section of H.F. 641 that is titled "Processing of Installment Agreements" and allocates moneys to the judicial branch.

The division amends H.F. 874 to increase the full-time equivalent positions (FTEs) for the Insurance Division of the Department of Commerce by .50.

The division provides that the appropriation in H.F. 927 to the Office of Energy Independence that allocates moneys for administrative costs shall be for not more than 4.00 FTEs. In addition, new Code Section 469.10, enacted in H.F. 927, is amended to limit the employment by the office to 4.00 FTEs annually.

The division amends 2006 Iowa Acts, Chapter 1177, Section 16, to provide for the nonreversion of moneys appropriated to DOM for conducting performance audits and developing performance measures.

The division amends 2006 Iowa Acts, Chapter 1180, Section 5, and S.F. 562, to provide for the nonreversion of moneys appropriated for the Great Places Program.

The division expresses the intent of the General Assembly that appropriations be made to assist the Local Government Innovation Commission in funding the Tim Shields Center for Governing Excellence in Iowa established in S.F. 155 (see Local Government).

The division requires the State Board of Regents, in cooperation with DOE and the community colleges, to develop, maintain, and promote a user-friendly credit transfer and articulation internet website that allows Iowans to know at the time of enrollment in a community college course whether the credit will be accepted by the state university of the student's choice, the category in which the university will apply the credit, and to which degree program or programs the university will apply the credit.

The division amends Code Section 15F.203 to allow water trails to be a project for which funds under the Community Attraction and Tourism (CAT) Program may be spent.

The division amends Code Section 256D.5 to extend the standing, limited appropriation of \$29.25 million for the Iowa Early Intervention Block Grant Program to the fiscal year ending June 30, 2012, and extends repeal of the program to July 1, 2012.

Code Section 279.51 is amended to increase the amount of the standing appropriation to DOE for at-risk children programs from \$12,560,000 to \$12,606,196.

Code Section 602.8108 is amended to strike subsections 8, 9, 10, and 11, which provide that a set amount of the fines and fees collected by the State Court Administrator be allocated to the judicial branch, State Public Defender, Office of Attorney General, or DOC. Instead these amounts will be deposited into the General Fund of the State.

Division V — Appropriation Adjustments

Division V makes adjustments in appropriations made for various programs or purposes in other 2007 Iowa Acts as follows:

- To the Department of Veterans Affairs, \$1 million is appropriated from the Rebuild Iowa Infrastructure Fund for transfer to the Iowa Finance Authority for continuation of the Home Ownership Assistance Program for veterans in accordance with new Code Section 35A.15 enacted in S.F. 407 (see Public Defense and Veterans).
- The appropriations in S.F. 562 to the Department of Economic Development (DED) for the Mainstreet Program, World Food Prize, and for expanding the *MyEntreNet* internet service area at the University of Northern Iowa are reduced by \$100,000, \$200,000, and \$100,000, respectively.
- The appropriations in S.F. 575 to DOC for educational programs for inmates is reduced by \$500,000 and for the Sixth Judicial District Department of Correctional Services is reduced by \$200,000.
- The appropriations in H.F. 874 to the Office of Secretary of State for administration and elections is reduced by \$100,000.

Division VI — Miscellaneous Statutory Changes

Division VI amends Code Section 7E.7(1) to remove the Iowa Finance Authority as part of DED.

Code Sections 7E.7(2) and 175.3(1) are amended to remove the Agricultural Development Authority as part of the Office of Treasurer of State. In addition, Code Sections 175.3(7) and 175.7 are amended to eliminate the Selection and Tenure Committee that was responsible for appointing the executive director of the authority and instead providing for the Governor to make the appointment subject to confirmation of the Senate. The division amends Code Section 175.8 to require the Auditor of State to conduct annual audits of the authority.

Code Section 8A.311 is amended to authorize the Director of DAS to procure goods and services in which a contractual limitation of vendor liability is provided for and set forth in the documents initiating the procurement.

Code Section 15F.303(3) is amended to provide that, in addition to other criteria to be considered in awarding CAT Program funds, the applicant's project supports or is strategically aligned with communities adjacent to a Cultural and Entertainment District whose existing or planned amenity base will complement the cultural and entertainment venues of the districts.

Code Section 15I.3(4) is amended to reduce from \$10 million to \$4 million the amount of wage-benefits tax credit certificates that may be issued in a fiscal year beginning on or after July 1, 2007.

Code Section 28D.3 is amended to allow DAS and the Iowa Communications Network to interchange employees with other governmental entities for longer than two years. This provision takes effect May 29, 2007.

Code Sections 85.66 and 85.67 are amended to increase from \$50,000 to \$150,000 the amount the Attorney General's office is reimbursed for expenses from the Second Injury Fund.

Code Section 99F.4(24) is amended to require the Racing and Gaming Commission to conduct every eight years beginning in calendar year 2013, instead of calendar year 2008 as was previous law, a socioeconomic study on the impact on Iowans of gambling.

Code Section 99F.11(3) is amended to provide that the .2 percent of the adjusted gross receipts tax on gambling receipts that are to be credited to the State General Fund for funding the Endow Iowa Tax Credit are to be credited quarterly.

Code Section 135.105D, as amended by H.F. 158 (see Health and Safety), is amended to provide that nothing in that section as it relates to blood lead testing will subject a parent, guardian, or legal custodian of a child of compulsory attendance age to any penalties under Code Chapter 299, which is the compulsory education statute.

New Code Chapter 190A is enacted to establish a Farm-to-School Program headed by a seven-member council to provide school children with healthy foods and opportunities to partake in farm activities.

New Code Section 214A.2B is enacted to allow a community college to establish a testing laboratory for motor fuel and bio-diesel fuels.

New Code Section 216A.121, enacted by H.F. 826 (see State Government), is amended to include a representative of the Iowa State Association of Counties on the Abraham Lincoln Bicentennial Commission.

Code Section 237A.13 is amended to establish billing and payment standards for child care provided through the State Child Care Assistance Program administered by the Department of Human Services. The billing or payments may be made bi-weekly or monthly.

New Code Section 256C.3(5), enacted by H.F. 877 (see Education), is amended to require that the State Board of Education, in consultation with DOE, insure that the rules for the Statewide Preschool Program for Four-Year-Old children be voluntary, that the preschool foundation aid provided to school districts be based upon the enrollment in the district and not on the student's residency, and that any agreements to provide for programming outside of a district's facilities are between the district and the provider.

Code Section 272.27 is amended to provide that if any type or class of license requires prestudent teaching experiences, field experiences, practicums, clinicals, or internships, an institution with a practitioner preparation program approved by the State Board of Education shall enter into a written agreement with a school district, accredited nonpublic school, registered preschool, or area education agency. Students engaged in these preservice licensure activities are entitled to the same liability protections provided to student teachers.

Code Section 279.13(1), new paragraph "b," enacted by S.F. 277 (see Education), is amended to allow the school district upon initially hiring a teacher to have the required background investigation done by a qualified

background screening company accredited by the National Association of Professional Background Check Screeners.

Code Section 284.13(1)(d), as amended by S.F. 277, is amended to provide that of the \$20 million to be used in FY 2007-2008 for teacher development, a portion of that amount shall be allocated for teacher development at AEAs.

Code Section 303.1 is amended to allow the Department of Cultural Affairs to develop and implement fee-based educational programming opportunities, including preschool programs.

Code Sections 321.20B and 321A.34 are amended to allow certain sized associations to be self-insured in lieu of having regular motor vehicle insurance.

Code Section 321.34(8), as amended by H.F. 749 (see Public Defense and Veterans), is amended to provide that special license plates for a Medal of Honor recipient and spouse are issued without charge and without an annual fee. Code Section 321.34(12A), as amended by H.F. 749, is rewritten to provide that any type of special registration plate associated with military service is to be issued at no charge, though with an annual registration fee of \$15 if the person is an ex-prisoner of war or Legion of Merit recipient, or no annual charges or fees if the person is a Medal of Honor recipient or a disabled veteran.

Code Section 388.2 specifies that a proposal to establish, acquire, lease, dispose of, undertake, or discontinue operation of a city utility, or to establish or dissolve a combined utility system or to establish or discontinue a utility board, which proposal is submitted to the voters by the city council's own motion, and not by petition, may be submitted at the general election, regular city election, or at a special election. Code Section 388.2 is amended to require notice be given to any utility whose property would be affected by a city establishing a gas or electric utility.

Code Section 422.11S(7) is amended to increase the maximum amount of school tuition organization tax credits from \$5 million to \$7.5 million for tax years beginning on or after January 1, 2008.

Code Section 423.3(89) is amended to exempt from state sales and use taxes the goods, wares, merchandise, and services used in fulfillment of a construction contract if the contract is entered into on or after May 15, 2007, the sole purposes of the building is to provide facilities for a regional academy under a collaborative of public and private educational institutions that includes a community college, and the owner of the building is a qualified nonprofit corporation governed by the laws of Iowa that is exempt from federal income tax. A refund provision is provided for any sales or use tax paid between May 15, 2007, and June 30, 2007.

Code Sections 452A.3(1) and 452A.3(1A) are amended to continue the variable tax rates for ethanol blended gasoline and nonethanol blended gasoline until June 30, 2012, an extension of five years from the previous law.

Code Section 455B.306 is amended to provide that certain planning requirements for sanitary landfills do not apply to a sanitary landfill project owned by an electric generating facility and used exclusively for the disposal of coal combustion residue. A utility owning such a sanitary landfill project may demonstrate financial assurance through the use of a secured trust fund, a cash or surety bond, a corporate financial test as provided by the Department of Natural Resources (DNR), the obtaining of an irrevocable letter of credit, or an alternative method as provided by the DNR. The financial assurance instrument must ensure the facility's financial capability to provide reasonable and necessary response during the lifetime of the project and for a specified period of time following the closure as required by rule.

Code Section 463C.17 is amended to provide that in addition to the Honey Creek Premier Destination Park Authority, the DNR and its agents are exempt from competitive bid laws, term-length, and hearing when entering into contracts in carrying out public and essential government functions.

Code Section 505.8 is amended to authorize the Commissioner of Insurance to assess fines or penalties, order restitution, or take other corrective action to accomplish compliance with the insurance business laws of the state.

New Code Chapter 717F, relating to the regulation of dangerous wild animals as enacted in S.F. 564 (see Agriculture), was amended in various ways. New Code Section 717F.1(1) is amended to exclude from the definition of "agricultural animal" swine that is a member of the species *Sus scrofa* Linnaeus, including Russian boar and European boar, thus making these swine subject to the Code chapter. New Code Section 717F.1(3)(b) is amended so that a person with the proper license as a circus does not lose the exemption from the Code chapter as a circus because of the fact the person keeps a dangerous wild animal that is a member of the order of carnivore within the family felidae or the family ursidae. New Code Section 717F.1(5)(a) is amended to include in the definition of "dangerous wild animal" a swine of the *Sus scrofa* Linnaeus species, including Russian boar and European boar. New Code Section 717F.7(3) is amended to limit the exemption from the Code chapter to persons keeping falcons if the person has been issued a falconry license. The previous provision allowed any person who had been issued a falconry license whether or not the person keeps falcons or not. New Code Section 717F.7(13) is amended to exclude from the exemption from the Code chapter for locations operated by veterinarians those locations where swine of the species *Sus scrofa* Linnaeus are located. New Code Section 717F.8(2) is amended to include a \$10 registration fee for owning or possessing a swine of the *Sus scrofa* Linnaeus species.

Code Section 909.3A is amended to specify that when community service work is to be performed, the rate at which the person is paid for such work is the greater of the federal or state minimum wage. Previously, the rate of payment was set at the federal minimum wage.

The division provides that wine imported into Iowa prior to June 1, 2007, and used for manufacturing native wine is not subject to the wine gallonage tax imposed under Code Section 123.183. This provision takes effect May 29, 2007.

The division establishes a legislative Property Tax Study Committee consisting of 10 voting legislators and 12 or more non-voting members. The committee is to meet during the 2007 and 2008 Legislative Interims and submit a report to the General Assembly by January 5, 2009.

The division directs DOE and the University of Northern Iowa to convene a task force to study the feasibility of creating a research and development prekindergarten through grade 12 school.

Code Section 811.2A, relating to pretrial release of a person who has been released and subsequently commits another violation of the law, is repealed.

The division repeals the Code section in S.F. 403 that makes a \$250,000 appropriation for the initial implementation of an Iowa Energy Independence Office.

Division VII — Elder Services

Division VII provides DIA with regulatory control of elder group homes, assisted living programs, and adult day services for licensing and monitoring purposes. The division eliminates regulatory control over such programs and facilities by DEA. The division also provides transitional provisions for administrative rules.

Division VIII — Food Inspections

Division VIII relates to changes regarding the licensing and inspection of hotels, home food establishments, and food establishments.

The division provides for increases in the license fees imposed on hotels pursuant to Code Section 137C.9, for home food establishments pursuant to Code Section 137D.2, and for food establishments and food processing plants pursuant to Code Section 137F.6. The fees are increased by approximately 35 percent.

The division provides for the deletion of a specific reference to the adoption of the "food code" in Code Section 137F.2, and for statutory amendments or exceptions to the food code, providing instead for the adoption of rules setting minimum standards to protect consumers from foodborne illness. The rules may incorporate by reference, with or without amendment, the United States Food and Drug Administration Food Code, and the rules and standards shall be formulated in consultation with municipal corporations under agreement with DIA, affected state agencies, and industry, professional, and consumer groups. Until the rules are adopted, the 1997 edition of the United States Food and Drug Administration Food Code shall continue to apply.

The division includes in the definition of a "food establishment" in Code Section 137F.1 a salvage or distressed food operation.

Code Section 137F.3A is amended to allow DIA to retain fees imposed on hotels, home food establishments, and certain food establishments each fiscal year and use the fees retained for costs associated with having DIA conduct food inspections in jurisdictions where the applicable municipal corporation fails to conduct the inspections on or after April 1, 2007. Previous law allowed DIA to retain and use such fees between July 1, 2005, and July 1, 2007. The division eliminates the future repeal of the provision on July 1, 2007. This provision takes effect May 29, 2007.

Code Section 137F.3A is also amended to provide that the appropriation of the fees collected is not applicable for a fiscal year for which the General Assembly enacts an appropriation for the purposes set out in the Code section.

The division enacts new Code Section 137F.11A, which requires an establishment inspected under Code Chapter 137F (Food Establishments Food and Processing Plants) to post the most recent inspection report along with any current complaint or reinspection report. The division increases the annual license fee for egg handlers under Code Section 196.3 by 35 percent.

Division IX — Absentee Ballot Affidavits

Division IX requires the county commissioner of elections to open an absentee ballot return carrier envelope received in a timely manner in order to inspect the affidavit on the affidavit envelope containing the ballot. If there is a deficiency in the affidavit that would cause the ballot to be rejected, the commissioner is to contact the voter and inform the voter of the deficiency and that the deficiency may be corrected by the voter by 5 p.m. on the day before the election.

The county commissioner of elections is also required to notify an absentee voter if the voter's completed absentee ballot is returned in an affidavit envelope that is unsealed or that has been opened and resealed or if the ballot is not enclosed in the affidavit envelope. The commissioner shall allow the voter to complete another absentee ballot application and a replacement ballot by 5 p.m. on the day before the election. If the voter does not correct the affidavit deficiency or vote a replacement ballot, as the case may be, the voter shall be allowed to vote a provisional ballot at the polls.

The division also strikes the absentee ballot courier system that was in place for return of completed absentee ballots and instead allows the voter to designate a person to return the voter's completed absentee ballot by mail or personal delivery to the commissioner's office. When a person designated by the voter retrieves the voter's completed absentee ballot, the voter may request that the voter's designee provide to the voter a receipt for the ballot.

Division X — Corrective Provisions

Division X makes corrections to legislation enacted or considered during the 2007 Legislative Session.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. An amendment to Code Section 602.1301 which would have required that the estimate of the total expenditure requirements of the judicial branch, submitted by the Iowa Supreme Court, include a detailed listing of requested judicial salary increases for the following fiscal year. The veto message expressed concern that this provision ran counter to budget guidelines and could have impacted the collective bargaining process.
2. An appropriation of \$150,000 to DNR for a grant to a county with a population between 190,000 and 200,000 to conduct a study of the feasibility of the use of plasma arc and other related energy technology for disposal of solid waste while generating energy.

3. Provisions that would have amended H.F. 752 to increase appropriations to DOT from the Road Use Tax Fund and the Primary Road Fund and increase the FTE authorization. The veto message indicated that these increases were no longer needed.
4. Enactment of new Code Sections 15.391 and 15.392 that would have appropriated \$1 million annually beginning with FY 2008-2009 for the support of the World Food Prize and for the support of a World Food Prize Youth Institute established to provide an educational opportunity and forum for high school students in the state who have an interest in food, agriculture, or natural resources disciplines.
5. A directive that directors of departments and agencies who are subject to a requirement in other appropriations enactments to develop a telecommuter employment policy and plans, work in consultation with representatives of the collective bargaining units of the employees affected by the policy and plans. The Governor also item vetoed the telecommuting policy provisions in the other enactments.
6. An extension of the appropriations to the CAT Program for FY 2010-2011 through FY 2012-2013 under Code Section 15F.204.
7. An amendment to Code Section 8A.363(1) to provide that the Director of DAS shall set the private motor vehicle reimbursement rate at between 90 percent and 110 percent of the maximum allowable rate under federal Internal Revenue Service rules.

HOUSE FILE 752 - Appropriations — Transportation

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and makes appropriations for FY 2007-2008 from the Road Use Tax Fund and the Primary Road Fund to the Department of Transportation (DOT).

Appropriations from the Road Use Tax Fund include appropriations for driver's license production costs; salaries and support for operations, planning, and motor vehicle services; utility services provided by the Department of Administrative Services (DAS); unemployment and workers' compensation; indirect cost recoveries; audits; county issuance of driver's licenses and vehicle registration and titling; a system providing toll-free telephone road and weather reports; participation in the Mississippi River Parkway Commission; membership in the North America's Superhighway Corridor Coalition; scale maintenance projects; and development of a system for administration of the International Registration Plan, which provides for proportional registration of commercial vehicle fleets, and the International Fuel Tax Agreement, which provides for uniform collection and distribution of fuel tax revenues from commercial motor vehicles traveling between jurisdictions in the United States and Canada.

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

Senate File 601, Sections 50 and 51, contain amendments to appropriations made in this Act for payments to DAS.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision that would have required the Director of Transportation to assess telecommuting options for office-based DOT employees, develop a telecommuter employment policy for the department, and begin implementation of a plan by January 1, 2008, to gradually increase the number of telecommuting DOT employees.

HOUSE FILE 787 - Federal Block Grant Appropriations

BY COMMITTEE ON APPROPRIATIONS. This Act appropriates moneys to various state agencies for the federal fiscal year beginning October 1, 2007, and ending September 30, 2008, from the following federal block grants: Substance Abuse Prevention and Treatment, Community Mental Health Services, Maternal and Child

Health Services, Preventive Health and Health Services, Stop Violence Against Women, Community Services, Community Development, Low-Income Home Energy Assistance Program (LIHEAP), Social Services, and Child Care and Development. In addition, the Act appropriates funding from the following federal formula grants: Residential Substance Abuse Treatment for State Prisoners and Edward Byrne Justice Assistance. See H.F. 909 for appropriations of the federal Temporary Assistance for Needy Families Block Grant and for expenditure of the Child Care and Development Block Grant.

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

In addition, the Act appropriates for each state agency the other federal grants, receipts, and funds and other nonstate grants, receipts, and funds available in whole and in part for the state fiscal year beginning July 1, 2007, and ending June 30, 2008.

HOUSE FILE 874 - Appropriations — Administration and Regulation

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and appropriates from the General Fund of the State, and from other funds, to various administrative and regulatory state departments, agencies, and funds for FY 2007-2008.

The state departments and agencies include the Department of Administrative Services; Auditor of State; Iowa Ethics and Campaign Disclosure Board; Department of Commerce; Office of Governor, including the Lieutenant Governor, Terrace Hill quarters, and Drug Control Policy Office; Department of Human Rights; Department of Inspections and Appeals; Department of Management; Department of Revenue; Secretary of State; Treasurer of State; and the Iowa Public Employees' Retirement System. The Act also appropriates funding for the state's membership in the National Governors Association.

The Act authorizes the Utilities Board to use unexpended moneys for FY 2006-2007 for the board's building project. This provision takes effect May 29, 2007.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision requiring each department and state agency under the Act to conduct an assessment on which jobs in the department or agency could be performed through telecommuting. Based on the assessment, each department and state agency under the Act would have been required to develop a telecommuter employment policy for the department or agency by January 1, 2008.

HOUSE FILE 896 - Disaster Aid Individual Assistance Grants

BY COMMITTEE ON APPROPRIATIONS. This Act creates a Disaster Aid Individual Assistance Grant Fund for the use of the Executive Council. The fund may be used to make financial grants of up to \$1 million in a fiscal year following a Governor's disaster proclamation to meet the needs of individuals affected by the disaster. The fund will be administered by the Department of Human Services (DHS). In addition, the Executive Council shall use grant funds to reimburse DHS for its expenses in administering the fund. Grants are limited to applicants who have an annual household income of less than 130 percent of the federal poverty level. The grant amount is limited to 25 percent of 130 percent of the federal poverty level and may be used only for replacement of personal property, home repair, food assistance, and temporary housing assistance.

The Act requires the Homeland Security and Emergency Management Division of the Department of Public Defense to submit an annual report to the legislative fiscal and oversight committees concerning the grant program.

HOUSE FILE 907 - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2007-2008 to the Department of Human Services (DHS), the Department of Public Health (DPH), the Department of Corrections (DOC), the Property Tax Relief Fund, the Iowa Empowerment Fund, the Iowa Commission on Volunteer Services, and the Department of Education (DOE).

The appropriations to DHS include funding to supplement the Medical Assistance (Medicaid) Program appropriation with a portion of these funds being used to continue the chronic care consortium; for child and family services for reimbursement of adoption, independent living, shelter care, and home studies services providers, and other service providers under the purview of DHS; for supplementation of the state Supplementary Assistance Program; and for general administration of health-related programs.

The appropriations to DPH include funding for the Comprehensive Tobacco Use Prevention and Control Initiative, and for additional substance abuse treatment under the Substance Abuse Treatment Program. The appropriations also include funding for development of a Healthy Iowans 2010 Plan, the Automated External Defibrillator Grant Program, the Center for Congenital and Inherited Disorders, grants to individual patients who have phenylketonuria, to leverage federal funding through the Ryan White Care Act, and for a grant to a nationally affiliated organization for a support program for people living with epilepsy and their families. The appropriations to DPH also include funding for a grant program, utilizing a request for proposals process, to provide substance abuse prevention programming for children, including grants to organizations that provide programming for children utilizing mentors, and including grants to organizations that provide programming that includes youth development and leadership.

The appropriation to DOC includes funding for community-based corrections, day programming, the Drug Court Program, substance abuse treatment, services for dual diagnosis offenders, and the Fort Madison correctional facility for the clinical care unit.

The Act appropriates funding to the Property Tax Relief Fund for assistance to counties with limited county mental health, mental retardation, and developmental disabilities services fund balances to pay reimbursement increases in the same amount as provided in FY 2000-2001.

The Act appropriates funding to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account, to the Department of Economic Development for allocation to the Iowa Commission on Volunteer Services for the Iowa's Promise and Mentoring Partnership Program, and to DOE to continue a competitive grants program to expand the availability of before and after school programs.

The Act provides for nonreversion of funding remaining at the close of FY 2006-2007 for the Automated External Defibrillator Grant Program. This provision takes effect May 23, 2007.

The Act provides for the transfer of additional funds from the Endowment for Iowa's Health Account to the Healthy Iowans Tobacco Trust.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. A provision requiring that a certain amount of the fund appropriated for tobacco use, prevention, and control be used to fund community partnerships because the directive is already in place.
2. Provisions relating to the use of funds for substance abuse treatment programs because the directives are already in place.

HOUSE FILE 909 - Appropriations — Health and Human Services

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008, and includes appropriations for other specified fiscal periods. The Act is organized into divisions.

Division I — General Fund and Block Grant Appropriations

DEPARTMENT OF ELDER AFFAIRS (DEA). Division I appropriates funding to DEA for aging programs and area agencies on aging. Funds are allocated for case management for the frail elderly, and a portion of the allocation is to be transferred to the Department of Human Services (DHS) for reimbursement of case management services provided under the medical assistance (Medicaid) elderly waiver. Funding is transferred to the Department of Economic Development for the Iowa Commission on Volunteer Services to be used for the Retired and Senior Volunteer Program, and funding is allocated for additional long-term care resident's advocate positions, for the Alzheimer's Disease Task Force (see S.F. 489, Health and Safety), and for implementation of the Substitute Decision Maker Act under Code Chapter 231E to establish a state office and two local offices.

IOWA DEPARTMENT OF PUBLIC HEALTH (DPH). The division appropriates funds to DPH, including funding for addictive disorders; healthy children and families, including funding for the Healthy Opportunities to Experience Success (HOPES) - Healthy Families Iowa (HFI) Program, to continue to address the healthy mental development of children from birth through five years of age, for distribution to the Children's Hospital of Iowa Mother's Milk Bank, and for distribution to a statewide dental carrier to continue the Donated Dental Services Program for indigent elderly and disabled individuals; chronic conditions including for grants to individual patients with phenylketonuria (PKU) to assist with costs of necessary special foods; community capacity, including a child vision screening program and initiatives at the University of Iowa and the state Mental Health Institute at Cherokee to expand and improve the workforce engaged in mental health treatment and services; elderly wellness; environmental hazards, including blood lead testing of children (see H.F. 158, Health and Safety); infectious diseases including funding for a bureau chief position for the Center for Acute Disease Epidemiology and for the purchasing of vaccines for immunizations; public protection, including for emergency medical services, the Office of the State Medical Examiner, the 211 system, management of the antiviral stockpile, and for an increase in sexual violence prevention programming; and resource management including for administration of tobacco-related programs.

The division appropriates funds from the Gambling Treatment Fund in lieu of the standing appropriation in Code Section 135.150 for addictive disorders and provides for the use of the moneys remaining in the fund.

The division increases the appropriation to DPH for addictive disorders for FY 2006-2007 by \$682,000 and allows the funds to be carried forward for expenditure in FY 2007-2008. Of this amount, \$500,000 is to be used as additional funding for tobacco cessation direct services and \$182,000 is to be used for other tobacco use prevention, cessation, and treatment activities.

DEPARTMENT OF VETERANS AFFAIRS AND IOWA VETERANS HOME. The division appropriates funds from the General Fund of the State to the Department of Veterans Affairs and the Iowa Veterans Home. Allocations are made as follows: \$50,000 for the newly created Veterans Counseling Program (H.F. 817, see Public Defense and Veterans), \$500,000 for the Veterans Trust Fund, \$750,000 for matching grants to counties to provide improved services to veterans, and \$27,000 for educational assistance to the children of deceased veterans. The department is required to report on the needs of veterans, and, after approval of the report by the Commission of Veterans Affairs, the report is required to be submitted to the General Assembly by October 15, 2008. If the balance in the Veterans Trust Fund exceeds \$5 million for FY 2007-2008, the excess amount is appropriated as additional funding for the Home Ownership Assistance Program. In addition, if all funding sources for the home ownership program are exhausted during FY 2007-2008, up to \$250,000 in unused funding appropriated for the Injured Veterans Grant Program (see S.F. 95) may be used for the home ownership program.

Authority is provided to carry forward unused funding appropriated for FY 2006-2007 for veterans. A portion of the funding is to be used to purchase crypts for the Veterans Cemetery. If the department does not fill certain positions by October 1, 2007, the unused funding is to be credited to the Veterans Trust Fund. Amounts in excess of \$1 million carried forward for the Iowa Veterans Home are designated for capital improvements at the home.

Existing session law is amended to clarify that of the federal funding received for implementation of a veterans cemetery, the amount credited to the Veterans Trust Fund is to be at least equal to the amount expended for this purpose from the trust fund.

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

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) BLOCK GRANT. The division appropriates moneys from the federal TANF Block Grant for a number of purposes, including the Family Investment Program (FIP); the Job Opportunities and Basic Skills (JOBS) Program; FIP agreements; Family Development and Self-Sufficiency (FDSS)

Program; field operations; general administration; local administrative costs; state child care assistance, including funding for provision of educational opportunities to registered child care home providers; mental health and developmental disabilities community services; child and family services; child abuse prevention grants; pregnancy prevention grants; technology needs and other resources to meet federal welfare reform requirements; and the HOPES Program. In addition, block grant moneys are appropriated for community-based programs targeted to children from birth through five years of age and developed by community empowerment areas. Funds are designated to establish one or more pilot projects in judicial districts selected by DHS and the Judicial Council to provide employment and support services to delinquent child support obligors as an alternative to commitment to jail as punishment for contempt of court.

FAMILY INVESTMENT PROGRAM. Under federal TANF welfare reform provisions, federal funding is provided for FIP in the form of an annual block grant to the state. Consequently, the division includes combined FIP and FIP-related appropriations from the General Fund of the State and the block grant. These appropriations are directed to DHS to coordinate the FDSS Program with the Department of Human Rights (DHR); to DHR for the FDSS Program, including specifications for administration of the program by DHR; to the diversion subaccount of the FIP Account; for developing and implementing a new program to provide transitional benefits to families with members who are employed at the time the family leaves FIP; to the Food Stamp Employment and Training Program; and for the JOBS Program. The division provides funding to continue a grant to an Iowa-based nonprofit organization with a history of providing tax preparation assistance to low-income Iowans in order to expand the usage of the earned income tax credit. The DHS is required to identify options and resources needed to support responsible fatherhood and to report its findings to certain legislators and legislative staff specified in the Act by December 15, 2007.

CHILD SUPPORT RECOVERY UNIT. Division I continues the Iowa Child Support Public Awareness Campaign located in the Office of the Attorney General and continues to direct DHS to issue federal access and visitation grant moneys directly to private not-for-profit agencies that provide services designed to increase compliance with child access provisions of court orders, including but not limited to neutral visitation site and mediation services. Beginning October 1, 2007, either parent may be ordered to provide medical support in accordance with the federal Deficit Reduction Act of 2005.

The division amends the FY 2006-2007 appropriation for child support to provide that if child support collections assigned under FIP are greater than estimated or are otherwise determined not to be required for maintenance of effort, the state share of either amount may be transferred to or retained in the child support payments account.

Funds appropriated for FY 2006-2007 for child support recovery do not revert, but remain available for that purpose for FY 2007-2008.

MEDICAL ASSISTANCE (MEDICAID) PROGRAM. The division continues Medicaid program provisions required in previous years. Approximately \$617 million is appropriated in the division and additional appropriations are made in other divisions, including \$99.5 million from the Health Care Trust Fund. The division includes provisions authorizing DHS to transfer funds for implementation and operational costs associated with Part D of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003; directing DHS to initiate planning to address options available under Medicaid or other assistance program relating to individuals with special needs; authorizing DHS to amend the Medicaid state plan to provide Medicaid reciprocity for children who receive an adoption subsidy who are not eligible for funding under Title IV-E of the federal Social Security Act; authorizing use of funds appropriated for the Demonstration to Maintain Independence and Employment (DMIE) if a federal waiver is approved and providing for transfer of a portion of the funds to the Department of Corrections (DOC) for DMIE activities; providing for monitoring of the smoking cessation benefit under the Medicaid program and for an exception to policy process if a prescriber determines that all smoking cessation aids available under the Medicaid program are not effective or medically appropriate for a patient; providing for review of the maximum payment allowed under the home and community-based services (HCBS) waivers to make recommendations for adjustment in the amounts to provide equity among the populations served; providing for transfer of funds to be used for the state match to comply with the federal Payment Error Rate Measurement (PERM) Program for the Medicaid and state children's health insurance programs; directing DHS to implement the recommendations for the Assuring Better Child Health and Development Initiative II (ABCDII) clinical panel; providing funding to supplement the incomes of certain nursing facility residents to provide

personal needs allowance of \$50 per month; and providing funding to reduce the waiting list for the children's mental health HCBS waiver.

The division provides a supplemental appropriation of \$12 million for FY 2006-2007 for the Medicaid appropriation from the General Fund of the State.

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

The division provides that up to \$1.1 million of the funds appropriated for SSA for FY 2006-2007 do not revert, but remain available for that purpose in FY 2007-2008.

CHILD CARE ASSISTANCE. The division provides an appropriation for the State Child Care Assistance Program and child day care resource and referral services. A portion of the funds is to be used for child care quality improvement initiatives, including the development and continuation of the quality rating system, and a portion of the funds is transferred to the Iowa Empowerment Fund, to be used for professional development for the system of early care, health, and education.

Funds received under the TANF Program for FY 2006-2007 for state child care assistance are increased by \$1 million. The funds do not revert, but remain available for state child care assistance for FY 2007-2008.

Funds appropriated for child care assistance from the General Fund of the State for FY 2006-2007 do not revert but remain available for that purpose in FY 2007-2008.

JUVENILE INSTITUTIONS. The division makes appropriations to the Iowa Juvenile Home at Toledo and the State Training School at Eldora. A portion of the funds appropriated to each institution is to be used to increase mental health and behavioral services staffing.

CHILD AND FAMILY SERVICES. The division appropriates funds for child and family services, provides for continuation of the cap for group foster care, and continues previous requirements for child welfare services. The division directs DHS, in consultation with the Division of Criminal and Juvenile Justice Planning of DHR, to review the programming and effectiveness of the two existing "boot camps" and to report findings and recommendations to certain legislators and legislative staff specified in the Act by December 15, 2007.

Funding is designated for the Preparation for Adult Living Program, with a portion transferred to the risk pool in the Property Tax Relief Fund; for a grant to continue an existing program operated by a nonprofit organization providing family treatment and community education in a nine-county area; to continue juvenile drug courts; to continue a Multidimensional Treatment Level Foster Care Pilot Program; for continuation of a grant to a nonprofit human services organization for support of a project providing services for victims of child abuse and their nonoffending family members; for expansion of the elevate approach of providing a support network to children placed in foster care; for implementation of new sibling visitation provisions (see S.F. 480, Children and Youth); and for a new initiative to address child sexual abuse.

Funds appropriated for juvenile drug courts for FY 2006-2007 do not revert, but remain available for that purpose in FY 2007-2008.

ADOPTION SUBSIDY. The division makes a separate appropriation for the Adoption Subsidy Program. Up to \$2 million of the funds appropriated for the adoption subsidy program for FY 2006-2007 do not revert, but remain available for that purpose for FY 2007-2008.

JUVENILE DETENTION HOME FUND. The division addresses the Juvenile Detention Home Fund, consisting of funds collected by the Department of Transportation (DOT) at the time the DOT suspends, revokes, or bars a person's motor vehicle license or nonresident operating privileges. Moneys in the fund are to be used for the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes; renewal of a grant to a county for implementation of its runaway treatment plan; continuation and expansion of the community partnership for child protection sites; continuation of minority youth and family projects under the child welfare redesign; a state match for the federal Substance Abuse and Mental Health Services Administration (SAMHSA) system of care grant; supplementation of the appropriation for child and family services for the group foster care cap; and training of nonlicensed relatives caring for children in the child welfare system.

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

MENTAL HEALTH INSTITUTES AND STATE RESOURCE CENTERS. The division provides appropriations to the state mental health institutes at Cherokee, Clarinda, Independence, and Mount Pleasant and for the state resources centers at Glenwood and Woodward utilizing a net General Fund of the State appropriation approach known as "net budgeting."

The division provides that \$1 million of the funds appropriated to each of the state resource centers for FY 2006-2007 do not revert, but are to remain available for FY 2007-2008, and of each of these amounts, the amounts above \$750,000 are to be used to continue the procurement and installation of the Electronic Medical Records System.

STATE CASES. The division makes an appropriation from the General Fund of the State for distribution to counties for mental illness, mental retardation, and developmental disabilities state cases. The division also allocates \$200,000 from the funds received through the federal Community Mental Health Center Block Grant for state cases.

Funds appropriated for FY 2006-2007 for state cases do not revert, but remain available for that purpose in FY 2007-2008.

MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES (MH/MR/DD) SERVICES. The division includes a number of provisions affecting provision of state funding of MH/MR/DD services provided to adults by counties. One provision relates to funding for MH/MR/DD services growth. Under current law, the state is required to annually provide funding for the growth in county MH/MR/DD services expenditures. The Act continues a practice begun in 2001 combining the moneys appropriated for growth and the moneys appropriated for the MH/MR/DD Community Services Fund and applies a reduction to formula distribution amounts based upon the relative size of a county's ending balance. The division also allocates \$260,000 of the appropriation to DHS for continuation of the development of a functional assessment process for use beginning in a subsequent fiscal year as authorized specifically by a statute enacted in a subsequent fiscal year.

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

FIELD OPERATIONS, GENERAL ADMINISTRATION, AND VOLUNTEERS. The division includes appropriations for DHS field operations, general administration, and volunteers. The appropriation for field operations includes funding for full-time equivalent positions to provide for additional child and family visits and to utilize a request for proposals process to select the location for a new customer service call center. The appropriation for general administration includes an allocation for the Prevention of Disabilities Policy Council; an allocation for additional funding for the Division of Mental Health and Disability Services for planning, analysis, and other costs associated with improvements to the mental health services system required in another division of the Act; and an allocation to be transferred to DHR for the Energy Utility Assessment and Resolution Program created in the Act.

Up to \$1,850,000 of the funds appropriated for field operations for FY 2006-2007 do not revert, but remain available until the close of FY 2007-2008, and of that amount, \$350,000 is to be used to supplement other funding to reduce the waiting list for the children's mental health HCBS waiver.

Federal food stamp assistance award funds that are received by DHS for the fiscal year beginning July 1, 2006, do not revert, but remain available for expenditure to continue projects to increase access, assure accuracy, avoid federal error rate sanctions, and improve customer service until the close of FY 2007-2008. Additionally, funds appropriated for general administration for FY 2006-2007 do not revert, but remain available for FY 2007-2008, and the initial \$250,000 of this amount is to be credited to the risk pool in the Property Tax Relief Fund.

MEDICAID, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICES PROVIDERS REIMBURSED UNDER DHS. In addition to health care providers, reimbursement rates are established for social services providers. In general, reimbursement rates for health care providers remain at the rate in effect on June 30, 2007. The division provides a limitation to the budget for nursing facilities for FY 2007-2008, provides for rebasing of case-mix nursing facility rates for FY 2007-2008, and provides for adjustment of portions of the rate calculation.

Beginning July 1, 2007, DHS is directed to adopt rules to provide for the adjustment of the pharmacy dispensing fee to compensate for any reduction in the drug product cost reimbursement resulting from implementation of the average manufacturer price reimbursement standard for multisource generic drug products pursuant to the federal Deficit Reduction Act of 2005.

The division provides for an increase in the maximum reimbursement rate for psychiatric medical institutions for children (PMICs) and provides that for FY 2007-2008, the maximum reimbursement rate for social services providers reimbursed under a purchase of social services contract is to be increased by 3 percent over the rates in effect on June 30, 2007, or to the provider's actual and allowable cost plus inflation for each service, whichever is less. Reimbursement rates are increased for FY 2007-2008 for family-centered services providers, family foster care service providers, group foster care service providers, and the resource family recruitment and retention contractor by 3 percent over the rates in effect on June 30, 2007.

DEPARTMENT OF CORRECTIONS. The division provides an appropriation from the General Fund of the State to DOC for additional funding for the Drug Court Program in the fourth judicial district.

NURSING FACILITY REIMBURSEMENT. The division provides for a supplemental appropriation from the General Fund of the State for FY 2006-2007 for the purpose of funding total nursing facility budget expenditures under the Medicaid program, including rebasing of the case-mix nursing facility rates and noncase-mix nursing facility-related expenditures for expenditure after June 30, 2007.

CODE AND OTHER PROVISIONS. This division amends Code Section 217.23 to provide for an increase in the total reimbursement amount that a DHS employee may receive for replacement or repair of personal items damaged or destroyed by clients of DHS during the employee's tour of duty from \$150 to \$300.

The division amends the duties of the area agencies on aging under Code Section 231.33 to require that the agencies provide the opportunity for elders residing in the planning and service area to offer substantive suggestions regarding the employment practices of the area agency on aging.

This division creates new Code Section 239B.11A to provide transitional benefits payments for up to three months to families with members who are employed at the time the family leaves FIP. Provision of the benefit payments is contingent upon availability of funding.

The division amends the JOBS Program Code provisions to authorize DHS to contract with other departments or appropriate entities to provide JOBS Program services.

The division amends Code Section 249A.3, relating to eligibility for the Medicaid program, to include women eligible for family planning services under a federally approved demonstration waiver and also provides for changes in prioritization of other eligibility categories, including raising the priority level of the Medicaid for Independent Young Adults (MIYA) Program for persons who were in the foster care system as children.

The division amends Code Section 249A.30A to provide for a monthly personal needs allowance of \$50 for, in addition to residents of nursing facilities, residents of intermediate care facilities for persons with mental retardation (ICF/MRs), intermediate care facilities for persons with mental illness (ICF/MIs), and PMICs. For residents whose own income is less than \$50, the resident shall receive a supplement from the state in the amount necessary only if funding is specifically appropriated for this purpose.

The division amends Code Section 252B.5 to provide that beginning October 1, 2007, the Child Support Recovery Unit shall implement the provision of the federal Deficit Reduction Act of 2005 to require an annual collections fee of \$25 in child support cases in which the family has never received assistance under Title IV-A of the federal Social Security Act for whom the unit has collected at least \$500. The provision also provides for alternative methods of collection of the fee from the obligor or the obligee, contingent upon necessary conformity with federal law.

The division amends the eligibility and eligibility determination provisions of the Multidimensional Treatment Level Foster Care Pilot Program. The eligibility provision is amended to allow that a child is eligible if, as an alternative to the child being unable to return to the child's family home, the child's participation in the program may eliminate or limit the need for the child's placement in a PMIC. The eligibility determination is amended to provide that in addition to a child who is potentially eligible for a treatment program being identified at the time of the child's admission to a PMIC, the child may be identified prior to such admission. A child who is voluntarily placed in a PMIC may participate in the pilot project. The pilot project shall allow exceptions to allow more than two children to be placed in a pilot project home if deemed appropriate in order to keep siblings together or for other good cause.

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

SENIOR LIVING TRUST FUND. Division II makes an appropriation to DEA for a Comprehensive Senior Living Program, including case management and funding to provide dementia-specific education to direct care workers and other providers of long-term care, and to the Department of Inspections and Appeals (DIA) for inspection and certification of assisted living facilities and adult day services. If legislation is enacted to transfer responsibility for the oversight of assisted living programs, adult day services programs, and elder group homes from DEA to DIA, the appropriation is to be increased (the responsibility is transferred in S.F. 601). Funds are also appropriated to DHS to supplement the Medicaid appropriation, and to the Iowa Finance Authority for reimbursement for rent expenses under the Rent Subsidy Program.

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

IOWACARE ACCOUNT. The division appropriates funds from the IowaCare Account to the State Board of Regents for distribution to the University of Iowa Hospitals and Clinics (UIHC) for salaries, support, maintenance, equipment, and miscellaneous purposes; medical and surgical treatment of indigent patients; provision of services to members of the IowaCare Program population; and for medical education. An additional amount is appropriated to the State Board of Regents for distribution to UIHC subject to the claims adjudicated and paid for IowaCare members being in excess of the initial appropriation.

The division appropriates funds from the IowaCare Account to DHS for distribution to a publicly owned acute care teaching hospital located in a county with a population of over 350,000 for provision of medical and surgical treatment to indigent patients, provision of services to members of the IowaCare Program population, and for medical education. The division also appropriates funds from the IowaCare Account to the state mental health institutes at Cherokee, Clarinda, Independence, and Mount Pleasant.

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

ACCOUNT FOR HEALTH CARE TRANSFORMATION. The division appropriates funds from the Account for Health Care Transformation to DHS for medical examinations and development of personal health improvement plans

for the IowaCare population; for provision of a medical information hotline for the IowaCare population; for the Mental Health Transformation Pilot Program; for health promotion partnership activities; for costs related to audits, performance evaluations, and studies; for administrative costs associated with the IowaCare Program; and for planning and development, in cooperation with DPH, of a phased-in program to provide a dental home for children. The DHS is directed to issue a request for proposals for a performance-based contract to implement the dental home for children and to apply for any necessary federal waivers to implement the phased-in approach.

DHS is authorized to transfer funds among the appropriations and must report any transfers to the Legislative Services Agency.

Appropriations from the General Fund of the State, the Senior Living Trust Fund, the Healthy Iowans Tobacco Trust Fund, and the Health Care Trust Fund to DHS for the Medicaid program for FY 2006-2007 that remain unencumbered or unobligated at the close of the fiscal year do not revert, but are to be transferred to the Senior Living Trust Fund.

Division III — MH/MR/DD/BI Services Allowed Growth Funding

Division III revises the Code provisions for distribution of allowed growth adjustment factor funding to counties for mental health, mental retardation, and developmental disabilities (MH/MR/DD) services and for a Brain Injury (BI) Services Program. Under prior law, the distribution provisions were in various Code chapters and annual session laws but are now primarily located in Code Section 426B.5.

In addition, counties are explicitly authorized to apply waiting lists as part of their management plans for MH/MR/DD services and to apply a waiting list for residents whose services are paid for by a county of legal settlement.

The allowed growth adjustment factor appropriation previously made for FY 2007-2008 is increased after shifting a portion of the appropriation amount to the Health Care Trust Fund and shifting an allocation for the BI Services Program in DPH, resulting in an overall increase for allowed growth distribution of approximately \$5 million. In addition, an additional \$12 million is provided for distribution to certain counties with ending balances of less than 15 percent that either levied the maximum allowed or have a relatively high levy rate of more than \$2 per \$1,000 of assessed value of property.

The Legislative Council is requested to authorize an interim study of the responsibility for appointing and funding mental health advocates. Under current law, the advocates are appointed and supervised by the courts and paid for by the counties, except in Polk County where both responsibilities are with the county.

Division IV — MH/MR/DD Data Reporting — Risk Pool Assistance

Division IV addresses county MH/MR/DD data reporting and revises criteria for distribution of moneys from the risk pool in the Property Tax Relief Fund.

Counties are required to report data to DHS according to rules adopted by the MH/MR/DD/BI Commission in order to receive state property tax relief and MH/MR/DD allowed growth adjustment factor funding. Emergency rulemaking authority is provided for the commission to adopt rules. A county that does not submit the required data within 25 days of the rules' effective date may be subject to withholding of the property tax relief and allowed growth adjustment factor payments for FY 2007-2008.

The eligibility provisions for accessing risk pool funding are revised to require a county to have levied the maximum amount authorized and have an ending balance of less than 20 percent in the preceding fiscal year. The risk pool may be used to prevent the need to reduce or eliminate services. Prior law limited the risk pool to unanticipated costs or consumers. Counties may apply for risk pool preapproval as early as July 1, and the risk pool board must issue a decision on the application within 45 days. If the risk pool has issued awards for all of the funding in the risk pool but there are qualifying requests remaining, the board is to compile a list of the requests for submission to DHS, the commission, and the General Assembly.

The Act makes transfers to the risk pool for FY 2007-2008 totaling \$460,000.

The division takes effect May 29, 2007, and applies retroactively to December 1, 2006, to data collected as of that date.

Division V — MH Services System Improvement

New Code Section 225C.6B provides for DHS to utilize work groups and input from the MH/MR/DD/BI Commission and others to improve the mental health services system. The following are all to be addressed: an alternative distribution formula for allowed growth adjustment factor funding; shifting responsibility for community mental health centers to the state; identifying core mental health services provided by community mental health centers and new core services providers; identifying accreditation standards for core services providers; working with DPH to address co-occurring mental health and substance abuse disorders; phasing in requirements for mental health services providers to use evidence-based practices, and formulating comprehensive plans for the key components of the mental health services system, including those that are based in state institutions and the community, and for assigning and reassigning responsibilities for the components. The various provisions have report dates during FY 2007-2008 and FY 2008-2009.

Division VI — Decategorization Project Funding

Division VI authorizes funding allocated for a child welfare and juvenile justice funding decategorization project for FY 2005-2006 to carry forward to the close of FY 2007-2008. The funding would otherwise revert at the close of FY 2006-2007. Priority for the funding is for services to children with special needs. Contract request for proposal requirements are suspended if the funding is used for a children's special need services previously funded by a county MH/MR/DD services fund. The division takes effect May 29, 2007.

Division VII — County Funds

For FY 2007-2008, a county may transfer moneys from other funds of the county to the county's MH/MR/DD services fund. A county using the transfer authority or the decategorization project carryforward authority in Division VII of the Act must report it as part of the annual county expenditure and information report required on December 1, 2007.

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

Division VIII makes appropriations from the Health Care Trust Fund, which consists of the first \$127.6 million of revenues generated from the taxes on cigarettes and tobacco products deposited in the General Fund of the State and appropriated to the Health Care Trust Fund (see S.F. 128, Taxation, for creation of the trust fund).

The division appropriates funds to DPH for addictive disorders, including for implementation of culturally competent substance abuse treatment pilot projects; for tobacco use prevention, cessation, and treatment activities; for substance abuse treatment activities; for healthy children and families, including additional funding to address the healthy mental development of children from birth through five years of age; for childhood obesity prevention; for the Task Force on Postnatal Tissue and Fluid Banking (see H.F. 910, Health and Safety); for the Dental Screening of Children Program (see H.F. 906, Health and Safety); for children's vision initiatives; to provide audiological services and hearing aids to children through a contract; for chronic conditions including for child health specialty clinics; for the Comprehensive Cancer Control Program; for a Hemophilia Advisory Council (see S.F. 548, Health and Safety); for cervical and colon cancer screening; and for community capacity, including for local public health infrastructure; for mental health professional shortage areas and psychologist intern rotation; for the Iowa Collaborative Safety Net Provider Network for distribution for coordination of the network; for Iowa Family Planning Network agencies; for local boards of health that provide direct services; for maternal and child health centers for pilot programs; for free clinics; for rural health clinics; for the Specialty Health Care Initiative; for the pharmaceutical infrastructure for safety net providers; for continuation of the Incubation Grant Program to community health centers; for implementation of the Direct Care Worker Task Force recommendations; and for allocation to an independent statewide direct care worker association for education, outreach, leadership development, mentoring, and other initiatives to enhance the recruitment and retention of direct care workers.

The division appropriates funding to DHS for the Medicaid program, including for costs of services and eligibles, to expand access for parents by increasing the earned income disregard for FIP-eligible parents in the Family and Child Medical Assistance Program, to reduce the children's mental health HCBS waiver waiting list, for MIYA for former participants in foster care, for habilitation services, for increased enrollment of Medicaid eligible children, for the Money Follows the Person Demonstration Project, for the Iowa Healthcare Collaborative, and for provisions relating to Medicaid income trusts (see H.F. 397, Human Services); for the state children's health insurance program; and for MH/MR/DD allowed growth.

The division also includes statutory and other provisions related to health care activities.

The division creates new Code Section 135.80, establishing the Mental Health Professional Shortage Area Program administered by DPH.

The division codifies in new Code Section 135.153 the Iowa Collaborative Safety Net Provider Network, which previously only existed in session laws.

Code Section 249J.8, relating to cost-sharing for IowaCare Program members, is amended to eliminate the required payment of a monthly premium for any member whose family income is equal to or less than 100 percent of the federal poverty level. This provision is only effective if DHS receives approval of a federal waiver amendment to allow the elimination of the premium.

Code Section 283A.2 is amended to direct school districts that operate or provide for a school breakfast or lunch program for which federal funding is provided to forward information from the applications for the program to DHS to identify children for enrollment in the Medicaid or hawk-i programs.

Code Section 514I.5 is amended to require that the hawk-i Board adopt rules addressing the use of provider guidelines in assessing the well-being of children, which may include the use of the Bright Futures for Infants, Children, and Adolescents Program as developed by the federal Maternal and Child Health Bureau and the American Academy of Pediatrics guidelines for well-child care.

The division directs the Director of Human Services to aggressively pursue options to expand the IowaCare Program.

The division directs the Iowa Collaborative Safety Net Provider Network to develop a pharmaceutical infrastructure for safety net providers and to implement a specialty care initiative.

The division directs DPH, in collaboration with DHS, DIA, the Department of Workforce Development, and other state agencies to conduct a comprehensive review of Iowa's health and long-term care workforce and to submit findings and recommendations to the General Assembly and the Governor by January 15, 2008.

The division directs DPH to work collaboratively during FY 2007-2008 with the Department of Education, DOC, DEA, DHS, and other state agencies to enhance the workforce competencies of professional and direct care staff who provide behavioral health services.

Division IX — Child Welfare Services

Division IX relates to child welfare services by requiring services to be provided to families of children removed from the home by court order and provides a temporary exception under certain circumstances to expenditure and budget targets for children placed in group foster care.

The dispositional provisions are amended in Code Section 232.52, relating to delinquency dispositions, and Code Section 232.102, relating to child in need of assistance dispositions. The affected dispositional provisions involve court orders for out-of-home placement of a child in which the court has made a determination that continuing the child in the home would be contrary to the child's welfare.

Code Section 232.52 is amended to provide that unless the court has made a determination that further reasonable efforts are not required, reasonable efforts must be made to prevent permanent removal of a child from the child's home and to encourage reunification of the child with the child's parents and family. The rea-

sonable efforts may include early intervention and follow-up programs implemented pursuant to Code Section 232.191. Code Section 232.102 is similarly amended.

Under current law in Code Section 232.143, the General Assembly annually establishes, in an appropriation made to DHS, a statewide expenditure target for children in group foster care placements. Representatives of DHS and juvenile court services then allocate the statewide target among DHS service areas based upon a formula. Local representatives of DHS and juvenile court services develop a plan for the service area to remain within the expenditure target. State payment for group foster care services is limited to those placements that comply with the plan, and the juvenile court is prohibited from ordering a group foster care placement that does not comply with the plan.

An exception is provided to allow a service area's budget target to be temporarily exceeded as necessary for placement of a child in group foster care when the child is age 13 or younger, a dispositional order has been entered for the child's placement in group foster care, and the child is placed in a juvenile detention facility awaiting placement in group foster care. If such a placement is made, DHS and juvenile court services are required to examine the cases of other children placed in group foster care for that service area. If the examination indicates it may be appropriate to terminate the placement for any of the cases, action to initiate a dispositional review hearing is required. In the dispositional review hearing, the court is required to determine whether needed aftercare services are available following termination of the placement and whether termination is in the best interests of the child and the community.

New Code section 234.3 creates a new Child Welfare Advisory Committee to advise DHS concerning child welfare programmatic and budgetary matters. The advisory committee has 15 voting members appointed by the Governor, and confirmed by the Senate, plus four legislators.

The DHS is required to report to the General Assembly by December 15, 2007, concerning the children who were placed on a group foster care waiting list.

Division X — Financial Responsibility For Certain Medicaid Services

Division X addresses state and county financial responsibility for certain Medicaid program services provided to adults. Under current law, the county of legal settlement is responsible for the nonfederal share of the cost of services provided to persons with chronic mental illness who receive services under the adult rehabilitation option of the state plan for the services. The state is responsible for the nonfederal share for state cases. The DHS eliminated the adult rehabilitation option under Medicaid and instead implemented a new approach. The new approach is to offer remedial services and habilitation services as part of the regular Medicaid benefit package.

Code Section 249A.26, relating to state and county participation in funding for services to persons with disabilities, is amended to replace the references to the rehabilitation option in the requirements for county of legal settlement and state financial responsibility with references to remedial services and habilitation services. Code references to the rehabilitation option are eliminated throughout the Code.

Division XI — Family Opportunity Act

Division XI provides for implementation of certain provisions specified in the federal Deficit Reduction Act of 2005 for individuals with disabilities. The division directs DHS to implement the Medicaid buy-in provision for individuals under 19 years of age with disabilities whose family income or resources are at or below 300 percent of the federal poverty level. In order to be eligible for the program, the parent of the individual would be required to comply with provisions relating to family coverage offered by the parent's employer. Implementation of the provision is contingent upon DHS determining that funding is available in appropriations made in the Act, in combination with federal allocations to the state, in excess of the amount needed to cover current and projected enrollment under SCHIP. If such a determination is made, DHS is directed to transfer the funds to the Medicaid appropriation to implement the provision.

The division also directs DPH to aggressively pursue the establishment of a family-to-family health information center in Iowa to provide assistance to families of children with disabilities or special health care needs to make informed choices about health care in order to promote good treatment decisions, cost-effectiveness, and im-

proved health outcomes for such children. The center would be staffed by families of children with disabilities or special health care needs who have expertise in federal and state public and private health care systems and by health professionals. Implementation of this provision is contingent upon receipt of discretionary funding from the Health Resources and Services Administration of the United States Department of Health and Human Services.

Division XII — Commission on Affordable Health Care

Division XII creates a Legislative Commission on Affordable Health Care Plans for Small Businesses and Families for the 2007 Legislative Interim. The commission includes members of the General Assembly, members of the public designated by specified organizations, consumers, and the Commissioner of Insurance, the Director of Human Services, and the Director of Public Health as ex officio members. The division directs the commission to review, analyze, and make recommendations on issues relating to the affordability of health care for Iowans, and directs the commission to utilize the expertise of a Health Care Data Research Advisory Council created in the division with membership appointed by the Legislative Council, as well as to hold public hearings, make requests for information from state agencies, and employ staff and consultants. The commission is to complete its deliberations by December 2007 and submit a final report to the General Assembly for consideration in the 2008 Legislative Session. An appropriation of \$500,000 is made from the Health Care Trust Fund to the Legislative Services Agency for the commission and the advisory council. A portion of the funding appropriated is to be used for the health and long-term care workforce review to be conducted by DPH.

The division takes effect May 29, 2007.

Division XIII — HCBS Recipients — Zoning

Division XIII directs counties, county boards of supervisors, county zoning commissions, cities, city councils, and city zoning commissions to consider the residence of the recipient of services under a Medicaid HCBS waiver as a residential use of property for the purposes of zoning. The provision applies to a residence of a recipient of services under a HCBS waiver if the residence is a single-family dwelling owned or rented by the recipient or is a multifamily dwelling which does not hold itself out to the public as a community-based residential provider otherwise regulated by law, including but not limited to a residential care facility, and which provides dwelling units to no more than four recipients of services under a HCBS waiver at any one time.

The division takes effect May 29, 2007.

Division XIV — National Disaster Medical System — Employment Protection

Code Section 29A.28, relating to leave of absence of civil employees, is amended to extend the employment protections of that Code section to members of the National Disaster Medical System of the United States when activated for federal service with the system.

The division takes effect May 29, 2007, and is not subject to Code Section 25B.2, relating to state mandates.

Division XV — Energy Utility Assessment and Resolution Program

Division XV creates an Energy Utility Assessment and Resolution Program for certain persons with low incomes who have or need a deferred payment agreement to address home energy utility costs. The General Assembly finds that the provision of assistance to prevent utility disconnections will prevent certain public health risks. The program is established in the Division of Community Action Agencies of DHR in new Code Section 216A.104. Individual eligibility requirements and program components are specified in the division. The program is to be administered by each community action agency and each agency must report on accountability measures identified by the Division of Community Action Agencies. The program is to be implemented statewide subject to availability of funding. The Act includes transfers of \$400,000 for the program.

Division XVI — Passport Sanctions

Division XVI relates to passport sanctions for nonpayment of child support. The federal Deficit Reduction Act of 2005 decreased the threshold for child support cases subject to United States passport sanctions due to nonpayment of child support. Previously, if a parent owed more than \$5,000 in delinquent support, the parent was subject to the sanction. Under the new federal requirement, if a parent owes more than \$2,500 in delinquent support, the parent is subject to the sanction. The division amends current law to comply with the new federal requirement.

The division takes effect October 1, 2007.

Division XVII — Mandatory Review and Adjustment of Child Support Orders

Division XVII relates to the requirement under the federal Deficit Reduction Act of 2005 for additional reviews and adjustments of court orders. An expedited procedure is provided for the Child Support Recovery Unit to complete a portion of these additional reviews and adjustments. The division makes conforming changes to notice requirements to reference the new expedited procedure in addition to the existing review and adjustment procedure. The unit may use the expedited procedure if the right to ongoing child support is assigned to the state of Iowa due to the receipt of FIP assistance and a review of the support order is required under the federal Deficit Reduction Act of 2005; and the unit has access to information concerning the financial circumstances of each parent and one of the following applies: (1) the parent is a recipient of FIP assistance, Medicaid, or food assistance from DHS; (2) the parent's income is from federal Supplemental Security Income; (3) the parent is a recipient of disability benefits under the federal Social Security Act because of the parent's disability; or (4) the parent is an inmate of an institution under the control of DOC. Once the expedited review is completed, the division provides for the issuance of a notice of decision, a revised notice of decision, the right to challenge the initial notice of decision, and the right to challenge the second notice of decision by requesting a court hearing.

The division takes effect October 1, 2007.

Division XVIII — Medical Support

Division XVIII relates to medical support and makes changes to existing medical support provisions to include both the custodial parent and noncustodial parent in ordering medical support for the child at reasonable cost to the parent. The division specifies what reasonable cost is and provides that if a parent does not have access to reasonable cost health insurance, cash medical support may be provided in lieu of the coverage.

The division takes effect March 1, 2008.

Division XIX — Physician Assistants

Division XIX increases the number of members of the Board of Physician Assistant Examiners who are licensed to practice as physician assistants from three to five members. The Board of Physician Assistant Examiners and the Board of Medical Examiners are required to provide to the General Assembly and the Governor a joint report detailing the boards' collaborative efforts and team building practices.

Division XX — Telecommuting

Division XX would have established various requirements for telecommuting by state employees and was item vetoed by the Governor.

Division XXI — Dental Board

Division XXI changes the reference in the Code from "the Board of Dentistry" to "the Dental Board."

Division XXII — Grandparent Visitation

Division XXII repeals and replaces the grandparent and great-grandparent visitation provision in the Code. Under the new provision, a grandparent or great-grandparent of a minor child may petition the court for visita-

tion. The court is required to consider the fit parent's objections to granting visitation, and there is a rebuttable presumption that a fit parent's decision to deny visitation to a grandparent or great-grandparent is in the best interest of the minor child.

The court may grant visitation if the court finds by clear and convincing evidence that: the grandparent or great-grandparent has established a substantial relationship with the child prior to the filing of the petition; the parent who is being asked to temporarily relinquish care, custody, and control of the child to provide visitation is unfit to make that decision; and it is in the best interest of the child to grant such visitation.

The division defines "court" for the purposes of jurisdiction, specifies venue for the action, provides for notice, and specifies other procedural aspects of an action to establish grandparent or great-grandparent visitation.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. A provision that required carryforward funds of appropriations made for addictive disorders in previous years available in the Gambling Treatment Fund to be transferred to DOC to be used for adult drug court programs in the fifth and second judicial districts, for transfer to DHR for the FDSS Grant Program, and for transfer to DHR to be used as additional funding for the Energy Utility Assessment and Resolution Program created in the Act.
2. An allocation from Veterans Trust Fund moneys of \$150,000 for the Department of Cultural Affairs for a conservation lab facility to preserve the Civil War muster rolls.
3. An allocation of \$10,000 in Health Care Trust Fund moneys to the University of Iowa, Carver College of Medicine, to be used for a program to provide extracorporeal support for donation of organs after cardiac death.
4. An amendment to Code Section 135.24 relating to the Volunteer Health Care Provider Program to provide for expedited registration of qualified health care providers and free clinics within 15 days of application and to provide that claims arising out of the free care provided are not to be payable through the health care provider's own professional liability insurance.
5. Division XX, which directed the director of a department or state agency to which appropriations are made in the Act to assess the extent to which job classifications or individual employment positions might be effectively performed through telecommuting and based upon the assessment would have required the director to develop a telecommuter employment policy for the department or agency, to implement the policy transferring some number of employees to telecommuter status by January 1, 2008, and required reporting to the Director of Administrative Services and the members of the General Assembly on an annual basis, beginning January 1, 2009, the number of telecommuting employees, cost savings, and plans to continue transfer of employees to telecommuter status.

HOUSE FILE 911 - Appropriations — Infrastructure and Capital Projects

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and makes appropriations to state departments and agencies from the Rebuild Iowa Infrastructure Fund (RIIF), Vertical Infrastructure Fund, Endowment for Iowa's Health Restricted Capitals Fund, and the Technology Reinvestment Fund, and provides for related matters.

Division I — Rebuild Iowa Infrastructure Fund

Division I appropriates from RIIF for FY 2007-2008 for projects of the departments of Administrative Services, Corrections, Cultural Affairs, Economic Development, Education, Human Services, Natural Resources, Public Defense, Public Safety, Transportation, and Veterans Affairs, and the Iowa Finance Authority, Iowa State Fair, Secretary of State, State Board of Regents, and Treasurer of State.

The division appropriates from RIIF for FY 2008-2009 for projects of the departments of Administrative Services, Economic Development, Natural Resources, and Public Defense, and the State Board of Regents, and for FY 2009-2010 for projects of the Department of Public Defense and the State Board of Regents.

The division appropriates from RIIF to the State Board of Regents for costs associated with the establishment of the Iowa Institute for Biomedical Discovery at the University of Iowa for FY 2007-2008, FY 2008-2009, and FY 2009-2010, the sum of \$30 million (\$10 million each fiscal year). The division also appropriates from RIIF to the State Board of Regents for planning, design, and construction costs associated with the construction of a new renewable fuels building at Iowa State University for FY 2007-2008, FY 2008-2009, and FY 2009-2010, the sums of \$5,647,000, \$14,756,000, and \$11,597,000, respectively, contingent upon the State Board of Regents or Iowa State University actively pursuing the hiring of new research teams to provide world class expertise in the area of biorenewable fuels research.

Division II — Vertical Infrastructure Fund

Division II appropriates from the Vertical Infrastructure Fund for FY 2007-2008 for projects of the State Board of Regents.

Division III — Endowment for Iowa's Health Restricted Capitals Fund

Division III appropriates from the Endowment for Iowa's Health Restricted Capitals Fund for FY 2007-2008 for a project of the Department of Corrections.

Division IV — Technology Reinvestment Fund

Division IV appropriates from the Technology Reinvestment Fund for FY 2007-2008 for projects of the departments of Administrative Services, Corrections, Education, Human Rights, Human Services, Public Defense, Public Safety, and Iowa Telecommunications and Technology Commission, Iowa Workforce Development, and State Board of Regents.

Division V — Miscellaneous Appropriations

Division V appropriates funding from the State Aviation Fund to the Department of Transportation.

Division VI — Changes to Prior Appropriations

Division VI revises prior appropriations and extends the reversion dates for certain appropriations made in previous years from the Restricted Capitals Fund of the Tobacco Settlement Trust Fund to allow the funds to be expended through the end of FY 2007-2008, including appropriations for the Ankeny laboratory facility, the Iowa Public Television digital conversion, the Recreational Trails Program, the Oakdale facility expansion, the Capitol building interior restoration, and commercial service airport infrastructure improvements.

The division changes the FY 2007-2008, FY 2008-2009, and FY 2009-2010 appropriations from RIIF to the Department of Administrative Services for the construction of a new state office building as follows: reduces the FY 2007-2008 appropriation from \$16,100,000 to \$3,600,000; increases the FY 2008-2009 appropriation from \$16.8 million to \$23.3 million; and increases the FY 2009-2010 appropriation from \$6,657,100 to \$12,657,100. The division also requires the design specifications of the new office building to include, at a minimum, energy efficiency specifications that exceed state building code requirements.

The division allows the Department of Administrative Services to use up to \$750,000 of funds appropriated in FY 2006-2007 for the construction of a new state office building to provide an earnest deposit for the potential purchase of the Mercy Capitol Hospital property, for parking lot improvements associated with the exchange of property consistent with the planned construction of the new state office building, and for the demolition of a structure, or to provide for the sale and relocation of the structure located on the property to be used for the construction of the new state office building.

The division requires the Department of Veterans Affairs to use a portion of a FY 2006-2007 appropriation for planning and design costs associated with the construction of new facilities at the Iowa Veterans Home consistent with the Iowa Veterans Home comprehensive plan and contingent upon submission of a report to the General Assembly by January 15, 2008.

The division extends the reversion date for appropriations made from the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund to the Department of Natural Resources for lake projects until FY 2009-2010.

Division VII — Miscellaneous Code Changes

Division VII makes changes to certain reporting requirements for capital projects completed or in progress for certain state agencies that received an appropriation from RIIF, the Environment First Fund, the Vertical Infrastructure Fund, or the Technology Reinvestment Fund.

The division creates a new Code section relating to the establishment of regional sports authority districts and allows a convention and visitors bureau to apply to the Department of Economic Development for certification of a regional sports authority district which may include more than one city and more than one convention and visitors bureau within the district. Each district shall actively promote youth sports, high school athletic activities, Special Olympics, and other nonprofessional sporting events in the area. Each district shall be governed by a seven-member board and the department cannot certify more than 10 such districts.

The division combines Northwest Iowa Community College with Iowa Lakes Community College and Iowa Valley Community College with Des Moines Area Community College to redesignate two emergency response training center regions for purposes of Code Section 100B.22.

The division creates a Voting Machine Reimbursement Fund in the Office of the Treasurer of State to be expended to reimburse counties for the costs of complying with provisions contained in S.F. 369 (see Elections, Ethics, and Campaign Finance) relating to requirements for construction of voting machines.

The division provides for financial assistance to nursing facility providers under new Code Chapter 249K. A provider may request either instant relief, which is a per-patient day amount to be added to the current direct care component, or a nondirect care limit exception, which is an increase in the nondirect care limit for the relevant period to 120 percent of the median for the relevant period. The assistance may be requested by a provider who constructs a complete replacement, makes major renovations, or newly constructs a nursing facility. The total period during which a provider may participate in any relief is a maximum of two years. The total period during which a provider may participate in the nondirect care limit exception is a maximum of 10 years. The division also provides for the requesting of a preliminary evaluation for providers preparing cost or other feasibility projections. The provisions are to be administered by the Department of Human Services. The division provides participation criteria and provides for contingent implementation and only to the extent funding is available. The sections adding new Code Chapter 249K take effect May 29, 2007.

The division makes changes to the statute relating to the State Aviation Fund and appropriates moneys in the fund to the Department of Transportation for the state aviation purposes.

The division repeals a requirement that prohibits the Department of Administrative Services from spending more than \$1 million of appropriated funds for a construction project if the return on investment of the project is less than 5 percent unless approved by the General Assembly.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. The FY 2007-2008 RIIF appropriation to the Department of Administrative Services of \$20,000 for the purchase and installation of decorative planters on state property west of the West Capitol Terrace Project.
2. The FY 2007-2008 RIIF appropriation to the Department of Cultural Affairs of \$80,000 for repair of the Kimball organ located in Clermont, Iowa.
3. The FY 2008-2009 RIIF appropriation to the Department of Economic Development of \$500,000 for equal distribution to regional sports authorities certified by the department pursuant to Code Section 15E.321, as enacted in this Act.
4. The FY 2008-2009 appropriations to the Department of Natural Resources of \$750,000 for the continuation of the Volga River State Recreation Area and \$500,000 for the Levi Carter Lake Project.

HOUSE FILE 920 - **State Board of Regents Institutions — Bonding — Appropriations**

BY COMMITTEE ON APPROPRIATIONS. This Act authorizes the State Board of Regents to borrow moneys and to issue and sell negotiable revenue bonds to pay all or part of the cost of certain buildings and facility improvement projects at its institutions of higher education payable solely from student fees and charges and institutional income. The Act authorizes the board to carry out the following projects at the following institutions:

- University of Iowa: College of Public Health academic building, Old Music Building renovation, Pentacrest renewal, and HVAC modernization. The total amount of spending authorized is \$35.9 million.
2. Iowa State University of Science and Technology: Chemistry building facilities. The total amount of spending authorized is \$53.9 million.
 3. University of Northern Iowa: Phase II of the electrical distribution loop system/load break and Sabin Hall renovation. The total amount of spending authorized is \$17.6 million.
 4. Fire and safety, deferred maintenance, and campus security improvements at buildings and facilities of the universities as deemed necessary by the board. The total amount of spending authorized is \$24 million.

HOUSE FILE 927 - **Energy-Related Appropriations**

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations from the General Fund of the State to the Office of Energy Independence, enacted by H.F. 918 (see Energy and Public Utilities), to be used for awarding grants and making loans from the Iowa Power Fund, also enacted by H.F. 918.

The Act appropriates \$25 million from the General Fund of the State for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, 2011, and appropriates \$24.67 million for FY 2006-2007.

The Act allocates up to 1.5 percent of the amount appropriated from the Iowa Power Fund for administrative purposes, and provides for an allocation of \$2.5 million to the Department of Economic Development for deposit into the Workforce Training and Economic Development Funds of the community colleges created pursuant to Code Section 260C.18A for use each year in the development and expansion of energy industry areas and for the department's North American Industrial Classification System for targeted industry areas established pursuant to Code Section 260C.18A.

Senate File 601 provides that the office shall not employ more than four full-time equivalent positions from funds available for administrative costs.

The Act additionally repeals a provision contained in S.F. 403 which appropriates \$250,000 from the General Fund of the State to the Office of the Governor and Lieutenant Governor for FY 2006-2007 for initial implementation of the Office of Energy Independence.

The Act takes effect May 23, 2007.

BUSINESS, BANKING, AND INSURANCE

- [SENATE FILE 346](#) - Uniform Health Insurance Application Form for Small Employers
- [SENATE FILE 347](#) - Consumer Credit or Credit Union Transactions
- [SENATE FILE 360](#) - Commerce — Banking, Debt Management, Industrial Loans, and Professional Licensing
- [SENATE FILE 502](#) - Regulation of Savings and Loan Associations
- [SENATE FILE 512](#) - Regulation of Pharmacy Benefits Managers
- [SENATE FILE 518](#) - Insurance Regulation
- [SENATE FILE 530](#) - Real Estate Brokers or Salespersons — Prohibited Practices
- [SENATE FILE 535](#) - Uniform Commercial Code — Miscellaneous Changes
- [SENATE FILE 554](#) - Cable or Video Service Franchises
- [SENATE FILE 557](#) - Credit Unions
- [SENATE FILE 559](#) - Cemeteries, Funerals, and Related Services and Merchandise
- [HOUSE FILE 5](#) - Consumer Loans Secured by Motor Vehicle Titles — Finance Charges
- [HOUSE FILE 258](#) - Directors of Nonprofit Corporations — Duties
- [HOUSE FILE 400](#) - Real Estate Broker Professional Corporations or Limited Liability Companies
- [HOUSE FILE 499](#) - Regulation of Entities or Services by the Commissioner of Insurance
- [HOUSE FILE 556](#) - Propane Education and Research Council
- [HOUSE FILE 651](#) - Business Corporations — Miscellaneous Changes
- [HOUSE FILE 716](#) - Uniform Commercial Code — Documents of Title
- [HOUSE FILE 790](#) - Association Group Health Plans and Wellness Initiatives
- [HOUSE FILE 924](#) - Licensure of Real Estate Brokers or Salespersons — Convictions of Specified Offenses

RELATED LEGISLATION

- [SENATE FILE 32](#) - Local Telecommunications Services — Extension of Certification Requirement
SEE ENERGY AND PUBLIC UTILITIES. This Act extends, until July 1, 2017, the future repeal of Code Section 476.29, which requires the issuance to a utility of a certificate of public convenience and necessity by the Iowa Utilities Board prior to the furnishing of land-line local telephone service by the utility. The Act takes effect February 28, 2007.
- [SENATE FILE 137](#) - Regulation of Real Estate Appraisals and Appraisers
SEE STATE GOVERNMENT. This Act requires the registration of associate real estate appraisers and establishes ethical requirements for the performance of an appraisal.
- [SENATE FILE 311](#) - Satisfaction of Mortgages
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act specifies the remedies available to an aggrieved party if a mortgagee fails to file a satisfaction of judgment releasing the mortgage underlying an action for discharge of the mortgage.
- [SENATE FILE 319](#) - Cooperative Associations — Miscellaneous Provisions
SEE AGRICULTURE. This Act amends provisions relating to cooperative associations organized under Code Chapter 499, by authorizing a number of business practices relating to the issuance of stock and the filing of documents with the Secretary of State and a county recorder.

- [SENATE FILE 333](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act contains statutory corrections in provisions relating to agricultural landholding reporting, employment leaves for military service, regulation of engineers, employment actions against whistleblowers, community college reporting under job training and career education programs, cooperative associations, securities investment advisor representatives, nonprofit corporations, examination of insurance companies, fraternal benefit society licensure, credit union record destruction, debt management business license applications, and civil actions against certain professionals. The Act also repeals provisions establishing the Business Development Finance Act.
- [SENATE FILE 358](#) - Used Motor Vehicle Dealer Education Requirements
SEE TRANSPORTATION. This Act establishes prelicensing and continuing education requirements for certain used motor vehicle dealers.
- [SENATE FILE 400](#) - Mortgage Release Certificates Issued by Iowa Finance Authority — Applicability
SEE ECONOMIC DEVELOPMENT. This Act relates to mortgage release certificates issued by the Iowa Finance Authority.
- [SENATE FILE 403](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act relates to financial and regulatory matters by making and increasing appropriations for FY 2004-2005, FY 2005-2006, and FY 2007-2008, and includes changes to real estate education programming that is paid from real estate salesperson and broker license fees.
- [SENATE FILE 421](#) - Workers' Compensation — Insurance Coverage and Debt Collection Practices
SEE LABOR AND EMPLOYMENT. This Act relates to workers' compensation laws by regulating insurance policy exclusions and debt collection practices of health service providers.
- [SENATE FILE 463](#) - Ambulance, Rescue Vehicle, Fire Vehicle, or Towing or Recovery Vehicle Manufacturers and Dealers — Licensing
SEE TRANSPORTATION. This Act allows manufacturers of ambulances, rescue vehicles, or fire vehicles to apply for special plates similar to dealer plates that permit the manufacturers to transport, demonstrate, show, or exhibit their vehicles. The Act also allows a licensed vehicle wholesaler to be licensed as a used motor vehicle dealer for limited purposes.
- [SENATE FILE 469](#) - Motor Homes and Manufacturers' Club Rallies
SEE TRANSPORTATION. This Act establishes a five-year pilot project in Clay County to permit the sale of motor homes by a motor home manufacturer at annual camping rallies sponsored and conducted by the manufacturer. The Act also repeals, effective May 9, 2007, two sections of 2007 Iowa Acts, S.F. 403 (see Appropriations), that would have limited the ability of the Department of Transportation and community colleges to sell, exchange, or otherwise dispose of real property with a fair market value of \$5 million without the authorization of the General Assembly and the approval of the Governor.
- [SENATE FILE 539](#) - State Obligations — Uniform Finance Procedures
SEE STATE GOVERNMENT. This Act establishes uniform procedures applicable to the issuance of notes, bonds, and other evidences of indebtedness by the state or a department, agency, instrumentality, or authority of the state.
- [SENATE FILE 540](#) - Trusts and Estates — Miscellaneous Changes
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act concerns trusts and estates, including fiduciaries and beneficiaries, and includes certain applicability provisions. The Act contains provisions relating to the issuance of a decree of dissolution, annulment, or separate maintenance after a person has designated the person's spouse or a relative of the person's spouse a beneficiary under a life insurance policy, individual retirement account, stock option plan, transfer on death account, payable on death account, or annuity. The Act establishes investment management standards for conservators and personal representatives of estates consistent with current investment management practices.
- [SENATE FILE 546](#) - Hospital Liens
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to the filing of a hospital lien under Code Chapter 582 by an association, corporation, county, municipal corporation, or other institution maintaining a hospital in the state of Iowa, and contains provisions

relating to a hospital patient's health plan insurance coverage.

[SENATE FILE 562](#)

- Appropriations — Economic Development
SEE APPROPRIATIONS. This Act appropriates moneys for purposes of small business development centers.

[SENATE FILE 601](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations, provides for salaries and compensation of state employees, and covers other related matters; and includes amending Code provisions relating to food inspections and license fee increases in Division VIII, and other provisions affecting business and insurance.

[HOUSE FILE 298](#)

- Conveyance or Encumbrance of Homesteads — Legal Description
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act eliminates the requirement that the married spouse of a person who conveys or encumbers a homestead must, in a power of attorney or like instrument, set out the legal description of the homestead. The Act takes effect April 16, 2007, and applies to powers of attorney in existence on or after that date.

[HOUSE FILE 718](#)

- Cigarette Fire Safety Standards — Enforcement
SEE HEALTH AND SAFETY. This Act relates to cigarette fire safety standards. Beginning January 1, 2009, the Act prohibits cigarettes from being sold or offered for sale in the state unless: (1) the cigarettes have been tested in accordance with the test method prescribed; (2) the cigarettes meet the performance standard specified; (3) a written certification has been filed by the manufacturer with the Department of Public Safety; and (4) the cigarettes have been marked. The Act provides penalties, creates a Cigarette Fire Safety Standard Fund, provides that the provisions of the Act cease to be applicable if preempted by federal law, and prohibits local subdivisions from adopting or enforcing any ordinance, rule, or regulation that conflicts with the Act or with any policy of the state expressed by the Act.

[HOUSE FILE 742](#)

- Snowmobile and All-Terrain Vehicle Regulation
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act contains provisions concerning the business practices of manufacturers, distributors, and dealers of snowmobiles and all-terrain vehicles, including requirements for annual registration with the Department of Natural Resources.

[HOUSE FILE 744](#)

- Debtors' Exempt Personal Injury Payments
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to a debtor's exempt personal injury payments in state court debt collection and federal bankruptcy actions.

[HOUSE FILE 774](#)

- Mechanics' Liens
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to the statutory time period for filing a mechanic's lien and provides related technical clarifications to Code Chapter 572, "Mechanic's Lien."

- [HOUSE FILE 793](#) - Transportation Regulation and Land Surveying Standards
SEE TRANSPORTATION. This Act relaxes restrictions on the placement of advertising signs within the limits of a commercial or industrial development. The Act also contains provisions regarding the licensing of motor vehicle dealers, the reassignment of salvage certificates of title, the operation of commercial vehicle fleets, and provisions that take effect May 9, 2007, regarding interstate carrier registration.
- [HOUSE FILE 829](#) - Targeted Industry Promotion, Development, and Education Activities
SEE ECONOMIC DEVELOPMENT. This Act relates to the development and commercialization of businesses in the targeted industry areas of advanced manufacturing, bioscience, and information technology.
- [HOUSE FILE 890](#) - Targeted Small Business Assistance — Programs and Appropriations
SEE ECONOMIC DEVELOPMENT. This Act relates to assistance for small businesses. The Act takes effect May 22, 2007.
- [HOUSE FILE 897](#) - Licensure and Certification Relating to Electrical Work and Alarm Systems
SEE STATE GOVERNMENT. This Act implements a statewide system of licensure for electricians in addition to current licensure on a city-by-city basis, thereby permitting electricians to practice on a statewide, as well as a local, basis. The provisions of the Act establishing the various categories of electrician licensure take effect January 1, 2008.
- [HOUSE FILE 904](#) - Taxation — Individual Income Withholding — Loan Agencies Tax
SEE TAXATION. This Act repeals the loan agencies tax set forth in Code Chapter 430A.
- [HOUSE FILE 909](#) - Appropriations — Health And Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and includes a provision creating a legislative commission on affordable health care.
- [HOUSE FILE 912](#) - Computer-Related Service Businesses — Sales, Use, and Property Tax Exemptions and Refunds
SEE TAXATION. This Act provides a sales and use tax exemption and property tax exemption for a business that operates a web search portal business if the appropriate investment in Iowa equals at least \$600 million and if the web search portal business purchases, options, or leases Iowa land by December 31, 2008. The Act also provides a sales and use tax refund for taxes paid on fuel used in the computers, machinery, or other equipment by a business located in Iowa on July 1, 2007, that engages primarily in providing computer-related services.
- [HOUSE FILE 918](#) - Energy Independence, Efficiency, and Related Research and Development
SEE ENERGY AND PUBLIC UTILITIES. This Act creates the Office of Energy Independence, the Iowa Power Fund, and the Iowa Power Fund Board, and establishes related provisions concerning energy research, development, and production with the objective of achieving independence from foreign energy sources. The Act takes effect May 23, 2007.

BUSINESS, BANKING, AND INSURANCE

SENATE FILE 346 - Uniform Health Insurance Application Form for Small Employers

BY COMMITTEE ON COMMERCE. This Act requires the Commissioner of Insurance to develop, by rule, a uniform health insurance application form for use by small employers applying for new health insurance coverage under group health plans offered by small employer carriers. Small employer carriers can be required to use the new form not less than six months after the rules developing the form become effective under Code Chapter 17A.

SENATE FILE 347 - Consumer Credit or Credit Union Transactions

BY COMMITTEE ON COMMERCE. This Act provides that a bank, savings bank, savings and loan association, or credit union incorporated pursuant to state or federal law can charge an additional application fee for a consumer loan not exceeding \$3,000, but the fee cannot exceed the lesser of 10 percent of the amount financed or \$30, in the event of an approved application. Even if the loan application is denied, the additional application fee may be charged. The additional application fees are not allowed for loans for the purchase of a motor vehicle or loans where the borrower's dwelling is used as security.

The Act also expands the list of powers specified in Code Section 533.4 applicable to credit unions. A credit union may sell, to persons in the field of membership, negotiable checks, including traveler's checks; money orders; and other similar money transfer instruments, including international and domestic electronic fund transfers. A credit union is also authorized to cash checks and money orders and to receive international and domestic electronic fund transfers for persons in the field of membership. These expanded powers shall be deemed to amend Code Section 533.301, relating to powers of credit unions, enacted in 2007 Iowa Acts, S.F. 557, with directions to the Code Editor to harmonize the provisions as necessary. This direction was necessary to make the Act consistent with S.F. 557, which repeals existing Code Chapter 533.

SENATE FILE 360 - Commerce — Banking, Debt Management, Industrial Loans, and Professional Licensing

BY COMMITTEE ON COMMERCE. This Act relates to the operation and administration of the Banking Division of the Department of Commerce.

The Act contains provisions relating to the preservation of records of the Banking Division. The division may cause records, papers, or documents to be photographed, microphotographed, or otherwise reproduced upon film or preserved in any electronic medium or format capable of being read or scanned by computer and reproduced. The stored material or data shall be considered an original record for all purposes, including introduction in evidence in all state and federal courts or administrative hearings, and shall be admissible to prove any act, transaction, occurrence, or event therein recorded.

The Act replaces the designation of several individual offices of the United States Department of the Treasury with the more general designation of the department with regard to the furnishing of state bank or state bank affiliate examination reports.

The Superintendent of Banking may enter into contractual agreements with other state regulators of financial institutions to share examiners or to assist in examinations, and, with respect to the supervision of debt management companies, all papers, documents, examination reports, and other writings relating to the supervision of licensees are not public records subject to disclosure pursuant to Code Chapter 22 dealing with open records. However, the Superintendent of Banking may disclose information to representatives of other state or federal regulatory authorities and may release summary complaint information as long as the information does not specifically identify the complainant. The Act contains several provisions relating to the preparation and circulation of reports reflecting financial information examination results for licensees.

The Act expands existing rulemaking authority regarding the licensing and regulation of mortgage bankers and brokers in Code Chapter 535B to include the adoption of rules providing grounds for denial of an individual registration based on information received as a result of a background check, character and fitness grounds, or other grounds for which an individual registrant or licensee may be disciplined.

The Act changes the authority of a licensed industrial loan company to sell specified debt instruments. Currently, such debt instruments may be sold if insured by a federal deposit insurance agency. The Act prohibits such sales, deletes references to federal deposit insurance agencies, and provides that if a change in control of a licensee occurs on or after January 1, 1996, debt instruments without a stated maturity date which remain outstanding at the time of the change of control shall be redeemed within six months of the change of control date.

With reference to the authority of the Professional Licensing and Regulation Bureau of the Banking Division, the licensing boards subject to that authority may refuse to issue or renew a license to practice a profession to any person otherwise qualified upon any of the grounds for which a license may be revoked or suspended, or a licensee otherwise disciplined, or upon any other grounds set out in the Code chapter applicable to the respective board. The boards may suspend, revoke, or refuse to issue or renew a license and may discipline a licensee based upon a suspension, revocation, or other disciplinary action taken by a licensing authority in Iowa or another state, territory, or country. A "disciplinary action" includes the voluntary surrender of a license to resolve a pending disciplinary investigation or proceeding. Further, the licensing boards may by rule establish the conditions under which an individual licensed in a different jurisdiction may be issued a reciprocal or comity license and under which conditions information may be supplied to a licensee who is the subject of a disciplinary complaint or investigation which the board believes would aid the investigation or assist in resolution of the matter.

The Act repeals Code Sections 536A.32 through 536A.34, which currently, respectively, prohibit acquisitions of an industrial loan company by out-of-state banks, prohibit operation of branches and acquisitions of industrial loan companies by out-of-state industrial loan companies, and relate to the authorized activities of out-of-state industrial loan companies, industrial banks, or similar institutions.

SENATE FILE 502 - Regulation of Savings and Loan Associations

BY COMMITTEE ON COMMERCE. This Act extends the basic provisions of Code Chapter 524, which governs state-chartered banks, to include state savings and loan associations in order to integrate the Savings and Loan Division of the Department of Commerce into the Division of Banking.

The Act makes changes to Code Chapter 534, which specifically governs savings and loan associations. The Act deletes references to the "division" of savings and loan associations, modifies or updates references to the federal Home Owners' Loan Act, and changes references to the federal Home Loan Bank and federal Home Loan Bank Board to the federal Office of Thrift Supervision or federal Housing Finance Board in several Code sections contained within the Code chapter. The Act modifies reporting requirements applicable to the Superintendent of Savings and Loan Associations consistent with the incorporation of the division within the Division of Banking, and provisions relating to compensation, expenses, vacation, and sick leave policies applicable to examiners appointed by the superintendent.

The Act makes several miscellaneous changes relating to the operation of the division relating to records retention and submission policies, savings and loan associations in conservatorship or receivership, fees payable by savings and loan associations to the superintendent for specified services or functions, provisions relating to the merger of a savings and loan association with other specified entities, and additional conforming modifications or changes.

SENATE FILE 512 - Regulation of Pharmacy Benefits Managers

BY COMMITTEE ON STATE GOVERNMENT. This Act relates to the regulation of pharmacy benefits managers. The Act provides definitions and requires that a pharmacy benefits manager doing business in the state obtain a certificate as a third-party administrator under Code Chapter 510. The Act directs the Commissioner of Insurance to enforce the Code chapter and to adopt rules to administer the Code chapter. The Act requires pharmacy benefits managers to perform their duties exercising good faith and fair dealing; prohibits a pharmacy benefits manager from contacting a covered individual personally, without the permission of the covered entity; provides limitations on the dispensing of substitute prescription drugs for prescribed drugs; and prescribes the pharmacy benefits manager's duties to the pharmacy network providers. The Act also requests the establishment of a legislative interim committee related to pharmacy benefits managers, and directs the Commis-

sioner of Insurance to begin the process of developing proposed rules to implement and administer the Act beginning July 1, 2007.

The Act takes effect January 1, 2008.

SENATE FILE 518 - Insurance Regulation

BY COMMITTEE ON COMMERCE. This Act reorganizes Code Chapter 515, which relates to the regulation of insurance other than life insurance, by transferring and recodifying Code sections within Code Chapter 515, repealing and recodifying Code sections in existing and new Code sections within Code Chapter 515 and other Code chapters, and repealing some Code Chapter 515 sections. The Act also contains corresponding amendments to correct internal references.

Code Sections 515.91 (concerning false statement of assets) and 515.92 (concerning statement of capital and surplus) are repealed and recodified in Code Chapter 507B (concerning unfair insurance practices). Code Section 515.93, which provided penalties for violations of those Code sections in the amount of \$500 for a first offense and \$1,000 for each subsequent offense, is also repealed. Penalties for a violation of Code Chapter 507B include \$1,000 for each act not exceeding an aggregate of \$10,000, unless the person knew or reasonably should have known the person was committing a violation in which case the penalty for each act is \$5,000 not exceeding an aggregate of \$50,000 in a six-month period.

SENATE FILE 530 - Real Estate Brokers or Salespersons — Prohibited Practices

BY COMMITTEE ON COMMERCE. This Act expands Code Section 543B.60A, which enumerates certain business practices which may not be conducted by a person licensed in Iowa as a real estate broker or salesperson.

The Act prohibits an Iowa licensee from participating with a person licensed in another state or foreign country in a marketing plan or arrangement that is unlawful in Iowa, but adds that this prohibition shall not be interpreted to impact or alter a referral fee structure which otherwise complies with Code Section 543B.60A.

The Act requires a licensee, or a person licensed in another state or foreign country conducting business in Iowa or referring business to an Iowa licensee, to disclose in writing specified information to a consumer and to the licensee to whom they are making a referral. The information required to be disclosed includes the name of the consumer being referred, the name of the referring company, and the amount of compensation being received for making the referral. This requirement shall not affect or restrict business practices relating to payment methods between listing and selling brokerages, and shall only be applicable to properties of less than five dwelling units.

SENATE FILE 535 - Uniform Commercial Code — Miscellaneous Changes

BY COMMITTEE ON JUDICIARY. This Act amends Article 1 of the Uniform Commercial Code (UCC) codified as Code Chapter 554. The article contains general provisions such as definitions and rules of construction and applicability that govern the Code chapter, unless otherwise excluded in the article or another article. The Act is based on recommendations by the National Conference of Commissioners on Uniform State Laws and the American Law Institute.

Division I — Revisions to Article 1

Division I addresses almost every section of Article 1, in many cases to make corrections in terminology and to combine and transfer sections as part of a comprehensive reorganization of the Code chapter. Under the new organizational scheme, the Article is divided into three parts.

Part 1 contains general provisions relating to the short titles for the UCC and its articles, the scope of Article 1, the construction of the UCC and its applicability, statutory construction against implied repeals, severability, and references to singular and plural language and gender language. The part includes a unique section providing when the provisions of Iowa law apply to a particular case and a party's power to choose Iowa law. A new Code section provides for electronic signatures under federal law as modified, limited, or superseded in some cases by Article 1.

Part 2 provides general definitions and principles of interpretation. For example, the part amends the definition of "good faith" and makes the term universally applicable throughout the UCC with the exception of Article 5 (governing letters of credit). The old definition referred to honesty in fact in the conduct or transaction concerned. The part amends the provision to require both honesty in fact and the observance of reasonable commercial standards of fair dealing. There are new Code sections which determine: (1) when a person has notice of a fact, (2) when a transaction in the form of a lease creates a security interest, and (3) when a person gives value in return for certain rights or items involving a commitment, security, delivery, or adequate consideration. Part 2 defines "course of performance" to be used with "course of dealing" and "usage of the trade" to fill in incomplete commercial arrangements. The part provides for when a fact is presumed by a trier of fact, based on the introduction of evidence.

Part 3 provides that parties to a commercial transaction may depart from the provisions of the UCC by agreement (except for provisions referring to good faith, diligence, reasonableness, and degree of care).

Division II — Conforming Amendments to Other Articles

Division II is broken up into a number of parts. Parts A through H amend different articles of the UCC. Part A amends Article 2 governing sales, Part B amends Article 3 governing negotiable instruments, Part C amends Article 4 governing bank deposits and collections, Part D amends Article 5 governing letters of credit, Part E amends Article 8 governing investment securities, Part F amends Article 9 governing secured transactions, Part G amends Article 12 governing funds transfers, and Part H amends Article 13 governing leases. Part I amends other sections outside the UCC.

Division III — Contingent Alternative Provisions

Division III includes alternative provisions amending definitional provisions in Article 1, which take effect and prevail over conflicting definitional provisions otherwise provided in the Act based on the enactment of H.F. 716 (adopting revisions to UCC Article 7 providing for records relating to warehouse documents and documents of title), which was approved by the Governor on March 28, 2007. With the enactment of H.F. 716, this division's definitional Code sections prevail over conflicting amendments in Division I and over conflicting definitional provisions in H.F. 716.

Division IV — Transfers and Recodifications

Division IV amends and transfers a number of provisions currently located in other parts of Article 1, including provisions relating to obligations of good faith, the liberal administration of remedies, the right to waive or renounce a claim or right following a breach, the use of third-party documents as evidence in court, the reservation of rights, the option of a party to accelerate performance, and the subordination of obligations. Internal references in the Act use the Code section numbers which will be assigned when the Act's provisions are codified in the 2007 Code Supplement.

[SENATE FILE 554](#) - Cable or Video Service Franchises

BY COMMITTEE ON WAYS AND MEANS. This Act relates to franchises for the provision of cable service or video service.

Under current law, each city has the authority to grant a franchise for the provision of cable television service under Code Section 364.2. The Act requires a person providing cable service or video service to apply for and receive a certificate of franchise authority from the Iowa Utilities Board or a municipality to provide cable service or video service in a specified service area. Persons providing cable service or video service under a franchise agreement with a municipality prior to July 1, 2007, are not required to apply for a certificate of franchise authority until the franchise agreement expires or is converted as provided by the Act. The Act provides that upon expiration of a franchise, a franchise agreement may be renegotiated with a municipality or obtained from the board, and that a municipal utility providing cable service or video services shall not be required to obtain a certificate of franchise authority in the municipality in which provision of the services was originally approved. A competitive cable service provider or competitive video service provider shall provide at least 30 days' notice to each municipality in the service area granted under the certificate of franchise authority and to the incumbent cable provider that the provider will offer cable service or video service, and shall not provide

service without supplying this notice. The Act specifies procedures whereby incumbent cable providers may apply for a certificate of franchise authority issued by the board under the same terms and conditions applicable to a certificate issued to a competitive cable service provider or competitive video service provider filing a 30 days' notice of offering service.

The Act provides for certain application requirements to receive a certificate of franchise authority, including an affirmation of compliance with certain federal requirements, agreement to comply with nondiscriminatory municipal right-of-way ordinances, a description of the service area, and the address of the applicant's principal place of business. The Act provides for the certificate of franchise authority to contain certain information, including an explicit grant of authority to the holder of the certificate to provide cable service or video service in a specific service area described by the certificate, and that the franchise is for a term of 10 years, is renewable, and is nonexclusive. A certificate of franchise authority is transferable. The Act requires a holder of a certificate of franchise authority to file a notice of transfer with the board within 14 days of the completion of the transfer. The certificate holder may terminate the certificate by providing written notice to the board and an affected municipality. With reference to both the transfer or termination of a certificate of franchise authority, neither the board nor an affected municipality shall have authority to review or require approval of a transfer or termination.

A certificate of franchise authority shall be considered a "franchise" within the meaning of certain federal laws and only the state of Iowa shall be considered the franchising authority for competitive cable service providers and competitive video service providers in this state.

The Act prohibits municipalities from requiring a holder of a certificate of franchise authority to comply with mandatory build-out provisions, obtain a separate franchise, pay additional fees other than as provided in the Act, and comply with additional franchise requirements other than as provided in the Act. Code Section 364.2, relating to the powers of cities to grant franchises, shall not apply to a holder of a certificate of franchise authority.

Upon request by a municipality, the Act requires a holder of a certificate of franchise authority granted by the municipality to designate capacity on the certificate holder's communications network to allow for the provision of channels or capacity for public, educational, or governmental programming by a competitive cable service provider or competitive video service provider. A holder of a certificate of authority and an incumbent cable service provider must use reasonable efforts to interconnect the cable or video network of the certificate holder and incumbent provider to provide public, educational, and governmental programming.

The Act requires a competitive cable service provider and a competitive video service provider to calculate and pay a franchise fee to a municipality in which the provider is offering cable service or video service. The franchise fee must be requested by the municipality and paid not later than 45 days after the close of each quarter. The franchise fee shall be calculated as a percentage of gross revenues as defined by the Act. The municipality may not demand any additional franchise fees or another method of calculation of the franchise fee. The municipality may only charge one franchise fee per competitive provider regardless of whether the provider provides both cable service and video service, and may request an independent audit of the franchise fees paid. Provisions are included regarding continuation of financial support if a franchise agreement requires provision of institutional network capacity to a municipality by an incumbent provider and any subsequent holder of a certificate, limited to the existing institutional network on a pro rata basis per customer.

The holder of a certificate of franchise authority must comply with customer services requirements consistent with federal regulation, maintain a local or toll-free telephone number for customer service contact, and implement an informal process for handling inquiries from municipalities and customers concerning billing events, service issues, and other complaints which may lead to mediation if not resolved.

The Act provides for nondiscrimination with respect to holders of certificates of franchise authority by a municipality regarding the installation, construction, and maintenance of a communications network in the municipality's right-of-way. The municipality cannot discriminate against a holder of a certificate of authority regarding access to a municipal building or through a municipal utility pole attachment term.

The Act prohibits a competitive cable service provider or competitive video service provider with a certificate of franchise authority from denying access to the provider's services to any group of potential residential subscribers due to the residents' income.

The Act specifies criteria which, if met, require a video service provider operating under a certificate of franchise authority that is using telecommunication facilities to provide video services and has more than 500,000 telecommunication access lines in the state to extend its system to potential subscribers at no cost to the subscriber.

The Act contains a general applicability clause for consistency with the federal Cable Act. The Act authorizes the board to adopt rules necessary to administer new Code Chapter 477A.

The Act includes a severability clause giving effect to all provisions of the Act not impacted if any provision or application of the Act is held invalid.

The Act takes effect May 29, 2007.

SENATE FILE 557 - Credit Unions

BY COMMITTEE ON WAYS AND MEANS. This Act revises and reorganizes the Iowa Credit Union Act, Code Chapter 533, which is administered by the Credit Union Division of the Department of Commerce, to regulate credit unions.

SENATE FILE 559 - Cemeteries, Funerals, and Related Services and Merchandise

BY COMMITTEE ON COMMERCE. This Act amends Code Chapter 523A, relating to the sale of cemetery and funeral merchandise and funeral services and Code Chapter 523I, regulating cemeteries, and provides for fees and penalties. Code Chapters 523A and 523I are administered by the Commissioner of Insurance.

PRENEED SALE OF CEMETERY MERCHANDISE, FUNERAL MERCHANDISE, AND FUNERAL SERVICES. Portions of the Act pertain to advertising, selling, promoting, or offering to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, when performance or delivery may be more than 120 days following initial payment on the account. The Act defines a sales agent as a person authorized to sell such cemetery and funeral merchandise and funeral services on behalf of a preneed seller. A person is allowed to sell or offer to furnish such merchandise and services only through a licensed sales agent appointed to act on the preneed seller's behalf.

The Act requires preneed sellers and sales agents to obtain licenses issued by the commissioner, which must be renewed every four years. In addition to the original \$50 filing fee, a preneed seller must pay a renewal fee in an amount set by rule. A sales agent must pay a filing fee for a license and a renewal fee set by rule. The commissioner must perform criminal history and financial history background checks on applicants for the licenses. Sales agent licensees are required to perform continuing education requirements prescribed by the commissioner by rule.

The Act requires the licensees to meet annual reporting requirements. Preneed sellers are required to pay a \$10 filing fee and a \$5 or \$10 examination fee for each purchase agreement sold during the year covered by the report. Two dollars of each filing fee, together with all examination fees, are to be deposited into the Insurance Division Regulatory Fund, which is to be deposited into the General Fund of the State. A preneed seller or sales agent is subject to an administrative penalty of up to \$500 for failure to meet the reporting requirements, with the remaining moneys from each filing fee deposited into the General Fund of the State. A preneed seller or sales agent is also subject to denial, suspension, or revocation of a license or to other disciplinary action imposed by the commissioner.

The Act provides a limited circumstance in which a preneed seller may withdraw interest or income earned on amounts deposited in trust pursuant to a preneed purchase agreement to purchase a cemetery from a business entity in bankruptcy. The commissioner may conduct examinations of preneed sellers, including audits, as often as the commissioner deems appropriate. The commissioner is required to conduct examinations of preneed sellers with trust arrangements not less than once every three years, unless the preneed seller provides copies of annual audits conducted by an independent certified public accountant verifying the preneed seller's compliance with legal requirements.

The Act provides for security and notice requirements to a purchaser when a preneed purchase agreement is funded with an insurance policy or annuity or a surety bond. Preneed purchase agreements must be sequentially numbered by each preneed seller in compliance with rules adopted by the commissioner.

The Act provides that specified acts committed in willful violation of Code Chapter 523A are fraudulent practices punishable as provided in Code Chapter 714. A willful violation of the requirement to obtain a preneed seller or sales agent license is punishable as a class "D" felony. The commissioner may assess a civil penalty of up to \$50,000 for certain violations of Code Chapter 523A, and may issue an order prohibiting a person from selling funeral or cemetery merchandise or funeral services or participating in a business entity that is regulated under Code Chapter 523A or 523I. The commissioner is required to post lists of all persons licensed under Code Chapter 523A and an index of any orders issued by the commissioner pertaining to those persons on the Division of Insurance website.

The commissioner is required to submit an annual report to the Legislative Oversight Committee regarding the administration of Code Chapter 523A, which must include recommendations for statutory changes that would prevent abuses or evasions or rectify undesirable conditions in connection with such administration.

CEMETERIES. The Act makes changes relating to the regulation of cemeteries. The Act expands the commissioner's powers concerning the establishment of receiverships for cemeteries. The Division of Insurance may be appointed as receiver by a court. The commissioner may conduct an examination of a cemetery as often as the commissioner deems appropriate, but must conduct an examination of a cemetery that has a trust arrangement not less than once every three years.

A cemetery owned and controlled by a governmental subdivision must allow any veteran who is a landowner in or who lives within the subdivision to purchase an interment space and to be interred within the cemetery.

A cemetery is required to provide reasonable written specifications and instructions governing installations of memorials on interment spaces which apply to all such installations and must mark each interment space and inspect each installation when completed. Cemeteries must also meet specifications for standard interment spaces and install and maintain internal reference markers in undeveloped areas of the cemetery.

A cemetery may use not more than 20 percent of the principal of the cemetery's care fund to purchase recordkeeping software to maintain ownership or interment records.

A perpetual care cemetery must file an annual report with the commissioner. The commissioner must levy a \$500 administrative penalty against a cemetery that fails to timely file its annual report. The moneys are to be deposited into the General Fund of the State.

The commissioner is required to submit an annual report to the Legislative Oversight Committee regarding the administration of Code Chapter 523I in the same manner as required in Code Chapter 523A.

COORDINATING AMENDMENTS. The Act includes a number of coordinating amendments to make other statutory provisions consistent with the provisions of this Act.

HOUSE FILE 5 - Consumer Loans Secured by Motor Vehicle Titles — Finance Charges

BY HEDDENS, et al. This Act relates to the maximum finance charge allowed for consumer loans secured by a certificate of title to a motor vehicle. The Act prohibits a lender from contracting for or receiving a finance charge which exceeds 21 percent per year on the unpaid balance of a loan for money which is secured by a certificate of title to a motor vehicle. The remedies under Code Chapter 537 for excess charges are available to consumers who are charged a finance charge in excess of 21 percent per year for such a consumer loan. An attempt to avoid application of the maximum finance charge on a loan secured by a certificate of title to a motor vehicle by structuring the transaction as a sale, sale and repurchase, sale and lease, pawn, rental purchase, or lease with the intent to avoid the maximum finance charge shall be considered a violation of the maximum finance charge and shall be considered a consumer fraud subject to civil penalties and enforcement pursuant to Code Section 714.16.

HOUSE FILE 258 - **Directors of Nonprofit Corporations — Duties**

BY COMMITTEE ON JUDICIARY. This Act requires directors of nonprofit corporations to devote the same attention to their oversight functions as they devote to their decision-making functions, which is with the care that a person in a like position would reasonably believe appropriate under similar circumstances. Such directors may rely on certain information, opinions, reports, or statements presented to them, so long as they do not have knowledge that makes the reliance unwarranted.

HOUSE FILE 400 - **Real Estate Broker Professional Corporations or Limited Liability Companies**

BY COMMITTEE ON COMMERCE. This Act provides for the inclusion of real estate brokers in the list of professions authorized to form a professional limited liability company in Code Section 490A.1501 and a professional corporation in Code Section 496C.2. The Act makes changes consistent with this new authorization in Code Chapter 543B, which provides for the licensing of real estate brokers.

HOUSE FILE 499 - **Regulation of Entities or Services by the Commissioner of Insurance**

BY COMMITTEE ON COMMERCE. This Act relates to various matters under the purview of the Insurance Division of the Department of Commerce.

WORKERS' COMPENSATION — RELEASE OF SECURITY. Code Section 87.11 is amended to allow an employer that is self-insured for workers' compensation purposes and discontinues its self-insured status or enters bankruptcy proceedings to petition the Insurance Commissioner for a release of its security under specified circumstances. The commissioner is required to release security upon a finding that a self-insured employer has acceptable replacement security.

PREMIUM TAXES. Code Section 432.1 is amended to specify that an insurance company or association, other than a life insurance company or association, is required to pay taxes based on a percentage of gross premiums written instead of gross premiums.

UNIFORM SECURITIES ACT. Code Section 502.602 is amended to allow an administrator to seek remedies for noncompliance with the Code chapter by application to the Polk County District Court or the district court for the county in which the person resides or is located.

Code Section 502.603 is amended to specify where an administrator may maintain an action for civil enforcement.

Code Section 502.604 is amended to provide that a hearing will be scheduled within 30 instead of 15 days after an administrator receives a request for hearing, and to specify where the administrator may petition for enforcement of an administrative order.

INSURANCE DIVISION POWERS AND DUTIES. Code Section 505.8 is amended to authorize the Commissioner of Insurance to perform a variety of specified duties.

SALE OF LIFE INSURANCE TO MILITARY PERSONNEL. New Code Section 505.27A authorizes the Commissioner of Insurance to adopt rules related to the sale of life insurance, other than the Federal Service Members' Group Life Insurance Program, as necessary to protect military personnel located either on a United States military installation or elsewhere in the state, and to carry out the provisions of Iowa insurance law and related rules.

DOMESTIC INSURANCE COMPANIES — BIOGRAPHICAL AFFIDAVITS. New Code Section 506.13 requires new officers or directors of an insurance company domiciled in Iowa to file a biographical affidavit with the Insurance Commissioner within 30 days after a quarterly or annual statement of the company first names the individual as an officer or director of the company on the jurat page of the quarterly or annual statement.

Code Section 508.10 is amended to eliminate the requirement that foreign life insurance companies doing business in Iowa maintain on deposit an amount equal to their minimum capital and surplus requirements.

NONPROFIT HEALTH SERVICE CORPORATIONS. Code Section 514.4 is amended to allow a subscriber director of a dental service corporation to be an employee, officer, director, or trustee of a hospital that does not contract with the dental service corporation.

EXTERNAL REVIEW OF HEALTH CARE COVERAGE DECISIONS. Code Section 514J.2 is amended to provide that a "coverage decision" for which there is a right of appeal pursuant to Code Chapter 514J does not include a denial of coverage for a service or treatment that has already been received and for which the enrollee has no financial liability.

INSURANCE OTHER THAN LIFE — INVESTMENT LIMITATIONS. Code Section 515.35 is amended by adding a definition of what constitutes "capital and surplus" for purposes of computing percentage limitations on particular types of investments by insurance companies other than life insurers.

PROPERTY AND CASUALTY INSURANCE — ACTUARIAL OPINION OF RESERVES. New Code Chapter 515H requires every property and casualty insurance company doing business in Iowa, unless otherwise exempted, to annually submit a statement of actuarial opinion and an actuarial opinion summary by an appointed actuary with the company's annual statement. The new Code chapter also provides that a statement of actuarial opinion filed with the company's annual statement is a public record, although other documents filed in support of the statement such as the actuarial report, work papers, and the actuarial opinion summary are considered confidential records under Code Section 507.14.

MOTOR VEHICLE SERVICE CONTRACTS. Code Section 516E.3 is amended by striking the requirement that the provider of a motor vehicle service contract file a copy of the contract with the commissioner since the service company that issues the contract is already required to file such a copy.

COUNTY MUTUAL INSURANCE ASSOCIATIONS. Code Section 518.14 is amended to include a definition of what constitutes "surplus" for purposes of computing percentage limitations on particular types of investments by county mutual insurance associations.

STATE MUTUAL INSURANCE ASSOCIATIONS. Code Section 518A.1 is amended to prohibit state mutual insurance associations from providing liability and property insurance for loss and expense resulting from the ownership, maintenance, or use of automobiles or aircraft.

Code Section 518A.12 is amended to include a definition of what constitutes "surplus" for purposes of computing percentage limitations on particular types of investments by state mutual insurance associations.

RECIPROCAL OR INTERINSURANCE CONTRACTS. Code Section 520.9 is amended to require designated subscribers that are authorized to exchange reciprocal or interinsurance contracts to provide special trust deposits where assets for the payment of certain losses do not equal \$5 million and to require that reinsurance be secured in an authorized company with a surplus of at least \$5 million. Currently, the required minimum amounts are \$2 million.

CONSOLIDATION, MERGER, AND REINSURANCE. Code Section 521.2 is amended to provide that a domestic insurance company, instead of a domestic mutual insurance company, shall not assume or reinsure the risks of any other company, except as provided in Code Chapter 521.

PROTECTED CELL COMPANIES. Code Section 521G.6 is amended to specify that a protected cell is prohibited from issuing an insurance or reinsurance contract directly to a policyholder or reinsured and that it does not have an obligation to a policyholder or reinsured of the protected cell company's general account.

LICENSING OF INSURANCE PRODUCERS. Code Section 522B.6 is amended to require resident individual insurance producers to complete continuing education requirements in order to be eligible for license renewal, unless otherwise exempted from such requirements.

LICENSING OF PUBLIC INSURANCE ADJUSTERS. New Code Chapter 522C governs qualifications and procedures for licensing public adjusters in this state, and specifies duties and restrictions on such public insurance adjusters, including limitation of their licensure to assisting insureds with first-party claims.

The Act authorizes the commissioner to place on probation, suspend, revoke, or refuse to issue or renew the license of or levy a civil penalty against a person who violates the requirements of the new Code chapter or rules or orders issued pursuant to the new Code chapter. Acting as a public adjuster without a license or willful violations of the new Code chapter or rules or orders issued pursuant to the new Code chapter are classified as

serious misdemeanors. A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$315 but not more than \$1,875.

INSURANCE COMPANY BOARD OF DIRECTORS — PROPORTIONATE REPRESENTATION. Code Sections 523.5 and 523.6, which entitled certain minority shareholders to have proportionate representation on the board of directors of certain life or fire insurance companies, are repealed.

HOUSE FILE 556 - Propane Education and Research Council

BY COMMITTEE ON COMMERCE. This Act creates new Code Chapter 101B, which establishes the Iowa Propane Education and Research Council. The council consists of 10 voting members appointed by the Governor and six ex officio, non-voting members designated by specified organizations. The State Fire Marshal or a designee may also serve as an ex officio, nonvoting member of the council.

The purpose of the council is to develop programs and projects concerning propane, with priority given to issues related to propane involving research and development, safety, education, training, and to arrange for administration of such programs and projects. The programs and projects must be developed to attain equitable geographic distribution of their benefits as much as is practical.

The council and its activities are funded by an annual assessment made after establishment of the council and each year thereafter, at the rate of one-tenth of one cent on each gallon of odorized propane sold for use in this state. The council is required to prepare an annual budget plan for the next fiscal year, including the probable cost of all programs and projects and their administration.

Owners of odorized propane are required to calculate the assessment at the time of odorization or import of the propane based on the volume of odorized propane. The assessment must be included as a separate line item on the bill of sale for the odorized propane and collected by the owner from propane purchasers for payment to the council each month. The Act also allows the imposition of an interest penalty for failure to timely pay the assessments collected to the council. The council is authorized to establish an alternative means of collecting assessments and alternative late payment charges or interest penalties. The council is required to invest assessments collected until they are disbursed, as specified.

The Act establishes procedures for holding a referendum to terminate or suspend the council.

The Act gives state district courts jurisdiction to enforce the new Code chapter, prohibits the use of assessments for lobbying activities, prohibits passing the cost of the assessments on to consumers, and requires persons occupying positions of trust to obtain a bond. The council must submit an annual report to the State Fire Marshal and to the Auditor of State with copies to the Chief Clerk of the House of Representatives and to the Secretary of the Senate. The council is allowed to recommend statutory changes to the General Assembly to further the purposes of the new Code chapter.

A willful violation of the provisions of the Act or fraudulent reporting of information required by the State Fire Marshal pursuant to the provisions of the Act is a simple misdemeanor.

The Act takes effect May 24, 2007, except Code Section 101B.4, which concerns the establishment of assessments and takes effect January 1, 2008, or upon adoption of administrative rules implementing the provision, whichever occurs first.

Code Chapter 101B is repealed December 31, 2014.

HOUSE FILE 651 - Business Corporations — Miscellaneous Changes

BY COMMITTEE ON JUDICIARY. This Act amends Code Chapter 490, the "Iowa Business Corporation Act." In 2002, the General Assembly enacted H.F. 2509 (2002 Iowa Acts, Chapter 1154), which adopted various amendments to Code Chapter 490, that were based on the American Bar Association's recommended changes to its Model Business Corporation Act. The Act makes further recommended changes to the Code chapter based on the association's further review of its model Act.

FILING DOCUMENTS — FACTS OBJECTIVELY ASCERTAINABLE. The Act amends Code Section 490.120, which provides requirements for filing documents, including documents which refer to extrinsic facts, by providing a

new term: "facts objectively ascertainable." The term refers to facts which exist outside of a plan (a plan of merger or a plan of share exchange) or a filed document (a document filed with the Secretary of State such as articles of incorporation or amendments to those articles), but which may be ascertainable by reference to a generally available source of information (e.g., a nationally recognized news or information medium, statistical or market indices, market prices, currency exchange rates, an action by a person who is a party to a plan or filed document, or the terms of an agreement). If the facts are not ascertainable from one of these qualified sources or from a document that is a matter of public record, the corporation must file a certificate of amendment with the Secretary of State setting forth the fact promptly after the time when the fact referred to is first ascertainable or changes.

The Act amends Code Section 490.202 to provide that the provisions of articles of incorporation may be made dependent upon "facts objectively ascertainable" outside the articles of incorporation. It also amends Code Section 490.1006 by providing that amendments to articles of incorporation may be made dependent upon facts objectively ascertainable outside the articles of amendment, and by providing that the amendment must state if information is being filed as a fact which is objectively ascertainable. Similarly, the Act amends Code Sections 490.1102 and 490.1103 to provide that the terms of a plan of merger or plan of share exchange may be made dependent upon facts objectively ascertainable outside of the plan. The Act amends Code Section 490.601, relating to a corporation's right to authorize the issuance of different types of shares, by allowing a corporation to create a class of shares or series within a class which includes terms that are dependent upon facts objectively ascertainable outside of the certificate of incorporation (e.g., dividend rates that vary in relation to an external index).

THE ISSUANCE OF AUTHORIZED SHARES. The Act amends Code Section 490.601 relating to a corporation's right to authorize the issuance of different types of shares, by expressly providing that a corporation may issue any class of shares or series within a class (e.g., class "A" preferred shares being the first series of preferred shares issued by the corporation, without par value or attendant voting rights). The corporation must set forth any class of shares or series of shares within a class, and the number of shares of each class and series, that the corporation is authorized to issue. If more than one class or series of shares is authorized, the articles must provide attributes which distinguish the class or series of shares from other classes or series of shares (i.e., "preferences, rights, and limitations").

The Act amends Code Section 490.602 to allow a corporation's board of directors, consistent with the corporation's articles of incorporation, to allocate authorized but unissued shares of one class or series to other designated classes or series without shareholder approval. The board must determine the preferences, rights, and limitations of the shares in the same manner as provided in Code Section 490.601.

SHARE OPTIONS. The Act amends Code Section 490.624, which allows a corporation to issue rights, options, or warrants for the purchase of shares of the corporation. The Act allows a board of directors to determine the terms and conditions of those rights, options, or warrants, and may preclude or limit their exercise, transfer, or receipt.

HOUSE FILE 716 - Uniform Commercial Code — Documents of Title

BY COMMITTEE ON JUDICIARY. This Act amends Article 7 of the Uniform Commercial Code (UCC) governing warehouse receipts, bills of lading, and other documents of title. The amendments derive from a model act with comments as prepared by the National Conference of Commissioners on Uniform State Laws and the American Law Institute. According to the model act's preface, the provisions of the model act are to further develop electronic documents of title in light of state, federal, and international developments. The preface continues by stating that each section has been reviewed to determine its suitability given modern practice, the need for medium and gender neutrality, and modern statutory drafting.

CONFORMITY WITH THE MODEL ACT. The Act adopts the changes made by the model act, with certain limited exceptions consistent with the current format and style of Iowa's version of the UCC, which are limited to numbering, capitalization, citations, the use of dashes rather than semicolons in headnotes, and the use of gender-neutral language in conformance with Code Section 2.33. Otherwise, the Act follows language and punctuation as recommended in the model act, even when contrary to normal drafting practice (e.g., retaining the model act's use of the term "may not" rather than the preferred "shall not" or "must not" in amendments to Code Sections 554.7210, 554.7304, 554.7308, 554.7309, 554.7601, and 554.7602). The Act also retains a

nonconforming provision, taken from Code Section 554.7601, providing for lost and missing documents. Subsections 3 and 4, unique to Iowa, provided for lost or destroyed warehouse receipts and the regulation of warehouse receipts by the Department of Agriculture and Land Stewardship (see also the department's regulation of warehouses under Code Chapter 203C). The Act organizes these unique subsections into new Code Section 554.7601A to alert the reader that the provisions are not based on model legislation.

STRUCTURE. The Act is separated into two divisions. Division I amends provisions in Article 7 and Division II provides for conforming changes to provisions outside of Article 7.

The Act does not alter the structure of Article 7, which is divided into a number of parts including: Part 1 provides general provisions, including definitions; Part 2 provides special provisions for warehouse receipts, and Part 3 provides special provisions for bills of lading. The remaining parts provide for both warehouse receipts and bills of lading. Part 4 provides for general obligations, Part 5 provides for negotiation and transfer arrangements, and Part 6 provides for miscellaneous provisions.

AMENDMENTS. The Act amends Code Section 554.1201, which includes definitions for "bearer," "bill of lading," "delivery," "document of title," "holder," and "warehouse receipt." In Code Section 554.7102, the term "warehouse operator" is replaced by "warehouse" and the term "warehouse" is replaced with the term "warehouse facility." The Act provides new definitions for "good faith," "record," "sign," and "shipper." The changes to the definitions, in part, authorize the use of electronic records, and allow a person (bailee) to issue an electronic document of title in the regular course of business or financing. The electronic document may evidence that a person who is in control of the record is entitled to receive, control, hold, and dispose of the record and the goods the record covers. In some cases the same definitions are also amended in 2007 Iowa Acts, S.F. 535, which revises UCC Article 1 (which includes general provisions such as definitions and rules of construction and applicability that govern the entire Code chapter). In those cases, the provisions of S.F. 535 prevail.

The Act divides records into electronic and tangible documents of title. The Act includes a new section which addresses the "control" of an electronic document of title which is closely connected to the "Uniform Electronic Transactions Act" (Code Chapter 554D). According to the comments, "control" of an electronic document of title is equivalent to possession and endorsement of a tangible (written) document of title. The Act also provides that parties may substitute an electronic document of title for an already-issued paper document (Code Section 554.7105). In general, the rules applicable for electronic documents of title are the same or similar to the rules for tangible documents of title. Where a difference is meant to apply, the provision refers only to one type of document without mentioning the other. As with tangible negotiable documents of title, electronic negotiable documents of title may be negotiated and duly negotiated (Code Section 554.7501).

The Act amends Code sections to include a number of other changes, which include:

1. Eliminating references to tariffs or filed classifications, which were made according to the comments to account for the deregulation of the affected industries (see Code Sections 554.7103 and 554.7309).
2. Providing when a document is nonnegotiable (Code Section 554.7104).
3. Specifying when the article's provisions apply only to warehouse receipts or only bills of lading.
4. Eliminating the current provisions in Code Section 554.7105 and replacing it with a new provision providing for the reissuance of a document in an alternative medium.
5. Providing that particular terms need not be included in a document to create a valid warehouse receipt (Code Section 554.7202).
6. Broadening the ability of a warehouse to provide an effective limitation of liability in a warehouse receipt or storage agreement in accordance with commercial practice (Code Section 554.7204).
7. Allowing a warehouse to obtain a lien on goods covered by a storage agreement and providing for rules of priority among creditors (Code Section 554.7209).

8. Amending the usage of provisions relating to shipping practices (Code Sections 554.7301 and 554.7302).
9. Providing for the extent of a carrier's lien (Code Section 554.7307).
10. Adding references to provisions for leasing arrangements under Article 2A, codified in Iowa as Article 13 (Code Sections 554.7503, 554.7504, and 554.7509).
11. Providing that a warranty made by negotiation or delivery of a document of title applies only in the case of a voluntary transfer of possession or control of the document (Code Section 554.7507).
12. Providing when a court may order protection against loss involving the delivery of goods or the issuance of a substitute document (Code Section 554.7601).

Finally, the Act includes a provision unique to Iowa which governs the issuance of warehouse receipts, and authorizes the Department of Agriculture and Land Stewardship to provide for forms for warehouse receipts and the filing of electronic warehouse receipts.

HOUSE FILE 790 - Association Group Health Plans and Wellness Initiatives

BY COMMITTEE ON COMMERCE. This Act allows certain association group health care plans and wellness initiatives applicable to health insurance coverage issued by small employer carriers.

Division I — Association Group Health Care Plans

The Act creates new subsection 7A of Code Section 509.1, which authorizes issuance of a group health insurance policy issued by a small employer carrier, as defined in Code Section 513B.2, to a bona fide association to provide health insurance coverage to employees of association members and to the spouses and dependents of such employees. The Act defines what constitutes a bona fide association to whom such a policy may be issued. For the purposes of new subsection 7A, a "small employer" means a person actively engaged in business who, on at least 50 percent of the employer's working days during the preceding year, employed not less than two and not more than 50 full-time equivalent, eligible employees.

The Act allows coverages provided by a group health insurance policy pursuant to new subsection 7A to constitute a class of business and a small employer carrier may condition coverages under such a policy on minimum levels of participation by employees of each association member, minimum levels of contribution by each association member that offers the coverage to its employees, and a specified policy term, subject to annual premium rate adjustments as permitted by Code Section 513B.4.

The Act also allows coverages provided by a group health insurance policy through two or more bona fide associations which a small employer carrier has aggregated as a distinct grouping, to constitute a class of business, and allows a small employer carrier to condition coverages under such a policy as set forth above. A small employer carrier cannot remove a bona fide association from such a class based on the claims experience of that association.

A small employer carrier may establish more than two additional groupings as classes of business under Code Section 513B.2 on the basis of underwriting criteria which are expected to produce substantial variation in the health care costs.

Code Section 513B.4 is amended to prohibit that portion of a premium rate charged to a small employer for a new rating period based on the claims experience, health status, or duration of coverage of the employees or dependents of the small employer from exceeding an increase of more than 15 percent annually.

Division II — Wellness Initiatives

The Act allows a small employer carrier to transfer a small employer into a different class of business with a lower index rate based upon claims experience, implementation of managed care or wellness programs, or health status improvement of the small employer since issuance of the policy.

A small employer carrier may offer premium credits or discounts to a small employer for the benefit of eligible employees who voluntarily participate in wellness or disease management programs. The Act allows suspen-

sion or modification of premium rate restrictions to enable a small employer carrier to provide such premium credits or discounts to a small employer based on measurable reductions in costs of that small employer, including but not limited to tobacco use cessation, participation in established wellness or disease management programs, and reduced administrative or distribution costs. The Act prohibits an employee from being penalized in any way for not participating in a wellness or disease management program.

Division III — Effective Date

The Act takes effect April 10, 2007.

HOUSE FILE 924 - **Licensure of Real Estate Brokers or Salespersons — Convictions of Specified Offenses**
BY COMMITTEE ON WAYS AND MEANS. This Act relates to action taken by the Real Estate Commission in circumstances where an applicant for licensure, or an existing licensee, has been convicted of specified criminal offenses.

An applicant for a real estate broker's or salesperson's license who has been convicted of certain offenses shall not be considered for licensure until specified time periods have elapsed following completion of a sentence. The Act defines "convicted" to refer to a guilty plea, deferred judgment, or other finding of guilt. The time periods are two years for a felony and five years for offenses which include or involve forgery, embezzlement, obtaining money under false pretenses, theft, arson, extortion, conspiracy to defraud, or other criminal breach of fiduciary duty. After these time periods have elapsed, the commission shall consider an application and may deny it based on the conviction. If denied, an applicant may request a hearing pursuant to Code Section 543B.19.

With regard to existing licensees, the Act requires that a licensee notify the commission of a conviction of any of the specified offenses within 10 days of the conviction. The Code currently provides for a 60-day notification period. The Act provides that notification of a conviction for an offense which is classified as a felony will result in the immediate suspension of a license pending the outcome of a revocation hearing conducted pursuant to Code Section 543B.35.

CHILDREN AND YOUTH

- [SENATE FILE 480](#) - Court-Ordered Out-of-Home Placement of Children — Sibling Visitation or Interaction
- [SENATE FILE 503](#) - Regulation of Services for Children and Families
- [HOUSE FILE 245](#) - Invasive Pneumococcal Disease Immunization
- [HOUSE FILE 396](#) - Community Empowerment Initiative Appropriation — Scope of Preschool Services

RELATED LEGISLATION

- [SENATE FILE 254](#) - Family Investment Program Requirements
SEE HUMAN SERVICES. This Act revises provisions administered by the Department of Human Services under Code Chapter 239B involving the Family Investment Program.
- [SENATE FILE 403](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act relates to financial and regulatory matters by making and increasing appropriations for FY 2004-2005, FY 2005-2006, and FY 2006-2007, and includes funding for certain cultural affairs projects, the Skills Iowa Technology Grant Program, and an assistive technology grants and loans program to support persons with a disability.
- [SENATE FILE 529](#) - Secure Criminal or Juvenile Facilities — Possession of Contraband
SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS. This Act expands the definition of possessing contraband in correctional institutions to include possessing such contraband in a secure facility for the detention and custody of juveniles.
- [SENATE FILE 563](#) - Appropriations — Judicial Branch
SEE APPROPRIATIONS. This Act makes appropriations for FY 2007-2008 to the judicial branch, and authorizes the hiring of additional court employees for the Children's Justice Initiative. The initiative includes the following additional employees or judicial officers: two court reporters, one and one-half full-time equivalent court attendants, four juvenile court officers, two juvenile court technicians, and two district associate judge positions.
- [SENATE FILE 575](#) - Appropriations — Justice System
SEE APPROPRIATIONS. This Act raises the hourly attorney rate for indigent representation of a juvenile.
- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters and includes provisions affecting children and youth.
- [HOUSE FILE 158](#) - Blood Lead Testing of Young Children
SEE HEALTH AND SAFETY. This Act requires the parent or guardian of a child to provide evidence to the school district or accredited nonpublic school in which the child is enrolled that the child was tested for elevated blood lead levels. The evidence for children who are home schooled must be provided to the school district of residence. The Act provides exceptions to the requirement.
- [HOUSE FILE 777](#) - Court Records and Recordkeeping — Procedure, Fees, and Costs
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act requires a petitioner to file separate adoption petitions for each person being adopted. However, the Act waives filing and docketing for multiple adoption petitions filed at the same time by the same petitioner.

[HOUSE FILE 780](#)

- Temporary Modification of Child Support Orders
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act authorizes the district court to temporarily modify a child support order when an application to modify a child support or child custody order is pending.

[HOUSE FILE 787](#)

- Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2007, and ending September 30, 2008, and for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The Act includes funding for various programs involving children and families, including Child Care and Development, Maternal and Child Health Services, Community Services, and Social Services Block Grants. See H.F. 909 in Appropriations for expenditure of the Child Care and Development Block Grant.

[HOUSE FILE 877](#)

- Statewide Preschool Programs for Four-Year-Old Children — Appropriations
SEE EDUCATION. This Act creates a statewide voluntary preschool program for four-year-old children to be implemented through school districts in collaboration with existing child care, community empowerment, Shared Visions, Head Start, and other early care programs. The program is administered at the state level by the State Board of Education and the Department of Education.

[HOUSE FILE 907](#)

- Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2007-2008. The appropriations to the Department of Human Services include funding to supplement the Medical Assistance (Medicaid) Program appropriation, for child and family services, for supplementation of the appropriation for the state Supplementary Assistance Program, and for general administration of health-related programs. The appropriations to the Department of Public Health include funding for the Comprehensive Tobacco Use Prevention and Control Initiative, for additional substance abuse treatment under the Substance Abuse Treatment Program, for substance abuse prevention programming grants for children, for development of a Healthy Iowans 2010 Plan, for the Center for Congenital and Inherited Disorders, for grants to individual patients who have phenylketonuria, for a support program for people living with epilepsy and their families, and to leverage federal funding through the Ryan White Care Act. The Act appropriates funding to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account, to the Department of Economic Development for allocation to the Iowa Commission on Volunteer Services for the Iowa's Promise and Mentoring Partnership Program, and to the Department of Education to continue a competitive grants program to expand the availability of before and after school programs.

[HOUSE FILE 909](#)

- Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and includes numerous provisions involving children, including child support, child care, child protection, child welfare, and community empowerment funding.

CHILDREN AND YOUTH

SENATE FILE 480 - Court-Ordered Out-of-Home Placement of Children — Sibling Visitation or Interaction

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to children who are subject to a court order as a child in need of assistance, juvenile delinquent, or other provisions of the Juvenile Justice Code under Code Chapter 232 for a temporary or permanent out-of-home placement by providing for visitation or ongoing interaction between the children and siblings.

The term "sibling" is defined to mean an individual who is related to another individual by blood, adoption, or affinity through a common legal or biological parent.

New Code Section 232.108 outlines requirements for sibling visitation or other ongoing involvement for any child subject to an order under Code Chapter 232 for an out-of-home placement. The requirements apply to the Department of Human Services and other agencies to which custody is transferred for placement of a child, to the court, and to child-placing agencies when parental rights over a child are terminated. When siblings are subject to out-of-home placement orders, regardless of when the orders are made, the department or other agency must make a reasonable effort to place the siblings in the same placement together. If such placement is not possible, the reasons why must be provided to the child and siblings and effort made to facilitate frequent visitation or other ongoing interaction. However, if the court determines that the visitation or contact would be detrimental to the child's well-being, the court may suspend or terminate the visitation or contact.

An individual who wishes to assert a sibling relationship with a child is authorized to petition the court with jurisdiction over the child for a hearing and to request frequent visitation or other ongoing interaction with the child. Upon finding the individual to be a sibling of the child, unless the court determines that the visitation or contact would be detrimental to the child, the individual is required to be included in the visitation or interaction effort.

Sibling placement, visitation, and contact efforts and orders are required to be reflected in the case permanency plan prepared for a child in an out-of-home placement.

If the parental rights over a child are terminated, the department or a child-placing agency working on the child's adoption or other permanent placement are required to take steps to help preserve the child's sibling relationships. The steps include providing training and information to prospective adoptive parents and encouraging planning.

Code Sections 232.58 and 232.104, relating to permanency hearings held for a child found to be delinquent or to be a child in need of assistance, are amended to provide that when the court has suspended or terminated sibling visitation or interaction, the court is required to review its determination when permanency hearings are held and may modify the suspension or revocation, as appropriate.

SENATE FILE 503 - Regulation of Services for Children and Families

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to regulation of children's services by the Department of Human Services (DHS) by increasing the age for certain children receiving a state child care subsidy, revising child welfare and juvenile justice service provisions to conform with federal law by requiring a national fingerprint-based criminal record check of foster parents, and by providing a right for foster parents and others providing preadoptive care to a child to be heard in juvenile court hearings involving the child.

CHILD CARE SERVICES. Division I of the Act adds a new eligibility category for the State Child Care Assistance Program under Code Section 237A.13. The new category is directed to a person age 13 through 15 who is part of a family in which the parent, guardian, or custodian meets one of the following existing eligibility categories: is participating in approved academic or vocational training; is seeking employment; is employed but the family income meets income requirements; or is absent for a limited period of time due to hospitalization, physical illness, or mental illness, or is present but is unable to care for the child for a limited period as verified

by a physician. The provision of assistance must be approved by the Director of DHS or the director's designee based on the risk if the person is left alone in the family setting.

INTERSTATE PLACEMENT OF CHILDREN IN FOSTER CARE. Division II of the Act makes changes to the term "reasonable efforts" used in Code Chapter 232, relating to juvenile justice and child welfare. The term refers to the efforts made to preserve and unify a family prior to the out-of-home placement of a child in foster care or to eliminate the need for removal of the child or make it possible for the child to safely return to the family's home. The changes are made to comply with the federal Safe and Timely Interstate Placement of Foster Care Children Act of 2006.

Code Section 232.2, providing definitions, is amended to revise the case permanency plan definition for a child who is subject to an out-of-home placement. The requirement to provide a summary of the child's health and education records to the extent the records are available is amended to require the most recent information available regarding the records. The requirement for making a visit to a child in an out-of-state placement at least every 12 months is changed to at least every six months.

The reasonable efforts provisions relating to delinquency proceedings and relating to child in need of assistance proceedings are amended to provide that such efforts include giving consideration, if appropriate, to interstate placement of a child in the permanency planning decisions and giving consideration to in-state and out-of-state placement options at a permanency hearing and when using concurrent planning. Concurrent planning means planning to place a child for adoption or with a guardian is performed at the same time as planning to return the child to the child's home. Provisions relating to the permanency hearings held concerning a child subject to an order for an out-of-home placement are amended to require the court to consider the reasonable efforts made concerning the child.

CHILD WELFARE FAMILY-CENTERED AND FAMILY PRESERVATION SERVICES. Division III of the Act addresses child welfare family-centered and family preservation services.

When the court in child in need of assistance proceedings orders transfer of custody from the child's parent, current law requires identification of the "reasonable efforts" that have been made to preserve and unify a family prior to the out-of-home foster care placement or to eliminate the need for removal of the child or make it possible for the child to safely return to the family's home.

"Intensive family preservation services" are eliminated as a form of reasonable efforts and the scope of the term "family-centered services" is expanded as a form of reasonable efforts. The previous focus of family-centered services as a comprehensive approach to addressing the problems of individual family members within the context of the family is eliminated. Instead, the Act focuses attention on the child regarding safely maintaining a child with the child's family or a relative, returning a child to the child's home, or promoting concurrent planning goals relating to placement of the child for adoption or with a guardian or with an alternative person.

CHILD-PLACING AGENCY INSPECTIONS. Division IV of the Act changes the minimum period within which the Department of Inspections and Appeals is required to visit and inspect the premises of a child-placing agency licensed by DHS from six to 12 months. These agencies place children permanently or temporarily for adoption or in foster care or receive children for such placement.

LICENSED FOSTER CARE — RECORD CHECKS. Division V of the Act relates to foster care licensing and the authorization of DHS to conduct criminal and child abuse record checks in other states. For individual child foster parent licensees, the Act requires a fingerprint-based national criminal history check to be made through the United States Department of Justice, Federal Bureau of Investigation. If the state criminal history and abuse registry checks have been made without an indication that prohibition of the individual's foster parent licensure would be warranted, the individual may be provisionally approved for licensure pending the outcome of the fingerprint-based national criminal history check.

PREADOPTIVE CARE. Division VI of the Act provides a foster parent, relative, or other individual with whom a child has been placed for preadoptive care with a right to be heard in any review or hearing involving the child, including providing testimony or a written statement in a termination of parental rights proceeding.

HOUSE FILE 245 - **Invasive Pneumococcal Disease Immunization**

BY COMMITTEE ON HUMAN RESOURCES. This Act requires an invasive pneumococcal disease immunization for children enrolled in a licensed child care center. The three major conditions caused by this disease are pneumonia, bacteremia, and meningitis. The requirement is inserted in Code Section 139A.8, relating to immunization requirements for children administered by the Department of Public Health. Existing exemption provisions relating to health risk and religious belief remain applicable to the new requirement.

HOUSE FILE 396 - **Community Empowerment Initiative Appropriation — Scope of Preschool Services**

BY COMMITTEE ON HUMAN RESOURCES. This Act expands the scope of services under an existing appropriation for FY 2006-2007 made in 2006 Iowa Acts, Chapter 1157, for the Community Empowerment Initiative involving preschool services. The Act expands the services to be provided through the appropriation beyond preschool services to include other supportive services. The four-year-old and five-year-old age range addressed in the appropriation is expanded to include three-year-old children.

See S.F. 588 (Appropriations) for a reduction from \$15 million to \$10 million in the overall amount appropriated for other Community Empowerment Initiative purposes for FY 2007-2008, and a requirement for distribution of the amount appropriated for FY 2007-2008 and FY 2008-2009 in the same manner as provided in this Act.

The Act takes effect May 24, 2007, and is retroactively applicable to July 1, 2006.

CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION

- [SENATE FILE 140](#) - Law Enforcement Agency Electronic Mail and Telephone Billing Records
- [SENATE FILE 161](#) - Confidential Public Records and Meetings of Governmental Bodies — Security and Emergency Preparedness Information
- [SENATE FILE 311](#) - Satisfaction of Mortgages
- [SENATE FILE 340](#) - Dissolution of Marriage — Property Division — Inherited or Gifted Property
- [SENATE FILE 381](#) - Judicial Branch Personnel — Appointment and Compensation
- [SENATE FILE 384](#) - Limitations of Civil Rights Claims and Civil Lawsuits — Minors, Mentally Ill Persons, and State and Local Government
- [SENATE FILE 430](#) - Recognition and Enforcement of Foreign or Tribal Judgments
- [SENATE FILE 538](#) - Parent's Cause of Action for Injury or Death of Child
- [SENATE FILE 540](#) - Trusts and Estates — Miscellaneous Changes
- [SENATE FILE 546](#) - Hospital Liens
- [SENATE FILE 593](#) - Miscellaneous Court Procedures and Proceedings
- [HOUSE FILE 199](#) - Attorney Fees in Custody, Visitation, or Paternity Proceedings
- [HOUSE FILE 298](#) - Conveyance or Encumbrance of Homesteads — Legal Description
- [HOUSE FILE 314](#) - Operating Noncommercial Motor Vehicles While Intoxicated — Effect on Commercial Driver's License
- [HOUSE FILE 579](#) - Judicial Branch Practices and Procedures — Electronic Procedures
- [HOUSE FILE 744](#) - Debtors' Exempt Personal Injury Payments
- [HOUSE FILE 774](#) - Mechanics' Liens
- [HOUSE FILE 777](#) - Court Records and Recordkeeping — Procedure, Fees, and Costs
- [HOUSE FILE 780](#) - Temporary Modifications of Child Support Orders

RELATED LEGISLATION

- [SENATE FILE 200](#) - Habitual Trespass by Livestock — Fence Erection and Maintenance
SEE AGRICULTURE. This Act provides for the habitual trespass of livestock, which stray from the land where the livestock are kept onto the same neighbor's land or the same public road on three or more occasions within a 12-month period, by requiring the landowner responsible for keeping the livestock to erect or repair a fence, or by authorizing the county board of supervisors to erect or repair the fence and assess the costs against the responsible landowner as part of property taxes.
- [SENATE FILE 204](#) - Public Safety and Law Enforcement — Crimes, Practices, and Procedure
SEE STATE GOVERNMENT. This Act relates to Department of Public Safety practices and procedures. A person may bring a civil suit to restrain the dissemination of the person's criminal history in violation of Code Chapter 692 and may be awarded actual and exemplary damages notwithstanding Code Chapter 669, "State Tort Claims," or Code Chapter 670, "Tort Liability of Governmental Subdivisions."
- [SENATE FILE 333](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act contains statutory corrections relating to confidential public records, governmental ethics, employment actions against whistleblowers, appeals in child in need of assistance proceedings, review of rural water district or association liability exemptions or limitations, rescissions of mortgage foreclosures, lis pendens actions, civil actions against certain professionals, interpreters in legal proceedings, notice of sheriff's sales, commencement of certain tort claim actions, and property that is exempt from execution. Obsolete language relating to indigent defense is also deleted.

- [SENATE FILE 337](#) - Recording and Indexing of Interests Affecting Property
SEE LOCAL GOVERNMENT. This Act makes changes relating to documents filed with the county recorder.
- [SENATE FILE 344](#) - Solid Waste Disposal — Regulation and Enforcement
SEE ENVIRONMENTAL PROTECTION. This Act relates to enforcement of certain solid waste disposal requirements.
- [SENATE FILE 427](#) - Civil Rights — Sexual Orientation or Gender Identity
SEE STATE GOVERNMENT. This Act prohibits discriminatory employment, public accommodation, housing, education, and credit practices based upon a person's sexual orientation or gender identity under Code Chapter 216, the Iowa Civil Rights Act of 1965.
- [SENATE FILE 450](#) - Property Tax Collection — Limitations of Actions
SEE LOCAL GOVERNMENT. This Act establishes that no time limitation shall apply to an action brought by a county to collect delinquent real property taxes levied on or after April 1, 1992.
- [SENATE FILE 480](#) - Court-Ordered Out-of-Home Placement of Children — Sibling Visitation or Interaction
SEE CHILDREN AND YOUTH. This Act relates to children who are subject to a court order as a child in need of assistance, juvenile delinquent, or other provisions of the Juvenile Justice Code under Code Chapter 232 for a temporary or permanent out-of-home placement by providing for visitation or ongoing interaction between the children and siblings.
- [SENATE FILE 503](#) - Regulation of Services for Children and Families
SEE CHILDREN AND YOUTH. This Act relates to regulation of children's services by the Department of Human Services by increasing the age for certain children receiving a state child care subsidy, revising child welfare and juvenile justice service provisions to conform with federal law by requiring a national fingerprint-based criminal record check of foster parents, and by providing a right for foster parents and others providing preadoptive care to a child to be heard in juvenile court hearings involving the child.
- [SENATE FILE 509](#) - Anatomical Gifts
SEE HEALTH AND SAFETY. This Act revises the Uniform Anatomical Gift Act, Code Chapter 142C. The Act expands the list of persons who may make an anatomical gift of a donor's body or body part during the life of the donor and specifies the purposes for which the anatomical gift may be made: for transplantation, therapy, research, or education. The Act provides the means by which an anatomical gift may be revoked or amended either by the donor or other person authorized to make an anatomical gift in the Act. The Act also provides the process for an individual to refuse to make an anatomical gift. The priority listing of persons who may make an anatomical gift of the decedent's body or body part for the allowed purposes after the donor's death is expanded to include an agent, which is broader than the attorney in fact under a durable power of attorney for health care; adult grandchildren; an adult who exhibited special care and concern for the decedent; and last in priority, any other person having the authority to dispose of the decedent's body. The Act specifies the means by which a person authorized to make an anatomical gift after a decedent's death may make, amend, or revoke an anatomical gift. The Act also specifies the law governing validity of an anatomical gift, choice of law, and provides for presumption of the validity of document of gift or amendment of an anatomical gift. Relative to an advance health care directive, if a prospective donor has a declaration or an advance health care directive, measures necessary to ensure the medical suitability of an organ for transplantation or

therapy shall not be withheld or withdrawn from the prospective donor, unless the declaration expressly provides to the contrary.

[SENATE FILE 563](#)

- Appropriations — Judicial Branch
SEE APPROPRIATIONS. This Act makes appropriations to the judicial branch for FY 2007-2008.

[SENATE FILE 564](#)

- Dangerous Wild Animals — Possession, Ownership, Transportation — Penalties
SEE AGRICULTURE. This Act regulates the possession of dangerous wild animals which are defined to include wolves, coyotes, jackals, hyenas, lions, tigers, cougars, leopards, cheetahs, ocelots, servals, bears, pandas, rhinoceroses, elephants, primates other than humans, alligators, crocodiles, water monitors, venomous snakes, and certain constrictors (pythons and anacondas), and which has been further amended by S.F. 601 (see Appropriations) to include swine commonly known as a Russian boar or European boar. The Act provides that a person who violates one of its provisions is subject to a range of remedies: the Department of Agriculture and Land Stewardship may seize the dangerous wild animal and petition a court for its disposition, a person keeping the dangerous wild animal is strictly liable for injury or damages caused by the dangerous wild animal, the person is subject to a civil penalty, and the department may petition a court for injunctive relief.

[SENATE FILE 575](#)

- Appropriations — Justice System
SEE APPROPRIATIONS. This Act establishes an Environmental Crimes Investigation Fund, an Antitrust Fund, and Consumer Education and Litigation Fund in the state treasury to be administered by the Department of Justice.

[SENATE FILE 601](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; covers other related matters, including salary increases for justices, judges, and magistrates; appropriates funds to pay salary increases and benefits for judicial branch employees; and includes other provisions affecting court administration.

[HOUSE FILE 397](#)

- Medical Assistance Income Trust Expenditures
SEE HUMAN SERVICES. This Act relates to the allowable expenditures from medical assistance income trusts. The Act eliminates the limit on the amount of income that is available to an individual under medical assistance income trusts and special needs trusts while retaining the individual's eligibility for the Medical Assistance (Medicaid) Program if the individual's total monthly income is less than the average statewide charge for the type of care the individual requires. The levels of care to which the Act applies, including home and community-based services, are nursing facility care, including specialized services; care provided through an intermediate care facility for persons with mental retardation; care provided through a psychiatric medical institution for children; and care provided in a state mental health institute.

[HOUSE FILE 641](#)

- Judicial Branch Practices and Procedures — Driver's Licenses, Installment Payment Agreements, and Court Revenue Distribution
SEE TRANSPORTATION. This Act requires the Department of Transportation to reinstate the driver's license of a person after the person has entered into an installment agreement with the county attorney to pay a delinquent fine, penalty, surcharge, or court cost related to a moving violation. The Act also waives the filing fee for a praecipe when a political subdivision of the state is collecting a delinquent judgment.

HOUSE FILE 803

- Civil Service and Deputy County Sheriffs — Appeals to District Court
SEE LOCAL GOVERNMENT. This Act allows a county to appeal to district court a decision by a civil service commission to affirm, modify, or revoke a sheriff's order against an accused deputy sheriff.

HOUSE FILE 909

- Appropriations — Health And Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and includes numerous provisions involving civil law, including child support, juvenile justice and child welfare, mental health funding, grandparent and great-grandparent visitation, juvenile drug courts, and many other items affecting children and family law.

HOUSE FILE 923

- Taxes, Tax Policy, and Administration
SEE TAXATION. This Act makes policy and technical administrative changes to the tax law and related matters. Division II provides civil and criminal penalties for violation of certain Code provisions relating to cigarette and tobacco taxes.

CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION

SENATE FILE 140 - Law Enforcement Agency Electronic Mail and Telephone Billing Records

BY COMMITTEE ON JUDICIARY. This Act specifies that certain peace officers' investigative reports and specific portions of electronic mail and telephone billing records of law enforcement agencies, if part of an ongoing investigation, may only be kept confidential under Iowa's Open Records Law if the length of time prescribed for commencing prosecution or the finding of an indictment or information under the statute of limitations applicable to the crime that is under investigation has not expired, consistent with language in Code Chapter 802, "Limitation of Criminal Actions," concerning statutory limitation periods for certain criminal actions.

SENATE FILE 161 - Confidential Public Records and Meetings of Governmental Bodies — Security and Emergency Preparedness Information

BY COMMITTEE ON LOCAL GOVERNMENT. This Act relates to the confidentiality of security procedures or emergency preparedness information discussed at a meeting of a governmental body.

The Act makes a conforming change in the Open Meetings Law (Code Chapter 21) relating to a legislative change made in the Open Records Law (Code Chapter 22) during the 2006 Legislative Session concerning the confidentiality of security procedures or emergency preparedness information developed and maintained by a government body (H.F. 2590). House File 2590 repealed Code Section 22.7, subsection 46, which had made records of a government body concerning courthouse security information confidential, and replaced it with Code Section 22.7, subsection 50, which contains similar provisions concerning the confidentiality of security procedures or emergency preparedness information. The Act allows a governmental body to hold a closed meeting to discuss information contained in such records in the custody of a governmental body.

The Act takes effect April 16, 2007.

SENATE FILE 311 - Satisfaction of Mortgages

BY COMMITTEE ON JUDICIARY. This Act specifies that the remedies available to an aggrieved party if a mortgagee fails to file a satisfaction of judgment releasing the mortgage underlying an action for discharge of the mortgage include damages, a penalty, and attorney fees.

SENATE FILE 340 - Dissolution of Marriage — Property Division — Inherited or Gifted Property

BY COMMITTEE ON JUDICIARY. This Act provides that in the division of property under a dissolution of marriage, in addition to the court not including inherited property or gifts received by one party, the court is not to include inherited or gifted property expected by one party. Also, with regard to the consideration of future interests, expectancies and future interests arising from inherited or gifted property created under a will or other instrument under which the trustee, trust protector, or owner has the power to remove the party in question as a beneficiary are not to be considered in the division of property.

The Act takes effect May 21, 2007, and applies to dissolutions granted on or after May 21, 2007.

SENATE FILE 381 - Judicial Branch Personnel — Appointment and Compensation

BY COMMITTEE ON JUDICIARY. This Act relates to appointments of Court of Appeals judges, district court judges, magistrates, and patient advocates, and compensation to judges and other court personnel serving as fiduciaries.

The Act changes the number of nominees the State Judicial Nominating Commission certifies to the Governor when a vacancy occurs on the Court of Appeals. Under the Act, the commission certifies three nominees to the Governor for an appointment to the Court of Appeals. Current law provides that the commission certify five nominees to the Governor for an appointment to the Court of Appeals.

The Act provides that in each county with a population of under 300,000 inhabitants, the chief judge of the judicial district encompassing the county shall appoint the patient advocate. Current law provides that the district court in each county with a population under 300,000 inhabitants appoints the patient advocate. In counties with a population equal to or greater than 300,000 inhabitants, the board of supervisors would continue to appoint the patient advocate. A patient advocate represents the interests of patients involuntarily hospitalized by the court.

The Act eliminates the formula for the distribution of district judges among the judicial election districts in Code Section 602.6201(3) and replaces it with a formula prescribed by the Iowa Supreme Court which is based upon a model that measures and applies an estimated case-related workload formula of judicial officers, and accounts for administrative duties, travel time, and other judicial duties not related to a specific case. Under the Act and in current law, an incumbent district judge shall not be removed from office because of a reduction in the number of authorized judgeships within a particular judicial election district, and the number of judges remains capped at 116 district judges.

Under the Act, a member of the county magistrate appointing commission is prohibited from being appointed to or nominated for the office of associate juvenile judge or associate probate judge. Current law prohibits a member of the commission from being appointed to or nominated for the position of magistrate or the office of district associate judge.

The Act also prohibits a member of the county magistrate appointing commission from voting for a family member or current law or business partner for a magistrate position, or the office of district associate judge, associate juvenile judge, or associate probate judge.

The Act allows a judge, clerk, or deputy clerk serving as a fiduciary to be compensated for providing fiduciary services if such services are for a close friend's or family member's estate, trust, guardianship, or conservatorship. Current law prohibits a judge, clerk, or deputy clerk from being compensated for providing fiduciary services.

SENATE FILE 384 - Limitations of Civil Rights Claims and Civil Lawsuits — Minors, Mentally Ill Persons, and State and Local Government

BY COMMITTEE ON JUDICIARY. This Act relates to statute of limitations provisions relating to minors and persons with mental illness and tort claims against a municipality, and provides an applicability date.

Current law provides that the applicable statute of limitation periods in which a lawsuit may be filed are subject to tolling provisions relating to minors and persons with mental illness which provide that if a person was a minor at the time the injury occurred, the person has one year after attaining the age of majority (18) to file a lawsuit. Similarly, if a person had a mental illness at the time the injury occurred, the person has until one year after the termination of the mental illness to file a lawsuit.

The Act extends the tolling provisions relating to minors and persons with mental illness to complaints and actions filed in certain civil rights cases, including discriminatory and unfair employment, housing, education, credit, and accommodation cases, and to claims and actions filed against the state and against a city, county, township, school district, or any other unit of local government, except a soil and water conservation district.

The Act eliminates a portion of Code Section 670.5, formerly Code Section 613A.5, requiring a person claiming damages from any municipality on account of any wrongful death, loss, or injury to commence an action within six months after the wrongful death, loss, or injury. This six month statute of limitation period was declared unconstitutional by the Iowa Supreme Court in *Miller v. Boone County Hospital*, 394 N.W.2d 776 (Iowa 1986). The Act retains the remaining portion of Code Section 670.5 that allows a person to commence a tort action against any municipality on account of any wrongful death, loss, or injury within two years after the date of the wrongful death, loss, or injury.

The Act makes a conforming Code change relating to notice provisions and a person's contribution claim against the state or a municipality.

The Act applies to all complaints, claims, and actions arising out of an alleged death, loss, or injury occurring on or after July 1, 2007.

SENATE FILE 430 - Recognition and Enforcement of Foreign or Tribal Judgments

BY COMMITTEE ON JUDICIARY. This Act establishes the Recognition and Enforcement of Tribal Court Civil Judgments Act in new Code Chapter 626D.

The Act allows a tribal judgment to be recognized and enforced by the courts of this state to the same extent and with the same effect as any judgment, order, or decree of a court of this state. However, a tribal judgment

shall not be recognized and enforced if the objecting party demonstrates by a preponderance of the evidence that the tribal court did not have personal or subject matter jurisdiction or that a party was not afforded due process. A court may decline to recognize and enforce a tribal judgment on equitable grounds if the tribal judgment was obtained by extrinsic fraud, the tribal judgment conflicts with another filed judgment that is entitled to recognition in this state, the tribal judgment is inconsistent with the parties' contractual choice of forum if timely raised in the tribal court, the tribal court does not recognize and enforce judgments of the courts of this state under standards similar to those established in new Code Chapter 626D, or the cause of action or defense upon which the tribal judgment is based is repugnant to the fundamental public policy of the United States or this state.

The Act defines "tribal court" to mean any court of any Indian or Alaska native tribe, band, nation, pueblo, village, or community that the United States Secretary of the Interior recognizes as an Indian tribe, and "tribal judgment" as a written, civil judgment, order, or decree of a tribal court of record duly authenticated in accordance with the laws and procedures of the tribe or tribal court of record in accordance with the Act.

The Act contains additional provisions relating to tribal judgments and judgment liens and appeal bonds.

New Code Chapter 626D shall govern the procedures for the recognition and enforcement by the courts of this state of a civil judgment, order, or decree issued by a tribal court of any federally recognized Indian tribe emanating from a cause of action that accrued on or after July 1, 2007. The date that a cause of action accrues shall be determined under the appropriate laws of this state. New Code Chapter 626D does not impair the right of a party to seek enforcement under any other existing laws or procedures.

SENATE FILE 538 - Parent's Cause of Action for Injury or Death of Child

BY COMMITTEE ON JUDICIARY. This Act provides that a parent or parents of a child may recover for the expense and actual loss of services, companionship, and society resulting from injury to or death of a minor child and may recover for the expense and actual loss of services, companionship, and society resulting from the death of an adult child. The Act further provides that any damages recovered by a parent for the wrongful death of a child shall be subordinate to the recovery, if any, of the spouse or a child of the decedent.

The Act applies to all actions filed on or after July 1, 2007.

SENATE FILE 540 - Trusts and Estates — Miscellaneous Changes

BY COMMITTEE ON JUDICIARY. This Act relates to trusts and estates including fiduciaries and beneficiaries and includes applicability provisions.

The Department of Revenue may waive the imposition of a penalty involving an estate with a disclaimer that is filed more than nine months from the date of the decedent's death if, solely due to the disclaimer, the personal representative is required to file an inheritance tax return and such return is filed and any tax due is paid within the later of nine months from the date of death or 60 days from the filing of the disclaimer.

The Act eliminates inheritance tax on tangible personal property that is distributed in kind to beneficiaries if the aggregate total value of all tangible personal property in the estate is \$5,000 or less.

The Act preserves the homestead status for trust-owned property occupied by the beneficiary of the trust or the beneficiary's spouse. This provision applies retroactively to beneficiaries of trusts in existence on or after July 1, 1997.

Unless preempted by federal law, if a decree of dissolution, annulment, or separate maintenance is issued after a person has designated the person's spouse or a relative of the person's spouse a beneficiary under a life insurance policy, individual retirement account, stock option plan, transfer on death account, payable on death account, or annuity in effect on the date of the decree, such a beneficiary designation is revoked by the issuance of the decree unless the decree or the person provides otherwise or the person and the person's spouse remarry. Upon revocation of a beneficiary designation in such cases, the proceeds or benefits shall be paid to an alternate beneficiary or to the person's estate if there is no alternate beneficiary. An insurer, business entity, employer, financial institution, or other person who mistakenly pays proceeds or benefits to a beneficiary is not liable, unless at least 10 days prior to payment the insurer, business entity, employer, financial institution, or other person receives written notice that the designation of the beneficiary is revoked and such persons failed

to interplead the proceeds or benefits before the court. The Act does not limit the right of a beneficiary to seek recovery from any person or entity that erroneously collects such proceeds or benefits and does not affect the right of a former spouse to assert an ownership interest in a nondisclosed life insurance policy, individual retirement account, stock option plan, transfer on death account, payable on death account, or annuity in effect on the date of the decree. These provisions apply to all decrees of dissolution, annulment, or separate maintenance entered on or after July 1, 2007.

The Act establishes investment management standards for conservators and personal representatives of estates consistent with current investment management practices, and provides that when managing and investing an account, a fiduciary shall consider, among other factors, the length of time the fiduciary will have control over the estate assets and the anticipated costs of complying with the provisions of the Act; the unique nature of the duties of the personal representative or conservator; the assets, income, expenses, and distribution requirements of the estate; and the needs and rights of the beneficiaries or the ward. This provision applies to all estates, conservatorships, and trusts in existence on or after July 1, 2007.

A fiduciary in a probate matter may accept a fiduciary appointment by signing an oath of office in the presence of a notary public or may certify under penalty of perjury a promise to perform the fiduciary's duties. The Act also authorizes a clerk of court to issue a letter of appointment consistent with this new procedure for fiduciary appointments.

The Act provides certain factors to be considered by the probate court when determining the value of extraordinary services of a personal representative and a personal representative's attorneys, including but not limited to the time spent on the case, the nature and complexity of the issues in the case, the responsibilities assumed, the resolution obtained, and the experience and expertise of the personal representative and the attorney.

The Act provides a surviving spouse with the same share in partial intestacy as would be received in full intestacy consistent with spousal elective share amendments enacted in 2005.

A court may assess attorney and expert witness fees and other costs against the petitioner for good cause shown instead of the proposed ward if a guardianship or conservatorship petition is dismissed or denied.

A conservator, guardian, or trustee of a trust subject to ongoing court supervision under the probate code may avoid delinquency notices if the conservator, guardian, or trustee files an annual report within 90 days of the close of the requisite reporting period. These provisions apply to annual reports of guardians, conservators, and court-supervised trusts due on or after September 30, 2007.

The Act amends notice provisions in the Probate Code relating to the recovery of medical assistance payments for both intestate and testate estates.

The Act amends the Trust Code abatement provisions to specify that a surviving spouse who does not take an elective share will be protected from abatement if such abatement would increase applicable federal estate or gift taxes.

The Act amends Code Chapter 635 relating to a personal representative's administration of a small estate with probate assets less than or equal to \$100,000, including provisions which allow for less court involvement and reasonable fees for a personal representative and an attorney of a personal representative. The Act repeals provisions in Code Chapter 635 consistent with this purpose.

Unless otherwise indicated, the Act applies to estates of decedents dying on or after July 1, 2007.

SENATE FILE 546 - Hospital Liens

BY COMMITTEE ON JUDICIARY. This Act relates to the filing of a hospital lien by an association, corporation, county, municipal corporation, or other institution maintaining a hospital in this state and eligible to file a lien under the provisions of Code Chapter 582, Iowa's Hospital Lien Law.

The Act provides that if a patient provides proof of insurance coverage under a health plan within 30 days of the patient's discharge from a hospital, the hospital shall submit all hospital charges to the patient's health plan

prior to filing a notice of lien pursuant to Code Chapter 582. The patient's health plan shall not deny payment for hospital services received from the hospital on the basis that a third party or other insurance carrier is responsible for the patient's injuries. If the health plan denies payment for any other reason, the health plan shall nonetheless provide the hospital and the patient with a statement detailing the amount the health plan would have paid for the hospital services and the amount the patient would have been responsible for had the claim not been denied. In such a case, the amount of the lien shall be limited to the amount the hospital would have received if such charges were covered by the patient's health plan. The Act does not prohibit a hospital from filing a notice of lien for the amount owed to the hospital from the patient, including but not limited to deductibles, copayments, and coinsurance. If at any time subsequent to the filing of the notice of the lien a hospital receives health plan information regarding a patient, the hospital is not required to withdraw notice of the lien but shall submit the hospital's charges to the health plan.

A hospital that recovers from a judgment, verdict, or settlement under the Act shall be responsible for the pro rata share of the legal and administrative expenses incurred in obtaining the judgment, verdict, or settlement.

A hospital shall mail a copy of a notice of lien to the injured person or to the injured person's attorney or legal representative, if known.

Prior to payment by a person, firm, or corporation, including an insurance carrier, to a patient's attorney, the patient's attorney may notify the person, firm, or corporation that the attorney agrees to assume responsibility for the satisfaction of some or all liens of which the person, firm, or attorney has received notice. Upon receipt of such notice, such person, firm, or corporation shall provide the patient's attorney with copies of any lien notice for which the attorney has agreed to assume responsibility for and such person, firm, or corporation shall not thereafter be responsible to any hospital encompassed by such notification. The patient's attorney who has assumed responsibility for the lien shall pay the appropriate hospital the amount which the hospital is entitled to from the amount received from the person, firm, or corporation. If there is a dispute concerning the amount owed to a hospital, a patient's attorney shall hold in trust the maximum amount to which a hospital may be entitled and may disburse any other amounts to the patient, attorney, or other persons entitled to the funds. Such disputed amount shall be resolved by the court in which the patient filed an action to recover for the patient's injury and the court shall retain jurisdiction of the case to resolve the disputed amount of the lien after dismissal of the action. If no such action was commenced by the patient, a court in which such action could have been brought shall have jurisdiction to determine the amount owed to the hospital.

SENATE FILE 593 - Miscellaneous Court Procedures and Proceedings

BY COMMITTEE ON WAYS AND MEANS. This Act relates to court procedures including conciliation proceedings and civil and criminal fees, penalties, and protective orders.

The Act requires the clerk of the district court to collect a fee for a probation revocation proceeding equal to the fee for filing and docketing a complaint, information, or citation in the underlying case from which the revocation arises.

The fee for filing and indexing a transcript in a probate proceeding is increased from \$5 to \$50.

If the court revokes the probation of a defendant who receives a deferred judgment and imposes a fine, the court shall reduce the amount of the fine by an amount equal to the amount of the civil penalty previously assessed pursuant to Code Section 907.14. Prior to reducing the amount of the fine pursuant to the Act, the court shall assess any required surcharge, court cost, or fee upon the total amount of the fine prior to reducing the fine.

A court may grant a waiver of conciliation efforts in dissolution of marriage proceedings if a history of domestic abuse exists. In determining whether a history of domestic abuse exists, the court's consideration shall include but is not limited to commencement of an action pursuant to Code Section 236.3, the issuance of a protective order against a party or the issuance of a court order or consent agreement pursuant to Code Section 236.5, the issuance of an emergency order pursuant to Code Section 236.6, the holding of a party in contempt pursuant to Code Section 664A.7, the response of a peace officer to the scene of alleged domestic abuse or the arrest of a party following response to a report of alleged domestic abuse, or a conviction for domestic abuse

assault pursuant to Code Section 708.2A. The modifications under the Act are consistent with language in Code Section 598.41, allowing a court to consider whether a history of domestic abuse exists in determining a custody arrangement for a minor child whose parents have separated or divorced.

A civil injunction issued by a court prohibiting the harassment or intimidation of a victim or witness in a criminal case pursuant to Code Chapter 915 shall be included in the definition of a protective order pursuant to Code Chapter 664A, dealing with the issuance of certain no-contact orders in a criminal case and the enforcement of certain protective orders in a civil case. Code Chapter 664A, created in 2006 Iowa Acts, Chapter 1101, H.F. 2652, consolidated certain provisions in the Code relating to civil protective orders and criminal no-contact orders.

A person taken into custody or arrested under Code Chapter 236, Iowa's Domestic Abuse Act, may be released on bail only after initial appearance before a magistrate consistent with provisions under the Domestic Abuse Act or the rules of criminal procedure, whichever is applicable.

A peace officer shall not be held civilly or criminally liable for taking a person who is in violation of a no-contact order issued under Code Chapter 664A into custody, provided the peace officer acts in good faith and on reasonable grounds and the peace officer's acts do not constitute a willful or wanton disregard for the rights or safety of another.

A person convicted of a violation of a no-contact order or a modified no-contact order shall be confined in the county jail for a minimum period of seven days. A deferred judgment, deferred sentence, or suspended sentence shall not be entered for a violation of a protective order and the court shall not impose a fine in lieu of the minimum sentence, although a fine may be imposed in addition to the minimum sentence. Violation of a protective order issued pursuant to Code Chapter 915 is made a public offense, punishable as a simple misdemeanor. Alternatively, the court may hold a person in contempt of court for such a violation under the Act pursuant to Code Chapter 664A.

If convicted or held in contempt for a violation of a civil protective order issued in a civil proceeding pursuant to Code Chapter 232, "Juvenile Justice"; Code Chapter 236, "Domestic Abuse"; Code Chapter 598, "Dissolution of Marriage and Domestic Relations"; or Code Chapter 915, "Victim Rights"; or the civil protective orders referred to in Code Chapter 664A, the person shall serve a jail sentence, which shall be served on consecutive days. A person who is convicted of or held in contempt for a violation of such a protective order may be ordered by the court to pay the plaintiff's attorney fees and court costs.

A victim of the crime of harassment, stalking, sexual abuse in the first degree, sexual abuse in the second degree, sexual abuse in the third degree, or domestic abuse assault may file an application within 90 days prior to the expiration of a modified no-contact order issued in such cases to modify and extend the no-contact order for an additional five-year period.

HOUSE FILE 199 - Attorney Fees in Custody, Visitation, or Paternity Proceedings

BY COMMITTEE ON JUDICIARY. This Act relates to the awarding and allowance of attorney fees related to proceedings involving determination of custody and visitation, and modifications of the orders relating to paternity, custody, and visitation proceedings. The current provision allows for the awarding of the reasonable costs of the suit, including reasonable attorney fees, to the prevailing party in a proceeding to establish paternity. The new provision authorizes the court to award the prevailing party reasonable attorney fees in a proceeding to determine custody or visitation or to modify a paternity, custody, or visitation order under the Code chapter relating to paternity and obligation for support.

HOUSE FILE 298 - Conveyance or Encumbrance of Homesteads — Legal Description

BY COMMITTEE ON JUDICIARY. This Act eliminates the requirement that the married spouse of a person who conveys or encumbers a homestead must, in a power of attorney or like instrument, set out the legal description of the homestead.

The Act takes effect April 16, 2007, and applies to powers of attorney in existence on or after that date.

HOUSE FILE 314 - Operating Noncommercial Motor Vehicles While Intoxicated — Effect on Commercial Driver's License

BY COMMITTEE ON TRANSPORTATION. This Act relates to a peace officer's statements to a person operating a non-commercial motor vehicle and holding a commercial driver's license who has been requested to submit to a chemical test in an operating-while-intoxicated case. In such a case, the officer shall advise the driver that a person who either refuses to submit to the test or operates a motor vehicle while under the influence of an alcoholic beverage or other drug or controlled substance or a combination of such substances that the person is disqualified from operating a commercial motor vehicle for a one-year period in addition to any revocation of the person's driver's license or nonresident operating privilege which may be applicable under Code Chapter 321J, "Operating While Intoxicated."

HOUSE FILE 579 - Judicial Branch Practices and Procedures — Electronic Procedures

BY COMMITTEE ON JUDICIARY. This Act provides that the court may use a seal that affixes a visible electronic image of the seal upon an electronic document. Current law requires the court to use a seal that includes an impression upon paper or upon wax or a wafer affixed to the paper.

The Act permits the Clerk of the Iowa Supreme Court to notify by ordinary or electronic mail the parties and attorneys on each side of a ruling by the Iowa Supreme Court.

The Act also requires a peace officer issuing a citation through a computerized device to electronically sign and date the citation or complaint. Current law provides that if a peace officer issues a citation through a computerized device, only the person cited for the violation is required to sign electronically.

HOUSE FILE 744 - Debtors' Exempt Personal Injury Payments

BY COMMITTEE ON JUDICIARY. This Act relates to a debtor's exempt personal injury payments in state court debt collection and federal bankruptcy actions.

The Act provides that a debtor's interest in payments reasonably necessary for the support of the debtor or the debtor's dependents and devoted to or for the benefit of the debtor or the debtor's dependents, including structured settlements, which result from personal injury to the debtor or the debtor's dependents, shall be exempt from execution by creditors in state court debt collection and federal bankruptcy actions. Prior law allowed such an exemption resulting only from the wrongful death of a decedent.

HOUSE FILE 774 - Mechanics' Liens

BY COMMITTEE ON JUDICIARY. This Act relates to a mechanic's lien.

The Act eliminates owner agents and trustees from the list of persons against whom a mechanic's lien may be filed. Current law allows the owner, owner's agent, or trustee of the property to be charged with a mechanic's lien on property affected by construction or improvements by a contractor or subcontractor.

The Act amends the definition of owner to include the record titleholder of the property.

In order to perfect a mechanic's lien, a contractor or subcontractor shall specify in the contractor or subcontractor's statement of account the date on which certain materials were first furnished or when labor was first performed and the date on which the last of the material was furnished or the last of the labor was performed. A statement of account shall be filed by a contractor or subcontractor with the clerk of the district court within two years, and 90 days after the date on which the last of the material was furnished or the last of the labor was performed.

A contractor or subcontractor may file a statement of account beyond 90 days after the date on which the last of the material was furnished or the last of the labor was performed by filing a claim with the clerk of the district court and giving written notice to the owner of the property. Such a statement of account shall be enforced against the property or upon the bond, if any, only to the extent of the balance due from the owner to the contractor at the time of the service of notice.

A lender who obtains an interest in the real estate by assignment of a mortgage shall be entitled to the same priority as the original mortgagee.

A payment to the original contractor prior to the end of the 90-day period for the lien to be filed after completion of the claimant's work does not relieve the owner from liability to a subcontractor provided a lien is timely filed by the subcontractor and the subcontractor complies with the requisite notice provisions.

A mechanic's lien filed by a principal contractor or subcontractor within 90 days after the date on which the last of the material was furnished or the last of the claimant's labor was performed shall be superior to all other liens which may attach to a building or improvement except liens of record which were in place prior to the time of the claimant's work or improvements and except for construction mortgage liens.

The Act amends references to "prior" liens to "superior" liens in regard to foreclosures of mechanic's liens when there is a lien, encumbrance, or mortgage on the property.

An action brought to enforce a mechanic's lien shall be brought within two years and 90 days after the date on which the last of the material was furnished or the last of the labor was performed.

HOUSE FILE 777 - **Court Records and Recordkeeping — Procedure, Fees, and Costs**
BY COMMITTEE ON JUDICIARY. This Act relates to judicial branch practices and procedures.

The Act requires a petitioner to file a separate adoption petition for each person being adopted.

The Act waives the filing and docketing fee and any court costs for multiple adoption petitions filed at the same time by the same petitioner under Code Section 600.3.

The Act permits the clerk of the district court to destroy, without reproducing the document or prior court approval, a complaint, trial information, or uniform citation and complaint related to a parking violation one year after final disposition; and to keep the index of petitions affecting real estate with card files, microfilm, microfiche, or in an electronic format.

Under the Act, if a foreclosure action is rescinded by a judgment creditor and the original loan documents are contained in the court file, the mortgagee shall pay a \$25 fee to the clerk of the district court prior to receiving the original loan documents from the clerk.

The Act repeals Code Section 674.11, eliminating the provision requiring the clerk of the district court to keep a change-of-name record when a petitioner changes the petitioner's name pursuant to Code Chapter 674. The repeal also eliminates the requirement that the change-of-name proceeding be recorded and indexed.

HOUSE FILE 780 - **Temporary Modification of Child Support Orders**
BY COMMITTEE ON JUDICIARY. This Act authorizes the district court to temporarily modify a child support order when an application to modify a child support or child custody order is pending. The Act provides for notice of the parties and limits the matters which may be addressed by the court in entering the temporary order. The Act applies to orders, decrees, and judgments entered or pending on or before July 1, 2007, and applies to orders entered under Code Chapter 598, concerning dissolution of marriage and domestic relations, and other applicable Code chapters.

CRIMINAL LAW, PROCEDURE, AND CORRECTIONS

- [SENATE FILE 70](#) - Crime Victim Rights and Remedies — Notification and Compensation
- [SENATE FILE 110](#) - Reserve Peace Officers — Training and Certification
- [SENATE FILE 139](#) - Postconviction Relief — Simple Misdemeanors — VETOED BY THE GOVERNOR
- [SENATE FILE 175](#) - Seized Property in Criminal Proceedings — Disposition
- [SENATE FILE 528](#) - Department of Corrections — Housing of Inmates — Restriction
- [SENATE FILE 529](#) - Secure Criminal or Juvenile Facilities — Possession of Contraband
- [HOUSE FILE 432](#) - Abuse of Human Corpse — Penalties
- [HOUSE FILE 759](#) - Clarinda Correctional Facility — Purpose and Use

RELATED LEGISLATION

- [SENATE FILE 78](#) - Natural Resources Regulation and Related Public Offenses
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act includes a scheduled fine for violations of certain prohibitions involving operation of a personal watercraft. The Act makes it a crime for a vessel operator to elude or attempt to elude a pursuing law enforcement vessel, with escalating criminal penalties based on the attendant circumstances. The Act also makes it a crime for a deer hunter to take or attempt to take a deer on another person's property while outside the property and without the permission of the property owner, with escalating criminal penalties based on the attendant circumstances.
- [SENATE FILE 162](#) - Stem Cell Research and Cures
SEE HEALTH AND SAFETY. This Act creates a new Code chapter to be known and cited as the "Iowa Stem Cell Research and Cures Initiative." The Act prohibits a person from intentionally or knowingly performing or attempting to perform human reproductive cloning; participating in performing or attempting to perform human reproductive cloning; and transferring or receiving, in whole or in part, for the purpose of shipping, receiving, or importing, the product of human reproductive cloning. The Act provides criminal and other penalties for violations of the Code chapter.
- [SENATE FILE 204](#) - Public Safety and Law Enforcement — Crimes, Practices, and Procedure
SEE STATE GOVERNMENT. This Act relates to Department of Public Safety practices and procedures.
- [SENATE FILE 333](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act contains statutory corrections relating to confidential law enforcement e-mail and telephone records, actions against motor vehicle registrations or certificates of title due to traffic law infractions, forfeiture of property in criminal cases, controlled substances, exceptions to prohibitions against use of computer spyware or malware, child endangerment, and "DNA profile" sexual abuse indictments or informations. Obsolete language relating to indigent defense is also deleted.
- [SENATE FILE 403](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act relates to financial and regulatory matters by making and increasing appropriations for FY 2004-2005, FY 2005-2006, and FY 2007-2008, and includes supplemental funding for the Department of Corrections and for the Department of Public Safety. In addition, the Act includes provisions modifying the authority

of the Department of Corrections over real property to require prior approval of the Governor and the General Assembly to dispose of real property with a fair market value of \$5 million or more.

[SENATE FILE 406](#)

- Killing Tagged Dogs
SEE AGRICULTURE. This Act removes the lawful ability of a person to kill a dog that is wearing a collar with a rabies vaccination tag when the dog is caught in the act of worrying a domestic animal or fowl.

[SENATE FILE 448](#)

- Unemployment Insurance Information — Confidentiality — Penalties
SEE LABOR AND EMPLOYMENT. This Act expands the list of persons who can be held criminally responsible for revealing confidential information to include public officials, their agents and contractors, and third parties.

[SENATE FILE 510](#)

- Electrical and Mechanical Amusement Devices
SEE GAMING. This Act makes changes concerning electrical and mechanical amusement devices authorized pursuant to Code Chapter 99B. The Act provides for criminal penalties for various violations of provisions governing electrical and mechanical amusement devices, including violations concerning underage operation of certain registered devices, awarding a cash prize, operating an altered device without a new or revised registration tag, failing to display a registration tag, operating a device with an expired registration, advertising of the device as anything other than an electrical or mechanical amusement device, relocating a device to an unauthorized location, redeeming awards off the premises or for merchandise the location does not usually sell, and failing to include a security mechanism on devices.

[SENATE FILE 559](#)

- Cemeteries, Funerals, and Related Services and Merchandise
SEE BUSINESS, BANKING, AND INSURANCE. This Act provides that a willful violation of the requirement to obtain a preneed seller license or sales agent license to sell certain cemetery and funeral merchandise and funeral services is punishable as a class "D" felony.

[SENATE FILE 564](#)

- Dangerous Wild Animals — Possession, Ownership, Transportation — Penalties
SEE AGRICULTURE. This Act regulates the possession of dangerous wild animals which are defined to include wolves, coyotes, jackals, hyenas, lions, tigers, cougars, leopards, cheetahs, ocelots, servals, bears, pandas, rhinoceroses, elephants, primates other than humans, alligators, crocodiles, water monitors, venomous snakes, and certain constrictors (pythons and anacondas) and has been further amended by S.F. 601 (see Appropriations) to include swine commonly known as a Russian boar or European boar. The Act provides that a person who allows a dangerous wild animal to escape is guilty of an aggravated misdemeanor.

[SENATE FILE 575](#)

- Appropriations — Justice System
SEE APPROPRIATIONS. This Act establishes an Environmental Crimes Investigation Fund, an Antitrust Fund, and Consumer Education and Litigation Fund in the State Treasury to be administered by the Department of Justice. The Act also raises the hourly rate for attorneys representing an indigent person in certain cases.

[SENATE FILE 578](#)

- Veterans — Vietnam Service Bonus Compensation
SEE PUBLIC DEFENSE AND VETERANS. This Act creates a Vietnam Conflict veterans bonus for persons who served on active duty in the United States Armed Forces from July 1, 1973, through May 31, 1975. A criminal penalty is provided for submission of a fraudulent application for the bonus.

[SENATE FILE 593](#)

- Miscellaneous Court Procedures and Proceedings
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to court procedures, including civil and criminal penalties, and the issuance of a protective order.

[SENATE FILE 601](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and includes the elimination of language that requires a specific amount of fines and fees collected by the State Court Administrator be allocated to the judicial branch, State Public Defender, Office of Attorney General, and Department of Corrections and makes appropriations for FY 2007-2008 to those entities instead; increases the amount the Attorney General's Office is reimbursed from the Second Injury Fund; and includes other provisions affecting corrections and criminal law.

- [HOUSE FILE 499](#) - Regulation of Entities or Services by the Commissioner of Insurance
SEE BUSINESS, BANKING, AND INSURANCE. This Act provides that a person who violates the provisions of new Code Chapter 522C by acting as a public insurance adjuster without a license or otherwise willfully violates the new Code chapter is guilty of a serious misdemeanor.
- [HOUSE FILE 556](#) - Propane Education and Research Council
SEE BUSINESS, BANKING, AND INSURANCE. This Act creates the Iowa Propane Education and Research Council for the purpose of developing programs and projects related to propane. The council and its activities are funded by an assessment made on each gallon of odorized propane sold for use in this state. A willful violation of the provisions of the Act or fraudulent reporting of information required by the State Fire Marshal pursuant to the provisions of the Act is a simple misdemeanor. The Act takes effect May 24, 2007, except for Code Section 101B.4, which concerns the establishment of assessments and takes effect January 1, 2008, or upon adoption of administrative rules implementing the provision, whichever occurs first.
- [HOUSE FILE 579](#) - Judicial Branch Practices and Procedures — Electronic Procedures
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act requires a peace officer issuing a citation through a computerized device to electronically sign and date the citation or complaint.
- [HOUSE FILE 641](#) - Judicial Branch Practices and Procedures — Driver's Licenses, Installment Payment Agreements, and Court Revenue Distribution
SEE TRANSPORTATION. This Act requires the Department of Transportation to reinstate a person's driver's license after the person has entered into an installment agreement with the county attorney to pay a delinquent fine, penalty, surcharge, or court cost related to a moving violation.
- [HOUSE FILE 671](#) - Remote Control or Internet Hunting of Wild Animals, Game Birds, or Ungulates, or Preserve Whitetail
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act makes it a crime to offer for sale, take, or assist in taking certain animals by use of remote control or Internet hunting. A person who commits this crime for the first time is guilty of a serious misdemeanor. A second or subsequent offense is punishable as a class "D" felony.
- [HOUSE FILE 740](#) - Administration of Drugs to Wildlife
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act regulates the administration of drugs to wildlife under the jurisdiction of the Department of Natural Resources. A person who violates the provisions of the Act is guilty of a serious misdemeanor.
- [HOUSE FILE 742](#) - Snowmobile and All-Terrain Vehicle Regulation
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act establishes repeat offender systems for snowmobile operators and all-terrain vehicle operators, with escalating criminal penalties for violations committed by a person whose registration or operating privileges have been suspended or revoked under administrative procedures.

The Act also establishes and revises penalties and fines for violations of snowmobile and all-terrain vehicle laws.

[HOUSE FILE 787](#)

- Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2007, and ending September 30, 2008, and for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The Act includes funding for various programs involving criminals and corrections, including the Stop Violence Against Women Grant Program, the Residential Substance Abuse Treatment for State Prisoners Formula Grant Program, and the Edward Byrne Justice Assistance Grant Program.

[HOUSE FILE 907](#)

- Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2007-2008, including to the Department of Corrections for community-based corrections, day programming, the Drug Court Program, substance abuse treatment, services for dual diagnosis offenders, and for the Fort Madison correctional facility for the clinical care unit.

[HOUSE FILE 909](#)

- Appropriations — Health And Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and includes provisions relating to the Department of Corrections, including funding for drug courts.

[HOUSE FILE 923](#)

- Taxes, Tax Policy, and Administration
SEE TAXATION. This Act makes policy and technical administrative changes to the tax law and related matters. Division II provides civil and criminal penalties for violation of certain Code provisions relating to cigarette and tobacco taxes.

[HOUSE FILE 924](#)

- Licensure of Real Estate Brokers or Salespersons — Convictions of Specified Offenses
SEE BUSINESS, BANKING, AND INSURANCE. This Act relates to action taken by the Real Estate Commission in circumstances where an applicant for licensure, or an existing licensee, has been convicted of specified criminal offenses.

CRIMINAL LAW, PROCEDURE, AND CORRECTIONS

SENATE FILE 70 - Crime Victim Rights and Remedies — Notification and Compensation

BY COMMITTEE ON JUDICIARY. This Act relates to crime victim compensation, excludes certain victim compensation payments from income taxation, and provides a retroactive applicability date.

The Act expands the categories of crime victims eligible to receive victim compensation to include victims of hit-and-run boating and victims of careless or reckless boating, waterskiing, surfboarding, and use of similar devices. A license suspension or revocation for operating a motorboat or sailboat while intoxicated shall be considered by the Department of Justice as evidence of such a crime.

The Act increases the maximum compensation amounts for the following reimbursement categories for economic losses incurred as a direct result of an injury to or death of a victim:

1. Increases the benefit for medical care for a victim from \$15,000 to \$25,000.
2. Increases the benefit for a victim and for homicide survivors of a victim, including the victim's spouse, children, parents, siblings, or persons cohabiting with or certain persons related by blood or affinity to the victim, for counseling services from \$3,000 to \$5,000.
3. Increases the benefit for the replacement cost of clothing held in evidence from \$100 to \$200.
4. Increases the loss of support benefit for secondary victims for counseling services from \$1,000 to \$2,000.
5. Increases the loss of support benefit for dependents resulting from death or a period of disability of the victim of 60 days or more from \$2,000 to \$4,000.

A dependent victim's parent or caretaker may receive lost wages when the parent or caretaker misses time at work in order to accompany the victim to medical or counseling services, not to exceed \$1,000 per parent or caretaker.

The Act creates a new child care reimbursement benefit for child and dependent care that allows a victim, the victim's parent or caretaker, or the survivor of a homicide victim reasonable expenses for the care of dependents while attending criminal justice proceedings or medical or counseling appointments, not to exceed \$1,000 per person.

The Act creates a new benefit to reimburse victims for replacement of locks, windows, or other property security items at a residential crime scene or at the residence of the crime victim or survivor of a homicide victim, not to exceed \$500 per residence.

The Act creates a new benefit to reimburse a victim, a secondary victim, the parent or guardian of a victim, or the survivor of a homicide victim for transportation costs for medical, counseling, funeral, and criminal justice proceedings, not to exceed \$1,000 per person.

The Act establishes an automated victim notification system within the Crime Victim Assistance Division of the Department of Justice pursuant to Code Section 915.10A and further provides that moneys from the Victim Compensation Fund may be used for the support of this system.

The Act exempts victim compensation awards, victim restitution payments, and damages from civil actions received during the tax year from the individual income tax. This income taxation exemption applies retroactively to tax years beginning on or after January 1, 2007.

SENATE FILE 110 - Reserve Peace Officers — Training and Certification

BY COMMITTEE ON JUDICIARY. This Act relates to standardized training and certification standards for reserve peace officers in Iowa.

The Act provides that a standardized training and state certification for reserve peace officers shall be established by the Iowa Law Enforcement Academy pursuant to the academy's rulemaking authority. The director

of the academy, subject to the approval of the council, shall promulgate such rules, giving due consideration to varying factors and special requirements of law enforcement agencies relative to the standardized training and state certification of reserve peace officers. Prior law allowed a law enforcement agency to which a reserve peace officer was appointed to provide reserve peace officer training, and provided that a person could be certified as a reserve peace officer by the academy, chief of police, sheriff, Commissioner of Public Safety, or a director of a judicial district department of correctional services.

The Act further specifies that academy-approved reserve peace officer training received prior to July 1, 2007, may be applied to meet the minimum training requirements established by academy rules, and that a peace officer is eligible for state certification as a reserve peace officer upon satisfactory completion of the requirements specified by academy rules. A reserve peace officer appointed after July 1, 2007, shall obtain state certification consistent with the provisions of the Act by July 1, 2012. A person appointed to serve as a reserve peace officer shall meet mandatory in-service training requirements established by academy rules if the person has not served as an active peace officer within 180 days of appointment as a reserve peace officer. Reserve peace officer training shall be provided by an instructor in a community college or other approved facility, including a law enforcement agency.

SENATE FILE 139 - Postconviction Relief — Simple Misdemeanors — VETOED BY THE GOVERNOR

BY COMMITTEE ON JUDICIARY. This bill would have prohibited a person convicted of a simple misdemeanor from filing an application for relief. The bill would not have prohibited any other criminal defendant from filing an application for postconviction relief. An application for postconviction relief generally is an application to the court, after an unsuccessful appeal, by a criminal defendant attacking the constitutionality or validity of the sentence of the criminal defendant.

SENATE FILE 175 - Seized Property in Criminal Proceedings — Disposition

BY COMMITTEE ON JUDICIARY. This Act relates to the disposition of seized property in a criminal proceeding.

The Act eliminates the involvement of the prosecuting attorney when sending claim notices to persons with possible ownership interests in seized property. Current law permits the agency seizing the property or the prosecuting attorney to send out claim notices to persons with possible ownership interests in seized property.

Under the Act, the claim notice shall be sent by restricted certified mail, return receipt requested, to the last known address of any person having an ownership or possessory right in the seized property. Current law provides that if the value of the seized property is less than \$50, the claim notice shall be sent by ordinary mail, and if the value of the seized property is equal to or greater than \$50, the claim notice shall be sent by certified mail.

The Act provides that the seizing agency shall not release the property to any party until the expiration date for filing a claim of ownership for the seized property has expired. Under current law, the seizing agency may release the seized property prior to the expiration date for filing claims if all the claimants issue a written waiver to the property.

Under the Act, if a claim of ownership has not been timely filed for seized property and the value of the seized property is less than \$500, the seized property is deemed abandoned and the seizing agency becomes the owner of the seized property and may dispose of the property in a reasonable manner.

If a claim of ownership has not been timely filed for seized property equal to or greater in value than \$500, the Act provides that forfeiture proceedings pursuant to Code Chapter 809A shall be initiated to determine ownership of the seized property. If forfeiture proceedings are initiated and the property is forfeited, the ownership of the property vests with the state. If the court does not order the property forfeited, ownership vests with the seizing agency and the seizing agency may dispose of the property in a reasonable manner.

Under the Act and in current law, forfeited property under Code Chapter 809A is to be delivered to the Department of Justice and disposed of by the department pursuant to Code Section 809A.17.

The Act also provides that all unclaimed firearms and ammunition, if not forfeited pursuant to Code Chapter 809A, shall be disposed of by the Department of Public Safety or Department of Natural Resources as provided in Code Section 809.21.

SENATE FILE 528 - Department of Corrections — Housing of Inmates — Restriction

BY COMMITTEE ON JUDICIARY. This Act prohibits the Department of Corrections from entering into an agreement with a private sector for-profit entity for the purpose of housing inmates committed to the custody of the Director of the Department of Corrections.

SENATE FILE 529 - Secure Criminal or Juvenile Facilities — Possession of Contraband

BY COMMITTEE ON JUDICIARY. This Act expands the definition of the criminal offense of possessing contraband in correctional institutions to include possessing such contraband in a secure facility for the detention or custody of juveniles, a detention facility, or a jail.

Contraband is defined to include controlled substances, intoxicating beverages, weapons, explosives, knives or other cutting devices, other items that may be fashioned to cause death or injury, or items that may be used to facilitate an escape.

The offense of possessing contraband is committed when a person without legal authorization to do so attempts to bring contraband into or makes or possesses contraband within a correctional institution, secure facility for the detention or custody of juveniles, detention facility, or jail. Under current law, possessing contraband applies only to correctional institutions.

Under the Act, if the contraband is a weapon or other item which may be fashioned to cause death or injury, the person commits a class "C" felony. Any other contraband offense under the Act subjects the person to a class "D" felony.

The Act requires a person to report the offense of possessing contraband or any attempt of possessing such contraband to an official or officer at a secure facility for the detention or custody of juveniles, detention facility, or jail. Current law requires the same reporting requirement at correctional institutions. Failure to report the offense is an aggravated misdemeanor.

The Act also authorizes the sheriff to x-ray a person committed to the jail to determine if the person possesses contraband. Current law authorizes the Department of Corrections to x-ray a person under the control of the department.

A law enforcement initiative surcharge in the amount of \$125 shall also be assessed upon a conviction or deferred judgment for possessing contraband. The surcharge is deposited in the General Fund of the State.

HOUSE FILE 432 - Abuse of Human Corpse — Penalties

BY COMMITTEE ON PUBLIC SAFETY. This Act provides that a person shall not mutilate, disfigure, dismember, hide, or bury a human corpse with the intent to conceal a crime. A person who violates the Act commits a class "D" felony. Violations of the Act are exempt from the definition of "sexually violent predator." Current law only prohibits a person from knowingly engaging in a sex act with a human corpse.

HOUSE FILE 759 - Clarinda Correctional Facility — Purpose and Use

BY COMMITTEE ON PUBLIC SAFETY. This Act specifies the Clarinda Correctional Facility shall be utilized for offenders with chemical dependence, mental retardation, or mental illness. Under current law, in addition to being utilized for chemical dependence and mental retardation, the facility shall be utilized for social inadequacies.

ECONOMIC DEVELOPMENT

- [SENATE FILE 205](#) - Iowa Cultural Trust — Use of Grant Account Moneys
- [SENATE FILE 302](#) - Regional Tourism Marketing Appropriations — Disbursement
- [SENATE FILE 400](#) - Mortgage Release Certificates Issued by Iowa Finance Authority — Applicability
- [SENATE FILE 431](#) - Iowa Finance Authority — Miscellaneous Changes
- [SENATE FILE 566](#) - Historic Preservation and Cultural and Entertainment District Tax Credits
- [HOUSE FILE 95](#) - Urban Renewal Targeted Jobs Withholding Tax Credits — Pilot Project City Designations
- [HOUSE FILE 617](#) - Generation Iowa Commission
- [HOUSE FILE 647](#) - Iowa Great Places Projects — Designation — State Assistance
- [HOUSE FILE 648](#) - Enterprise Zone Distress Criteria
- [HOUSE FILE 829](#) - Targeted Industry Promotion, Development, and Education Activities
- [HOUSE FILE 890](#) - Targeted Small Business Assistance — Programs and Appropriations
- [HOUSE FILE 892](#) - Film, Television, and Video Project Promotion Program

RELATED LEGISLATION

- [SENATE FILE 469](#) - Motor Homes and Manufacturers' Club Rallies
SEE TRANSPORTATION. This Act establishes a five-year pilot project in Clay County to permit the sale of motor homes by a motor home manufacturer at annual camping rallies sponsored and conducted by the manufacturer.
- [SENATE FILE 477](#) - Special Promotional Nonresident Deer Hunting Licenses
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act authorizes the issuance of up to 75 special nonresident deer hunting licenses for allocation by the majority of a committee that includes the director of the Department of Economic Development to promote the state and its natural resources to nonresident guests and dignitaries.
- [SENATE FILE 562](#) - Appropriations — Economic Development
SEE APPROPRIATIONS. This Act appropriates moneys from the General Fund of the State, as well as various other funds, to the Department of Economic Development, the Department of Cultural Affairs, and the Iowa Finance Authority.
- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters and includes a change in criteria for the Community Attraction and Tourism Program and other provisions affecting economic development.
- [HOUSE FILE 787](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2007, and ending September 30, 2008, and for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The Act includes funding for economic development programs, including the Community Development Block Grant.
- [HOUSE FILE 829](#) - Targeted Industry Promotion, Development, and Education Activities
SEE ECONOMIC DEVELOPMENT. This Act relates to the development and commercialization of businesses in the targeted industry areas of advanced manufacturing, bioscience, and information technology.
- [HOUSE FILE 911](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division VII of this Act relates to the establishment of regional sports authority districts and allows a convention and visitors bureau to apply to the Department of Economic Development for certification of a regional sports authority district.

HOUSE FILE 918

- Energy Independence, Efficiency, and Related Research and Development
SEE ENERGY AND PUBLIC UTILITIES. This Act creates the Office of Energy Independence, the Iowa Power Fund, and the Iowa Power Fund Board, and establishes related provisions concerning energy research, development, and production with the objective of achieving independence from foreign energy sources. The Act takes effect May 23, 2007.

HOUSE FILE 932

- Road Construction and Maintenance Revenue
SEE TRANSPORTATION. This Act creates a Transportation Investment Moves the Economy in the 21st Century (TIME-21) Fund and requires a legislative committee to consider potential revenue sources for the fund. TIME-21 Fund moneys are targeted to highway projects connected with economic development, including biofuel facilities. The Act also reallocates moneys from the Revitalize Iowa's Sound Economy (RISE) Fund to provide additional RISE Fund moneys to counties.

ECONOMIC DEVELOPMENT

SENATE FILE 205 - Iowa Cultural Trust — Use of Grant Account Moneys

BY COMMITTEE ON ECONOMIC GROWTH. This Act reauthorizes the Board of Trustees of the Iowa Cultural Trust to use moneys in the Iowa Cultural Trust Grant Account for a statewide educational program to promote participation in, expanded support of, and local endowment building for, Iowa nonprofit arts, history, and sciences and humanities organizations, but only when the principal balance in the Iowa Cultural Trust Fund equals or exceeds \$3 million.

The Iowa Cultural Trust Grant Account was created to receive interest attributable to the investment of the trust fund moneys. From July 1, 2003, through June 30, 2005, the board was authorized to use grant account moneys for a statewide educational program without regard to the amount of moneys deposited in the trust fund.

SENATE FILE 302 - Regional Tourism Marketing Appropriations — Disbursement

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to the disbursement of moneys appropriated to the Department of Economic Development (DED) for regional tourism marketing purposes.

In 2006, Code Section 99F.11, subsection 3, concerning the distribution of gambling tax revenues from gambling games at excursion gambling boats and racetracks, was amended effective July 1, 2007. The subsection provided that eight-tenths of 1 percent of the tax revenues are deposited in the County Endowment Fund and the remaining amount of the 1 percent amount, less \$520,000, is split evenly, with half appropriated to the Community Development Division of DED for regional tourism marketing and half appropriated to the State General Fund.

The Act provides that the appropriations to DED are to be disbursed to the department in quarterly allotments.

SENATE FILE 400 - Mortgage Release Certificates Issued by Iowa Finance Authority — Applicability

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to mortgage release certificates issued by the Iowa Finance Authority.

Currently, the Title Guaranty Division of the Iowa Finance Authority is allowed to issue mortgage release certificates on mortgages with an original principal amount of \$500,000 or less. The Act changes the original principal amount of \$500,000 to an amount equal to or less than the maximum amount as determined by the board of directors of the Title Guaranty Division and adopted by rule by the Iowa Finance Authority.

SENATE FILE 431 - Iowa Finance Authority — Miscellaneous Changes

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to programs, funds, authority, and duties of the Iowa Finance Authority.

The Act excludes the Iowa Finance Authority under the term "participating agency" for purposes of information technology for the Department of Administrative Services (DAS).

The Act reorganizes Code Chapter 16 by moving provisions relating to legislative findings for the Iowa Economic Development Bond Bank Program; the Title Guaranty Division of the authority; limitation of liability for members of the authority and persons acting on behalf of the authority; conflicts of interest for members, officers, and employees of the authority; an exemption from competitive bidding; property improvement loans and mortgage loans; lease-purchase agreements; the Emergency Housing Fund; special housing assistance; housing assistance fund notes; powers relating to loans; certain powers regarding the Residential Mortgage Marketing Program; and liens under the Residential Mortgage Interest Reduction Program.

The Act creates new definitions of the terms "goals," "guiding principles," "powers," "programs," and "projects." The Act amends the term "bond" to include a note or other instrument evidencing a debt authorized or referred to in Code Chapter 16. The Act amends the term "cost" to define what is included under the term as used in the Economic Development Loan Program.

The Act amends the competitive bidding provisions applicable to the authority by providing that the board that oversees the authority shall adopt procedures relating to competitive bidding, including the identification of

those circumstances under which competitive bidding by the authority shall be required. The Act allows the authority to administer its own bidding and procurement or to utilize the services of DAS or any other agency.

The Act allows the authority to own or acquire intellectual property rights and to enforce the rights of the authority with respect to such intellectual property rights. The Act eliminates the authority's power to provide moneys to the Shelter Assistance Fund. The Act allows the authority to select projects to receive assistance by the exercise of diligence and care and to apply customary and acceptable business and lending standards in the selection and subsequent implementation of such projects. The Act allows the authority to exercise generally all powers typically exercised by private enterprises engaged in business pursuits unless the exercise of such a power violates the law. Any purchase or lease of real property, other than on a temporary basis, where necessary in order to implement the programs of the authority, protect the investments of the authority by means of foreclosure or other means, or to facilitate the transfer of real property for the use of low- or moderate-income families, shall require written notice from the authority to the Government Oversight Standing Committees of the General Assembly and the prior approval of the Executive Council. The authority may elect whether to utilize any or all of the goods or services available from other state agencies in the conduct of its affairs.

The Act eliminates the Housing Program Fund and creates a Housing Assistance Fund within the authority for purposes of protecting, preserving, creating, and improving access to safe and affordable housing. The Act requires the authority to establish programs utilizing the fund by administrative rules and provides the requirements for the proper administration of the programs. Moneys in the fund, including moneys which are annually appropriated to the authority, may be allocated for any use authorized by Code Chapter 16, unless otherwise specified. The authority may use moneys in the fund to provide financial assistance to a housing sponsor or an individual in the form of a loan, loan guarantee, grant, or interest subsidy, or by other means under the general powers of the authority. Moneys in the fund may also be used for home ownership programs, rental programs, programs that provide a continuum of housing services, and technical assistance programs that increase the capacity of for-profit and nonprofit housing entities. The authority is authorized to establish an annual administration fee to be charged to the Housing Assistance Fund which shall not exceed 4 percent of the moneys, loans, or other assets held in the fund. The Act provides for a biennial reporting requirement to the General Assembly regarding activities in the fund.

The Act allows the authority to develop a model reverse annuity mortgage and allows the authority to offer such mortgages to qualified participants. Previously, the authority was required to develop such mortgages and was required to offer such mortgages to qualified participants.

The Act allows the authority to adopt rules relating to the purchase and sale of residential mortgage loans and the sale of mortgage-backed securities. Previously, the authority was required to adopt such rules.

The moneys and assets of the Housing Program Fund are transferred to the Housing Assistance Fund created by the Act.

The Act eliminates Code sections and subsections relating to legislative findings for the Iowa Economic Development Bond Bank Program; certain nonprofit corporations created by or in association with the Iowa Finance Authority; the Housing Corporation Board of Directors; authorization to combine programs; all provisions for property improvement loans and mortgage loans, except for the general authority to make such loans; all provisions of the Lease-Purchase Agreements Program, except for the general authority to provide down payment grants; the Iowa Homesteading Program; rent supplements; all provisions for housing assistance for very low-income and lower income families, except for the general authority to participate in the federal Housing Assistance Payments Program; all provisions for property improvement loans and mortgage loans for rehabilitation or preservation of certain existing dwellings, except for the general authority to make such loans; all provisions regarding housing assistance fund notes, except for the general authority to issue such notes; rules regarding loans to mortgage lenders and purchases of mortgage loans; certification of amortization periods; applicability of planning, zoning, and building laws; local urban homesteading; limitations of certain loans; new construction and housing rehabilitation requirements; allocation of the state ceiling and qualified mortgage bonds; the Small Business Loan Program; authority to establish a Residential Mortgage Marketing Program; certain conditions of purchase of a residential mortgage loan from a mortgage lender; the Residential Mortgage

gage Interest Reduction Program; all provisions of the Housing Improvement Fund Program, except for the Homelessness Advisory Committee; and the Export Business Finance Program.

The Act contains conforming amendments.

SENATE FILE 566 - Historic Preservation and Cultural and Entertainment District Tax Credits

BY COMMITTEE ON WAYS AND MEANS. This Act relates to Historic Preservation and Cultural and Entertainment District Tax Credits.

Previously, a person receiving a Historic Preservation and Cultural and Entertainment District Tax Credit could receive a tax credit refund at a discounted value for the amount in excess of the taxpayer's tax liability in the year that the tax credit was claimed. The Act eliminates the discounting of the value of a refund and allows the entire value of the tax credit to be refunded. In addition, a taxpayer, in lieu of claiming a refund, may elect to have the overpayment shown on the person's final, completed return credited to the tax liability for the following year. The Act makes conforming amendments.

Previously, the total amount of Historic Preservation and Cultural and Entertainment District Tax Credits that could be approved for a fiscal year could not exceed \$2.4 million. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, an additional \$4 million of tax credits could be approved each fiscal year for purposes of projects located in certified cultural and entertainment districts. The Act increases the amount of tax credits that may be approved each fiscal year to \$10 million for FY 2007-2008, \$15 million for FY 2008-2009, and \$20 million for FY 2009-2010 and each fiscal year thereafter. The Act provides that 10 percent of the dollar amount of tax credits shall be allocated for purposes of new projects with qualified costs of \$500,000 or less, and 40 percent of the dollar amount of tax credits shall be allocated for purposes of new projects located in certified cultural and entertainment districts or identified in Iowa Great Places agreements. The Act provides that any of the tax credits allocated for projects located in certified cultural and entertainment districts or identified in Iowa Great Places agreements and for projects with a cost of \$500,000 or less that are not reserved during a fiscal year shall be applied to reserved tax credits in order of original reservation.

Previously, with the exception of tax credits issued pursuant to contracts entered into prior to July 1, 2005, tax credits could not be reserved for more than five years. The Act provides that with the exception of tax credits issued pursuant to contracts entered into prior to July 1, 2007, tax credits shall not be reserved for more than three years.

The Act provides a procedure for the Department of Cultural Affairs to reissue the tax credit certificates held by the original tax credit certificate recipient. In the order of original reservation dates, the department shall modify the reservation date of the tax credits based on the availability of additional moneys for tax credits under the Act.

The Act applies to Historic Preservation and Cultural and Entertainment District Tax Credits applied for or reserved prior to July 1, 2007.

HOUSE FILE 95 - Urban Renewal Targeted Jobs Withholding Tax Credits — Pilot Project City Designations

BY COMMITTEE ON WAYS AND MEANS. This Act relates to the designation of pilot project cities for a targeted jobs withholding tax credit to be used for funding improvements in certain urban renewal areas.

In 2006, Code Section 403.19A was enacted to allow four pilot project cities to be approved to assist in funding projects in their urban renewal areas by means of a targeted jobs credit from withholding.

The Act provides that if two approved eligible cities are located in the same county and that county has a population of less than 45,000, the two approved eligible cities shall be considered one pilot project city.

Previously, a pilot project city lost status as a pilot project city if the city did not enter into a withholding agreement within one year of its approval as a pilot project city. The Act provides that if two pilot project cities are located in the same county, the loss of status by one pilot project city shall not cause the second pilot project city in the county to lose its status as a pilot project city.

The Act provides that if more than two cities located in a county that borders a state other than Nebraska or South Dakota apply to be designated as a pilot project city, only the Department of Economic Development (DED) shall determine which two cities hold the most potential to create new jobs or generate the greatest capital within their areas. Previously, the Department of Management, in consultation with DED, made the determination.

The Act takes effect February 6, 2007, and is retroactively applicable to July 1, 2006, and applies to pilot project city applications received prior to October 1, 2006.

HOUSE FILE 617 - Generation Iowa Commission

BY COMMITTEE ON ECONOMIC GROWTH. This Act creates a Generation Iowa Commission within the Department of Economic Development for purposes of advising and assisting in the retention and attraction of the young adult population in the state in both urban and rural areas.

The commission is directed to annually file certain reports with the Governor and the General Assembly regarding the status of efforts to attract and retain the young adult population in the state, career opportunities and educational needs of young adults, and the movement of the young adult population between rural areas and urban areas and between Iowa and other states; to advise and assist the department in activities designed to retain and attract the young adult population; and to develop and make available best practices guidelines for employers to attract and retain young adult employees.

HOUSE FILE 647 - Iowa Great Places Projects — Designation — State Assistance

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to the designation of Iowa Great Places and financial and technical assistance to projects in Iowa Great Places.

Currently, the Iowa Great Places Board can identify up to six additional Iowa Great Places after the initial three are identified. The Act eliminates the limit and allows the board to identify any number of additional Iowa Great Places when such places develop dimensions and meet readiness criteria for participation under the Iowa Great Places Program.

The Act provides that, notwithstanding any restriction, requirement, or duty to the contrary, in considering an application for a grant, loan, or other financial or technical assistance for a project identified in an Iowa Great Places agreement, a state agency shall give additional consideration or additional points in the application of rating or evaluation criteria to such applications. The provisions requiring additional consideration or additional points shall apply to applications filed within three years of the Iowa Great Places Board's identification of the project for participation in the program.

HOUSE FILE 648 - Enterprise Zone Distress Criteria

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to distress criteria for enterprise zones.

Previously, a city or county could designate an enterprise zone at any time prior to July 1, 2010, when a business closure occurred involving the loss of full-time employees, not including retail employees, at one place of business totaling at least 1,000 employees or 4 percent or more of the county's resident labor force based on the most recent annual resident labor force statistics from the Department of Workforce Development, whichever is lower. The Act changes the requirement to a business closure or a permanent layoff. The permanent layoff must occur on or after February 1, 2007. The closing business or business creating a permanent layoff shall not be eligible to receive incentives or assistance under the Enterprise Zone Program.

HOUSE FILE 829 - Targeted Industry Promotion, Development, and Education Activities

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to the development and commercialization of businesses in the targeted industry areas of advanced manufacturing, bioscience, and information technology.

The Act requires the Department of Economic Development (DED), upon approval by the Economic Development Board, to contract with a provider through a request for proposals process for services related to statewide commercialization development in the targeted industries.

The Act requires DED to establish and administer a program to provide financial and technical assistance to encourage prototype and concept development activities that have a clear potential to lead to commercially viable products or services within a reasonable period of time in the targeted industries. The financial assistance must be awarded on a per project basis, upon board approval, and the amount of financial assistance for a single project cannot exceed \$150,000. The recipient must demonstrate the ability to secure \$1 of nonstate moneys for every \$2 of financial assistance received.

DED, upon approval by the board, must also establish and administer a program to provide financial assistance for projects designed to encourage collaboration between commercial users and developers of information technology in the state for the purpose of commercializing existing software and applications technologies. The financial assistance cannot exceed \$100,000 per project. The recipient must demonstrate the ability to secure \$2 of nonstate moneys for every \$1 of financial assistance received.

DED, upon board approval, must establish and administer a program to provide financial assistance to businesses or departments of businesses engaged in the delivery of information technology services in the state for the purpose of upgrading the high-level technical skills of existing employees. The financial assistance cannot exceed \$25,000 for any business site. The recipient must demonstrate the ability to secure \$2 of nonstate moneys for every \$1 of financial assistance received.

DED, upon board approval, must establish and administer a targeted industries internship program for students of Iowa community colleges, private colleges, or regents universities. An employer may receive financial assistance in an amount of \$1 for every \$2 paid by the employer to an intern. The amount of financial assistance shall not exceed \$3,100 for any single internship or \$9,300 for any single employer. In order to be eligible to receive financial assistance, the employer must have 500 or fewer employees and must be engaged in a targeted industry.

The Act requires DED to work with the Department of Workforce Development to create a statewide supplier capacity and product database to assist DED in linking suppliers to Iowa-based companies.

The Act requires the Technology Commercialization Committee to review all applications for financial assistance and requests for proposals under the Act and make recommendations to the board.

The Act appropriates, for the fiscal period beginning July 1, 2007, and ending June 30, 2015, from the Grow Iowa Values Fund to DED \$3 million annually for commercialization services. For the same fiscal period, the Act reduces the amount appropriated to DED for purposes of programs administered by DED by \$3 million annually.

The Legislative Services Agency must submit a report by September 30, 2007, to the Fiscal Committee of the Legislative Council and the standing committees on Economic Growth regarding a review of expenditures by the State Board of Regents from appropriations from the Grow Iowa Values Fund and under 2006 Iowa Acts, Chapter 1179, Section 14.

The Act repeals Code Section 262B.22 relating to a Technology and Commercialization Resource Organization.

DED is authorized to expend additional moneys that may become available from loan repayments or other recaptures of awards from federal economic stimulus funds. The Act allocates these moneys for the study and planning for the creation of a Statewide Lean Manufacturing Institute; for the study, planning, and creation of a statewide supplier capacity and product database; for the commercialization of orphaned technology; for information technology job training; for the Targeted Industries Internship Program; for the sponsorship of student competitions in the targeted industry areas; for the sponsorship of connectivity events to bring together private industry and public sector researchers to facilitate technology transfer; for the purpose of recruitment from out-of-state personnel to fulfill the executive-level management and operations needs of new and expanding companies in the targeted industries; for a statewide public awareness campaign aimed at educating Iowans about the job career opportunities available in the targeted industries; and for deployment of equipment and training software that is current and competitive to Iowa's community colleges for use in training programs and courses related to the targeted industries.

The Department of Education must establish and administer a Math and Science Education Improvement Grant Pilot Project to provide a grant to an area education agency for purposes of providing a regional and cooperative program for various purposes. The Act appropriates from the General Fund of the State to the department for FY 2006-2007 \$200,000 for purposes of the pilot project. Any moneys left over at the end of the fiscal year will be available for use in FY 2007-2008. This provision takes effect April 27, 2007.

The Act requires DED to file a written report with the General Assembly and the Governor detailing all expenditures of moneys appropriated and allocated to DED pursuant to the Act and 2007 Iowa Acts, H.F. 911 (see Appropriations).

HOUSE FILE 890 - **Targeted Small Business Assistance — Programs and Appropriations**
BY COMMITTEE ON APPROPRIATIONS. This Act relates to assistance for small businesses.

Currently, a state agency can purchase directly from a vendor, instead of through the Department of Administrative Services (DAS), and avoid the competitive bidding process if the purchase does not exceed \$5,000 and the purchase contributes to the agency complying with or exceeding the targeted small business procurement goals. The Act increases the threshold to \$10,000.

After the conclusion of each fiscal year, the Auditor of State shall conduct a review of targeted small business procurement activities. The Auditor of State must file a written report with the Governor and the General Assembly which includes the findings of the review.

Currently, one of the criteria for a small business under Code Chapter 15 and for a targeted small business is that the business has a gross income of less than \$3 million. The Act increases this amount to \$4 million.

The Act amends the duties of the Department of Economic Development (DED) regarding the Iowa Targeted Small Business Procurement Act and the Targeted Small Business Financial Assistance Program. DAS must file an annual report with DED regarding the Iowa Targeted Small Business Procurement Act activities during the previous fiscal year. The Department of Inspections and Appeals (DIA) must file an annual report with DED regarding certifications of targeted small businesses. The targeted small business marketing and compliance manager must annually compile a list of procurement goals. DED must also file an annual written report with the Governor and the General Assembly compiling all the reports. The Act requires state agencies to cooperate with DED in publicizing both programs. DED must establish targeted small business advocate service providers for purposes of providing mentoring, outreach, and professional development services to certified targeted small businesses. The providers must be established through a request for proposals process.

Currently, under the Targeted Small Business Financial Assistance Program, guarantees are provided which do not exceed 75 percent for loans made by qualified lenders. The Act increases the percentage to 80 percent and limits such loans to seven years or less.

The Act eliminates the ability of low-income persons to receive assistance under the Targeted Small Business Financial Assistance Program. Grants under the program shall only be awarded when additional financing is secured by the applicant. A targeted small business that receives financial assistance under the program must participate in mentoring services from a targeted small business accelerator.

The Act creates a Targeted Small Business Financial Assistance Board. An application for financial assistance submitted on or after July 1, 2007, must be approved by the board in order to receive financial assistance under the program.

Currently, under the Iowa Targeted Small Business Procurement Act, the director of each agency or department of state government having purchasing authority has to establish a procurement goal from certified targeted small businesses of at least 10 percent of the value of anticipated procurements of goods and services, including construction but not including utility services each fiscal year. The Act eliminates the 10 percent goal. The Act requires, prior to each new fiscal year, each department or agency, in cooperation with DED, to establish a procurement goal from certified small businesses. The procurement goals must include the procurement of all goods and services, including construction but not including utility services. The goals must be stated in terms of dollar amount of certified purchases and must be established at a level that exceeds previous fiscal year level.

els. The Act requires quarterly reports to be filed with DED regarding certified purchases from certified targeted small businesses during the previous calendar quarter.

The Act provides justification for allowing the State Board of Regents to issue electronic bid notices for distribution to the targeted small business Internet site through Internet links to each of the regents institutions.

The Act appropriates \$900,000 from the General Fund of the State to DED for FY 2006-2007 for the establishment of targeted small business advocate service providers. The amount that may be expended on one targeted small business advocate service provider is limited to \$150,000.

The Act appropriates \$2.5 million from the General Fund of the State to DED for FY 2006-2007 for deposit in the Targeted Small Business Financial Assistance Program Account of the Strategic Investment Fund.

The Act appropriates \$225,000 from the General Fund of the State to DED for FY 2006-2007 for purposes of marketing and compliance activities and administrative costs related to the Targeted Small Business Financial Assistance Program and the Iowa Targeted Small Business Procurement Act. The Act requires DED to create a full-time position for a targeted small business marketing and compliance manager.

The Act appropriates \$225,000 from the General Fund of the State to DED for FY 2006-2007 for implementing process improvement activities and for administrative costs for the Targeted Small Business Financial Assistance Program and the Iowa Targeted Small Business Procurement Act, for developing and conducting a vendor fair to increase awareness of the program and the Iowa Targeted Small Business Procurement Act, and for an awards banquet to recognize the accomplishments under the Iowa Targeted Small Business Procurement Act.

The Act appropriates \$150,000 from the General Fund of the State to DIA for FY 2006-2007 for purposes of a dedicated targeted small business certification employee.

All moneys from the appropriations made for FY 2006-2007 that are not used at the end of the fiscal year may be used in FY 2007-2008 for the purposes for which appropriated.

The Act takes effect May 22, 2007.

HOUSE FILE 892 - Film, Television, and Video Project Promotion Program

BY COMMITTEE ON WAYS AND MEANS. This Act creates a Film, Television, and Video Project Promotion Program, provides for tax credits and income exclusions, and includes effective and retroactive applicability dates.

The Act requires the Department of Economic Development to establish and administer a Film, Television, and Video Project Promotion Program that will provide for the registration of projects that are to be shot on location in the state. The Act prohibits the department from registering a film project unless the department determines that the project is a legitimate effort to produce an entire film, television, or video episode, or a film, television, or video segment in the state; includes expenditures of at least \$100,000 in the state and will have an economic impact on the economy of the state or locality sufficient to justify assistance under the program; furthers tourism and population retention or growth in the state or locality; and satisfies any other criteria established by rule by the department.

A project registered with the department under the program is eligible for the following assistance:

1. **QUALIFIED EXPENDITURE TAX CREDIT.** The Act allows a qualified expenditure tax credit for 25 percent of a taxpayer's qualified expenditures in a project registered under the program. The tax credit is allowed against personal and corporate income tax liabilities, franchise tax liabilities for financial institutions, insurance premium tax liabilities, and credit union moneys and credits tax liabilities. A qualified expenditure is a payment to an Iowa resident or an Iowa-based business for the sale, rental, or furnishing of tangible personal property or for services directly related to the registered project. A taxpayer claiming this tax credit, a business in which such taxpayer has an equity interest, and a business in which such taxpayer participates in its management is not eligible to receive the adjusted gross income reduction incentive. The tax credit is transferable to another taxpayer.

2. **INVESTMENT TAX CREDIT.** The Act allows an investment tax credit for 25 percent of a taxpayer's investment in a project registered under the program. The tax credit is allowed against personal and corporate income tax liabilities, franchise tax liabilities for financial institutions, insurance premium tax liabilities, and credit union moneys and credits tax liabilities. The tax credit is transferable to another taxpayer. The Act prohibits an investment tax credit from being claimed for qualified expenditures for which a qualified expenditure tax credit is claimed.
3. **EXEMPTION FROM INCOME.** The Act allows a person to subtract from adjusted gross income for purposes of personal income taxes and from taxable income for purposes of corporate income taxes an amount equal to any income received from the sale, rental, or furnishing of tangible personal property or services directly related to the production of a project registered under the program which meets the criteria of a qualified expenditure.

The Act takes effect May 17, 2007, and is retroactively applicable to January 1, 2007, for tax years beginning on and after that date.

EDUCATION

- [SENATE FILE 61](#) - School Policies on Harassment and Bullying
- [SENATE FILE 109](#) - School Finance — Allowable Growth
- [SENATE FILE 277](#) - Educational Standards — Practitioners and Staff and Student Achievement
- [SENATE FILE 447](#) - School District Reorganization and Sharing Incentives
- [HOUSE FILE 317](#) - School District Accreditation and Fiscal Review
- [HOUSE FILE 468](#) - Statewide Student Information System — Study
- [HOUSE FILE 611](#) - Educational Standards — Human Growth and Development and Health Curricula
- [HOUSE FILE 615](#) - Board of Educational Examiners Membership
- [HOUSE FILE 877](#) - Statewide Preschool Programs for Four-Year-Old Children — Appropriations

RELATED LEGISLATION

- [SENATE FILE 155](#) - Government Innovation and Excellence Initiatives
SEE LOCAL GOVERNMENT. This Act makes changes relating to local governments by creating a Local Government Innovation Commission and Fund and by creating the Tim Shields Center for Governing Excellence in Iowa. The purpose of the center is to provide objective and nonpartisan research and training for policymakers and government officials; to integrate the research capacities of community colleges, public and private universities, and local government organizations; and to facilitate dialogues about government policy design, implementation, and evaluation among Iowa's state agencies, local governments, community colleges, universities, and citizens. The commission and fund are repealed effective June 30, 2019. The Act takes effect April 27, 2007.
- [SENATE FILE 205](#) - Iowa Cultural Trust — Use of Grant Account Moneys
SEE ECONOMIC DEVELOPMENT. This Act reauthorizes the board of trustees of the Iowa Cultural Trust to use moneys in the Iowa Cultural Trust Grant Account for a statewide educational program to promote participation in, expanded support of, and local endowment building for, Iowa nonprofit arts, history, and sciences and humanities organizations, but only when the principal balance in the Iowa Cultural Trust Fund equals or exceeds \$3 million.
- [SENATE FILE 403](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act relates to financial and regulatory matters by making and increasing appropriations for FY 2004-2005, FY 2005-2006, and FY 2006-2007, and includes funding for certain cultural affairs projects, for the Skills Iowa Technology Grant Program, and for an assistive technology grants and loans program to support persons with a disability. The authority of the State Board of Regents over real estate is modified to require prior approval of the Governor and the General Assembly to dispose of real estate with a fair market value of \$5 million or more.
- [SENATE FILE 469](#) - Motor Homes and Manufacturers' Club Rallies
SEE TRANSPORTATION. This Act repeals, effective May 9, 2007, two sections of 2007 Iowa Acts, S.F. 403, that would have limited the ability of community colleges to sell, exchange, or otherwise dispose of real property with a fair market value of \$5 million without the authorization of the General Assembly and the approval of the Governor.
- [SENATE FILE 562](#) - Appropriations — Economic Development
SEE APPROPRIATIONS. This Act appropriates moneys from the General Fund of the State to the Department of Cultural Affairs, the University of Iowa, the University of Northern Iowa, and Iowa State University for FY 2007-2008.
- [SENATE FILE 588](#) - Appropriations — Education
SEE APPROPRIATIONS. This Act appropriates moneys for FY 2007-2008 from the General Fund of the State to the College Student Aid Commission, the Department for the Blind, the Department of Education, and the State Board of Regents and its institutions. The Act includes a number of statutory provisions affecting these institutions and school boards.

- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters and includes reductions in the standing appropriations for instructional support state aid, the Educational Excellence Program, and for area education agencies; appropriations for salaries and compensation of State Board of Regents institutions' employees; additional appropriations for the All Iowa Opportunity Assistance Program, Before and After School Grant Program, and the At-risk Children Program; the establishment of a State Board of Regents articulation internet website; an extension of the standing appropriation for the Iowa Early Intervention Block Grant Program; establishment of a Farm-to-School Program; and other provisions affecting education.
- [HOUSE FILE 158](#) - Blood Lead Testing of Young Children
SEE HEALTH AND SAFETY. This Act requires the parent or guardian of a child to provide evidence to the school district or accredited nonpublic school in which the child is enrolled that the child was tested for elevated blood lead levels. The evidence for children who are home schooled must be provided to the school district of residence. The Act provides exceptions to the requirement.
- [HOUSE FILE 245](#) - Invasive Pneumococcal Disease Immunization
SEE CHILDREN AND YOUTH. This Act requires an invasive pneumococcal disease immunization for children enrolled in a licensed child care center.
- [HOUSE FILE 396](#) - Community Empowerment Initiative Appropriation — Scope of Preschool Services
SEE CHILDREN AND YOUTH. This Act expands the scope of services under an existing appropriation for FY 2006-2007 made in 2006 Iowa Acts, Chapter 1157, for the Community Empowerment Initiative involving preschool services. The Act expands the services to be provided through the appropriation beyond preschool services to include other supportive services. The Act takes effect May 24, 2007, and is retroactively applicable to July 1, 2006.
- [HOUSE FILE 618](#) - Precinct Election Board Membership — High School Students
SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE. This Act allows high school students who are at least 17 years old and in good standing enrolled in a public or private secondary school in Iowa to be appointed as precinct election board members, but not board chairpersons, if they meet certain statutory requirements.
- [HOUSE FILE 787](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2007, and ending September 30, 2008, and for the state fiscal year beginning July 1, 2007, and ending June 30, 2008, including funding made available to the state for a number of education programs.

- [HOUSE FILE 890](#) - Targeted Small Business Assistance — Programs and Appropriations
SEE ECONOMIC DEVELOPMENT. This Act provides justification for allowing the State Board of Regents to issue certain electronic bid notices. The Act takes effect May 22, 2007.
- [HOUSE FILE 906](#) - Dental Screenings of Children
SEE HEALTH AND SAFETY. This Act requires all children enrolled in a public or nonpublic elementary or high school to obtain a dental screening. The Act requires schools to give notice to parents of the screening requirement, allows for waivers, and provides for provisional enrollment if a child is in the process of obtaining a screening. The Act takes effect July 1, 2008.
- [HOUSE FILE 907](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2007-2008. The Act appropriates funding to the Department of Education to continue a competitive grants program to expand the availability of before and after school programs. The Act also appropriates funding to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account.
- [HOUSE FILE 909](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and includes numerous provisions involving children, including funding for child care programs and training associated with community empowerment areas and early education. School districts operating federally funded meal programs are required to forward information to the Department of Human Services to identify children for enrollment in the Medicaid and hawk-i programs.
- [HOUSE FILE 911](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division I of this Act appropriates from the Rebuild Iowa Infrastructure Fund (RIIF) to the State Board of Regents for FY 2007-2008, FY 2008-2009, and FY 2009-2010 the sum of \$30 million (\$10 million per fiscal year) for costs associated with the establishment of the Iowa Institute for Biomedical Discovery at the University of Iowa. The division also appropriates RIIF funds to the State Board of Regents for planning, design, and construction costs associated with the construction of a new renewable fuels building at Iowa State University for FY 2007-2008, FY 2008-2009, and FY 2009-2010, the sums of \$5,647,000, \$14,756,000, and \$11,597,000, respectively, contingent upon the board or Iowa State University actively pursuing the hiring of new research teams to provide world class expertise in the area of biorenewable fuels research.
- [HOUSE FILE 920](#) - State Board of Regents Institutions — Bonding — Appropriations
SEE APPROPRIATIONS. This Act authorizes the issuance of revenue bonds by the State Board of Regents for building and facility improvement projects.
- [HOUSE FILE 923](#) - Taxes, Tax Policy, and Administration
SEE TAXATION. This Act makes policy and technical administrative changes to the tax law and related matters. Division I provides that withdrawals from the Iowa Educational Savings Plan Trust which are not used for qualified educational expenses are to be included in taxable income to the extent those withdrawals were previously deducted. The school tuition organization tax credit is amended to authorize noncash contributions, and the deadline dates for certified enrollment and notification are changed.

EDUCATION

SENATE FILE 61 - School Policies on Harassment and Bullying

BY COMMITTEE ON EDUCATION. This Act relates to harassment and bullying of elementary and secondary school students and establishes a state policy prohibiting school employees, volunteers, and students in Iowa schools from engaging in harassing or bullying behavior.

The Act defines "harassment" and "bullying" to mean any electronic, written, verbal, or physical act or conduct toward a student that is based on any actual or perceived trait or characteristic, which creates an objectively hostile education environment, and which meets one or more of the conditions specified in the Act. The Act also defines "electronic" and "actual or perceived trait or characteristic of the student."

School districts and accredited nonpublic schools are directed to consider recommendations from their school improvement advisory committees regarding harassment or bullying prevention goals, programs, training, and other initiatives.

The policy must be in place by September 1, 2007, and must be distributed to all concerned, define harassment and bullying, describe the behavior expected from all concerned, describe the consequences and appropriate remedial action for violation of the policy, include a procedure for reporting incidents, identify persons responsible for receiving reports, include a procedure for the prompt investigation of complaints, and list a range of sanctions and remedial actions that can be taken with regard to confirmed incidents. The policy must also prohibit reprisal, retaliation, or false accusation against a victim, witness, or an individual who has reliable information about an act of harassment or bullying. Schools must integrate the policies into their comprehensive school improvement plans and report data collected for the plan to the local community.

School boards and schools are encouraged to establish programs designed to eliminate harassment and bullying in schools, to provide training on antiharassment and antibullying policies, and to develop a process to help reduce incidents of harassment and bullying.

The Act provides immunity from civil or criminal liability to school employees, volunteers, and students and their parents or guardians who report an incident of harassment or bullying promptly, reasonably, and in good faith. Existing administrative or legal remedies available to a victim are unaffected by the provisions of the Act.

SENATE FILE 109 - School Finance — Allowable Growth

BY COMMITTEE ON EDUCATION. This Act sets the state percent of growth under the State School Foundation Program at 4 percent for the budget year beginning July 1, 2008. The Act is applicable for computing state school foundation aid for the school budget year beginning July 1, 2008.

SENATE FILE 277 - Educational Standards — Practitioners and Staff and Student Achievement

BY COMMITTEE ON EDUCATION. This Act increases appropriations made for FY 2007-2008 and FY 2008-2009 from the General Fund of the State for the Student Achievement and Teacher Quality Program; requires school districts to have qualified guidance counselors and school nurses, but permits school districts to request a waiver from the Department of Education (DOE) and provides state assistance to school districts to help pay for the additions; increases minimum teacher salaries; and establishes an Administrator Quality Program and requires the State Board of Education to adopt statewide standards for school administrators.

The Act adds new elements to the Student Achievement and Teacher Quality Program, including requiring a teacher quality committee in each school district, teacher development programs, and evaluation of teachers against the Iowa Teaching Standards, and makes a number of related changes.

QUALIFIED GUIDANCE COUNSELORS, SCHOOL NURSES, AND TEACHER LIBRARIANS. While requiring school districts to have qualified guidance counselors and school nurses, the Act authorizes school districts to seek supplemental aid from the School Budget Review Committee for the cost of adding the guidance counselors, school nurses, and teacher librarians. A guidance counselor-to-student ratio of 1 to 350 is established as a goal, as is a school nurse-to-student ratio of 1 to 750. The Act also updates a provision to allow districts to seek up to a two-year waiver of the requirements from DOE. A school district that met the requirement in the

previous school year cannot seek a waiver from that requirement for the current school year. For FY 2007-2008, \$1 million of the funds allocated for purposes of the National Board for Professional Teaching Standards awards are to be used to supplement funds for market factor teacher incentives to assist school districts to recruit, employ, and retain qualified teacher librarians, guidance counselors, and school nurses.

NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS EXTENSION. Teachers who register for National Board for Professional Teaching Standards certification by December 31, 2007, are eligible for a one-time reimbursement award of one-half of the registration fee paid; and if a teacher who registers by that date achieves certification within the timelines and policies established by the national board, the teacher is eligible for an annual award of \$2,500 for 10 years or for each year in which the individual maintains a valid certificate, whichever time period is shorter.

BOARD OF EDUCATIONAL EXAMINERS. The Board of Educational Examiners may issue statements of professional recognition to school service personnel who are licensed by another professional licensing board. Such personnel must have attained a minimum of a baccalaureate degree.

The Act also directs the board to require applicants for an administrator license to have completed a beginning administrator mentoring and induction program. However, an administrator formerly employed by an accredited nonpublic school or in another state or country is exempt from the requirement if the administrator can document two years of successful administrator experience. The board is also directed to allow credit for administrators' individual professional development plans.

BACKGROUND CHECKS BY SCHOOL DISTRICTS. Prior to entering into an initial contract with an applicant for a teaching position, a school district is required to request the Division of Criminal Investigation of the Department of Public Safety to conduct a background investigation of a teacher who holds a license other than an initial license. Senate File 601 (see Appropriations) permits a school district to opt to have a qualified background screening company conduct the investigation. The school district may charge the teacher a fee for the cost of the background investigation.

STUDENT ACHIEVEMENT AND TEACHER QUALITY — TEACHER DEFINITIONS. The Act changes the definition of "teacher" to include a person who holds a statement of professional recognition and is employed in a nonadministrative position by a school district or area education agency (AEA).

COLLECTIVE BARGAINING. School boards and their certified bargaining representatives must negotiate evaluation and grievance procedures for teachers other than beginning teachers. If the licensed employees of a school district or AEA receiving funds allocated for salaries under the Student Achievement and Teacher Quality Program are organized for collective bargaining purposes, the school board and the certified bargaining representative must agree on a formula for distributing the funds. The Code provides for distribution if the parties reach an impasse.

TEACHER QUALITY COMMITTEE. The Act strikes language that required school districts to provide an extra day of contract days beginning in the fifth year of participation in the Student Achievement and Teacher Quality Program, and replaces it with a requirement that school districts, and AEAs that wish to participate in the program, create a teacher quality committee to monitor implementation of the program, monitor the evaluation requirements of the program and develop model evidence for the Iowa teaching standards and criteria, determine the use and distribution of professional development funds, monitor the professional development in each attendance center, and ensure that the agreement negotiated pursuant to Code Chapter 20 determines compensation for teachers on the committee for work responsibilities beyond the normal workday.

AREA EDUCATION AGENCIES. The Act makes an AEA and certain AEA employees eligible to receive moneys under the Student Achievement and Teacher Quality Program if the AEA meets the requirements currently established only for school districts.

PROFESSIONAL DEVELOPMENT. School districts are required to develop attendance center professional development plans, and must create quality professional development opportunities and balance the use of professional development funds between school district, attendance center, and individual professional development

plans. The Act allocates \$20 million from the Student Achievement and Teacher Quality Program funds for school districts for purposes of professional development. Senate File 277 (see Appropriations) directs the department to allocate a proportional amount of funding for professional development to AEA's.

INTENSIVE ASSISTANCE PROGRAM. All school districts must be prepared to offer an intensive assistance program. A teacher who is not meeting applicable standards and criteria must participate in such a program. The program and its implementation are subject to negotiation and grievance procedures established pursuant to Code Chapter 20.

TEACHER DEVELOPMENT ACADEMIES AND TEACHER TRAINERS. The Act directs DOE to establish, with the \$1.8 million allocated for such a purpose in the Act, teacher development academies, including an institute and follow-up training and coaching.

MINIMUM SALARY CHANGES. The Act provides that the minimum salary for a first-year beginning teacher is \$26,500, for a first-year career teacher is \$27,500, and for a second-year career teacher is \$28,500. Currently, the Code provides for beginning and career teacher salaries of \$25,500, \$26,500, and \$27,500, respectively.

MARKET FACTOR TEACHER SALARIES. The Act amends the Code section that provides for state assistance to allow school districts to add a market factor to teacher salaries paid by the school districts to replace the word "salaries" with "incentives"; provides that incentives may include educational opportunities and support, moving expenses, and housing expenses; funding to prepare education personnel to attain a license or endorsement in a shortage area; and requires each teacher quality committee to make recommendations to the school board and collective bargaining representative regarding the expenditure of market factor incentives. DOE must submit a report on the use and effectiveness of the funds allocated for incentives to the General Assembly by January 15, 2008. The General Assembly's stated intent is to reevaluate future appropriations for the incentives based on this report.

TEAM-BASED VARIABLE PAY. The Act strikes references to team-based variable pay.

PAY-FOR-PERFORMANCE PROGRAM. The Pay-for-Performance Program is changed to reflect the recommendations from the final report of the Pay-for-Performance Commission. The commission is no longer responsible for designing a program utilizing both the individual and group incentive components, nor will any funding be designated for individual incentives. The commission is charged with selecting two planning projects in FY 2007-2008 and with administering two implementation pilots in FY 2008-2009 in the school districts which were selected for pilot projects in the prior year. The purpose of the planning projects is to identify the strengths and weaknesses of various Pay-for-Performance Program designs, evaluate cost effectiveness, analyze student achievement needs, select formative and summative student achievement measures, consider supports related to student achievement goals, review assessment needs, and identify mechanisms to account for existing teacher contract provisions within the proposed career ladder salary increments.

CAREER LADDER PILOTS. The Act directs DOE to design, implement, and administer a career ladder pilot, the intent of which is to create a process by which select Iowa school districts research, develop, and implement pilots designed to identify promising practices related to enhanced teacher compensation career ladder models. For the 2007-2008 school year, DOE shall select up to eight school districts as planning pilots. The following year, DOE will administer implementation pilots in these school districts. Based on the information generated by the pilots, DOE must submit an interim report to the General Assembly by January 14 annually, and a final report summarizing the effectiveness of the pilots no later than six months after the completion of the implementation pilots.

ADMINISTRATOR QUALITY PROGRAM. During the 2006 Legislative Session, the General Assembly established the Beginning Administrator Mentoring Program. The program now becomes a component of a new Administrator Quality Program established under the Act. The Administrator Quality Program is designed to function much like the Student Achievement and Teacher Quality Program with regard to its teacher quality, career development, and evaluation provisions.

Besides mentoring, the program's other two components include professional development designed to directly support best practices for leadership and evaluation of administrators against Iowa standards for school administrators, which the Director of DOE is directed to develop and the state board to adopt. The standards are to include knowledge and skill criteria, and based upon the standards, mentoring and induction, evaluation processes, and administrator career development plans.

Under current Code, a beginning administrator is comprehensively evaluated at the end of the administrator's first year. Under the Act, if the administrator demonstrates competence, the employer must recommend the administrator for a standard license. A beginning administrator who fails to demonstrate competence at the end of the first year may be allowed a second year and given a one-year extension of the administrator's initial license in order to demonstrate competence.

The Act requires each school board, by July 1, 2008, to provide annual evaluations that assess administrators, at a minimum, against the Iowa standards for school administrators and the criteria for the standards developed by DOE. A local school board may establish additional evaluation and grievance procedures. School districts must also adopt individual career development plans for administrators as well as an administrator evaluation plan.

Each school district must provide for the professional growth programming for individuals employed in an administrative position in the school district. Each administrator must develop an individual career development plan. The administrator's evaluator and the administrator must annually meet to review progress in meeting the goals in the administrator's individual plan.

A school district shall review an administrator's performance annually for purposes of assisting the administrator in making continuous improvement, documenting continued competence in the Iowa standards for school administrators, or to determine whether the administrator's practice meets school district expectations.

STUDENT ACHIEVEMENT AND TEACHER QUALITY PROGRAM APPROPRIATIONS. The Act increases the appropriations made under 2006 Iowa Acts, Chapter 1182, for purposes of the Student Achievement and Teacher Quality Program for FY 2007-2008 by \$34.6 million and for FY 2008-2009 by \$74.6 million, and provides, in a number of instances, changes in the amounts allocated and the purposes for which the funds are allocated. The Act makes appropriations and allocations to DOE to continue providing funding to school districts and AEAs for salaries and career development purposes, and to fund the establishment of teacher development academies. The Act extends the allocations for market factor teacher incentives to FY 2009-2010. Funding for the Pay-for-Performance Program is decreased, though moneys for the program are allowed to carry over, effective April 26, 2007.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision that required the State Board of Education to adopt rules requiring implementation of the successful components of the career ladder pilots.

SENATE FILE 447 - School District Reorganization and Sharing Incentives

BY COMMITTEE ON EDUCATION. This Act makes changes related to incentives for school district reorganization and shared operational functions between school districts and political subdivisions.

The Act leaves intact the reduced uniform levy for schools that reorganized prior to July 1, 2006, allowing school districts to utilize the incentive if they reorganize on or before July 1, 2014.

The Act strikes the current whole grade sharing arrangement and replaces it with a modified, simplified version. The new provision allows school districts that execute a whole grade sharing agreement and adopt a resolution to study the effect of undergoing a reorganization or dissolution to take effect on or before July 1, 2014, to weight one-tenth of a percentage of a student's school day during which the student attends classes in another district, is taught by a teacher jointly employed, or attends classes taught by a teacher employed by another district. This supplementary weighting is available for a total of three years. The Act provides additional funding for regional academies through the school budget year beginning July 1, 2007.

The Act enacts Code Section 257.11, new subsection 5A, which offers financial and operational support to help school districts reorganize, consolidate, or dissolve efficiently without allowing fiscal barriers to get in the way. A supplementary weighting of two-hundredths per pupil will be given to a district that shares with a political subdivision one or more of its administrative management, business management, human resources, transportation, or operational and maintenance functions for at least 20 percent of the year. This supplementary weighting is available for five years, with a minimum equivalent weighting of 10 pupils and a maximum equivalent weighting of 40 pupils. Supplementary weighting for shared operational functions will be available to area education agencies (AEAs) for a maximum of five years beginning July 1, 2008. The minimum amount of additional funding that an AEA is eligible for is \$50,000 and the maximum amount of funding that an AEA is eligible for is \$200,000.

The Act directs the Department of Management to annually set a weighting for each AEA to generate the approved operational sharing expense using the AEA's special education cost per pupil amount and foundation level. To receive supplementary weighting for more than one year depends on annual reports by the district to the department on the cost savings attributable to the shared operational functions. Supplementary weighting funding received for shared operational functions shall be reduced by an additional 20 percent from the original amount each subsequent budget year that the funding is received. Code Section 257.11, new subsection 5A, is repealed effective July 1, 2014.

The Act also provides for supplementary weighting funding for three years for a reorganized school district that is equal to the funding that was received in the year preceding the reorganization. The Act amends the definition of reorganized school district for purposes of receiving this supplementary weighting to include those districts where the reorganization takes effect on or before July 1, 2014. An appropriation of \$400,000 from the General Fund of the State is provided to assist schools in implementing shared operational functions. The Department of Education is required by September 15, 2007, to develop a uniform process for school leaders to discuss ways to support student programs and achievement through shared operations. The department is required to hire staff for AEAs to coordinate the uniform process between AEAs, community colleges, postsecondary institutions, and school districts. By January 15, 2008, each AEA shall give the department a plan identifying efficiencies. The department shall compile these reports and submit a comprehensive report to the General Assembly by March 15, 2008.

HOUSE FILE 317 - School District Accreditation and Fiscal Review

BY COMMITTEE ON EDUCATION. This Act permits the School Budget Review Committee to recommend that the Department of Education send an accreditation team into a school district for an on-site fiscal review under phase II of the accreditation process if a school district exceeds its authorized budget or carries a negative unspent balance for two or more consecutive years.

HOUSE FILE 468 - Statewide Student Information System — Study

BY COMMITTEE ON EDUCATION. This Act requires the Department of Education to conduct a study regarding the student information systems that are currently in use in the state. The Act requires that the study examine the types of data collected and the future needs of data for the kindergarten through grade 12 and postsecondary levels and for use by the state. The Act requires that the study examine systems used in other states and focus on systems that will provide efficiency, accuracy, and security of and access to the data by various users. The department shall report its findings and conclusions to the General Assembly by January 15, 2008.

HOUSE FILE 611 - Educational Standards — Human Growth and Development and Health Curricula

BY COMMITTEE ON EDUCATION. This Act requires that the educational program which school districts and accredited nonpublic schools must provide include age-appropriate and research-based information in the human growth and development areas and in the health curriculum or health education unit.

The Director of the Department of Education must make available scientifically based research studies in the area of health and wellness literacy to school districts and accredited nonpublic schools. The director must also develop and make available to school districts materials about the dangers of sexual exploitation by means of the Internet.

Each school district must use the research provided by the department to evaluate and upgrade their instructional materials and teaching strategies for human growth and development. Each school district must also, upon request from an agency or organization, provide information about the human growth and development curriculum used in each grade level and the procedure for inspecting and updating the materials.

Accredited nonpublic schools may choose a curriculum in accordance with doctrinal teachings for the human sexuality component of the human growth and development requirements. A school or school district is not prohibited from developing and making available abstinence-based or abstinence-only materials.

Beginning in grade seven schools must include information regarding sexually transmitted diseases, including the human papilloma virus and the availability of a vaccine to prevent the virus.

"Research-based" is defined to mean information verified and supported by the weight of research conducted in compliance with accepted scientific methods, recognized as medically accurate and objective by leading professional organizations with relevant expertise in the field, and published in peer-reviewed journals. The information must be free of racial, ethnic, sexual orientation, and gender biases.

HOUSE FILE 615 - Board of Educational Examiners Membership

BY COMMITTEE ON EDUCATION. This Act increases the membership of the Board of Educational Examiners from 11 members to 12 members and increases the number of members who must be licensed practitioners from eight members to nine members. However, the Act eliminates a requirement that the Director of the Department of Education serve as one of the members who must be a licensed practitioner.

HOUSE FILE 877 - Statewide Preschool Programs for Four-Year-Old Children — Appropriations

BY COMMITTEE ON APPROPRIATIONS. This Act creates a statewide voluntary preschool program for four-year-old children to be implemented through school districts. The program is administered at the state level by the State Board of Education and the Department of Education.

A school district must be approved by the department to operate a local program that provides at least 10 hours per week of instruction delivered on the skills and knowledge included in the learning standards adopted for the program. To be eligible for the program, a child must be a resident of the state and be at least age four by September 15 of a school year.

An individual serving as a teacher in the program must be either employed by or under contract with the school district, possess a bachelor's or graduate degree with a major in early childhood education or other appropriate major identified in rule, and be a licensed teacher who meets teacher career development and other requirements under Code Chapter 284. The teacher is required to collaborate with other agencies, organizations, and boards in the community to meet children's needs and to maintain relationships with a child's family.

The state board is required to adopt rules setting standards for the program. These include addressing teacher-to-child ratios and class sizes, student learning, collaboration with families and community partners, parental involvement, and transportation. Existing authority in Code Section 256.11 for the state board to adopt standards for prekindergarten programs is expanded to include the new preschool program.

School district requirements include demonstrating community readiness and collaboration, involving children enrolled in child care centers and child development homes, participating in data collection and performance measurement activities, and addressing career development for the program's teachers.

The department is required to implement an application and selection process for school districts, track progress of the students served and performance of the students in elementary and secondary education, and implement quality monitoring. The state board is provided with emergency rulemaking authority that allows the rules for the program to be adopted without public comment periods and review by the Administrative Rules Review Committee. Senate File 601 (see Appropriations) requires the state board and the department ensure that the administrative rules emphasize that children's access to the program is voluntary, that the preschool foundation aid provided to a school district is provided based upon the enrollment of eligible students in the school district's local program regardless of whether an eligible student is a resident of the school district, and that agreements entered into by a school district for the provision of programming in settings other than the school district's facilities are between the school district and the private provider.

Funding for the program is provided by the state based upon a preschool foundation aid formula that uses elements of the school foundation aid formula and is paid as part of state aid. A school district may use existing local revenue sources to the extent the expenditures are permitted within the uses of that funding source. Authorization is specifically provided for use of the state aid provided to schools for transportation under Code Chapter 285.

Except for the initial year a school district participates in the program, the state funding each year is based on the previous school year's enrollment of children by October 1. The state funding is 60 percent of that enrollment multiplied by the state cost per pupil. However, in the initial year, the funding is based on the initial year's enrollment and is prorated to reflect the month of the school year that the program begins.

For the initial year the program is implemented by a school district, the awarding of preschool foundation aid is subject to a selection process from annual standing limited appropriations of \$15 million per year provided for FY 2008-2009 and FY 2009-2010 and \$16.16 million is provided for FY 2010-2011. The FY 2007-2008 appropriation of \$15 million is provided in S.F. 588 (see Appropriations). After the initial year, the funding is appropriated as part of the standing school aid appropriation. Unless otherwise provided by law, the department may use a portion of the annual appropriations to fund administrative staff for the program.

ELECTIONS, ETHICS, AND CAMPAIGN FINANCE

- [SENATE FILE 39](#) - Regulation of Political Campaigns and Contributions
- [SENATE FILE 40](#) - Governmental Ethics Regulation
- [SENATE FILE 58](#) - Elections — Nomination Petition Signatures Requirement for Mayor
- [SENATE FILE 351](#) - Reports by Ballot Issue Political Committees
- [SENATE FILE 369](#) - Voting, Voting Machines, and Optical Scan Voting Systems
- [SENATE FILE 416](#) - City Elections — Council Vacancies and Satellite Absentee Voting
- [HOUSE FILE 413](#) - Campaign Finance — Filing of Statements and Reports
- [HOUSE FILE 546](#) - Election Board Membership
- [HOUSE FILE 588](#) - Elections — Requirements for Township Officer Candidacy
- [HOUSE FILE 618](#) - Precinct Election Board Membership — High School Students
- [HOUSE FILE 653](#) - Voter Registration
- [HOUSE FILE 848](#) - Conduct of Elections, Absentee Voting, and Voter Registration
- [H.J.R. 3](#) - Proposed Constitutional Amendment — Qualification of Electors

RELATED LEGISLATION

- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters. Division IX of the Act requires the county commissioner of elections to open an absentee ballot return carrier envelope received in a timely manner in order to inspect the affidavit on the affidavit envelope containing the ballot. A process for notifying the voter is established in cases where there is a deficiency in the affidavit or if the affidavit envelope is unsealed or has been opened and resealed or if the ballot is not enclosed in the affidavit envelope. The process includes allowing the voter to correct the deficiency or vote a replacement ballot, as the case may be. The division also strikes the absentee ballot courier system that was in place for return of completed absentee ballots and instead allows the voter to designate a person to return the voter's completed absentee ballot by mail or personal delivery to the commissioner's office.
- [HOUSE FILE 911](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division VII of this Act creates a Voting Machine Reimbursement Fund in the Office of the Treasurer of State to be expended to reimburse counties for the costs of complying with provisions contained in S.F. 369, relating to requirements for construction of voting machines.

ELECTIONS, ETHICS, AND CAMPAIGN FINANCE

[SENATE FILE 39](#) - **Regulation of Political Campaigns and Contributions**

BY COMMITTEE ON STATE GOVERNMENT. This Act makes a variety of technical changes to Iowa's campaign finance and disclosure requirements. The changes relate to the definition of reportable contributions, filing disclosure reports, the handling of campaign contributions, the public availability of reports, the posting of signs, and the escheat of anonymous contributions.

[SENATE FILE 40](#) - **Governmental Ethics Regulation**

BY COMMITTEE ON STATE GOVERNMENT. This Act relates to the regulation of ethical conduct by governmental entities.

The Act provides that prohibited gifts received from a restricted donor and donated within 30 days to a person subject to Code Section 8.7 must meet the reporting requirements of Code Section 8.7.

Currently, an official, a state employee, a member of the General Assembly, or a legislative employee is prohibited from selling, in any one occurrence, any goods or services having a value in excess of \$2,000 to any state agency unless the sale is made pursuant to an award or contract let after public notice and competitive bidding. The Act eliminates an exception to the prohibition for sales of services by an official, a state employee, a member of the General Assembly, or a legislative employee to state executive branch agencies or subunits of departments or independent agencies that are not the subunit of the department or independent agency in which the person serves or is employed or are not a subunit of a department or independent agency with which the person has substantial and regular contact as part of the person's duties.

Currently, the Iowa Ethics and Campaign Disclosure Board is required to adopt rules to prohibit the use of information copied from reports and statements filed with the board from being used for soliciting contributions or for any commercial purpose by any person other than statutory political committees. The Act allows such information to be used for soliciting contributions and prohibits the use for any commercial purpose by any person including statutory political committees.

[SENATE FILE 58](#) - **Elections — Nomination Petition Signatures Requirement for Mayor**

BY WARNSTADT. This Act provides that if a city governed by the council-manager-at-large form of government modifies its form of government to provide for the direct election of the mayor by the voters, the number of signatures required on nomination papers for the office of mayor in the first election that office is on the ballot shall be a number equal to the total number of votes cast for city council offices at the last city election divided by the number of city council offices on the ballot at that election and multiplied by two-hundredths (.02). The minimum number of signatures required is 10.

[SENATE FILE 351](#) - **Reports by Ballot Issue Political Committees**

BY COMMITTEE ON STATE GOVERNMENT. This Act requires a political committee expressly advocating the passage or defeat of a ballot issue to file five disclosure reports in an election year. Current law requires only a single report in an election year.

[SENATE FILE 369](#) - **Voting, Voting Machines, and Optical Scan Voting Systems**

BY COMMITTEE ON STATE GOVERNMENT. This Act makes numerous changes relating to voting machines (direct recording electronic devices) and optical scan voting systems as follows:

Code Section 49.28 is amended to provide that when voting machines are used in a precinct, the commissioner shall make a supply of paper ballots available in case of a power failure, machine malfunction, or any other condition that prevents a person from casting the person's ballot on the voting machine.

Code Sections 49.53, 52.9, and 52.35 are amended to strike the requirement that notice of testing of voting machines and voting system tabulating devices be included with the notice of the election. Notice of testing may be published separately or may be published with the notice of the election.

Code Section 50.48, containing the general provisions for recounts, is amended to provide that if a voting machine was used in the election, the paper record produced by the machine for voter review shall be the official record in a recount unless the county commissioner of elections believes or knows that the paper records for a

machine have been compromised in some manner, in which case the printed ballot images produced from the internal audit log for that machine shall be the official record used in the recount.

Code Section 52.1, relating to voting machines and electronic voting system requirements, is amended to rewrite several definitions. "Electronic voting system" is changed to "optical scan voting system" and other changes are made to related terminology.

Code Section 52.2 is amended to provide that on or after July 1, 2007, a county whose voting system primarily utilizes voting machines shall, when replacing the system, replace the system with an optical scan voting system only, and the federal requirements relating to disabled voters shall be met through the use of an electronic ballot marking device that is compatible with an optical scan voting system. On or after July 1, 2007, those counties that utilize both a voting machine and an optical scan voting system shall, when replacing a voting machine, replace the voting machine with an electronic ballot marking device that is compatible with an optical scan voting system.

Code Section 52.7, relating to requirements for construction of voting machines, is stricken and rewritten for ease of reading and also to provide that, for all elections held on or after November 4, 2008, voting machines shall provide a paper record for review by the voter at the polling place.

Code Section 52.33 is amended to provide that any county using an optical scan voting system shall also conduct absentee voting by use of such a system.

The Act repeals Code sections relating to use of voting machines that are lever machines and repeals Code sections authorizing and referring to the use of counting centers to tabulate optical scan ballots at a central location rather than at each precinct.

SENATE FILE 416 - City Elections — Council Vacancies and Satellite Absentee Voting

BY COMMITTEE ON LOCAL GOVERNMENT. This Act establishes when to file a nomination petition for a special election called to fill a vacancy on a city council, and that satellite absentee voting stations may be used for city primary elections and city runoff elections.

HOUSE FILE 413 - Campaign Finance — Filing of Statements and Reports

BY COMMITTEE ON STATE GOVERNMENT. This Act requires mandatory electronic filing of campaign finance statements of organization, dissolution reports, and disclosure reports by all candidates for statewide office and for the General Assembly. The requirement applies on or after January 1, 2010, to newly formed committees of a candidate for statewide office or for the General Assembly and to all such committees on or after January 1, 2012.

All reports required to be filed five days prior to an election must be electronically filed or physically received by the board by 4:30 p.m. on the due date. The board must post statements and reports on an internet website.

Remedies and penalties are set out in Code Section 68B.32D.

HOUSE FILE 546 - Election Board Membership

BY COMMITTEE ON STATE GOVERNMENT. This Act allows the county commissioner of elections to include on election board panels names of persons who are not members of the two political parties receiving the largest and next largest number of votes in the county for President or Governor in the last general election. However, the Act provides that persons who are not members of either of these political parties shall not comprise more than one-third of the membership of a precinct election board. Precinct election officials and members of the election counting board are chosen from election board panels.

HOUSE FILE 588 - Elections — Requirements for Township Officer Candidacy

BY COMMITTEE ON LOCAL GOVERNMENT. This Act strikes the requirement that a person seeking election to township office must file a nomination petition containing at least 10 signatures and requires only that the person file an affidavit of candidacy.

HOUSE FILE 618 - **Precinct Election Board Membership — High School Students**

BY COMMITTEE ON STATE GOVERNMENT. This Act allows high school students who are at least 17 years old and in good standing enrolled in a public or private secondary school in Iowa to be appointed as precinct election board members, but not board chairpersons, if they meet certain statutory requirements.

HOUSE FILE 653 - **Voter Registration**

BY COMMITTEE ON STATE GOVERNMENT. This Act allows a person to register to vote after the normal statutory deadline for registration for an election and to vote in that election.

The Act provides that a person eligible to register to vote and to vote may register in person at the polling place on election day by completing a voter registration form, making written oath, and providing proof of identity and proof of residency in the precinct. Acceptable forms of such proof are specified in the Act. If the person does not have such proof, identity and residency in the precinct may be established by written oath of a registered voter of the precinct. A person who cannot establish identity and residency in the precinct by either of these methods may vote a provisional ballot. A person who falsely swears to an oath commits election misconduct in the first degree, which is a class "D" felony.

At any time before election day and after the normal deadline for registering to vote, a person may vote absentee at the commissioner's office or at a satellite absentee voting station by registering in the same manner as registration may be accomplished on election day.

The county commissioner of elections is required to send acknowledgment of election day and in-person absentee registrations within 45 days of receiving the voter registration form. If the acknowledgment is returned as undeliverable, the commissioner is required to attempt contact by forwardable mail. If the voter does not respond within 14 days of the notice being mailed, the commissioner is required to change the status of the registration to inactive status and immediately notify the State Registrar of Voters (Secretary of State) and the county attorney.

The Act applies to elections held on or after January 1, 2008.

HOUSE FILE 848 - **Conduct of Elections, Absentee Voting, and Voter Registration**

BY COMMITTEE ON STATE GOVERNMENT. This Act amends Code provisions relating to elections, voting, and voter registration.

Division I of the Act contains changes to general provisions relating to the conduct of elections as follows:

Code Section 2.27 is amended to remove a reference to fill a vacancy in the Office of Lieutenant Governor by election. A vacancy in that office is filled by appointment by the Governor.

Code Section 43.6 is amended to provide that if a vacancy in a county office occurs more than 73 days before the primary election, political party candidates to fill that office at the general election shall be nominated at the primary election.

Code Sections 43.14 and 45.5, relating to the form of nomination papers filed for the primary election or filed by persons nominated by petition, are amended to provide that a signature line shall not be counted if the signer's address is outside of the appropriate area or district. Code Section 45.5 is further amended, along with Code Section 45.6, to clarify that a person signing a nomination petition must be a resident of the appropriate ward, city, county, or district.

Code Section 49.8 is amended to provide that precinct boundaries drawn by a city council may be redrawn once during the period beginning January 1 of the second year following the federal decennial census and ending June 30 of the year immediately following the year in which the next succeeding federal decennial census is taken, if the county commissioner of elections recommends that the change will result in a substantial savings in election costs. This amendment takes effect April 10, 2007, and applies to elections held on or after January 1, 2008.

Code Section 49.14 is amended to remove the requirement that a majority of the members of the original precinct election board be present at the precinct polling place at all times on election day. Code Section 49.14 is

also amended to require that the chairperson of the precinct election board be present at the precinct polling place at all times on election day. Finally, the Code section is amended to require that a substitute precinct election official be a member of the same political party as the election official for whom the substitution is made.

Code Section 49.57 is amended to remove the requirement that the names of candidates and political parties appear in all capital letters on ballots. The Code section is also amended to allow the names of political parties and nonparty political organizations to be abbreviated on ballots if the abbreviations are printed with the full name in the "Straight Party" and "Other Political Party" areas of the ballot. The Code section is also amended to require a minimum font size on ballots for constitutional convention questions, constitutional amendments, and public measures. Finally, Code Section 49.57 is amended to require that a ballot be printed to contain the unique identification number or name assigned by the commissioner to the ballot style, rather than a designation of the ballot rotation.

Code Section 49.73 is amended to permit the polls to open at noon, rather than 7 a.m., for any election conducted for the unincorporated area of a county.

Code Section 49.79 is amended to provide a specific list of reasons that a person may be challenged as unqualified to vote.

Code Section 50.25 is amended to provide that the abstract of votes in the general election may be made on one sheet for county offices, rather than a separate sheet for each county office.

Code Section 376.11, relating to write-in votes for city offices, is amended to provide that if a person elected by write-in votes at a regular city election chooses not to serve, the person shall submit the person's resignation to the city clerk by 5 p.m. on the tenth day following the canvass of that election. Currently, the resignation is required by 5 p.m. on the day following the canvass of the election.

Code Section 376.11 is also amended to establish a deadline for filing a petition to request a special election if a write-in candidate who wins a city election declines the office and the candidate receiving the next highest number of votes is declared the winner. The deadline established for filing the petition is within 10 days after the city clerk has notified the candidate next declared the winner.

Division I applies to elections held on or after January 1, 2008.

Division II of the Act makes changes to absentee voting provisions as follows:

Code Section 39A.4 is amended to prohibit incumbent officeholders and candidates seeking offices on the ballot from serving as observers or challengers of the process of counting absentee ballots. Candidates and officeholders are currently prohibited from serving in this capacity at the polls on election day.

Code Sections 49.63, 53.7, and 53.22 are amended to include voting absentee at the commissioner's office in provisions relating to voting absentee by mail and voting absentee at a satellite absentee voting station.

Code Section 53.2 is amended to allow a voter to apply in person at the commissioner's office for an absentee ballot from 8 a.m. until 11 a.m. on the day of the election if it is an election at which the commissioner has directed that the polls shall open at noon.

Code Section 53.2 is also amended to provide that an application for an absentee ballot require the date of birth of the registered voter who is applying for the absentee ballot.

Code Section 53.8 is amended to clarify that voters who expect to be patients or residents of health care facilities or hospitals on election day are not prohibited from voting absentee in person at the commissioner's office.

Code Section 53.17 is amended to allow an immediate family member of an absentee voter, if authorized by the voter, to deliver the voted ballot to the commissioner's office. Senate File 601 (see Appropriations) amends the Act to strike "immediate family member" and to substitute "voter's designee."

Code Section 53.23 is amended to provide that observers to witness the proceedings when absentee ballot envelopes are opened before election day shall be appointed by the county chairperson of the political party or by the state chairperson. The Code section is further amended to provide that if observers are not appointed, the commissioner may proceed with opening the ballot envelopes.

Code Section 53.31 is amended to change the deadline for filing a challenge to an absentee voter from 5 p.m. on the day before the election to 5 p.m. on the Friday before the election.

Code Section 53.35, which makes it unlawful for a person to fail to return an absentee ballot, is repealed.

Code Section 53.37, relating to military and overseas voters, is amended to rewrite the definition of "Armed Forces of the United States" for clarification purposes.

Code Section 53.38 is amended to provide that military and overseas voters are not subject to the requirement for persons registering by mail to provide identification when voting, nor are they subject to the requirement that identification numbers on absentee ballots be verified.

Code Section 53.41 is amended to provide that if more than one request is received by the commissioner for an absentee ballot for a military or overseas voter, the last request received shall be honored, except that the voter's request shall take precedence over a request made by another person on the voter's behalf. Code Section 53.41 is also amended to permit the mailing of a replacement absentee ballot to a military or overseas voter who reports a change of address after a ballot has been mailed to the voter.

Code Section 53.53 is amended to allow a member of the United States Armed Forces to return an absentee ballot from within the United States if the person is on active duty within the United States. The Code section is also amended to change the time period during which a voter submitting a federal write-in ballot must also apply for a regular absentee ballot.

Division II applies to elections held on or after January 1, 2008.

Division III of the Act makes the following changes relating to voter registration:

Code Section 48A.2 is amended to add a definition of "voter registration list."

Code Section 48A.5 is amended to require that the commissioner of registration verify that the date of birth indicated on a voter registration application form is at least 17 and one-half years earlier than the date the registration is processed.

Code Section 48A.11 is amended to provide that a voter registration application form lacking the signature of the registrant shall not be processed.

Code Section 48A.25A is amended to specify that all military and overseas voters are exempt from the identification number verification requirements.

Division III applies to elections held on or after January 1, 2008.

HOUSE JOINT RESOLUTION 3 - **Proposed Constitutional Amendment — Qualification of Electors**

BY COMMITTEE ON STATE GOVERNMENT. This Joint Resolution proposes an amendment to the Constitution of the State of Iowa relating to persons who are disqualified from voting or holding elective office. The Joint Resolution removes the words "idiot" and "insane" from the constitutional provision and substitutes the phrase "mentally incompetent to vote."

The Joint Resolution will be referred to the electorate for ratification at the general election in November 2008.

ENERGY AND PUBLIC UTILITIES

- [SENATE FILE 32](#) - Local Telecommunications Services — Extension of Certification Requirement
- [SENATE FILE 278](#) - Utility Replacement Taxes
- [HOUSE FILE 773](#) - Energy City Designation Program
- [HOUSE FILE 918](#) - Energy Independence, Efficiency, and Related Research and Development

RELATED LEGISLATION

- [SENATE FILE 485](#) - Greenhouse Gas Emissions — Miscellaneous Provisions
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act relates to greenhouse gas emissions, requiring quantification of the potential for greenhouse gas emissions by an applicant for specified permits, establishment of a data collection method for generated greenhouse gases by the Department of Natural Resources, establishment of a voluntary Greenhouse Gas Registry, and creation of an Iowa Climate Change Advisory Council.
- [SENATE FILE 554](#) - Cable or Video Service Franchises
SEE BUSINESS, BANKING, AND INSURANCE. This Act establishes a statewide franchise for the provision of cable service or video service under the purview of the Iowa Utilities Board. The Act takes effect May 29, 2007.
- [HOUSE FILE 556](#) - Propane Education and Research Council
SEE BUSINESS, BANKING, AND INSURANCE. This Act creates the Iowa Propane Education and Research Council for the purpose of developing programs and projects related to propane. The council and its activities are funded by an assessment made on each gallon of odorized propane sold for use in this state. The Act takes effect May 24, 2007, except for Code Section 101B.4, which concerns the establishment of assessments and takes effect January 1, 2008, or upon adoption of administrative rules implementing the provision, whichever occurs first.
- [HOUSE FILE 783](#) - Delinquent Charges and Billing Practices — City Utilities — VETOED BY THE GOVERNOR
SEE LOCAL GOVERNMENT. This bill would have made changes to the procedures for notice and collection of delinquent rates and charges and to billing notifications for certain services provided by a city utility or city enterprise.
- [HOUSE FILE 787](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2007, and ending September 30, 2008, and for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The Act includes funding for the Low-Income Home Energy Assistance Program, known as LIHEAP.
- [HOUSE FILE 909](#) - Appropriations — Health And Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and creates the Energy Utility Assessment and Resolution Program within the Division of Community Action agencies of the Department of Human Rights and provides funding for the program.
- [HOUSE FILE 927](#) - Energy-Related Appropriations
SEE APPROPRIATIONS. This Act appropriates funds to the Office of Energy Independence, enacted by H.F. 918, to administer the Iowa Power Fund. The Act takes effect May 23, 2007.

ENERGY AND PUBLIC UTILITIES

SENATE FILE 32 - Local Telecommunications Services — Extension of Certification Requirement

BY COMMITTEE ON COMMERCE. This Act extends the future repeal of Code Section 476.29, which requires the issuance to a utility of a certificate of public convenience and necessity by the Iowa Utilities Board prior to the furnishing of land-line local telephone service by the utility. The legislation enacting Code Section 476.29 in 1992 contained a future repeal date of July 1, 2007. The Act extends the repeal date to July 1, 2017.

The Act takes effect February 28, 2007.

SENATE FILE 278 - Utility Replacement Taxes

BY COMMITTEE ON WAYS AND MEANS. This Act contains recommendations made by the Utility Replacement Tax Task Force.

The Act adds to the definition of "new electric power generating plant" an electric power generating plant that was subject to the utility replacement tax prior to January 1, 2003, and that is sold or transferred in whole or in part on or after January 1, 2003. By operation of the definition of "local amount," this will result in the first \$44,444,445 of taxable value and associated taxes on such a power generating plant remaining with the local taxing authorities where the site of the plant is located. Previous law would have kept only a fraction of that amount with the local taxing authorities where the site is located. Taxes owed by such a taxpayer, with no other Iowa operating property, that are in excess of the local amount will be deposited into the Property Tax Relief Fund created in Code Chapter 426B, the same as previously happened with new electric power generating plants initially subject to replacement generation tax on or after January 1, 2003, where such owner has no other Iowa operating property.

The taxable valuation of a new electric power generating plant that exceeds \$44,444,445 shall not be allocated to any local taxing district if the taxpayer owning an interest in such plant owns no other Iowa operating property.

The Act requires that a taxpayer notify the Department of Revenue of property sold or transferred, with notation of the local taxing district.

The statutory existence of the Utility Replacement Tax Task Force is extended for an additional three years until January 1, 2010.

HOUSE FILE 773 - Energy City Designation Program

BY COMMITTEE ON ENVIRONMENTAL PROTECTION. This Act requires the establishment of an Energy City Designation Program by the Department of Natural Resources. The objective of the designation is to encourage cities to develop and implement innovative energy efficiency programs. To qualify for designation as an energy city, a city shall submit an application, including the submission of community-based plans for energy reduction projects, energy-efficient building construction and rehabilitation, and alternative or renewable energy production; efforts to secure local funding for those plans; involvement of local schools and community organizations; any existing or proposed ordinances encouraging energy efficiency and conservation, recycling efforts, and energy-efficient building code provisions and enforcement; and the organization of an energy day observance and proclamation with a commemorating event and awards ceremony for leading energy-efficient community businesses, groups, schools, or individuals.

The department shall establish designation criteria by rule, award designations to cities of varying populations, and identify and publicize state grant and loan programs relating to energy efficiency. Additionally, the department is directed to develop a procedure for coordinating with other state agencies preferences given in the awarding of grants or making of loans to energy city-designated applicants.

HOUSE FILE 918 - Energy Independence, Efficiency, and Related Research and Development

BY COMMITTEE ON WAYS AND MEANS. This Act creates the Office of Energy Independence, the position of Director of the Office of Energy Independence, the Iowa Power Fund Board, a Due Diligence Committee, and the Iowa Power Fund in new Code Chapter 469. Duties for the office, director, board, and committee are specified. Grants, loans, and investments and other financial incentives made from the fund are subject to approval by the board.

The director is required to develop an Iowa Energy Independence Plan, subject to approval by the board, with the assistance of the Department of Natural Resources (DNR) and in association with public and private partners selected by the director. The Act specifies plan parameters, and provides that the options and strategies developed in the plan shall provide for achieving energy independence from foreign sources of energy, as defined in the Act, by the year 2025.

Iowa Power Fund shall be used to further the goals of increasing the research, development, production, and use of biofuels and other sources of renewable energy, improve energy efficiency, and reduce greenhouse gas emissions, and shall encourage, support, and provide for research, development, commercialization, and the implementation of energy technologies and practices intended to reduce the state's dependence on foreign sources of energy and fossil fuels.

Moneys appropriated to the fund or otherwise deposited into the fund shall be used to provide financial assistance to entities in this state conducting business, research, or programs to accelerate research and development, knowledge transfer, technology innovation, and improve economic competitiveness, and to increase the demand for and educate the public about technologies and approaches, all in furtherance of the goals established for the fund. Eligibility criteria for grants or loans from the fund, to be established by the director, are set forth.

The director shall promote utilization across the state of the results of research, development, and commercialization activities receiving distributions from the Iowa Power Fund, and is authorized to negotiate provisions with fund applicants addressing issues relating to income generated from resulting patents, trademarks, licenses, or royalties.

In a separate subchapter of new Code Chapter 469, the Act authorizes the Iowa Power Fund Board, with the assistance of the Office of Energy Independence and other appropriate state agencies, to provide financial incentives and adopt necessary rules for biomass, biorefinery, renewable energy, and energy efficiency projects. The incentives and rules must be primarily focused upon research, development, commercialization, and market development in connection with products from biorefineries and renewable energy products, and additionally upon implementation of technologies and practices that improve energy efficiency and public education efforts relating to energy efficiency projects. The Act authorizes the board, office, and other state agencies to cooperate with federal agencies and participate in federal biomass programs.

The Act additionally modifies provisions of Code Section 473.7 to facilitate assistance from the DNR with the preparation of the Iowa Energy Independence Plan. Educational programs and assessments of consumers' needs for information that are conducted pursuant to energy efficiency programs offered by electric and gas public utilities pursuant to Code Section 476.6 need not be cost-effective. Energy efficiency programs offered by rate-regulated gas and electric utilities are subject to approval by the Iowa Utilities Board.

The Iowa Utilities Board is directed to establish two energy efficiency studies, one related to energy efficiency plans and programs offered by gas and electric utilities pursuant to Code Section 476.6, and one related to consumer knowledge of energy use and energy efficiency and methods for increasing such knowledge and reducing consumer energy utilization.

The Act takes effect May 23, 2007.

ENVIRONMENTAL PROTECTION

- [SENATE FILE 344](#) - Solid Waste Disposal — Regulation and Enforcement
- [SENATE FILE 405](#) - National Pollutant Discharge Elimination System Permits — Fees
- [SENATE FILE 499](#) - Underground Storage Tank Regulation
- [SENATE FILE 579](#) - Pharmaceutical Collection and Disposal Pilot Project

RELATED LEGISLATION

- [HOUSE FILE 765](#) - Enforcement of Animal Feeding Operations Regulations
SEE AGRICULTURE. This Act relates to animal feeding operations regulated by the Department of Natural Resources, including primarily confinement feeding operations under Code Chapter 459 and open feedlot operations under Code Chapter 459A, by providing for the enforcement of those provisions by the department under provisions in Code Chapter 455B, the department's principal environmental protection chapter.
- [HOUSE FILE 773](#) - Energy City Designation Program
SEE ENERGY AND PUBLIC UTILITIES. This Act provides for the establishment of an Energy City Designation Program by the Department of Natural Resources.

ENVIRONMENTAL PROTECTION

SENATE FILE 344 - Solid Waste Disposal — Regulation and Enforcement

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act relates to enforcement of certain solid waste disposal requirements.

The Act eliminates a civil penalty provision relating to heavy metal in household batteries, waste tire disposal, and registration of waste tire haulers.

For purposes of restrictions relating to heavy metal content in packaging, the Act excludes a person who solely stores packages or packaging components on behalf of third parties from being considered a distributor. The Act also provides that a distributor is only subject to the assessment of a civil penalty for the knowing violation of the restrictions. Knowledge by a distributor of a violation is presumed beginning 60 days from the receipt of notification from the Department of Natural Resources by certified mail.

A person violating Code sections relating to the disposal of white goods and waste oil, waste tire disposal and financial assurance, registration of waste tire haulers, and heavy metal content in packaging shall be subject to civil penalties.

The Director of the Department of Natural Resources may issue an order to secure compliance with or prevent a violation of a provision of Code Chapter 455D, concerning waste volume reduction and recycling.

Judicial review of any order or other action of the Environmental Protection Commission or the director under Code Chapter 455D may be sought in accordance with Code Chapter 17A.

The Attorney General, on request of the department, shall institute legal proceedings necessary to obtain compliance with an order of the commission or director or prosecute any person for a violation of an order of the commission or the director or the provisions of Code Chapter 455D.

Civil penalties assessed for certain violations of Code Chapter 455D shall not exceed \$10,000 for each day of such violation.

SENATE FILE 405 - National Pollutant Discharge Elimination System Permits — Fees

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act relates to national pollutant discharge elimination system permits for disposal systems.

The Act provides that, for a city with a population of 250 or less, the maximum fee for national pollutant discharge elimination system permits shall be \$210 regardless of how many permits for nonstorm water the city holds. A single family home shall not be charged a fee for a national pollutant discharge elimination system permit.

SENATE FILE 499 - Underground Storage Tank Regulation

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act relates to the regulation of underground storage tanks by the Department of Natural Resources.

The Act requires the maintaining of records by owners and operators of underground storage tanks for periodic underground storage tank facility compliance inspections conducted by inspectors certified by the department.

The Act requires a no further action certificate issued by the department for an underground storage tank site which has been classified as a no further action site to be filed with the county recorder.

The Act requires the department to establish and administer the Certified Compliance Inspector Program for underground storage tank facility compliance inspections. The program shall include mandatory periodic underground storage tank facility compliance inspections by owners and operators using inspectors certified by the department. The department must continue to conduct independent inspections as deemed appropriate. The Act appropriates moneys received by the department for certification and renewal fees for purposes of the administration of the Certified Compliance Inspector Program. The acts or omissions of the certified compli-

ance inspectors, the state, or the department regarding certification, renewal, oversight of the certification process, continuing education, discipline, inspection standards, or any other actions, rules, or regulations arising out of the certification, inspections, or duties imposed by these provisions shall not be cause for a claim against the state or the department.

The Act requires the Environmental Protection Commission to adopt rules for requirements as may be necessary to maintain state program approval and which are consistent with applicable provisions of the federal Energy Policy Act of 2005, Pub. L. No. 109-58, Title XV, Subtitle B, Underground Storage Tank Compliance, as codified in 42 U.S.C. § 6991 et seq. The commission must also adopt rules establishing a training program applicable to owners and operators of underground storage tanks. The rules may include provisions for department certification of operators, self-certification by owners and operators, education and training requirements, owner requirements to assure operator qualifications, and assessment of education, training, and certification fees. The rules must be consistent with and sufficient to comply with certain federal requirements.

The Act repeals Code Section 455G.17, relating to certification of different classes of persons as underground storage tank installation inspectors. The repeal takes effect upon the Code Editor's receipt of notice from the commission stating that emergency rules required under this Act have taken effect.

The Act repeals Code Section 455G.18, relating to the certification of groundwater professionals, and moves substantially the same provisions to Code Chapter 455B. The Act removes a requirement that certification courses and examinations be held by the administrator of the Iowa Comprehensive Petroleum Underground Storage Tank Fund and removes other outdated provisions. The Act makes conforming amendments.

Persons and companies performing or providing services for underground storage tank installations, installation inspections, testing, permanent closure of underground storage tanks by removal or filling in place, and other closure activities must be certified by the department. The commission's rules shall include establishing separate certification criteria applicable to underground storage tank installers and installation inspectors, underground storage tank testers, and persons conducting underground storage tank closure activities; establishing minimum qualifications for certification; requiring a written examination developed and administered by the department or by some other qualified public or private entity identified by the department, providing for a minimum two-year renewable certification period; allowing a person to apply for a combined certificate; providing that certificate holders obtain and provide proof of financial responsibility for environmental liability with minimum liability limits of \$1 million per occurrence and in the aggregate; providing criteria for the department to take disciplinary action against certificate holders; providing for certification reciprocity between states; and providing for assessment of fees sufficient to cover the costs of administration of the certification program. The fees received by the department are appropriated to the department for purposes of the administration of these provisions. The Act allows the adoption of rules requiring that all underground storage tank installations, installation inspections, testing, and closure activities be conducted by persons certified pursuant to these provisions. The acts or omissions of certified persons, the state, or the department regarding certification, renewal, oversight of the certification process, continuing education, discipline, inspection standards, or any other actions including department on-site supervision of certified activities, rules, or regulations arising out of the certification, shall not be cause for a claim against the state or the department.

Moneys in the Remedial Account of the Iowa Comprehensive Petroleum Underground Storage Tank Fund may be paid out, pursuant to an agreement between the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board and the Department of Natural Resources, for assessment and corrective action arising out of releases at sites for which a no further action certificate has been issued, when the department determines that an unreasonable risk to public health and safety may still exist.

Moneys in the Remedial Account of the Iowa Comprehensive Petroleum Underground Storage Tank Fund may be used for costs for the permanent closure of an underground storage tank system that was in place on the date an eligible claim was submitted. The Act places limits on the reimbursement allowed.

Not later than August 1, 2007, the commission shall adopt administrative rules previously adopted by the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board pursuant to Code Section 455G.17 in exis-

tence on July 1, 2007, by emergency rulemaking. Following the adoption of emergency rules, the commission shall commence rulemaking procedures for the administration of Code Section 455B.474, subsection 10. Any registration or certification issued pursuant to Code Section 455G.17 shall continue in full force and effect until expiration or renewal.

SENATE FILE 579 - Pharmaceutical Collection and Disposal Pilot Project

BY COMMITTEE ON APPROPRIATIONS. This Act relates to a one-year pharmaceutical collection and disposal pilot project.

The Act allows the Department of Natural Resources to use \$225,000 from the Solid Waste Account of the Groundwater Protection Fund for purposes of the pilot project beginning May 1, 2007. The pilot project shall demonstrate how to properly manage and dispose of unused, excess, old, or seized pharmaceuticals through approved techniques that exclude disposal in a landfill and disposal to a municipal wastewater treatment facility.

The Act takes effect May 11, 2007.

GAMING

- [SENATE FILE 129](#) - Regulation of Racing and Gaming — Horse Racing
- [SENATE FILE 263](#) - Gambling Games and Gambling Structures
- [SENATE FILE 414](#) - Games of Skill or Chance and Card Games Conducted by Qualified Organizations
- [SENATE FILE 510](#) - Electrical and Mechanical Amusement Devices

RELATED LEGISLATION

- [SENATE FILE 204](#) - Public Safety and Law Enforcement — Crimes, Practices, and Procedure
SEE STATE GOVERNMENT. This Act strikes the definition of "antique pinball machine" and defines a "pachislo skill-stop machine" as a gaming device.
- [SENATE FILE 302](#) - Regional Tourism Marketing Appropriations — Disbursement
SEE ECONOMIC DEVELOPMENT. This Act relates to certain gambling tax revenues appropriated to the Department of Economic Development for regional tourism marketing purposes.

GAMING

SENATE FILE 129 - Regulation of Racing and Gaming — Horse Racing

BY COMMITTEE ON STATE GOVERNMENT. This Act makes changes relative to horses involved in horse racing.

The Act provides that certain drug tests currently required to be conducted on horses that suffer a breakdown on the racetrack are discretionary and no longer mandatory. The Act also provides that, when practical, blood and urine samples should be obtained prior to euthanasia of a horse.

The Act increases the maximum allowable concentration of phenylbutazone per milliliter of blood in a horse. The Act also modifies the definition of a bleeder for purposes of determining whether a horse can be given certain drugs. The Act eliminates the provision that the placing of a horse in a race cannot be affected even if the Racing and Gaming Commission assesses a civil penalty for excessive concentrations of phenylbutazone in the system of the horse. The Act modifies the acceptable dose level of furosemide that can be administered to a horse prior to a race.

The Act takes effect April 10, 2007.

SENATE FILE 263 - Gambling Games and Gambling Structures

BY COMMITTEE ON STATE GOVERNMENT. This Act authorizes gambling games currently authorized by Code Chapter 99F on excursion gambling boats, moored barges, and certain racetrack enclosures to be conducted on land-based gambling structures. The Act defines a gambling structure as any man-made stationary structure that does not include a racetrack enclosure which is subject to land-based building codes rather than maritime or the Department of Natural Resources inspection laws and regulations on which lawful gambling is authorized and licensed as provided in Code Chapter 99F.

Unless otherwise provided, the provisions governing an excursion gambling boat shall also apply to a gambling structure. A licensee authorized to conduct gambling games on an excursion boat can convert the license, with the approval of the Racing and Gaming Commission, to one allowing gambling games on a gambling structure. In addition, a licensee authorized to conduct gambling games on a moored barge can treat that license as allowing gambling games on a gambling structure. The Act further specifically provides that provisions governing the regulatory fees and taxes owed by excursion gambling boats apply in the same manner to a gambling structure.

An excursion boat or moored barge shall be permitted on or within 1,000 feet of the high water mark of a river, lake, or reservoir as established by the commission.

In addition, any new license to conduct gambling games on an excursion gambling boat or gambling structure in the same county as another licensed boat or structure shall be granted only if the new license is located at a similarly situated site and operated as a similar facility as any other licensed boat or structure in the county.

SENATE FILE 414 - Games of Skill or Chance and Card Games Conducted by Qualified Organizations

BY COMMITTEE ON STATE GOVERNMENT. This Act allows veterans organizations to operate card game tournaments and permits cash prizes at annual game nights conducted by certain authorized organizations.

Veterans organizations may obtain a license to conduct card game tournaments. "Card game" is defined to mean only poker, pinochle, pitch, gin rummy, bridge, euchre, hearts, or cribbage. Only qualified organizations representing veterans can conduct a card game tournament as authorized by this Act, which provides for a \$100 annual license fee, limits participation in a card game tournament to members and guests of the veterans organization, and requires that the total number participating not exceed the occupancy limit of the premises where the tournament is conducted. A person under age 21 cannot participate and the Act establishes penalties for underage participation in a card game tournament.

If participation is limited to members of the veterans organization and one guest, the cost to participate shall not be more than \$100, cash or merchandise of up to \$1,000 can be awarded at a tournament, and no participant shall win more than a total of \$500. If, however, participation is not limited to one guest, the cost to participate shall not be more than \$25, cash or merchandise of up to \$300 can be awarded at a tournament, and no participant shall win more than a total of \$200.

An organization holding a license can hold no more than two tournaments per month and only one tournament can be conducted during a 24-hour period within any 7-day period. The veterans organization licensed to conduct card game tournaments shall keep records of the dates of events, the amount of gross receipts, the amount of prizes awarded, expenses, amount collected for taxes, and revenue collected for conducting card game tournaments. Veterans organizations may withhold no more than 5 percent of gross receipts for expenses incurred in holding card game tournaments and must distribute the net receipts from the tournament for charitable purposes.

Certain qualified organizations may award cash or merchandise prizes of up to a total of \$10,000 with no more than \$5,000 awarded to any participant during an annual game night. Current law only allows merchandise to be awarded and this limitation still applies to organizations not otherwise eligible to award cash prizes as provided by this Act. Organizations allowed to award cash prizes are limited to qualified organizations representing veterans, qualified organizations representing volunteer emergency services providers, and qualified organizations exempt from federal taxes under the Internal Revenue Code that have held an annual game night between January 1, 2001, and December 31, 2006.

SENATE FILE 510 - Electrical and Mechanical Amusement Devices

BY COMMITTEE ON STATE GOVERNMENT. This Act makes changes concerning electrical and mechanical amusement devices.

The Act adds new requirements for authorization to offer electrical and mechanical amusement devices to any person. An amusement device that is required to be registered shall not be placed into operation without a new registration tag if the device has been altered in a way that changes the operational characteristics of the amusement device. An amusement device shall not be operated with an expired registration tag and shall not be relocated to any location other than a location that has been issued an appropriate liquor control license and at which the device is registered. Electrical and mechanical amusement devices can be located on premises with a special class "C" liquor control license.

The Act changes the penalties applicable for violations of certain requirements applicable to electrical and mechanical amusement devices. A violation concerning awarding a cash prize is a serious misdemeanor. A first violation of other applicable requirements is a simple misdemeanor punishable as a scheduled violation and a second or subsequent violation of the same requirement is a serious misdemeanor. The violations subject to these penalties are violations concerning operating an altered device without a new or revised registration tag, failing to display a registration tag, operating a device with an expired registration, advertising of the device as anything other than an electrical or mechanical amusement device, relocating a device to an unauthorized location, redeeming awards off the premises or for merchandise the location does not usually sell, and failing to include a security mechanism on devices required to be registered. The scheduled fine for a first offense is \$250.

The Department of Inspections and Appeals is authorized to deny or suspend the registration for an electrical or mechanical amusement device in addition to the prior ability to revoke the registration for certain violations.

If a person owning or employed by an establishment with a class "A," "B," "C," special class "C," or "D" liquor control license commits an offense of awarding a cash prize, the liquor control license shall be suspended for a period of 14 days. In addition, if a person owning or employed by an establishment having a class "B" or "C" beer permit commits an offense of awarding a cash prize, the beer permit and sales tax permit of the establishment shall be suspended for a period of 14 days.

The Act adds a new provision concerning the process the department must follow to take action to deny, revoke, or suspend a registration issued relative to electrical and mechanical amusement devices. The process shall start with delivery to the applicant or registrant by certified mail, return receipt requested, or by personal service, a notice setting forth the proposed action and the reasons for the action. If a written request for hearing is not received within 30 days, the intended denial, suspension, or revocation shall become effective pending a final determination by the department. If a request for hearing is timely received, a hearing shall be held subject to the requirements of Code Chapter 17A and rules promulgated by the department, and any adverse action shall be suspended pending a final determination. However, the director of the department may still suspend a registration prior to hearing if there is a risk to public health, safety, or welfare. A copy of the final

decision shall be sent by certified mail or served personally upon the applicant or registrant who may seek judicial review pursuant to Code Chapter 17A. If a registration is denied, the applicant may not reapply for the same registration for two years. In addition, if the department suspends or revokes a registration, the suspension or revocation shall be for a period not to exceed two years.

The Act provides that an employee, in addition to the owner or lessee of a registered device, who knowingly allows a person under 21 years of age to operate a registered electrical or mechanical amusement device is guilty of a simple misdemeanor.

HEALTH AND SAFETY

- [SENATE FILE 162](#) - Stem Cell Research and Cures
- [SENATE FILE 489](#) - Alzheimer's Disease Task Force
- [SENATE FILE 509](#) - Anatomical Gifts
- [SENATE FILE 548](#) - Hemophilia Advisory Committee
- [HOUSE FILE 158](#) - Blood Lead Testing of Young Children
- [HOUSE FILE 260](#) - Controlled Substances — Regulation and Classification
- [HOUSE FILE 353](#) - Interoperable Public Safety and Services Communications System — Board
- [HOUSE FILE 451](#) - Long-term Living Resources System — Single Point of Entry
- [HOUSE FILE 528](#) - Regulation of Hospitals and Health Care Facilities
- [HOUSE FILE 566](#) - Volunteer Health Care Provider Program — Field Dental Clinics
- [HOUSE FILE 610](#) - Acquired Immune Deficiency Syndrome and Human Immunodeficiency Virus — Miscellaneous Changes
- [HOUSE FILE 718](#) - Cigarette Fire Safety Standards — Enforcement
- [HOUSE FILE 906](#) - Dental Screenings of Children
- [HOUSE FILE 910](#) - Postnatal Tissue and Fluid Banking Study
- [HOUSE FILE 925](#) - Regulation of Health-Related Activities — Miscellaneous Changes and Fees

RELATED LEGISLATION

- [SENATE FILE 67](#) - Pharmacy Practice and Regulation
SEE STATE GOVERNMENT. This Act creates a limited drug and device distributor license. The Act also increases from 11 to 12 the number of times a prescription for a noncontrolled prescription drug may be refilled within an 18-month period.
- [SENATE FILE 75](#) - Registration of Pharmacy Interns and Technicians
SEE STATE GOVERNMENT. This Act revises the current Pharmacy Technician Registration Program to include certification by a national certification authority approved by the Board of Pharmacy as a means for a pharmacy technician to be registered. The Act requires certification of all pharmacy technicians beginning July 1, 2010.
- [SENATE FILE 128](#) - Taxation of Cigarettes and Tobacco Products — Health Care Trust Fund
SEE TAXATION. This Act relates to cigarettes and tobacco products by increasing the tax imposed on cigarettes and tobacco products. The Act also creates the Health Care Trust Fund. Of the revenues generated from the tax on cigarettes and tobacco products deposited in the General Fund of the State beginning July 1, 2007, there is appropriated, annually, to the Health Care Trust Fund the first \$127.6 million. Moneys in the Health Care Trust Fund are to be used only for the purposes of health care. The Act takes effect March 15, 2007.
- [SENATE FILE 403](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act relates to financial and regulatory matters by making and increasing appropriations for FY 2004-2005, FY 2005-2006, and FY 2006-2007, and includes funding for supplementation of the IowaCare Program at the University of Iowa Hospitals and Clinics and for an assistive technology grants and loans program to support persons with a disability.
- [SENATE FILE 421](#) - Workers' Compensation — Insurance Coverage and Debt Collection Practices
SEE LABOR AND EMPLOYMENT. This Act relates to workers' compensation laws by regulating insurance policy exclusions and debt collection practices of health service providers.
- [SENATE FILE 472](#) - Railway Safety — Close-Clearance Warning Devices
SEE LABOR AND EMPLOYMENT. This Act requires the owner of a railroad track to place warning devices at locations along its track where the clearance between the track and a building or other object physically impedes the clearance of a person riding the side of a train in the course of the person's duties in service to a railroad company.

- [SENATE FILE 512](#) - Regulation of Pharmacy Benefits Managers
SEE BUSINESS, BANKING, AND INSURANCE. This Act relates to the regulation of pharmacy benefits managers. The Act provides definitions, requires a pharmacy benefits manager doing business in the state to obtain a certificate as a third-party administrator under Code Chapter 510, and directs the Commissioner of Insurance to enforce the Code chapter and to adopt rules to administer the Code chapter. The Act takes effect January 1, 2008.
- [SENATE FILE 579](#) - Pharmaceutical Collection and Disposal Pilot Project
SEE ENVIRONMENTAL PROTECTION. This Act relates to a pharmaceutical collection and disposal pilot project. The Act takes effect May 11, 2007.
- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters. Division VIII relates to licensing and regulation of food establishments, food processing plants, and increasing license fees.
- [HOUSE FILE 245](#) - Invasive Pneumococcal Disease Immunization
SEE CHILDREN AND YOUTH. This Act requires an invasive pneumococcal disease immunization for children enrolled in a licensed child care center.
- [HOUSE FILE 309](#) - Uniform Cost Reporting for Mental Health or Retardation, Developmental Disability, and Medicaid Services
SEE HUMAN SERVICES. This Act requires development of a uniform cost report for use with Medicaid program services reimbursed through the Department of Human Services and with the mental health, mental retardation, and developmental disabilities services reimbursed by counties.
- [HOUSE FILE 556](#) - Propane Education and Research Council
SEE BUSINESS, BANKING, AND INSURANCE. This Act creates the Iowa Propane Education and Research Council for the purpose of developing programs and projects related to propane involving research and development, safety, education, and training. The Act takes effect May 24, 2007, except for Code Section 101B.4, which concerns the establishment of assessments and takes effect January 1, 2008, or upon adoption of administrative rules implementing the provision, whichever occurs first.
- [HOUSE FILE 611](#) - Educational Standards — Human Growth and Development and Health Curricula
SEE EDUCATION. This Act requires that the educational program school districts and accredited nonpublic schools must provide include age-appropriate and research-based information in the human growth and development areas and in the health curriculum or health education unit. Beginning in grade seven, schools must include information regarding sexually transmitted diseases, including the human papilloma virus and the availability of a vaccine to prevent the virus.

- [HOUSE FILE 749](#) - Special Motor Vehicle Registration Plates — Military Service and Emergency Medical Services
SEE PUBLIC DEFENSE AND VETERANS. This Act requires the deposit of fees from the sale of special emergency medical services motor vehicle registration plates into the Emergency Medical Services Fund administered by the Department of Public Health. These provisions take effect May 24, 2007.
- [HOUSE FILE 759](#) - Clarinda Correctional Facility — Purpose and Use
SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS. This Act specifies the Clarinda Correctional Facility shall be utilized for offenders with chemical dependence, mental retardation, or mental illness.
- [HOUSE FILE 787](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2007, and ending September 30, 2008, and for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The Act includes funding for maternal and child health, preventive health and health services, substance abuse programs, low-income energy assistance, mental health, child care, social services, and other health and human services-related programs.
- [HOUSE FILE 790](#) - Association Group Health Plans and Wellness Initiatives
SEE BUSINESS, BANKING, AND INSURANCE. This Act allows certain association group health care plans and makes other changes related to classes of business, premium rates, and wellness initiatives applicable to health insurance coverage issued by small employer carriers. The Act takes effect April 10, 2007.
- [HOUSE FILE 907](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2007-2008, including to the Department of Public Health for the Comprehensive Tobacco Use Prevention and Control Initiative, for additional substance abuse treatment under the Substance Abuse Treatment Program, for development of a Healthy Iowans 2010 Plan, for the Automated External Defibrillator Grant Program, for the Center for Congenital and Inherited Disorders, for grants to individual patients who have phenylketonuria, for a support program for people living with epilepsy and their families, to leverage federal funding through the Ryan White Care Act, and for a grant program to provide substance abuse prevention programming for children.
- [HOUSE FILE 908](#) - Licensing and Regulation of Plumbers and Mechanical Professionals
SEE STATE GOVERNMENT. This Act provides for a single state license for persons who provide plumbing, heating, ventilation, and air conditioning (HVAC) services. A licensing board is created within the Department of Public Health to administer this licensing program. These licensing provisions supersede and preempt all licensing requirements of government subdivisions. The Act takes effect July 1, 2008.
- [HOUSE FILE 909](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and includes numerous provisions involving health agencies, health programs, and health regulation.

HEALTH AND SAFETY

SENATE FILE 162 - Stem Cell Research and Cures

BY COMMITTEE ON HUMAN RESOURCES. This Act creates a new Code chapter to be known and cited as the "Iowa Stem Cell Research and Cures Initiative." The Act provides definitions and specifies the term "human reproductive cloning" does not include somatic cell nuclear transfer performed for the purpose of creating embryonic stem cells.

The Act prohibits a person from intentionally or knowingly performing or attempting to perform human reproductive cloning; participating in performing or attempting to perform human reproductive cloning; and transferring or receiving, in whole or in part, for the purpose of shipping, receiving, or importing, the product of human reproductive cloning.

The Act provides criminal and other penalties for violations of the Code chapter.

The Act repeals Code Chapter 707B, the Human Cloning Prohibition Act.

SENATE FILE 489 - Alzheimer's Disease Task Force

BY COMMITTEE ON HUMAN RESOURCES. This Act establishes an Alzheimer's Disease Task Force. The Department of Elder Affairs is to convene the task force and provide administrative support for the task force. The task force is to consist of legislative members, persons living with and affected by Alzheimer's disease, representatives of various types of health care facilities and health care providers, an Alzheimer's disease researcher, a representative of the Alzheimer's Association, and the directors, or their designees, of the departments of Elder Affairs, Human Services, Public Health, Workforce Development, and Inspections and Appeals.

The task force is directed to assess the current and future impact of Alzheimer's disease and related disorders on residents of the state; examine the existing industries, services, and resources addressing the needs of persons with Alzheimer's or related disorders, their families, and caregivers; and develop a strategy to mobilize a state response to the public health crisis. The task force is to submit a state Alzheimer's disease and related disorders plan to the General Assembly and the Governor by January 1, 2008, and shall be dissolved upon submitting the plan.

SENATE FILE 509 - Anatomical Gifts

BY COMMITTEE ON JUDICIARY. This Act revises the Uniform Anatomical Gift Act, Code Chapter 142C. The Act provides a new short title for the Code chapter, the "Revised Uniform Anatomical Gift Act."

The Act provides new and amended definitions for the Code chapter.

The Act expands the list of persons who may make an anatomical gift of a donor's body or body part during the life of the donor and specifies the purposes for which the gift may be made: for transplantation, therapy, research, or education. The donor may make an anatomical gift if the donor is an adult, and additionally under the Act, the donor may make an anatomical gift if the donor is a minor only if the minor is emancipated or is authorized under state law to apply for a driver's license or nonoperator's identification card because the minor is at least 14 years of age. Additionally, an agent of the donor, a parent of the donor if the donor is an unemancipated minor, or the guardian of the donor may make an anatomical gift on behalf of the donor.

An anatomical gift may be made by an authorizing statement or symbol indicating the making of an anatomical gift to be imprinted on a donor's driver's license or nonoperator's identification card, in a will, by a donor card or other record, or by an entry in a donor registry. A new provision allows that a donor may make an anatomical gift by any form of communication addressed to at least two adults, at least one of whom is a disinterested witness, during a terminal illness or injury of the donor. In addition to the donor, other persons authorized to make an anatomical gift on behalf of the donor may do so by a donor card or other record signed by the donor or other person or by authorizing an entry in a donor registry. The Act also allows for the making of an anatomical gift by a donor or other person who is physically unable to sign a record. Revocation, suspension, expiration, or cancellation of a driver's license or nonoperator's identification card upon which an anatomical gift is indicated does not invalidate the gift. The Act also removes the specific form previously included in the statute for the making of an anatomical gift.

The Act provides the means by which an anatomical gift may be revoked or amended either by the donor or other person authorized to make an anatomical gift and provides the process for an individual to refuse to make an anatomical gift. With certain limited exceptions, in the absence of an express, contrary indication by the donor, a person other than the donor is prohibited from making, amending, or revoking an anatomical gift of a donor's body or body part if the donor made an anatomical gift of the donor's body or body part. A limited exception is that if the donor who is an unemancipated minor dies, a parent of the donor who is reasonably available may revoke or amend an anatomical gift of the donor. Additionally, the parent of an unemancipated minor who dies and who had signed a refusal may revoke the minor's refusal if the parent is reasonably available to do so. Also, in the absence of an express, contrary indication by the donor or other person authorized to make an anatomical gift on behalf of the donor, an anatomical gift of a body part for one purpose does not limit the making of an anatomical gift of the body part for any other purpose allowed.

The priority listing of persons who may make an anatomical gift of the decedent's body or body part for the allowed purposes after the donor's death is expanded to include an agent, which is broader than the attorney in fact under a durable power of attorney for health care; adult grandchildren; an adult who exhibited special care and concern for the decedent; and last in priority, any other person having the authority to dispose of the decedent's body.

Any member of the class who is reasonably available may make the anatomical gift. However, if there is more than one member of a class listed as agents, adult children, parents, adult siblings, adult grandchildren, grandparents, or guardians entitled to make an anatomical gift, the anatomical gift may be made by a member of the class unless that member or a person to whom the anatomical gift may pass knows of an objection by another member of the class. If an objection is known, the anatomical gift may be made only by a majority of the members of the class who are reasonably available. Additionally, a person is prohibited from making an anatomical gift if at the time of the death of the decedent a person in a prior class is reasonably available to make or to object to the making of the anatomical gift.

The Act also specifies the means by which a person authorized to make an anatomical gift after a decedent's death may make, amend, or revoke an anatomical gift. If an anatomical gift is revoked, the revocation is effective only if, before an incision has been made to remove the body part from the donor or before invasive procedures have begun to prepare the recipient, the procurement organization, transplant hospital, physician, or technician knows of the revocation.

Various provisions provide for cooperation between organ procurement organizations and medical examiners and facilitation of anatomical gifts from decedents whose bodies are under the jurisdiction of the medical examiner.

The process for identifying the person to whom a body part or body passes as the result of an anatomical gift is based upon whether the person to whom the anatomical gift passes is named in the document of gift or not, whether the document of gift specifies the purpose for which the anatomical gift is made or not, and whether the document of gift specifies only a general intent.

The Act includes new provisions relating to search and notification to allow for the reasonable search of a person who another person reasonably believes is dead or near death for a document of gift or other information relative to anatomical gift making.

The Act specifies the rights and duties of procurement organizations and others in determining whether an individual at or near death is a donor. In addition to existing prohibited acts, a person who, in order to obtain a financial gain, intentionally falsifies, forges, conceals, defaces, or obliterates a document of gift, or a refusal, commits a class "C" felony. The Act also specifies the law governing validity of an anatomical gift, choice of law, and provides for presumption of the validity of document of gift or amendment of an anatomical gift. Relative to an advance health care directive, if a prospective donor has a declaration or an advance health care directive, measures necessary to ensure the medical suitability of an organ for transplantation or therapy shall not be withheld or withdrawn from the prospective donor, unless the declaration expressly provides to the contrary.

The Act provides transition provisions and specifies the relationship between the Act and the federal Electronic Global and National Electronic Signatures Act.

The Act amends provisions relating to the Anatomical Gift Public Awareness and Transplantation Fund and the donor registry. The Act specifies certain additional duties of the donor registry.

SENATE FILE 548 - Hemophilia Advisory Committee

BY COMMITTEE ON HUMAN RESOURCES. This Act creates a Hemophilia Advisory Committee within the Department of Public Health. The 12-member board will provide information and advice relating to hemophilia, standards of care and treatment, the development of community-based initiatives to increase awareness of care and treatment for persons living with hemophilia and other bleeding and clotting disorders, and facilitating linkages for persons with hemophilia and other bleeding and clotting disorders.

The Act takes effect March 30, 2007. The enactment of 2007 Iowa Acts, H.F. 909, allocates \$5,000 of the funds appropriated from the Health Care Trust Fund to the Department of Public Health for use by the council.

HOUSE FILE 158 - Blood Lead Testing of Young Children

BY FORD. This Act requires the parent or guardian of a child to provide evidence to the school district or accredited non-public school in which the child is enrolled that the child was tested for elevated blood lead levels. The evidence for children who are home schooled must be provided to the school district of residence. The Act provides for exceptions to the requirement.

A child may be provisionally enrolled in an elementary school if the child's parent or guardian consents to have the child tested as rapidly as feasible but not later than 60 days after the school year begins. Parents and guardians are encouraged to have their children tested by age two.

At least 90 days before the start of the school year, school districts and nonpublic schools must give notice of the requirement to parents of students who are enrolled or who will be enrolled in the school, and must furnish the Department of Public Health, within 60 days after the first official day of school, evidence that each child enrolled in an elementary school has either been tested or received a waiver.

The department may waive the requirements if it determines that a child is of very low risk for elevated blood lead levels or if the child's parent or legal guardian submits a signed affidavit stating that the testing conflicts with a genuine and sincere religious belief. Administrative rules which the Act directs the department to adopt, regarding the implementation of the requirement that children receive a blood lead test prior to the age of six and before enrolling in any elementary school in Iowa, must be provided to school districts and nonpublic schools.

The department is also directed to implement blood lead testing for children under six years of age who are not covered by insurance, contract with public health laboratories to provide blood lead analysis for such children, and establish by rule a method to reimburse health care providers for analyzing blood lead samples and the amount the department will reimburse health care providers for the service. However, payment for blood lead analysis and drawing blood samples is limited to the amount appropriated for the program.

House File 909 (see Appropriations) appropriates \$121,000 to the department to implement and administer the program. House File 601 (see Appropriations) provides that nothing in the Code section amended by this Act shall subject a person to penalties under the state's compulsory education law.

HOUSE FILE 260 - Controlled Substances — Regulation and Classification

BY COMMITTEE ON HUMAN RESOURCES. This Act makes various changes relating to controlled substances to correspond with recent amendments to federal controlled substances laws and regulations and to make technical and corresponding corrections.

The Act modifies the definition and use of the term "isomer" for certain purposes. The Act modifies the description of the Schedule I controlled substance tetrahydrocannabinol (a hallucinogenic substance) to clarify that both natural and synthetic substances are included and to make other changes in accord with federal law. The Act also adds three other hallucinogenic substances and the stimulant BZP to the list of Schedule I controlled substances.

The Act expands the list of opiates classified as Schedule II controlled substances. The Act expands the list of anabolic steroids regulated as Schedule III controlled substances in Code Chapter 124 and amends the definition of "anabolic steroid" in Code Chapter 126, the "Iowa Drug, Device, and Cosmetic Act."

The Act adds the depressant zopiclone to the list of Schedule IV controlled substances and the depressant pregabalin to the list of Schedule V controlled substances.

In addition, the Act provides that in emergency situations, Schedule II drugs may be dispensed upon electronic or facsimile prescription of a practitioner. The prescription must be reduced to writing and filed by the pharmacy and retained in conformity with certain Code requirements. Current law provides for emergency dispensing upon oral prescription if promptly reduced to writing and filed by the pharmacy. Current law also allows electronic and facsimile prescriptions provided that the original signed prescription is presented to the pharmacist prior to the dispensing of the Schedule II controlled substance or, if permitted by federal law, the electronic or facsimile prescription may serve as the original signed prescription.

The Act also makes a change in provisions enacted in 2006 relating to the Information Program for Drug Prescribing and Dispensing to be established and maintained by the Board of Pharmacy Examiners. The Act conforms the language in Code Section 124.553, relating to the status of information contained in the program, obtained from the program, and contained in the records of requests for information from the program, to language in Code Section 22.7 making such information a confidential public record.

All penalties applicable to the manufacture, delivery, or possession of controlled substances under Code Chapter 124 are applicable to the controlled substances added to the various schedules of controlled substances pursuant to the Act.

HOUSE FILE 353 - **Interoperable Public Safety and Services Communications System — Board**
BY COMMITTEE ON PUBLIC SAFETY. This Act concerns public safety communications and enhancement of statewide communications interoperability efforts.

The Act establishes a Statewide Interoperable Communications System Board, under the joint purview of the Department of Public Safety and the Department of Transportation, to develop, implement, and oversee policy, operations, and fiscal components of communications interoperability efforts at the state and local level, coordinate with similar efforts at the federal level, and ultimately develop and oversee the operation of a statewide integrated public safety communications interoperability system. Under the Act, "interoperability" means the ability of public safety and public services personnel to communicate and to share data on an immediate basis, on demand, when needed, and when authorized.

The Act identifies 15 voting members of the board and states that members not affiliated with or representing a state agency shall be appointed by the Governor.

The board shall implement and maintain organizational and operational elements of the board; review and monitor communications interoperability performance and service levels on behalf of participating agencies; establish, monitor, and maintain appropriate policies and protocols to ensure that interoperable communications systems function properly; allocate and oversee state appropriations or other funding received; identify longer-term funding sources for communications interoperability projects, including assets that will leverage resources and provide incentives for communications interoperability participation; and develop and obtain adequate funding in accordance with a communications interoperability sustainability plan. The board shall, additionally, develop a statewide integrated public safety communications interoperability system that allows for shared communications systems and costs, takes into account infrastructure needs and requirements, improves reliability, and addresses liability concerns of the shared network; identify legislative solutions which could provide assistance to the enhancement of communications interoperability; investigate data and video interoperability systems; and expand, maintain, and fund training programs relating to current and long-term communications interoperability efforts. Further, the Act directs the board to identify, promote, and provide incentives for appropriate collaborations and partnerships relating to communications interoperability and to provide incentives to support maintenance and expansion of regional efforts to promote implementation of the integrated statewide public safety communications interoperability system. In performing its duties, the board

shall consult with representatives of private businesses, organizations, and associations on technical matters relating to data, video, and communications interoperability; technological developments in private industry; and potential collaboration and partnership opportunities.

The board is required to annually submit a report by January 1 to the General Assembly regarding communications interoperability efforts, activities, and effectiveness at the local and regional level, as well as the status of efforts to develop the statewide integrated public safety communications interoperability system and associated funding requirements.

HOUSE FILE 451 - Long-term Living Resources System — Single Point of Entry

BY UPMEYER. This Act creates a Single Point of Entry Long-term Living Resources System Team to develop recommendations regarding the structure of and best means of providing a single point of entry to the Long-term Living System and the use of electronic health records.

The Act provides for the membership of the team and directs the team to submit a report of its findings from required meetings and its recommendations for establishing a single point of entry to the Long-term Living System and the use of electronic health records to the General Assembly on or before December 1, 2008. The recommendations may provide for multiple access sites that are standardized and coordinated to provide for access to the single point of entry, a management information system that links the resources available in order to provide a single electronic point of entry to the Long-term Living System, a telephonic single point of entry, or suggestions for colocation or integration of the Long-term Living System's administration and services. The report is also to include recommendations for funding the single point of entry to the Long-term Living System through available grants or other sources, and recommendations regarding electronic health records.

HOUSE FILE 528 - Regulation of Hospitals and Health Care Facilities

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to the regulation of hospitals and health care facilities by the Department of Inspections and Appeals.

The Act amends a provision requiring the department to adopt rules requiring hospitals to establish procedures for authentication of medication and standing orders by a practitioner. The Act specifies that the authentication procedure shall be established for all verbal orders.

The Act modifies the required time frames for initiating investigations into complaints against health care facilities. The Act removes the requirement that such investigations commence within 20 days of receipt of a complaint and makes the time frames dependent on the alleged severity of the situation and the type of facility.

The Act repeals a sunset provision that would have repealed, as of June 30, 2007, a provision directing the department to adopt rules that require hospitals to establish procedures for authentication of medication and standing orders by a practitioner within a period not to exceed 30 days following a patient's discharge. The repeal takes effect April 20, 2007.

HOUSE FILE 566 - Volunteer Health Care Provider Program — Field Dental Clinics

BY QUIRK. This Act expands the Volunteer Health Care Provider Program to include field dental clinics. The Act provides that a field dental clinic providing free care under the program is considered a state agency for the sole purpose of the program and for Code Chapter 669 (State Tort Claims Act) and is to be afforded protection under Code Chapter 669 for all claims arising from the provision of free care by a health care provider registered with the program and complying with the requirements of the program. Additionally, a health care provider providing free care under the program at a field dental clinic is considered an employee of the state under Code Chapter 669 and is afforded protection as an employee of the state if the health care provider is registered with the Department of Public Health and provides care at the field dental clinic. "Field dental clinic" is defined as a dental clinic temporarily or periodically erected at a location utilizing mobile dental equipment, instruments, or supplies, as necessary, to provide dental services.

HOUSE FILE 610 - Acquired Immune Deficiency Syndrome and Human Immunodeficiency Virus — Miscellaneous Changes

BY COMMITTEE ON HUMAN RESOURCES. This Act amends provisions relating to acquired immune deficiency syndrome (AIDS) and the human immunodeficiency virus (HIV). The Act amends definitions, including the definition of "health care provider," to be consistent with Code Chapter 139A, "Communicable and Infectious Diseases and Poisonings."

Provisions amended include those relating to the Department of Public Health (DPH) as the lead agency regarding AIDS and HIV and those relating to the duties of DPH including those related to the distribution of funds appropriated to DPH for HIV-related activities and the provision of health information and education relating to HIV infection.

All pregnant women must now be tested for HIV infection as part of the routine panel of prenatal tests, unless the pregnant woman objects.

Changes to the Partner Notification Program include the location at which the program is to be initiated and the manner of conducting the program.

The Act amends provisions relating to HIV-related conditions consent, testing, and reporting. If a general written consent for medical tests or procedures is obtained from an individual and the consent is still effective, a specific consent to an HIV-related test is not required. If a general consent has not been obtained or is not still in effect, oral or written consent to an HIV-related test must be obtained prior to performing the test. If an individual is unable to provide consent to HIV-related testing, the individual's legal guardian may provide the consent. If the legal guardian cannot be located or is unavailable, a health care provider may authorize the test when the results are necessary for diagnostic purposes to provide appropriate urgent medical care.

The Act also provides for the reporting of the initial examination or treatment of a person infected with HIV as is also provided for in Code Chapter 139A relating to sexually transmitted diseases or infections. Provisions relating to test results are also amended. If a legal guardian provides consent to HIV-related testing, the legal guardian is to receive the information and counseling. If an individual is unable to provide consent and a health care provider or health care facility consents to the performance of an HIV-related test for the person, the information and counseling requirements do not apply to the health care provider or health care facility.

Also amended are provisions relating to care provider notification and confidentiality provisions in order to eliminate references to outdated reports, to eliminate the provision relating to not requiring or permitting testing for the express purpose of determining the presence of HIV infection unless the other provisions of the Code section are satisfied, to eliminate the requirement that DPH pay the costs of HIV testing for an individual who is the source of a significant exposure and of the testing and counseling of the care provider who renders direct aid without compensation, and to make other conforming changes. DPH is required to assist an individual who is the source of a significant exposure in finding resources to pay for the cost of the HIV test and assist a care provider who renders direct aid without compensation in finding resources to pay for the cost of testing and counseling.

HOUSE FILE 718 - Cigarette Fire Safety Standards — Enforcement

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to cigarette fire safety standards. Beginning January 1, 2009, the Act prohibits cigarettes from being sold or offered for sale in the state unless: (1) the cigarettes have been tested in accordance with the test method prescribed; (2) the cigarettes meet the performance standard specified; (3) a written certification has been filed by the manufacturer with the Department of Public Safety (DPS); and (4) the cigarettes have been marked. A wholesaler or retailer who has inventory of cigarettes existing prior to January 1, 2009, is not prohibited from selling the cigarettes if the wholesaler or retailer affixed tax stamps to the cigarettes on inventory pursuant to Code Section 453A.10 before January 1, 2009, and the inventory of cigarettes was purchased before January 1, 2009, in comparable quantity to the amount of inventory of cigarettes purchased during the same period of the prior year. A person may also sell or offer for sale cigarettes that have not been certified by the manufacturer in accordance with the Code chapter if the cigarettes are or will be stamped for sale in another state or are packaged for sale outside the United States.

The Act establishes a test method and performance standard for cigarettes, requires maintenance on file of the test reports by the manufacturer for a period of three years, requires each manufacturer to submit a written certification to DPS attesting to certain details regarding the manufacturer's cigarettes, requires a manufacturer upon request to make a copy of the written certification available to the Office of the Attorney General and the Department of Revenue for the purposes of enforcement, requires a manufacturer certifying cigarettes to provide a copy of any certification to all wholesalers and agents to whom the manufacturer sells cigarettes and to provide sufficient copies of an illustration of the cigarette packaging marking used by the manufacturer for each retailer to whom the wholesalers or agents sell cigarettes, requires a wholesaler or agent to provide a copy of the cigarette packaging markings received from a manufacturer to all retailers to whom the wholesaler or agent sells cigarettes, and requires that cigarettes certified by a manufacturer be marked to indicate compliance with the requirements of the Act.

The Act provides civil penalties for violations of the Act, provides for forfeiture of cigarettes sold or offered for sale in a manner that does not comply with the Code chapter, provides for injunctive relief, and creates a Cigarette Fire Safety Standard Fund as a special fund in the state treasury. The fund consists of all moneys recovered from the assessment of civil penalties authorized under the Act and certification fees collected pursuant to the Act, and the moneys in the fund are to be made available, subject to appropriation, to DPS for the purpose of fire safety and prevention programs, including for entry-level fire fighter training, equipment, and operations.

The Act directs DPS to administer the Code chapter. The provisions of the Act cease to be applicable if federal fire safety standards for cigarettes that preempt the Act are enacted and take effect subsequent to January 1, 2009. DPS is directed to notify the Secretary of State and the Code Editor if such federal fire safety standards for cigarettes are enacted. Political subdivisions are prohibited from adopting or enforcing any ordinance, rule, or regulation that conflicts with the Act or with any policy of the state expressed by the Act.

HOUSE FILE 906 - Dental Screenings of Children

BY COMMITTEE ON APPROPRIATIONS. This Act requires all children enrolled in a public or nonpublic elementary or high school to obtain a dental screening. The Act requires the person performing the screening to complete a uniform form regarding the screening and requires the Department of Public Health to specify the procedures constituting a screening and to authorize a waiver for persons who are unduly burdened by the requirement. The screening requirement does not apply to a person who submits an affidavit stating that the screening conflicts with a genuine and sincere religious belief.

Schools must give notice to parents of the screening requirement. The Act also provides for provisional enrollment if a child is in the process of obtaining a screening. Each local board of health is required to furnish the department with evidence that all children enrolled in the schools within the board's jurisdiction have met the screening requirement.

The Act takes effect July 1, 2008.

HOUSE FILE 910 - Postnatal Tissue and Fluid Banking Study

BY COMMITTEE ON APPROPRIATIONS. This Act directs the Department of Public Health to convene a task force on postnatal tissue and fluid banking and related postnatal procedures. "Postnatal tissue and fluid" is defined as the placenta, umbilical cord, umbilical cord blood, and amniotic fluid expelled or extracted in connection with the birth of a child.

The Act specifies the membership of the task force and provides that the Director of Public Health is the chairperson of the task force. The task force is to investigate the optimum method by which to establish a network of postnatal tissue and fluid banks in partnership with public and private colleges or universities, public and private hospitals, nonprofit organizations, and private organizations in the state to collect and store postnatal tissue and fluid for the purposes of scientific research and medical treatment. The Act also specifies issues the task force's investigation is to address and about which the task force is to make recommendations. In addition to postnatal tissue and fluid banking, the task force is to review the issue of retention, use, and disposition of neonatal metabolic screening specimens. The task force is directed to report its findings and recommendations.

tions, along with any proposed legislation, to the General Assembly by November 1, 2007. See H.F. 909 (Appropriations) for an appropriation to the Department of Public Health for the task force.

The Act takes effect May 9, 2007.

HOUSE FILE 925 - Regulation of Health-Related Activities — Miscellaneous Changes and Fees

BY COMMITTEE ON WAYS AND MEANS. This Act relates to entities and activities regulated by the Department of Public Health (DPH).

Division I — Optometry

The Act eliminates various provisions relating to requirements for licensure as an optometrist and provides that the Board of Optometry Examiners shall establish requirements for licensure by rule. The Act specifies that certain optometrists are diagnostically certified to distinguish them from optometrists who are therapeutically certified. A requirement that certified optometrists be provided with a distinctive certificate which is to be displayed for viewing by the optometrist's patients is eliminated.

Division II — Mortuary Science

The Act makes various changes relating to the practice of mortuary science. The Act modifies the definition of "intern" to require such persons to be directly supervised by a preceptor certified by the Board of Mortuary Science Examiners. A description of embalming procedures utilized in the practice of mortuary science is amended to provide that chemical substances, fluids, or gases may be introduced into the body by surface, rather than direct, application into the organs or cavities.

A provision requiring the practice of a funeral director to be conducted from an establishment licensed by the board is amended to allow the board to specify exceptions to the requirement in rules. The Act eliminates provisions requiring that an application for examination for a funeral director's license be in writing, allowing in the alternative electronic submission; requiring the board to regulate registration, training, and fees for mortuary science practicums, which are regulated by certain mortuary science schools; and allowing the department, with the approval of the board, to accept certain national certificates of examination in lieu of the examination prescribed by the board.

The Act allows the board to discipline a licensed funeral director other than by license revocation or suspension and makes changes in the permissible grounds for revocation or suspension.

The \$15 annual fee for funeral and cremation establishment inspections is replaced by an inspection fee to be established by the department by rule.

Division III — Dental and Oral Health

The Act establishes the position of State Public Health Dental Director and the Oral Health Bureau within DPH. The State Public Health Dental Director is directed to plan and direct all activities of the statewide public health dental program, develop comprehensive dental initiatives for prevention activities, evaluate the effectiveness of the dental program and of program personnel, and manage the Oral Health Bureau.

Division IV — Dependent Adult Abuse

The Act provides that a report of dependent adult abuse that meets the definition of dependent adult abuse involving physical injury, unreasonable confinement, unreasonable punishment, or assault of a dependent adult or the deprivation of the minimum food, shelter, clothing, supervision, physical or mental health care, or other care necessary to maintain a dependent adult's life or health, which the Department of Human Services (DHS) determines is minor, isolated, and unlikely to reoccur shall be collected and maintained by DHS as an assessment only for a five-year period and shall not be included in the department's central registry for dependent adult abuse information or considered to be founded dependent adult abuse. However, a subsequent report of such dependent adult abuse that occurs within the five-year period and that is committed by the caretaker responsible for the act or omission which was the subject of the previous report of dependent adult abuse

which DHS determined was minor, isolated, and unlikely to reoccur shall not be considered minor, isolated, and unlikely to reoccur.

Dependent adult abuse information which is determined to be minor, isolated, and unlikely to reoccur shall be expunged five years after the receipt of the initial report by DHS. If a subsequent report of such dependent adult abuse is received by DHS within the five-year period, the information shall be sealed 10 years after receipt of the subsequent report unless good cause can be shown why the information should remain open to authorized access.

Division V — Miscellaneous Provisions

The Act codifies provisions enacted in 1998 directing DPH to develop and maintain the statewide perinatal program.

A definition of "charitable organization" for purposes of the Volunteer Health Care Provider Program is amended to remove the specific purposes such an organization must have, leaving the reference to the definition in the Internal Revenue Code.

The Act makes several changes to the membership of the Child Death Review Team. The Act eliminates a requirement that the Director of Public Health consult with the Director of Human Services in making appointments to the review team and replaces a liaison to the review team designated by the administrator of the Bureau of Vital Records with an at-large liaison designated by the chairperson of the review team.

The Act provides legal immunity for persons and entities, or employees or agents of such persons or entities, who in good faith and at the request of or under the direction of DPH or the Department of Public Defense render emergency care or assistance during a public health disaster to a victim of such disaster. Such immunity does not apply in the event of recklessness or to a person or entity, or employee or agent of such person or entity, whose act or omission caused the public health disaster and who would otherwise be liable therefor.

A provision requiring the department to appoint an advisory committee relating to the regulation of swimming pools and spas is eliminated. The Act allows DPH to withhold or revoke the registration of a swimming pool or spa for a violation of the laws or rules regulating pools and spas until the necessary corrective action has been taken.

The Act extends isolation and quarantine employment protection for persons who voluntarily comply with a confinement request issued by DPH, a local board of health, or the federal Centers for Disease Control and Prevention.

The Act allows a county medical examiner to defer to the physician in charge of a patient's preexisting condition the certification of the cause of death if the medical examiner determines that a preexisting natural disease or condition was the likely cause of death and that the death does not affect the public interest.

Provisions regarding the fees for certain vital records copies and services are amended in the Act. The DPH shall establish fees by rule for copies of certain vital records documents provided to researchers and public and private agencies and for verification or certification of vital statistics data provided to a governmental agency authorized by rule to receive such data. The Act eliminates a provision exempting political subdivisions and agencies of the state from payment of vital records fees.

Such fees collected by the State Registrar and by the county registrar on behalf of the state shall be deposited in the General Fund of the State and the Vital Records Fund, in an apportionment established by rule.

In addition, provisions relating to the scope of practice of licensed practical nurses and registered nurses are amended to include making a pronouncement of death for a patient whose death is anticipated if the death occurs in an assisted living or residential care facility, with notice of the death to a physician and in accordance with any directions of a physician.

HUMAN SERVICES

- [SENATE FILE 254](#) - Family Investment Program Requirements
- [HOUSE FILE 309](#) - Uniform Cost Reporting for Mental Health or Retardation, Developmental Disability, and Medicaid Services
- [HOUSE FILE 397](#) - Medical Assistance Income Trust Expenditures
- [HOUSE FILE 585](#) - Area Agency on Aging Board Member Selection Procedures

RELATED LEGISLATION

- [SENATE FILE 169](#) - State Payment of Mental Health, Mental Retardation, and Developmental Disabilities Services Funding
SEE LOCAL GOVERNMENT. This Act authorizes state payment of certain mental health, mental retardation, and developmental disabilities services (MH/MR/DD) allowed growth funding and property tax relief funding for certain counties that did not originally meet the requirements. The Act takes effect April 10, 2007, and is retroactively applicable to July 1, 2006.
- [SENATE FILE 305](#) - Disaster Grants
SEE APPROPRIATIONS. This Act authorizes the Executive Council to approve funding for providing disaster grants to needy individuals in the event of the Governor's issuance of a proclamation of a state of disaster during fiscal year 2006-2007. The Act takes effect February 28, 2007, and applies retroactively to February 23, 2007.
- [SENATE FILE 381](#) - Judicial Branch Personnel — Appointment and Compensation
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act permits the chief judge of a judicial district encompassing a county with a population under 300,000 inhabitants to appoint the patient advocate for the county.
- [SENATE FILE 403](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act relates to financial and regulatory matters by making and increasing appropriations for FY 2004-2005, FY 2005-2006, and FY 2006-2007, and includes supplemental funding for the IowaCare Program at the University of Iowa Hospitals and Clinics, funding for an assistive technology grants and loans program to support persons with a disability, and funding for payment to certain counties of state property tax relief and allowed growth adjustment factor funding for mental health, mental retardation, and developmental disabilities services.
- [SENATE FILE 480](#) - Court-Ordered Out-of-Home Placement of Children — Sibling Visitation or Interaction
SEE CHILDREN AND YOUTH. This Act relates to children who are subject to a court order as a child in need of assistance, juvenile delinquent, or other provisions of the Juvenile Justice Code under Code Chapter 232 for a temporary or permanent out-of-home placement by providing for visitation or ongoing interaction between the children and siblings.
- [SENATE FILE 503](#) - Regulation of Services for Children and Families
SEE CHILDREN AND YOUTH. This Act relates to regulation of children's services by the Department of Human Services by increasing the age for certain children receiving a state child care subsidy, revising child welfare and juvenile justice service provisions to conform with federal law by requiring a national fingerprint-based criminal record check of foster parents, and by providing a right for foster parents and others providing preadoptive care to a child to be heard in juvenile court hearings involving the child.

[SENATE FILE 588](#)

- Appropriations — Education
SEE APPROPRIATIONS. This Act appropriates moneys for FY 2007-2008 from the General Fund of the State to the College Student Aid Commission, the Department for the Blind, the Department of Education, and the State Board of Regents and its institutions. The Act appropriates funds to the Department of Education for birth to age three services and a statewide preschool program for four-year-old children, and for transfer to the Department of Human Services for early Head Start pilot projects. The Act also includes a number of provisions related to the Iowa Empowerment Fund and the School Ready Children Grants Account. The Act amends 2006 Iowa Acts to reallocate a portion of the funds from the Reading Instruction Pilot Project Grant Program to the Iowa Empowerment Fund for implementation of the Business Community Investment Advisory Council report and recommendations. The Act also amends 2006 Iowa Acts to reduce from \$15 million to \$10 million the appropriation for early care, health, and education and preschool programs and initiatives for FY 2007-2008 and FY 2008-2009. Provisions amending 2006 Iowa Acts take effect May 29, 2007.

[SENATE FILE 601](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters and includes an appropriation for FY 2008-2009 for allocation to counties for county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment; a change in payment provisions for child care providers; and other provisions affecting human services.

[HOUSE FILE 245](#)

- Invasive Pneumococcal Disease Immunization
SEE CHILDREN AND YOUTH. This Act requires an invasive pneumococcal disease immunization for children enrolled in a licensed child care center.

[HOUSE FILE 396](#)

- Community Empowerment Initiative Appropriation — Scope of Preschool Services
SEE CHILDREN AND YOUTH. This Act expands the scope of services under an existing appropriation for FY 2006-2007 made in 2006 Iowa Acts, Chapter 1157, for the Community Empowerment Initiative involving preschool services. The Act expands the services to be provided through the appropriation beyond preschool services to include other supportive services. The Act takes effect May 24, 2007, and is retroactively applicable to July 1, 2006.

[HOUSE FILE 787](#)

- Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2007, and ending September 30, 2008, and for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The Act includes funding for maternal and child health, preventive health and health services, substance abuse programs, low-income energy assistance, mental health, child care, social services, and other health and human services-related programs.

[HOUSE FILE 846](#)

- Iowa Farmers' Market Nutrition Program
SEE AGRICULTURE. This Act provides the Department of Agriculture and Land Stewardship with the authority to administer two federal programs under the direction of the United States Department of Agriculture: the federal Women, Infants, and Children Farmers' Market Nutrition Program and the Senior Farmers' Market Nutrition Program.

[HOUSE FILE 907](#)

- Healthy Iowans Tobacco Trust and Tobacco Settlement Trust Fund — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2007-2008, including to the Department of Human Services (DHS) and the Iowa Empowerment Fund. The appropriations to DHS include

funding to supplement the Medical Assistance (Medicaid) Program appropriation, with a portion of these funds being used to continue the chronic care consortium; for child and family services; for supplementation of the appropriation for the state Supplementary Assistance Program; and for general administration of health-related programs. The Act also appropriates funding to the Property Tax Relief Fund for assistance to counties with limited county mental health, mental retardation, and developmental disabilities services fund balances to pay reimbursement increases in the same amount as provided in FY 2000-2001, and to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account.

HOUSE FILE 909

- Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and includes numerous provisions involving human services and the Department of Human Services.

HOUSE FILE 911

- Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division VII of this Act provides for financial assistance to nursing facility providers under new Code Chapter 249K and provides for contingent implementation and only to the extent funding is available. Sections of this division of this Act adding the new Code chapter take effect May 29, 2007.

HUMAN SERVICES

SENATE FILE 254 - Family Investment Program Requirements

BY COMMITTEE ON HUMAN RESOURCES. This Act revises provisions administered by the Department of Human Services under Code Chapter 239B involving the Family Investment Program (FIP).

GENERAL FAMILY INVESTMENT PROGRAM CHANGES. Code Section 239B.1, providing definitions for FIP, is amended to expand the definition of the term "participant." Current Iowa law limits the term to persons who receive full or partial FIP assistance. The Act provides that for purposes of Code Section 239B.8, relating to family investment agreements, and Code Section 239B.9, relating to limited benefit plans, the term also refers to each individual who does not receive FIP cash assistance directly but is required to be engaged in work or training options under a family investment agreement.

Code Section 239B.7, relating to income and resource exemptions, deductions, and disregards used to determine FIP program eligibility, is amended. A prohibition against allowing a work expense deduction for an individual who is subject to a certain type of sanction is eliminated, as is an exception in a provision addressing when a timely reported loss of income is considered.

Code Section 239B.8 is also amended to require parental leave to be offered in the event of childbirth or placement of a child for foster care or adoption. The duration of the leave is limited to the minimum duration outlined in the federal Family and Medical Leave Act of 1993. The federal law requires that the purpose of the leave is to care for a newborn son or daughter or placement of a child for foster care or adoption, specifies a minimum period of 12 weeks within the 12-month period following the birth or placement, and allows the leave period to be taken intermittently within the 12-month period. These provisions replace Iowa law, which authorized parental leave for a parent of a child who is less than three months of age.

Code Section 239B.8 is also amended to delete specific requirements under the agreement option for performing unpaid community service.

FAMILY INVESTMENT PROGRAM WORK INCENTIVE DISREGARD. The Act increases the amount of the FIP work-and-earn incentive applied under Code Section 239B.7 as part of FIP eligibility determination from 50 percent to 58 percent. Under the incentive, the indicated percentage of earned income remaining after other deductions have been applied is disregarded.

HOUSE FILE 309 - Uniform Cost Reporting for Mental Health or Retardation, Developmental Disability, and Medicaid Services

BY HEATON. This Act requires development of a uniform cost report for use with Medicaid program services reimbursed through the Department of Human Services and with the mental health, mental retardation, and developmental disabilities (MH/MR/DD) services reimbursed by counties.

The department is directed to establish a work group to develop a proposed uniform cost report. The work group membership is required to include departmental staff who work with the Medicaid enterprise and the MH/MR/DD Service System, and county staff from counties participating in the County Rate Information System (CRIS) and from counties that are not participating in CRIS. The county representatives are to be designated by the Iowa State Association of Counties and service providers are to be designated by the Iowa Association of Community Providers.

The work group is required to address various barriers to implementing a uniform cost report. The work group proposal is required to be submitted to the department and the Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury Commission by December 1, 2007. The department and commission are required to utilize the proposal in adopting rules requiring a uniform cost report beginning on or before July 1, 2008.

HOUSE FILE 397 - Medical Assistance Income Trust Expenditures

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to the allowable expenditures from medical assistance income trusts. The Act eliminates the limit on the amount of income that is available to an individual under medical assistance income trusts and special needs trusts while retaining the individual's eligibility for the

Medical Assistance (Medicaid) Program if the individual's total monthly income is less than the average statewide charge for the type of care the individual requires. The levels of care to which the Act applies, including home and community-based services, are nursing facility care, including specialized services; care provided through an intermediate care facility for persons with mental retardation; care provided through a psychiatric medical institution for children; and care provided in a state mental health institute.

Prior law limited the disbursement to the individual as income to an amount sufficient to bring the individual's available income up to 300 percent of the benefit for an individual under the federal Supplemental Security Income Program. Under the Act, the individual has access to all of the individual's income for the purpose of allowable expenses, which are expenses that are allowed as deductions in determining client participation such as the personal needs allowance, spousal and dependent allowances, and unmet medical expenses. Any excess income above the allowable expenses is applied toward payment of providers of facility or home and community-based services, toward payment of other providers of medical care or services that would otherwise be covered by Medicaid, toward payment to the state for reimbursement for Medicaid paid on behalf of the individual, or is retained by the trust.

HOUSE FILE 585 - Area Agency on Aging Board Member Selection Procedures

BY JOCHUM. This Act relates to the selection procedure for area agencies on aging board members established by the Director of the Department of Elder Affairs. The Act eliminates provisions requiring the procedure to include a process by which nominations and objections to nominations are submitted to the department and by which a nominee shall be eliminated from nomination if at least 25 objections are received by the department.

LABOR AND EMPLOYMENT

- [SENATE FILE 116](#) - Regulation of Fire Fighter Clothing and Equipment
- [SENATE FILE 265](#) - Asbestos Removal and Encapsulation
- [SENATE FILE 284](#) - Unannounced Employee Drug or Alcohol Testing
- [SENATE FILE 421](#) - Workers' Compensation — Insurance Coverage and Debt Collection Practices
- [SENATE FILE 448](#) - Unemployment Insurance Information — Confidentiality — Penalties
- [SENATE FILE 457](#) - Complaints Against Peace Officers and Public Safety and Emergency Personnel — Administrative Procedures
- [SENATE FILE 472](#) - Railway Safety — Close-Clearance Warning Devices
- [HOUSE FILE 1](#) - State Minimum Hourly Wage
- [HOUSE FILE 367](#) - Overdraft Charges and Direct Deposit of Wages
- [HOUSE FILE 368](#) - Boiler and Pressure Vessel Safety
- [HOUSE FILE 369](#) - Conveyance Safety Standards — Elevators and Similar Mechanisms

RELATED LEGISLATION

- [SENATE FILE 562](#) - Appropriations — Economic Development
SEE APPROPRIATIONS. This Act appropriates moneys from the General Fund of the State as well as various other funds to the Department of Workforce Development and the Public Employment Relations Board.

LABOR AND EMPLOYMENT

SENATE FILE 116 - Regulation of Fire Fighter Clothing and Equipment

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act strikes the subsection of the Code that requires the Labor Commissioner to adopt rules concerning fire fighter clothing and personal protection equipment. The state has adopted other occupational safety and health standards that make this subsection no longer necessary.

SENATE FILE 265 - Asbestos Removal and Encapsulation

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act redefines an asbestos project as an asbestos removal or encapsulation activity that affects a building or structure, including the preparation of the project site through the transportation of the asbestos-containing materials off the premises and from the site of a building or structure demolition or collapse. The Act also allows a state agency or political subdivision to accept a bid for an asbestos project if the business entity making the bid contracts to have the work done by a licensed asbestos contractor.

SENATE FILE 284 - Unannounced Employee Drug or Alcohol Testing

BY DEARDEN. This Act concerns the conducting of unannounced drug or alcohol testing of employees by an employer. Current law provides that random testing be conducted from a pool of employees that includes all the employees subject to testing except employees not scheduled for work or excused from work at the time of testing. The Act provides that employees not subject to testing pursuant to a collective bargaining agreement are excluded from the pools of employees from which a random drug or alcohol test may be conducted.

SENATE FILE 421 - Workers' Compensation — Insurance Coverage and Debt Collection Practices

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act relates to workers' compensation laws by regulating insurance policy exclusions and debt collection practices.

Code Section 85.1 is amended to provide that workers' compensation insurance purchased by an employer includes coverage for certain specified exempt employees unless the policy specifically excludes those employees from coverage. Currently, any employee exempt from workers' compensation requirements under this Code section is not covered under a workers' compensation insurance policy unless the policy specifically includes the employee.

Code Section 85.27 is amended to prohibit a health service provider from seeking payment for fees in dispute from an insurance carrier or employer until the Workers' Compensation Commissioner finds the disputed amount to be reasonable pursuant to informal dispute resolution procedures established by the commissioner by rule.

The Act also provides that debt collection for health services that is undertaken against an injured employee or the employee's dependents after a creditor receives actual notice that a workers' compensation contested case is pending constitutes a prohibited practice under the Consumer Credit Code, and the employee and the employee's dependents are entitled to the remedies contained in the Consumer Credit Code except that such a violation is not subject to criminal penalties.

SENATE FILE 448 - Unemployment Insurance Information — Confidentiality — Penalties

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act brings Iowa's unemployment insurance laws into compliance with new federal laws regarding confidential information. The Act expands confidential information to include unemployment information received from other states and expands the list of persons who can be held criminally responsible for revealing confidential information to include public officials, their agents and contractors, and third parties.

SENATE FILE 457 - Complaints Against Peace Officers and Public Safety and Emergency Personnel — Administrative Procedures

BY COMMITTEE ON JUDICIARY. This Act establishes a peace officer, public safety, and emergency personnel bill of rights. The Act does not apply to criminal investigations.

"Officers" protected under this Act include a certified law enforcement officer, fire fighter, emergency medical technician, corrections officer, detention officer, jailer, probation or parole officer, communications officer, or any other law enforcement officer certified by the Iowa Law Enforcement Academy and employed by a municipality, county, or state agency.

The Act provides that an officer shall not be compelled to submit to a polygraph examination against the will of that officer except for purposes of selecting candidates for employment as an officer. Prior to being interviewed about a complaint against the officer, the officer shall be provided a copy of the complaint or written summary of the complaint. If a collective bargaining agreement applies, a complaint or written summary of the complaint shall be provided pursuant to the procedures established under a collective bargaining agreement. If a complaint alleges domestic abuse, sexual abuse, or sexual harassment, a written summary of the complaint shall only be provided to the officer. An officer being interviewed about a complaint filed against the officer shall be compelled to answer any questions and shall be advised that any answers provided will not be used against the officer in any criminal proceeding.

An officer shall have the right, at the officer's expense, to have legal counsel or a union representative present when the officer is being interviewed about a complaint filed against the officer. If the officer is not in a union, the officer, in addition to having legal counsel present, shall be permitted to have a designee of the officer present.

The interview of an officer about a complaint shall be conducted at the facility of the investigating agency, and the officer shall be compensated as provided by law or as provided in the applicable collective bargaining agreement.

If the investigating officer determines the complaint is a violation of Code Section 718.6 (false reports), the investigating officer shall be responsible for filing the necessary paperwork with the county attorney's office in order for the county attorney to make the determination as to whether to charge the person with a violation of Code Section 718.6.

An officer shall not be denied the opportunity to be a candidate for any elected office as long as the officer's candidacy does not violate the federal Hatch Act. However, an officer, as a condition of being a candidate, may be required to take a leave of absence during the campaign. If the officer is subject to Code Chapter 341A, "Civil Service for Deputy County Sheriffs," and is a candidate for county sheriff, the officer, upon request, shall automatically be given a leave of absence. An officer may engage in political activity except while on duty and as long as the political activity does not violate the federal Hatch Act.

A municipality, county, or state agency employing an officer shall not publicly release the officer's official photograph without written permission of the officer or without a request to release the photograph pursuant to Code Chapter 22 (open records).

If a formal administrative investigation results in punitive action taken against the officer, any punitive action shall be held in abeyance for a period of 10 days if the officer alleges in writing a violation of the Act occurred.

SENATE FILE 472 - Railway Safety — Close-Clearance Warning Devices

BY COMMITTEE ON LABOR AND BUSINESS RELATIONS. This Act requires the owner of a railroad track to place warning devices at locations along the track where the clearance between the track and a building, machinery, trees, brush, or other object physically impedes the clearance of a person lawfully riding the side of a train in the course of the person's duties in service to a railroad company. A warning device must be positioned to give adequate notice to a person riding the side of a train of the need to prepare for the close clearance, but must not be posted in a way that poses a danger to other workers on the property. Placement of a warning device does not relieve a railroad company from its duties concerning control of vegetation and weeds along a railroad right-of-way. A violation of the close-clearance warning requirements is punishable as a schedule "one" violation, which carries a monetary penalty of \$100 per violation.

The Act requires the Department of Transportation (DOT) to adopt rules relating to the close-clearance signage requirements. The DOT may enter property on which railroad track is located to inspect close-clearance conditions, provided that owners of private property have knowledge and notice of the entry.

The Act limits the applicability of the close-clearance warning requirements to locations where the need for a warning device is determined by DOT rules. The requirements do not apply unless funds are available from the DOT to reimburse the owner of a railroad track for costs of the warning devices, including installation costs.

HOUSE FILE 1 - **State Minimum Hourly Wage**

BY McCARTHY et al. This Act raises the state's hourly minimum wage to \$6.20 beginning April 1, 2007, and to \$7.25 beginning January 1, 2008. The state hourly minimum wage for employees serving a 90-day training period is raised to \$5.30 on April 1, 2007, and to \$6.35 on January 1, 2008. The Act also directs the Labor Commissioner to enforce the provisions of the Act against employers discovered to be in noncompliance with these changes, but prohibits the imposition of liquidated damages for noncompliance prior to July 1, 2007.

With the addition of the words "as amended to January 1, 2007," following citations to the federal Fair Labor Standards Act of 1938, state minimum wage law will conform to federal law in terms of its applicability to employers and employees as of that date.

With enactment of this Act, the state's minimum wage exceeds the federal minimum wage of \$5.15, and the federal subminimum, or youth, wage of \$4.25 an hour, both of which have been in effect since September 1, 1997.

The Act takes effect January 25, 2007.

HOUSE FILE 367 - **Overdraft Charges and Direct Deposit of Wages**

BY COMMITTEE ON LABOR. This Act allows overdraft charges to be the basis for a wage claim and damages under Code Chapter 91A if the employer is liable for the charges due to a failure to credit the employee's account with direct deposit wages on or by the regular payday.

HOUSE FILE 368 - **Boiler and Pressure Vessel Safety**

BY COMMITTEE ON LABOR. This Act establishes the same standards for inspection reports and issuance of certificates regardless of whether the inspection was performed by a special inspector or an inspector who is a state employee. It also creates the same authority for the Labor Commissioner to limit use of equipment pending repairs or replacement regardless of whether the inspection was performed by a special inspector or an inspector who is a state employee.

The Act substitutes the phrase "notice of insurance coverage" for the phrase "certificate of inspection" to describe the document used to notify the Labor Commissioner that an insurance company is insuring an object and plans to inspect it. The Act creates an exemption from regular internal inspections for cast aluminum steam and cast aluminum hot water heating boilers, and exempts certain potable water heaters from regulation. The Act removes a conflict in the existing statute that allows both the Labor Commissioner and the Boiler and Pressure Vessel Board to set the fee for issuance of a special inspector commission. The Labor Commissioner is authorized to apply to the district court for a writ of injunction to restrain the use of imminently dangerous equipment without affording the owner an opportunity for administrative appeal of the inspection report. The board is directed to adopt rules to require that the operation of imminently dangerous equipment cease.

HOUSE FILE 369 - **Conveyance Safety Standards — Elevators and Similar Mechanisms**

BY COMMITTEE ON LABOR. This Act establishes that the elevator code shall supersede any conflicting provisions in the building codes of the state or political subdivisions. The words "facility" and "facilities" are stricken from Code Chapter 89A and replaced with "elevator," "conveyance," and "conveyances" as appropriate. The word "license" as it relates to special inspectors is replaced with the word "commission." The definition of material lift elevator is applied to lifts used only for the movement of materials and excludes from regulation those material lift elevators that have been in the same location since before January 1, 1975. In addition to applying for an injunction in district court for cases of imminent danger, the Labor Commissioner may also use other methods of enforcement. The commissioner shall report any remedial actions taken annually to the General Assembly.

LOCAL GOVERNMENT

- [SENATE FILE 90](#) - Local Emergency Management Commission Communications
- [SENATE FILE 130](#) - Memorial Building and Monument Commissions
- [SENATE FILE 155](#) - Government Innovation and Excellence Initiatives
- [SENATE FILE 169](#) - State Payment of Mental Health, Mental Retardation, and Developmental Disabilities Services Funding
- [SENATE FILE 212](#) - County Offices — Deputy Officer Salaries and Recorded Document Content
- [SENATE FILE 336](#) - City Civil Service Commissioners — Number
- [SENATE FILE 337](#) - Recording and Indexing of Interests Affecting Property
- [SENATE FILE 339](#) - County General Obligation Bonding
- [SENATE FILE 354](#) - Overpayments of Moneys to Counties
- [SENATE FILE 444](#) - Councils of Governments — Additional Area
- [SENATE FILE 450](#) - Property Tax Collection — Limitations of Actions
- [HOUSE FILE 587](#) - Emergency Services Advisory Boards — Budgets
- [HOUSE FILE 590](#) - State Building Code — Application and Enforcement
- [HOUSE FILE 591](#) - City Councils — Number of Members — Procedure
- [HOUSE FILE 608](#) - Township Trustee Board Meetings — Notice
- [HOUSE FILE 783](#) - Delinquent Charges and Billing Practices — City Utilities — VETOED BY THE GOVERNOR
- [HOUSE FILE 803](#) - Civil Service and Deputy County Sheriffs — Appeals to District Court
- [HOUSE FILE 808](#) - Joint Exercise of Government Powers — Documentation — Accountability
- [HOUSE FILE 864](#) - Statewide Fire and Police Retirement System — Fire Fighter Applicants — Physical Ability Tests

RELATED LEGISLATION

- [SENATE FILE 42](#) - Campaign Finance — Filing Methods and Political Communications
SEE STATE GOVERNMENT. This Act revises campaign finance reporting periods, revises solicitation requirements for nonprofit organizations, and authorizes rulemaking related to certain media corporations.
- [SENATE FILE 58](#) - Elections — Nomination Petition Signatures Requirement for Mayor
SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE. This Act specifies the number of nomination petition signatures necessary for the office of mayor at the first election that office is on the ballot in cities governed by the council-manager-at-large form of government.
- [SENATE FILE 110](#) - Reserve Peace Officers — Training and Certification
SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS. This Act relates to standardized training and certification standards for reserve peace officers in Iowa.
- [SENATE FILE 140](#) - Law Enforcement Agency Electronic Mail and Telephone Billing Records
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to the confidentiality of certain peace officers' investigative reports and specific portions of electronic mail and telephone billing records of law enforcement agencies under Iowa's Open Records Law.

- [SENATE FILE 161](#) - Confidential Public Records and Meetings of Governmental Bodies — Security and Emergency Preparedness Information
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to the confidentiality of security procedures or emergency preparedness information discussed at a meeting of a governmental body. The Act takes effect April 16, 2007.
- [SENATE FILE 175](#) - Seized Property in Criminal Proceedings — Disposition
SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS. This Act relates to disposition of seized property in a criminal proceeding.
- [SENATE FILE 278](#) - Utility Replacement Taxes
SEE ENERGY AND PUBLIC UTILITIES. This Act makes changes relating to the allocation of the assessed value of new electric power generating plants valued in excess of \$44,444,445 and extends the statutory existence of the Utility Replacement Tax Task Force to January 1, 2010.
- [SENATE FILE 384](#) - Limitations of Civil Rights Claims and Civil Lawsuits — Minors, Mentally Ill Persons, and State and Local Government
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to statute of limitations provisions relating to minors and persons with mental illness and to claims and actions filed against a municipality. The Act eliminates the requirement that a person claiming damages from any municipality on account of any wrongful death, loss, or injury commence an action within six months after the wrongful death, loss, or injury and requires such actions to be filed within two years after the wrongful death, loss, or injury.
- [SENATE FILE 403](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act relates to financial and regulatory matters by making and increasing appropriations for FY 2004-2005, FY 2005-2006, and FY 2007-2008, and includes funding for payment to certain counties of state property tax relief and allowed growth adjustment factor funding for mental health, mental retardation, and developmental disabilities services.
- [SENATE FILE 405](#) - National Pollutant Discharge Elimination System Permits — Fees
SEE ENVIRONMENTAL PROTECTION. This Act relates to national pollutant discharge elimination system permits for disposal systems for certain cities.
- [SENATE FILE 416](#) - City Elections — Council Vacancies and Satellite Absentee Voting
SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE. This Act establishes when to file a nomination petition for a special election called to fill a vacancy on a city council, and that satellite absentee voting stations may be used for city primary elections and city runoff elections.
- [SENATE FILE 457](#) - Complaints Against Peace Officers and Public Safety and Emergency Personnel — Administrative Procedures
SEE LABOR AND EMPLOYMENT. This Act relates to the employment rights of peace officers and public safety and emergency personnel.
- [SENATE FILE 529](#) - Secure Criminal or Juvenile Facilities — Possession of Contraband
SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS. This Act expands the definition of possessing contraband in correctional institutions to include possessing such contraband in a secure facility for the detention and custody of juveniles, a detention facility, or jail.
- [SENATE FILE 546](#) - Hospital Liens
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to the filing of a hospital lien under Code Chapter 582 by an association, corporation, county, municipal corporation, or other institution maintaining a hospital in the state of Iowa.

- [SENATE FILE 554](#) - Cable or Video Service Franchises
SEE BUSINESS, BANKING, AND INSURANCE. This Act establishes a statewide franchise for the provision of cable service or video service under the purview of the Iowa Utilities Board. The Act takes effect May 29, 2007.
- [SENATE FILE 559](#) - Cemeteries, Funerals, and Related Services and Merchandise
SEE BUSINESS, BANKING, AND INSURANCE. This Act requires a cemetery owned and controlled by a governmental subdivision to allow any veteran who is a landowner or who lives within the subdivision to purchase an interment space and to be interred within the cemetery.
- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters and includes an appropriation for FY 2008-2009 for allocation to counties for county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment; funding for property tax credit reimbursements from the state; and other provisions affecting local government.
- [HOUSE FILE 95](#) - Urban Renewal Targeted Jobs Withholding Tax Credits — Pilot Project City Designations
SEE ECONOMIC DEVELOPMENT. This Act relates to the designation of pilot project cities for a targeted jobs withholding tax credit to be used for funding improvements in certain urban renewal areas. The Act takes effect February 6, 2007, is retroactively applicable to July 1, 2006, and applies to pilot project city applications received prior to October 1, 2006.
- [HOUSE FILE 309](#) - Uniform Cost Reporting for Mental Health or Retardation, Developmental Disability, and Medicaid Services
SEE HUMAN SERVICES. This Act requires development of a uniform cost report for use with Medicaid program services reimbursed through the Department of Human Services and with the mental health, mental retardation, and developmental disabilities services reimbursed by counties.
- [HOUSE FILE 396](#) - Community Empowerment Initiative Appropriation — Scope of Preschool Services
SEE CHILDREN AND YOUTH. This Act expands the scope of services under an existing appropriation for FY 2006-2007 made in 2006 Iowa Acts, Chapter 1157, for the Community Empowerment Initiative involving preschool services. The Act expands the services to be provided beyond preschool services to include other supportive services. The Act takes effect May 24, 2007, and is retroactively applicable to July 1, 2006.
- [HOUSE FILE 413](#) - Campaign Finance — Filing of Statements and Reports
SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE. This Act relates to the filing of campaign finance disclosure statements and reports.
- [HOUSE FILE 588](#) - Elections — Requirements for Township Officer Candidacy
SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE. This Act strikes the requirement that a person seeking election to township office must file a nomination petition containing at least 10 signatures and requires only that the person file an affidavit of candidacy.
- [HOUSE FILE 641](#) - Judicial Branch Practices and Procedures — Driver's Licenses, Installment Payment Agreements, and Court Revenue Distribution
SEE TRANSPORTATION. This Act modifies the manner in which court revenue is reconciled between a city and the clerk of the district court.

- [HOUSE FILE 650](#) - Beer Keg Regulation and Sales
SEE ALCOHOL REGULATION AND SUBSTANCE ABUSE. This Act provides that specified liquor control licensees and beer permittees who sell beer for off-premises consumption shall affix to each keg of beer an identification sticker provided by the administrator of the Alcoholic Beverages Division of the Department of Commerce. The provisions of the Act shall be implemented uniformly throughout the state and shall preempt any local county or municipal ordinance regarding keg identification or sale of beer in kegs. In addition, a county or municipality shall not adopt or continue in effect an ordinance regarding keg registration or the sale of beer in kegs.
- [HOUSE FILE 718](#) - Cigarette Fire Safety Standards — Enforcement
SEE HEALTH AND SAFETY. This Act relates to cigarette fire safety standards and prohibits local subdivisions from adopting or enforcing any ordinance, rule, or regulation that conflicts with the Act or with any policy of the state expressed by the Act.
- [HOUSE FILE 742](#) - Snowmobile and All-Terrain Vehicle Regulation
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act revises the duties of county recorders relating to the registration and titling of snowmobiles and all-terrain vehicles.
- [HOUSE FILE 793](#) - Transportation Regulation and Land Surveying Standards
SEE TRANSPORTATION. This Act establishes the U.S. survey foot as the land surveying standard for distance measurements. The Act also specifies procedures for the disposition of regional transit district tax revenues collected by a county treasurer.
- [HOUSE FILE 830](#) - Public Improvement Bids and Contracts
SEE STATE GOVERNMENT. This Act amends the Iowa Construction Bidding Procedures Act, relating to bids and quotations for entering into building or construction contracts for public improvements with governmental entities, including the state, political subdivisions of the state, and public school corporations.
- [HOUSE FILE 909](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and includes numerous provisions involving local government, including funding for mental health, mental retardation, and developmental disabilities; services administered by counties; community empowerment areas; and local public health authorities.
- [HOUSE FILE 911](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division VII of this Act creates a Voting Machine Reimbursement Fund in the Office of the Treasurer of State to be expended to reimburse counties for the costs of complying with provisions contained in S.F. 369 (see Elections, Ethics, and Campaign Finance), relating to requirements for construction of voting machines.
- [HOUSE FILE 923](#) - Taxes, Tax Policy, and Administration
SEE TAXATION. This Act makes policy and technical administrative changes to the tax law and related matters. Division I requires cities and counties with urban renewal areas to include in their annual budgets revenues, expenditures, and indebtedness from tax increment financing districts and repeals the biennial requirement for reporting such indebtedness to the state. The division also provides that county boards of supervisors may abate taxes levied against property acquired by purchase by a library or art gallery or by a religious, literary, or charitable institution or educational institution if the transfer took place after the deadline for filing for an exemption and such entity would have been entitled to the exemption if filed by the deadline.
- [HOUSE FILE 932](#) - Road Construction and Maintenance Revenue
SEE TRANSPORTATION. This Act increases the amount of Revitalize Iowa's Sound Economy (RISE) Fund moneys available to counties by revising the formula for allocations of revenue to and from the RISE Fund. The Act also contains provisions relating to future funding for secondary roads and the municipal street system.

LOCAL GOVERNMENT

SENATE FILE 90 - Local Emergency Management Commission Communications

BY WOOD. This Act allows local emergency management commissions to provide joint emergency response communications services through a Code Chapter 28E Agreement.

SENATE FILE 130 - Memorial Building and Monument Commissions

BY COMMITTEE ON LOCAL GOVERNMENT. This Act provides that a commission appointed by a city or county to oversee a memorial building or monument commemorating the service rendered by soldiers, sailors, and marines of the United States shall have not less than 5 and not more than 11 members.

SENATE FILE 155 - Government Innovation and Excellence Initiatives

BY COMMITTEE ON LOCAL GOVERNMENT. This Act makes changes relating to local governments by creating a Local Government Innovation Commission and Fund and by creating the Tim Shields Center for Governing Excellence in Iowa.

The commission is located in the Department of Management for administrative purposes. Members of the commission represent the executive branch, county and city governments, school districts, community colleges, councils of governments, local law enforcement or fire protection, the Homeland Security and Emergency Management Division of the Department of Public Defense, the Department of Economic Development, the general public, and the private business sector. Four members of the General Assembly are appointed as nonvoting members of the commission. The commission is to develop an application and review process to review local governance and revenue models submitted by community-wide areas. The commission is to report to the General Assembly and to the Governor's office on or before January 1, 2009, with recommendations for legislative changes that would provide flexibility and freedom to community-wide areas in implementing governance and revenue models. The commission is also required to report every three years, beginning June 30, 2010, on community-wide area efforts funded by grants from the Local Government Innovation Fund. The Act defines "community-wide area."

The Act directs the commission to prepare a request for proposals for establishment of the Tim Shields Center for Governing Excellence in Iowa. The purpose of the center is to provide objective and nonpartisan research and training for policymakers and government officials; to integrate the research capacities of community colleges, public and private universities, and local government organizations; and to facilitate dialogues about government policy design, implementation, and evaluation among Iowa's state agencies, local governments, community colleges, universities, and citizens. The commission, or a successor agency, shall oversee and direct the activities of the center.

The Act creates a Local Government Innovation Fund for the purpose of providing grants to community-wide areas to assist in the implementation of local governance and revenue models that have been reviewed by the commission.

The commission and fund are repealed effective June 30, 2019.

The Act takes effect April 27, 2007.

SENATE FILE 169 - State Payment of Mental Health, Mental Retardation, and Developmental Disabilities Services Funding

BY COMMITTEE ON HUMAN RESOURCES. This Act authorizes state payment of certain mental health, mental retardation, and developmental disabilities services (MH/MR/DD) allowed growth funding and property tax relief funding for certain counties that did not originally meet the requirements.

The eligibility provisions for a county to qualify for allowed growth payment from the per capita expenditure pool for a fiscal year require a county to be levying for that year the maximum amount allowed for the county's MH/MR/DD Services Fund. The Act allows a county to meet this requirement by permanently transferring from the county's general fund an amount at least equal to the difference between the dollar amount of the services fund maximum levy and the services fund actual levy for the fiscal year. In addition, the county must have a population between 10,600 and 10,700.

The Act also allows state payment of both MH/MR/DD property tax relief moneys and allowed growth funding for certain counties. Under current law, in order to be eligible to receive the funding, a county must accurately report the county's expenditures for such services for the previous fiscal year by December 1 on the forms prescribed by the Department of Human Services. The Act provides that a county is also eligible if the report was received after December 1, 2006, and on or before March 15, 2007.

See S.F. 403 (Appropriations) for similar provisions.

The Act takes effect April 10, 2007, and is retroactively applicable to July 1, 2006.

SENATE FILE 212 - **County Offices — Deputy Officer Salaries and Recorded Document Content**
BY COMMITTEE ON LOCAL GOVERNMENT. This Act establishes two measures affecting county offices, as follows:

1. The Act prohibits, with some exceptions, the inclusion of certain personally identifiable information in documents filed with the county recorder. If an individual's personally identifiable information is located on the recorder's internet website, the individual may request such information be redacted. A person who enters such information on a document for recording may be liable for damages of up to \$500 for each act of recording.

The Act increases the salary limits for first and second deputy officers of certain county offices, namely the offices of auditor, treasurer, and recorder; the deputy in charge of the motor vehicle registration and title division; and the deputy in charge of driver's license issuance; applicable to county budgets for the fiscal year beginning July 1, 2008, and subsequent fiscal years.

SENATE FILE 336 - **City Civil Service Commissioners — Number**
BY COMMITTEE ON LOCAL GOVERNMENT. This Act gives cities having a population of more than 70,000 as of the 1980 federal census the option to appoint three or more civil service commissioners.

SENATE FILE 337 - **Recording and Indexing of Interests Affecting Property**
BY COMMITTEE ON LOCAL GOVERNMENT. This Act makes changes relating to documents filed with the county recorder.

The affidavit filed by an owner who gained possession of a parcel by tax deed shall contain the document reference number of the tax deed. The information to be indexed for affidavits and claims relating to issuance of a tax deed shall be the applicable entries required to be made for conveyances of property and any entries specific to the affidavit or claim and required by law to be indexed.

A statement of claim asserting a mineral interest in coal, when filed with the county recorder, shall be indexed with entries required by law for such a statement and with the applicable entries required to be made for conveyances of property.

Instruments of conveyance of real property shall be indexed with all the information required by law to be indexed for conveyances, including the document reference number where the record of the instrument can be found.

Affidavits of possession of real estate relating to claims prior to 1980 and statements claiming real estate or an interest in real estate made after 1992, if filed with the recorder, shall be indexed with the applicable entries required to be made for conveyances of property and with any entries specific to the affidavit or claim and required by law to be indexed.

Notices relating to marketable title shall be indexed with the applicable entries required to be made for conveyances of property.

SENATE FILE 339 - **County General Obligation Bonding**
BY COMMITTEE ON LOCAL GOVERNMENT. This Act changes county general obligation bonding authority as follows:

1. Counties may construct and reconstruct public buildings having a new higher cost limit as an essential county purpose without having bonds approved at an election.
2. Counties may issue bonds without an election for a new essential county purpose, namely the construction and reconstruction of bridges, roads, and culverts if such projects assist in economic development.

Counties may issue bonds without an election for general county purposes if the bond amount does not exceed the newly increased bond amount limits.

SENATE FILE 354 - Overpayments of Moneys to Counties

BY COMMITTEE ON LOCAL GOVERNMENT. This Act requires that a county keep overpayments of moneys paid to the county amounting to \$5 or less, unless the person who made the overpayment requests a refund of the overpayment.

SENATE FILE 444 - Councils of Governments — Additional Area

BY COMMITTEE ON LOCAL GOVERNMENT. This Act divides the Area 15 Regional Planning Commission into two councils of governments. Area 15 will continue to serve Davis, Jefferson, Keokuk, Mahaska, Van Buren, and Wapello Counties. A newly created council of governments, the Chariton Valley Council of Governments, will serve Appanoose, Lucas, Monroe, and Wayne Counties.

SENATE FILE 450 - Property Tax Collection — Limitations of Actions

BY COMMITTEE ON LOCAL GOVERNMENT. This Act establishes that no time limitation shall apply to an action brought by a county to collect delinquent real property taxes levied on or after April 1, 1992.

HOUSE FILE 587 - Emergency Services Advisory Boards — Budgets

BY COMMITTEE ON LOCAL GOVERNMENT. This Act establishes that an advisory board created by agreement of municipalities for fire protection service or emergency medical service may prepare a proposed annual budget for such services, and the budget is subject to the budgeting authority of the municipality providing the services.

The Act takes effect April 20, 2007.

HOUSE FILE 590 - State Building Code — Application and Enforcement

BY COMMITTEE ON LOCAL GOVERNMENT. This Act establishes that a city with a population over 15,000 that has not adopted a local building code in accordance with standards developed by a nationally recognized building code organization is required to apply and enforce the State Building Code within city limits.

The Act applies to building permits issued by a city on or after July 1, 2008.

HOUSE FILE 591 - City Councils — Number of Members — Procedure

BY COMMITTEE ON LOCAL GOVERNMENT. This Act identifies the procedures to be used by certain city councils having a mayor-council form of city government to increase the number of city council members to five after previously being reduced to three members.

HOUSE FILE 608 - Township Trustee Board Meetings — Notice

BY COMMITTEE ON LOCAL GOVERNMENT. This Act requires that a board of township trustees give prior notice of a meeting relating to the budget or tax levy of the township or relating to fire protection services and emergency medical services provided by the township.

HOUSE FILE 783 - Delinquent Charges and Billing Practices — City Utilities — VETOED BY THE GOVERNOR

BY COMMITTEE ON LOCAL GOVERNMENT. This bill would have made changes to the procedures for notice and collection of delinquent rates and charges and to billing notifications for certain services provided by a city utility or city enterprise.

Under current law, delinquent rates or charges for the services of water, sewer systems, storm water drainage systems, sewage treatment, or solid waste collection and disposal provided by a city utility, city enterprise, or

combined city enterprise (utility) become a lien against the property receiving the services upon certification of the delinquent amount to the county treasurer. The delinquent amount then becomes collectible as a special assessment. Special assessments are collected in the same manner as property taxes. Current law also provides that service may be discontinued at the property if rates or charges for these services become delinquent. Notice of discontinuance of service or notice of intent to certify a delinquency to the county treasurer for collection must be provided to the account holder.

The bill would have specified that notice of discontinuance or notice of intent to certify a delinquency to the county treasurer must be provided to the account holder in whose name the delinquent rates or charges were incurred. If delinquent rates or charges were incurred prior to a transfer of the property where the service was provided and such delinquency was not certified to the county treasurer prior to the date of transfer, the delinquency would not have been eligible for certification to the county treasurer, and if certification of such a delinquency had been attempted, the county treasurer would have been directed to return the certification to the utility along with a notice stating that the delinquent rates or charges could not be made a lien against the property. However, the delinquent rates or charges could have been certified against any other property or premises located in the state and owned by the account holder in whose name the delinquent amount was incurred.

Service to a new account holder could not be withheld or discontinued based on delinquent charges incurred by a prior account holder at the same premises, and such delinquent amount would not have been collectible from the new account holder, unless the utility had certified the delinquent amount to the county treasurer in a timely manner, i.e., prior to transfer of the property.

Under current law, if water service is separately metered and paid directly by a tenant of residential rental property, the owner of the property, in order to be exempt from a lien for delinquent rates or charges, is required to notify the city utility that the property is rental property, that the tenant is responsible for water charges at the property, and the name of the tenant. The owner must also notify the city utility each time there is a change in tenant at the residential rental property within 10 days of the change in tenant. The bill would have stricken the requirement that the owner notify the city utility of the name of the tenant and the requirement that the owner notify the city utility each time there is a change in tenant at the residential rental property. This procedure would have been extended to the services of sewer systems, storm water drainage systems, sewage treatment, and solid waste collection and disposal if charges for any of these services were to be paid directly by the tenant.

HOUSE FILE 803 - Civil Service and Deputy County Sheriffs — Appeals to District Court

BY COMMITTEE ON PUBLIC SAFETY. This Act allows a county to appeal to district court a decision by a civil service commission to affirm, modify, or revoke a sheriff's order against an accused deputy sheriff.

HOUSE FILE 808 - Joint Exercise of Government Powers — Documentation — Accountability

BY COMMITTEE ON LOCAL GOVERNMENT. This Act concerns accountability provisions required for agreements under Code Chapter 28E for the joint exercise of governmental powers.

The Act eliminates the requirement that an administrator exercising joint powers through an agreement is subject to open meetings and public records requirements. The requirement that joint boards are subject to open meetings and public records requirements remains. This provision takes effect May 11, 2007.

The Act modifies the requirement that the summary of the proceedings, including the schedule of bills allowed, of an entity or administrator created under Code Chapter 28E shall be published in a newspaper of general circulation within a week following adjournment of the meeting. This requirement is made applicable to joint boards and a summary of the proceedings must be published within 20 days following adjournment. The summary shall include the time, date, and place of the meeting, the members present, and actions taken at the meeting. However, the requirement to publish a summary of the proceedings and a schedule of bills allowed does not apply if the entity had a cash balance of less than \$100,000 at the end of the last fiscal year and had total expenditures of less than \$100,000 in that fiscal year. These entities are instead required to file this information in an electronic format with the county recorder in the most populous county served by the entity, and the recorder shall make this information available to the public. This provision takes effect May 11, 2007.

The Act modifies provisions governing the filing and recording of agreements made pursuant to Code Chapter 28E for the joint exercise of governmental powers. The requirement that the agreement be filed with the county recorder is eliminated and filing with the Secretary of State shall be done in an electronic format. Any amendment, modification, or notice of termination of an agreement shall be filed with the Secretary of State. An entity subject to the requirements of Code Section 28E.5 shall submit to the Secretary of State an initial report, and, in every odd-numbered year beginning in 2009, a biennial report that includes, if applicable, the name of the entity created, the board members of the joint board created, whether the entity is exempt from certain publication requirements, and a valid electronic mail address for the entity. This portion of the Act dealing with the filing of information with the Secretary of State takes effect January 1, 2008.

HOUSE FILE 864 - Statewide Fire and Police Retirement System — Fire Fighter Applicants — Physical Ability Tests

BY COMMITTEE ON STATE GOVERNMENT. This Act requires that fire fighter applicants for appointment as a fire fighter covered by the Municipal Fire and Police Retirement System created under Code Chapter 411 pay for and successfully complete a candidate physical ability test. The test must be the one established by international organizations representing fire chiefs and fire fighters and shall be conducted by an organization licensed by the international organizations to conduct the test statewide. The Department of Public Safety has the authority to adopt rules concerning the test.

The Act takes effect July 1, 2008.

NATURAL RESOURCES AND OUTDOOR RECREATION

- [SENATE FILE 78](#) - Natural Resources Regulation and Related Public Offenses
- [SENATE FILE 304](#) - Sac and Fox Tribe Settlement — Natural Resources Regulation
- [SENATE FILE 435](#) - Deer Hunting — Youth Licenses
- [SENATE FILE 477](#) - Special Promotional Nonresident Deer Hunting Licenses
- [SENATE FILE 485](#) - Greenhouse Gas Emissions — Miscellaneous Provisions
- [SENATE FILE 558](#) - Game Bird Habitat Development Programs and Funding
- [HOUSE FILE 671](#) - Remote Control or Internet Hunting of Wild Animals, Game Birds, or Ungulates or Preserve Whitetail
- [HOUSE FILE 740](#) - Administration of Drugs to Wildlife
- [HOUSE FILE 742](#) - Snowmobile and All-Terrain Vehicle Regulation

RELATED LEGISLATION

- [SENATE FILE 543](#) - State Interagency Missouri River Authority — VETOED BY THE GOVERNOR
SEE AGRICULTURE. This bill would have amended provisions in Code Section 28L.1, which creates the State Interagency Missouri River Authority composed of the Governor, or the Governor's designee, and the heads of a number of agencies, or their designees, for purposes of promoting the management of the river. The bill would have provided for the participation in or withdraw from interstate associations, would have provided for the appointment of a vice chairperson and acting chairperson on a rotating basis, and would have provided for voting by members.
- [SENATE FILE 564](#) - Dangerous Wild Animals — Possession, Ownership, Transportation — Penalties
SEE AGRICULTURE. This Act regulates the possession of dangerous wild animals which are defined to include wolves, coyotes, jackals, hyenas, lions, tigers, cougars, leopards, cheetahs, ocelots, servals, bears, pandas, rhinoceroses, elephants, primates other than humans, alligators, crocodiles, water monitors, venomous snakes, and certain constrictors (pythons and anacondas), and has been further amended by S.F. 601 (see Appropriations) to include swine commonly known as a Russian boar or European boar. The Act provides that a person who violates one of its provisions is subject to a range of remedies: the Department of Agriculture and Land Stewardship may seize the dangerous wild animal and petition a court for its disposition, a person keeping the dangerous wild animal is strictly liable for injury or damages caused by the dangerous wild animal, the person is subject to a civil penalty, the department may petition a court for injunctive relief, and a person who releases the dangerous wild animal is guilty of an aggravated misdemeanor. The Act provides that a person who keeps a dangerous wild animal must pay the department a registration fee for deposit into the Dangerous Wild Animal Registration Fund and moneys in the fund are appropriated to the department for purposes of administering and enforcing the Act's provisions.

NATURAL RESOURCES AND OUTDOOR RECREATION

SENATE FILE 78 - Natural Resources Regulation and Related Public Offenses

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act contains provisions relating to the regulation of various conservation and recreation activities under the purview of the Department of Natural Resources (DNR).

Code Section 455A.17 is amended by removing the requirement that the biennial Iowa Congress on Natural Resources Enhancement and Protection held at the State Capitol Complex must occur during the summer months.

Code Section 462A.2 is amended to add definitions of "cut-off switch" and "cut-off switch lanyard" as related to operation of a personal watercraft.

Code Section 462A.5 is amended to require the Natural Resource Commission to develop and maintain an electronic registration system for vessels and to provide that the fee for a vessel registration renewed after May 1 of the second year of the three-year registration period is two-thirds instead of 66 percent of the appropriate registration fee and the fee for a vessel registration renewed after May 1 of the third year of the registration period is one-third instead of 33 percent of the appropriate registration fee.

Code Sections 462A.5, 462A.7, 462A.14A, and 462A.23 are amended to change language referring to collisions, accidents, and casualties involving vessels to refer to occurrences involving vessels.

Code Section 462A.7 is also amended to require the operator of a vessel to give assistance and provide identification to any person who is injured or whose property is damaged when the operator's vessel is involved in an occurrence that results in personal property damage or that results in the injury or death of a person, and file a report with the Natural Resource Commission if there is a personal injury or property damage exceeding \$2,000. Previously, a report had to be filed when the property damage exceeded \$500. The report must be filed within 48 hours of the occurrence when a person dies, disappears, or suffers an injury requiring medical treatment by a licensed health care provider. In all other cases, the report must be filed within five days of the occurrence.

Code Section 462A.9 is amended to provide that the owner of a personal watercraft equipped with a cut-off switch must maintain the cut-off switch and the accompanying cut-off switch lanyard in an operable, fully functional condition. A violation of this new provision is punishable by a scheduled fine of \$20 under Code Section 805.8B.

Code Section 462A.12 is amended to prohibit a person from operating a personal watercraft that is equipped with a cut-off switch without first attaching the accompanying cut-off switch lanyard to the operator's person, while the engine is running and the personal watercraft is in use. A violation of this provision is punishable by a scheduled fine of \$25.

New Code Section 462A.34B makes the act of eluding or attempting to elude a pursuing law enforcement vessel by the operator of another vessel a crime. The operator of a vessel commits a serious misdemeanor if the operator willfully fails to bring the vessel to a stop or otherwise eludes or attempts to elude an authorized marked law enforcement vessel operated by a uniformed peace officer or by a water patrol officer of the DNR after being given a visual and audible signal to stop. A violation of the new Code section is punishable as a serious misdemeanor, an aggravated misdemeanor, or a class "D" felony depending on the circumstances.

Code Section 462A.43 is amended to provide that if a vessel has an expired registration at the time of a transfer of ownership of the vessel, the transferee is required to pay all applicable fees for the current registration period, the appropriate writing fee, and a \$5 penalty, after which a transfer of number for the vessel will be awarded in the same manner as an original registration. All penalties must be placed in the State Fish and Game Protection Fund and used for the administration and enforcement of navigation laws and water safety.

Code Section 462A.84 is amended to require notification to the county recorder where a vessel title was issued when a security interest in the vessel is canceled.

Code Section 481A.55 is amended to allow a person to buy or sell the bones of wild turkeys that were legally taken. A violation of this provision is punishable by a scheduled fine of \$50.

Code Section 481A.123 is amended to provide that the prohibitions of the Code section against discharging a firearm within 200 yards of a building inhabited by people or livestock, or a feedlot, do not apply to the discharge of a firearm on a farm unit by owners, tenants, or their family members who reside on the farm unit.

Code Section 481A.130 is amended to provide that a person who unlawfully takes an antlered deer shall be assessed damages for reimbursement to the state based on the score of the deer as measured by the Boone and Crockett Club's scoring system, instead of net scoring system, for whitetail deer, based on the gross inches score, not the point score of the deer.

Code Section 481A.133 is amended to provide that when a person is assessed damages for unlawfully selling, taking, catching, killing, injuring, destroying, or possessing an animal, the person's licenses, certificates, and permits are suspended until payment in full of the assessed damages and accrued interest. The Act removes the option that allowed a person to pay damages pursuant to a payment schedule, and specifies that interest begins to accrue as of the date of judgment at a rate of 10 percent per year.

Code Section 481A.134 is amended to allow the DNR to suspend or revoke the hunting license of a person who commits trespass while hunting deer. Code Section 481A.135 is amended to provide that committing trespass while hunting deer is punishable as a simple misdemeanor, a serious misdemeanor, or an aggravated misdemeanor based on the attendant circumstances. Code Section 716.7 is amended to define such trespass as the act of taking or attempting to take a deer on another person's property, other than a farm deer or preserve whitetail, by a person who is outside the property and does not have the permission of the owner to enter upon the property. Code Section 716.8 is amended to provide that a person who commits such a trespass is subject to civil penalties and seizure of the deer taken.

Code Section 483A.27 is amended to provide that a person born after January 1, 1972, instead of January 1, 1967, must complete a hunter safety and ethics education course before obtaining a hunting license and that a hunting license obtained by such a person who has not completed the required course shall be revoked. A violation of these provisions is punishable by a scheduled fine of \$20.

SENATE FILE 304 - Sac and Fox Tribe Settlement — Natural Resources Regulation

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act amends Code Section 481A.38 to allow the Department of Natural Resources (DNR) and the Natural Resource Commission to exercise regulatory authority over fishing and hunting in the Sac and Fox Tribe Settlement in Tama County to the extent provided in a written agreement between the Tribal Council of the tribe and the DNR. The written agreement cannot be construed to supersede or impair the regulatory authority of the tribe pursuant to any federal act, statute, or law. The Act is applicable only after such a written agreement is signed by the Director of the DNR and the chairperson of the tribe.

Previously, the DNR and the commission were allowed to exercise such authority in the settlement pursuant to a written agreement only over fishing and hunting by members of the Sac and Fox Tribe.

The Act takes effect May 25, 2007.

SENATE FILE 435 - Deer Hunting — Youth Licenses

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act allows a person who is issued a youth deer hunting license for the youth deer hunting season and does not take a deer to use that license and the unused tag during any other firearm season that is established by the Natural Resource Commission to take either an antlered or antlerless deer.

SENATE FILE 477 - Special Promotional Nonresident Deer Hunting Licenses

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act authorizes the issuance of up to 75, instead of 25, special nonresident deer hunting licenses for allocation by the majority of a committee consisting of the Majority Leader of the Senate, the Speaker of the House of Representatives, and the Director of the Department of Economic Development to promote the state and its natural resources to nonresident guests and dignitaries.

SENATE FILE 485 - Greenhouse Gas Emissions — Miscellaneous Provisions

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act relates to the emission of greenhouse gases. The Act requires an applicant for a conditional permit for electric power generating facilities, a construction permit, or a prevention of significant deterioration permit to quantify the potential of a proposed project to emit greenhouse gases prior to a determination by the Environmental Protection Commission and the Director of the Department of Natural Resources (DNR) regarding whether to grant such a permit. The Act defines a "greenhouse gas" as carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

The Act additionally requires the DNR to establish a method for collecting data from producers of greenhouse gases regarding generated greenhouse gases, and requires the collection method to provide for mandatory reporting to collect information from affected entities individually. The DNR may allow a series of reporting requirements to be phased in.

The DNR is also required to establish a voluntary Greenhouse Gas Registry for purposes of cooperating with other states in tracking, managing, and crediting entities in the state that reduce their generation of greenhouse gases or that provide increased energy efficiency. The registry must be made available on the internet by January 1, 2009.

The DNR must also create an Iowa Climate Change Advisory Council consisting of 23 voting members and four nonvoting, ex officio members. After consideration of a full range of policies and strategies, the council shall develop multiple scenarios designed to reduce statewide greenhouse gas emissions by 50 percent by 2050 and consider the cost-effectiveness of the scenarios. The council may periodically adopt recommendations designed to encourage the reduction of statewide greenhouse gas emissions. The Act creates annual reporting requirements for the DNR regarding greenhouse gas emissions in the state and forecasting trends in such emissions.

SENATE FILE 558 - Game Bird Habitat Development Programs and Funding

BY COMMITTEE ON WAYS AND MEANS. This Act increases the wildlife habitat fee by \$3, appropriates moneys collected from the increase, and creates programs to expend the moneys for game bird habitat development.

All moneys collected from the increase in the wildlife habitat fee shall be forwarded by the Department of Natural Resources (DNR) to the Treasurer of State to be placed in the Fish and Game Protection Fund for allocation into two separate accounts, with \$2 of each fee collected to be placed in the Game Bird Wetlands Conservation Account and \$1 of each fee collected to be placed in the Game Bird Buffer Strip Assistance Account.

Moneys allocated to the Game Bird Wetlands Conservation Account must be used by the DNR to carry out only the purposes of the Game Bird Wetlands Conservation Program, which are to create a sustained source of revenue to be used by the DNR to qualify for federal matching funds and to undertake projects in conjunction with soil and water conservation districts, county conservation boards, and other partners that will aid in wetlands and associated habitat conservation in the state, including the acquisition, restoration, maintenance, or preservation of wetlands and associated habitat.

State revenue allocated to the Game Bird Wetlands Conservation Account must accumulate in the account until the account balance equals \$1 million or an amount sufficient to be used by the DNR to qualify for federal matching funds. State revenue allocated to the account must be used only for projects that increase public recreational hunting opportunities in the state and shall not be used on private land that is not accessible to the public for recreational hunting.

Moneys allocated to the Game Bird Buffer Strip Assistance Account must accumulate in the account for three years and then be used by the DNR to carry out only the purposes of the Game Bird Buffer Strip Assistance Program, which are to increase landowner participation in federally funded conservation programs that benefit game birds and to increase opportunities for recreational hunting on private lands.

To the extent possible, moneys allocated to the account shall be used in conjunction with and to qualify for additional funding from private conservation organizations and state and federal agencies to accomplish the

purposes of the program. The funds may be used to provide private landowners with cost-sharing assistance for habitat improvement practices on projects that are not eligible for federal programs or where federal funding for such projects is not adequate. The DNR is required to adopt rules to establish eligibility requirements and procedures for applications for and approval of projects to be funded under the program. The process is repeated every three years using funds that have accumulated in the account.

HOUSE FILE 671 - Remote Control or Internet Hunting of Wild Animals, Game Birds, or Ungulates or Preserve Whitetail

BY COMMITTEE ON NATURAL RESOURCES. This Act prohibits offering for sale, taking, or assisting in taking a wild animal, a game bird, or ungulate kept on a hunting preserve under Code Chapter 484B, or a preserve whitetail kept on a hunting preserve under Code Chapter 484C, by use of remote control or internet hunting. For the purposes of the Act, "remote control or internet hunting" means use of a computer or other electronic device, equipment, or software to remotely control the aiming or discharge of a firearm or other weapon, allowing a person who is not physically present to take an animal.

A person who violates the provisions of the Act is guilty of a serious misdemeanor. A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$315, but not more than \$1,875.

A second or subsequent violation of the Act is punishable as a class "D" felony. A class "D" felony is punishable by confinement for no more than five years and a fine of at least \$750, but not more than \$7,500.

In addition, any person who violates the provisions of the Act is subject to a civil penalty, which may be levied by the Department of Natural Resources, of not more than \$10,000 for each violation. Moneys collected from imposition of such a civil penalty are deposited in the state Fish and Game Protection Fund.

HOUSE FILE 740 - Administration of Drugs to Wildlife

BY COMMITTEE ON NATURAL RESOURCES. This Act regulates the administration of drugs to wildlife under the jurisdiction of the Department of Natural Resources (DNR). For the purposes of the Act, "drug" means any chemical substance, other than food, that affects the structure or biological function of such wildlife.

The Act prohibits the administration of drugs to such wildlife for any purpose, including but not limited to fertility control, disease prevention or treatment, immobilization, or growth stimulation, except with written authorization from the DNR or as otherwise provided by law.

The Act does not prohibit a licensed veterinarian or holder of a wildlife rehabilitation permit from treating sick or injured wildlife or prohibit government employees, local animal control officers, licensed animal shelters, or licensed pounds from carrying out their official duties related to public health, wildlife management, or wildlife removal.

An officer of the department may take possession of and dispose of any such wildlife that the officer reasonably believes has been administered drugs in violation of the Act.

A person who violates the provisions of the Act is guilty of a serious misdemeanor.

HOUSE FILE 742 - Snowmobile and All-Terrain Vehicle Regulation

BY COMMITTEE ON NATURAL RESOURCES. This Act makes changes to the regulation of snowmobiles and all-terrain vehicles by the Department of Natural Resources (DNR), including technical changes to Code Chapter 321G, relating to snowmobiles, and Code Chapter 321I, relating to all-terrain vehicles, to align the language in provisions common to both Code chapters. Both Code chapters are also amended to consolidate specific language about writing fees associated with the issuance of user permits, vehicle registrations, and registration renewals into a single section in each Code chapter.

The Act specifies that when the owner of an all-terrain vehicle or a member of the owner's family operates the all-terrain vehicle within the area between the shoulder of the roadway and the owner's property line, the operator must comply with the registration, safety, and age requirements applicable to operators on public land.

The Act defines "off-road utility vehicle" as a motorized flotation-tire vehicle limited in engine displacement to less than 1,500 cubic feet and in total dry weight to not more than 1,800 pounds, with four to six wheels and a bench seat. Off-road utility vehicles are subject to the registration requirements, but not the dealer registration requirements or the titling requirements, applicable to all-terrain vehicles. Vehicles currently or previously titled under Code Chapter 321 may not be registered as off-road utility vehicles. The Act defines "off-road motorcycles," which are motorcycles intended for use on natural terrain, including dual-sport motorcycles, originally titled and registered for highway use under Code Chapter 321. Off-road motorcycles continue to be regulated as all-terrain vehicles, but are exempt from safety instruction and certification program requirements and are exempt from titling requirements if already titled under Code Chapter 321.

The Act expands the description of the types of public areas that are off-limits for all-terrain vehicle operators. The terms "designated riding area" and "designated riding trail" are defined as those areas and trails designated by the DNR for all-terrain vehicle use. The Act prohibits off-road utility vehicle operation on designated riding areas or trails unless the DNR has signed the area or trail for such use. The Act provides a similar prohibition against operating any other type of vehicle on an area or trail designated for all-terrain vehicles. A violation of either provision is a simple misdemeanor punishable by a scheduled fine of \$100.

The Act clarifies that a person under 12 years of age shall not operate an all-terrain vehicle on any designated riding area or trail or on ice unless the person is under the direct supervision of a responsible parent or guardian at least 18 years of age who is a licensed driver with experience in all-terrain vehicle operation or the person is taking a safety training course and is under the direct supervision of a safety training instructor. If the all-terrain vehicle operated by the person under 12 is an off-road motorcycle, the supervising adult must have experience in off-road motorcycle operation. The Act defines "direct supervision" as supervision while maintaining visual and verbal contact. The Act further clarifies that a person 12 years of age or older but less than 18 years of age is required to have a safety certificate for operation of an all-terrain vehicle on public land or ice. The DNR may establish a fee for snowmobile and all-terrain vehicle safety courses that, combined with the \$5 fee charged for safety certificates, covers the cost of the course of instruction. The Director of the DNR has the authority to suspend or revoke safety certificates.

The Act requires that all-terrain vehicles comply with the sound level standards and testing procedures established for such vehicles by the Society of Automotive Engineers.

The Act strikes obsolete provisions to streamline the process for registration of snowmobiles and all-terrain vehicles, including provisions relating to stored vehicles, transfer of ownership, and temporary user permits. The existing practice of issuing a registration number is replaced with the issuance of a registration decal to be displayed on the vehicle. The Act provides for electronic registration of snowmobiles and all-terrain vehicles, permits registration through any county recorder, and provides for registration renewal through county recorders and license agents. Electronic registration renewals are subject to the current annual registration fee of \$15, plus an administrative fee to be established by the Natural Resource Commission, and a \$1 writing fee for license agents or a \$1.25 writing fee for county recorders. The Act requires payment of an administrative fee and a writing fee for issuance of a registration certificate for a snowmobile or all-terrain vehicle, other than a government vehicle, that is being titled but is exempt from annual registration requirements.

The Act strikes requirements for notification to the county recorder and the DNR when a snowmobile or all-terrain vehicle is placed in storage or when ownership is transferred; extends, from 10 to 45 days, the period of time a purchaser of a new or used snowmobile or all-terrain vehicle may operate the vehicle pending registration; strikes the current registration exemptions for nonresidents' all-terrain vehicles or snowmobiles that are in this state for special events or for not more than 20 days; and exempts snowmobiles more than 30 years old from titling requirements applicable to most other snowmobiles.

The Act defines "distributor" for purposes of the Code chapters regulating snowmobiles and all-terrain vehicles. Every snowmobile or all-terrain vehicle manufacturer, distributor, or dealer must register annually with the DNR for a fee of \$15, which qualifies the registrant to be issued a special registration certificate with a general identification number. Additional duplicate certificates are issued for \$2 each. Vehicles may be operated temporarily under such registration. Current law provides for annual registration by manufacturers, distributors, and dealers on a voluntary basis. The Act eliminates requirements for dealers relating to inventory records, incident-

tal sales of used vehicles, and dealer purchases. The DNR may establish minimum requirements for snowmobile and all-terrain vehicle dealers by rule.

The Act provides a new mechanism for processing the cancellation of a security interest in a snowmobile or all-terrain vehicle. Currently, the secured party is required to present the certificate of title to the county recorder upon filing a release statement and a new or endorsed certificate is issued to the owner. Under the Act, the secured party shall note the cancellation of the security interest on the title and mail it to the county recorder. If the certificate of title has been lost or destroyed, the secured party may send a signed, notarized statement discharging the security interest. The county recorder shall note the release in the county records and attach the statement to the certificate of title as evidence of the release of the security interest.

The Act revises existing penalties for certain violations by all-terrain vehicle operators. For a violation of registration or user permit requirements in Code Section 321I.3, the scheduled fine is increased from \$20 to \$50. The violator is also required to obtain a valid registration or user permit and provide a copy to the DNR within 30 days of paying the fine. A violation of this requirement is a simple misdemeanor. For operating an all-terrain vehicle on a highway or snowmobile trail in violation of Code Section 321I.10, the scheduled fine is increased from \$20 to \$50. For unlawful operation violations under Code Section 321I.14, except careless operation, operating while intoxicated, and headlight and taillight violations, and for disregarding a peace officer's signal to stop or eluding a peace officer under Code Section 321I.18, the penalty is changed from a simple misdemeanor to a simple misdemeanor punishable by a scheduled fine of \$100. The penalty for a violation of requirements for operators under 12 years of age under Code Section 321I.21 and for a violation of safety certificate requirements under Code Section 321I.26 is changed from a simple misdemeanor to a simple misdemeanor punishable by a scheduled fine of \$50. The penalty for violations by manufacturers, dealers, or distributors under Code Section 321I.22 is changed from a simple misdemeanor to a simple misdemeanor punishable by a scheduled fine of \$100.

The Act revises penalties for certain violations by snowmobile operators. For a violation of registration or user permit requirements in Code Section 321G.3, the scheduled fine is increased from \$20 to \$50. The violator is also required to obtain a valid registration or user permit and provide a copy to the DNR within 30 days of paying the fine. A violation of this requirement is a simple misdemeanor. For a violation of operating restrictions on highways under Code Section 321G.9, the scheduled fine is increased from \$20 to \$50. For unlawful operation violations under Code Section 321G.13, except operating while intoxicated and headlight and taillight violations, and for disregarding a peace officer's signal to stop or eluding a peace officer under Code Section 321G.17, the penalty is changed from a simple misdemeanor to a simple misdemeanor punishable by a scheduled fine of \$100. The penalty for a violation of requirements for operators under 12 years of age under Code Section 321I.21 and for a violation of safety certificate requirements under Code Section 321G.24 is changed from a simple misdemeanor to a simple misdemeanor punishable by a scheduled fine of \$50. The penalty for violations by manufacturers, dealers, or distributors under Code Section 321G.21 is changed from a simple misdemeanor to a simple misdemeanor punishable by a scheduled fine of \$100.

The Natural Resource Commission is directed to administer repeat offender systems for snowmobile operators and all-terrain vehicle operators, with escalating penalties for violations committed by a person whose registration privileges have been suspended or revoked under administrative procedures. For the first such offense committed within a three-year period, the penalty is a simple misdemeanor; for the second such violation, the penalty is a serious misdemeanor; for the third and subsequent violations, the penalty is an aggravated misdemeanor. Upon conviction of a violation of snowmobile laws or all-terrain vehicle laws, the court has the option of suspending or revoking the violator's registration or user permit privileges for any period. If a person is convicted of trespassing while operating twice in one year, the person's registration or user permit shall be revoked for one year and the privilege of purchasing a registration or user permit shall be suspended for one year. These systems mirror the penalty schedule for repeated violations of hunting and fishing laws.

PUBLIC DEFENSE AND VETERANS

- [SENATE FILE 270](#) - State Military Affairs — Funds and Facilities
- [SENATE FILE 407](#) - Home Ownership Assistance for Armed Forces Members
- [SENATE FILE 578](#) - Veterans — Vietnam Service Bonus Compensation
- [SENATE FILE 586](#) - Gold Star Motor Vehicle Registration Plates
- [HOUSE FILE 749](#) - Special Motor Vehicle Registration Plates — Military Service and Emergency Medical Services
- [HOUSE FILE 767](#) - Injured Veterans Grant Program Eligibility
- [HOUSE FILE 817](#) - Veterans Affairs and Flag Desecration

RELATED LEGISLATION

- [SENATE FILE 90](#) - Local Emergency Management Commission Communications
SEE LOCAL GOVERNMENT. This Act allows local emergency management commissions to provide joint emergency response communications services through a Code Chapter 28E Agreement.
- [SENATE FILE 95](#) - Supplemental Appropriations — Veteran and Armed Forces Member Home Ownership Assistance and Injured Veterans Grants
SEE APPROPRIATIONS. This Act makes two supplemental appropriations to the Department of Veterans Affairs for FY 2006-2007, one for the Home Ownership Assistance Program administered by the Iowa Finance Authority and the other for the Injured Veterans Grant Program. The Act takes effect February 14, 2007.
- [SENATE FILE 305](#) - Disaster Grants
SEE APPROPRIATIONS. This Act authorizes the Executive Council to approve funding for providing disaster grants to needy individuals in the event of the Governor's issuance of a proclamation of a state of disaster during fiscal year 2006-2007. The Act takes effect February 28, 2007, and applies retroactively to February 23, 2007.
- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters and includes provisions affecting public defense and veterans, including appropriations for the Home Ownership Assistance Program and the Enduring Families Program.
- [HOUSE FILE 353](#) - Interoperable Public Safety and Services Communications System — Board
SEE HEALTH AND SAFETY. This Act establishes a statewide Interoperable Communications System Board, under the joint purview of the departments of Public Safety and Transportation, to develop and oversee the operation of a statewide integrated public safety communications interoperability system.
- [HOUSE FILE 849](#) - Department of Administrative Services — Miscellaneous Changes
SEE STATE GOVERNMENT. This Act requires the state, through the Department of Administrative Services, to grant a contract preference to Iowa-based companies that have adopted policies beyond those otherwise required by law to support employees who are in the national guard and organized reserves of the United States Armed Forces. This provision takes effect January 1, 2008.

HOUSE FILE 909

- Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2007-2008 and includes funding and other provisions involving the Department of Veterans Affairs, the Iowa Veterans Home, and veterans programs.

HOUSE FILE 911

- Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division VI of this Act appropriates funds from the Rebuild Iowa Infrastructure Fund to the Department of Veterans Affairs for vertical infrastructure improvements and construction of resident living areas at the Iowa Veterans Home consistent with the Iowa Veterans Home comprehensive plan and contingent upon submission of a report to the General Assembly by January 15, 2008. In addition, Division VI of this Act requires the department to use a portion of an FY 2006-2007 appropriation for planning and design costs associated with the construction of new facilities at the Iowa Veterans Home consistent with the Iowa Veterans Home comprehensive plan.

PUBLIC DEFENSE AND VETERANS

SENATE FILE 270 - State Military Affairs — Funds and Facilities

BY COMMITTEE ON STATE GOVERNMENT. This Act amends the Military Code relating to the Adjutant General and the Army Board, as follows:

1. The Adjutant General may accept and expend nonappropriated funds in accordance with state and federal law and regulations.

The Army Board may enter into a contract known as a "design-build contract," providing for both design and construction services, to construct a facility for use by the Iowa National Guard or jointly by the Iowa National Guard and other armed forces of the United States where the construction funding is entirely federal moneys.

SENATE FILE 407 - Home Ownership Assistance for Armed Forces Members

BY COMMITTEE ON VETERANS AFFAIRS. This Act codifies the Home Ownership Assistance Program for Iowa military veterans administered by the Iowa Finance Authority in Code Chapter 35A. The program was initially funded through a supplemental appropriation enacted in 2005.

The program is targeted to Iowa residents who are or were active members of the Armed Forces of the United States with at least 90 days of active duty service during the period beginning September 11, 2001, and ending June 30, 2008. The period may be extended by a later enacted law. The program provides loans, grants, or other assistance to those who are eligible and surviving spouses.

See also S.F. 95 (Appropriations) for a supplemental appropriation for the program for FY 2006-2007, and S.F. 601 (Appropriations) and H.F. 909 (Appropriations) for FY 2007-2008 appropriations provisions.

SENATE FILE 578 - Veterans — Vietnam Service Bonus Compensation

BY COMMITTEE ON APPROPRIATIONS. This Act creates a Vietnam Conflict veterans bonus for persons who served on active duty in the United States Armed Forces from July 1, 1973, through May 31, 1975. Eligible persons may receive \$17.50 for each month the person was on active duty in the Vietnam service area, within the dates specified, not to exceed a total sum of \$500. Persons who served on active duty during the specified period but not in the Vietnam service area may receive \$12.50 per month, not to exceed \$300. However, the maximum compensation a person can receive under the Act shall be reduced by the amount of any Vietnam veterans bonus received by that person for service prior to July 1, 1973. The bonus payments are exempt from taxation, levy, and sale on execution. A criminal penalty is provided for submission of a fraudulent application for the bonus. The Act also appropriates \$500,000 from the Veterans Trust Fund to the Vietnam Conflict Veterans Bonus Fund created in the Act.

SENATE FILE 586 - Gold Star Motor Vehicle Registration Plates

BY COMMITTEE ON WAYS AND MEANS. This Act creates a special gold star motor vehicle registration plate to be designed by the Department of Transportation (DOT) in cooperation with the Commission of Veteran Affairs. A motor vehicle owner who is the surviving spouse, parent, child, or sibling of a deceased member of the United States Armed Forces who died while serving on active duty during a time of military conflict may order the special plates. An applicant for gold star plates may be required to provide documentation of eligibility as determined by the DOT. The initial fee for issuance of the gold star plates is \$25, and the annual renewal fee is \$5, in addition to regular registration fees for the vehicle. The special fees are allocated to the Veterans License Fee Fund. The gold star plates are also available as personalized plates, subject to a one-time \$25 personalized plate fee to be credited to the Road Use Tax Fund.

The Act takes effect January 1, 2008.

HOUSE FILE 749 - Special Motor Vehicle Registration Plates — Military Service and Emergency Medical Services

BY COMMITTEE ON VETERANS AFFAIRS. This Act primarily concerns special motor vehicle registration plates that are available to motor vehicle owners who are serving or who have served in the United States Armed Forces.

The Act directs the Treasurer of State to deposit special fees from National Guard, Pearl Harbor veteran, Purple Heart, Armed Forces retired, Bronze Star, and Silver Star registration plates in the Veterans License Fee Fund administered by the Commission of Veterans Affairs. The plates are issued for a special initial fee of \$25 and renewed annually for a special fee of \$5, in addition to the regular annual registration fee for the vehicle. Currently the special fees are credited to the Road Use Tax Fund.

The Act creates new special plates for motor vehicle owners who are recipients of the Distinguished Service Cross, the Navy Cross, the Air Force Cross, the Soldier's Medal, the Navy and Marine Corps Medal, or the Airman's Medal. Emblems for the special plates will be designed by the Department of Transportation in consultation with the Adjutant General. The initial fee for issuance of the special plates is \$25, and the annual renewal fee is \$5, in addition to regular registration fees for the vehicle. The special fees are allocated to the Veterans License Fee Fund. The special plates are also available as personalized plates, subject to a one-time \$25 personalized plate fee to be credited to the Road Use Tax Fund. All of the provisions of the Act relating to the new special plates take effect January 1, 2008.

The Act provides that a surviving spouse of a person who was issued any of the special registration plates associated with military service may continue to use, or apply for and use, the special plates by registering the plates in the surviving spouse's name and paying the applicable fees. If the surviving spouse remarries, the special plates must be exchanged for regular registration plates. This privilege for surviving spouses currently applies for Medal of Honor, ex-prisoner of war, and Legion of Merit special plates and disabled veteran plates. The Act also provides that if a person who is entitled to Medal of Honor, ex-prisoner of war, or Legion of Merit special plates or disabled veteran plates chooses to be issued a different type of special plate associated with military service, the person's surviving spouse may continue to use that plate until remarriage.

The Act makes corrective amendments to references to the Medal of Honor, formally referred to in Iowa law as the Congressional Medal of Honor. Senate File 601 (see Appropriations) further amends language relating to Medal of Honor special plates by eliminating the annual \$15 registration fee and extending the benefit to the surviving spouse of a person who was issued special Medal of Honor plates.

The Treasurer of State is directed to transfer fees from the sale of special emergency medical services motor vehicle registration plates to the Emergency Medical Services Fund administered by the Department of Public Health. Emergency medical services plates are available to members of emergency medical services agencies for an initial issuance fee of \$25, which is currently deposited in the Road Use Tax Fund. There is no special fee for annual validation of these special plates.

Except as otherwise provided, the Act takes effect May 24, 2007.

HOUSE FILE 767 - Injured Veterans Grant Program Eligibility

BY COMMITTEE ON VETERANS AFFAIRS. This Act provides that a nonresident of Iowa who served on active duty in a National Guard unit located in Iowa after September 11, 2001, and was injured is eligible for the Injured Veterans Grant Program in the same manner as residents of Iowa if the nonresident is not eligible for a similar grant program in another state. The program provides grants of up to \$10,000 to seriously injured veterans to provide financial assistance to injured veterans so that family members of injured veterans may be with the veterans during the veterans' recovery from injuries received in the line of duty.

HOUSE FILE 817 - Veterans Affairs and Flag Desecration

BY COMMITTEE ON VETERANS AFFAIRS. This Act makes several changes relative to veterans affairs and defines certain prohibited acts involving the flag.

The Department of Veterans Affairs (DVA) is required to coordinate with U.S. Veterans Administration hospitals, health care facilities, and clinics in this state and the Department of Public Health to provide assistance to veterans and their families, focusing on reducing alcohol and chemical dependency and suicide and providing mental health counseling for veterans. The assistance program shall include public education and awareness programs and referral services to appropriate counseling and treatment for veterans. The DVA is required to submit a report to the General Assembly by January 15, 2008, regarding the administration of the program.

The Act also makes changes relative to the duties and responsibilities of DVA and the Veterans Affairs Commission.

The Act provides that the Executive Director of DVA and the Commandant of the Iowa Veterans Home are nonvoting, ex officio members of the Commission of Veterans Affairs.

Concerning the duties of the commission, the commission is no longer responsible for adopting rules concerning the management and operation of the department; the commission only reviews rules submitted by the department, and can disapprove a proposed rule of the department on a two-thirds vote of the commission. An additional duty of the commission is to advise and make recommendations to the department, the Governor, and the General Assembly on issues involving veterans.

The DVA must provide information to and assist veterans and their families in receiving veterans benefits. In addition, DVA is granted the authority to adopt rules for the management of DVA subject to commission review. The DVA, and not the commission, has primary responsibility for programs relative to exposure to chemicals by veterans under Code Chapter 36, and the Hepatitis C Awareness Program for veterans created under Code Section 135.20.

The Act also requires DVA, in collaboration with the Iowa Department of Workforce Development, to conduct a study and develop a plan to provide regional coverage for veterans affairs services. DVA must submit the results of the study, and recommended plan, to the General Assembly by January 1, 2008.

The Act also adds definitions relative to provisions prohibiting the desecration of the flag. The Act defines the terms contempt, deface, defile, mutilate, and trample as they relate to desecration of the flag.

STATE GOVERNMENT

- [SENATE FILE 41](#) - Disposition of Unclaimed Property — Mineral Proceeds
- [SENATE FILE 42](#) - Campaign Finance — Filing Methods and Political Communications
- [SENATE FILE 67](#) - Pharmacy Practice and Regulation
- [SENATE FILE 74](#) - Occupational Licensing and Regulation — Health Care Professions
- [SENATE FILE 75](#) - Registration of Pharmacy Interns and Technicians
- [SENATE FILE 137](#) - Regulation of Real Estate Appraisals and Appraisers
- [SENATE FILE 202](#) - Disposition of Unclaimed Property — Procedures
- [SENATE FILE 204](#) - Public Safety and Law Enforcement — Crimes, Practices, and Procedure
- [SENATE FILE 272](#) - Nonsubstantive Code Corrections
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- [SENATE FILE 539](#) - State Obligations — Uniform Finance Procedures
- [S.J.R. 6](#) - West Capitol Terrace and Capitol Grounds Improvements — Acknowledgements of Private Contributors
- [HOUSE FILE 826](#) - Abraham Lincoln Bicentennial — Commemoration
- [HOUSE FILE 830](#) - Public Improvement Bids and Contracts
- [HOUSE FILE 849](#) - Department of Administrative Services — Miscellaneous Changes
- [HOUSE FILE 851](#) - Iowa Communications Network Telecommunications Equipment or Services Purchases — Approval
- [HOUSE FILE 897](#) - Licensure and Certification Relating to Electrical Work and Alarm Systems
- [HOUSE FILE 908](#) - Licensing and Regulation of Plumbers and Mechanical Professionals

RELATED LEGISLATION

- [SENATE FILE 40](#) - Governmental Ethics Regulation
SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE. This Act relates to the regulation of ethical conduct by governmental entities.
- [SENATE FILE 129](#) - Regulation of Racing and Gaming — Horse Racing
SEE GAMING. This Act makes changes relative to horses involved in horse racing, primarily relating to certain drug tests conducted on horses and drugs administered to horses. The Act takes effect April 10, 2007.
- [SENATE FILE 155](#) - Government Innovation and Excellence Initiatives
SEE LOCAL GOVERNMENT. This Act makes changes relating to local governments by creating a Local Government Innovation Commission and Fund and by creating the Tim Shields Center for Governing Excellence in Iowa. The purpose of the center is to provide objective and nonpartisan research and training for policymakers and government officials; to integrate the research capacities of community colleges, public and private universities, and local government organizations; and to facilitate dialogues about gov-

ernment policy design, implementation, and evaluation among Iowa's state agencies, local governments, community colleges, universities, and citizens. The commission and fund are repealed effective June 30, 2019. The Act takes effect April 27, 2007.

[SENATE FILE 305](#)

- Disaster Grants
SEE APPROPRIATIONS. This Act authorizes the Executive Council to approve funding for providing disaster grants to needy individuals in the event of the Governor's issuance of a proclamation of a state of disaster during fiscal year 2006-2007. The Act takes effect February 28, 2007, and applies retroactively to February 23, 2007.

[SENATE FILE 351](#)

- Reports by Ballot Issue Political Committees
SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE. This Act requires a political committee expressly advocating the passage or defeat of a ballot issue to file five disclosure reports in an election year.

[SENATE FILE 384](#)

- Limitations of Civil Rights Claims and Civil Lawsuits — Minors, Mentally Ill Persons, and State and Local Government
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act extends tolling provisions in current law relating to minors and persons with mental illness to complaints and actions filed in certain civil rights cases including discriminatory and unfair employment, housing, education, credit, and accommodation cases, and to claims and actions filed against the state.

[SENATE FILE 403](#)

- Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act relates to financial and regulatory matters by making and increasing appropriations for FY 2004-2005, FY 2005-2006, and FY 2006-2007, and includes supplemental appropriations and appropriations changes for state utility costs, for the Office of the Governor involving the Terrace Hill quarters and the Governor-Elect Expense Fund, for the Department of Revenue, for various infrastructure projects, and for technology-related projects.

[SENATE FILE 431](#)

- Iowa Finance Authority — Miscellaneous Changes
SEE ECONOMIC DEVELOPMENT. This Act relates to programs, funds, authority, and duties of the Iowa Finance Authority.

[SENATE FILE 457](#)

- Complaints Against Peace Officers and Public Safety and Emergency Personnel — Administrative Procedures
SEE LABOR AND EMPLOYMENT. This Act relates to the employment rights of peace officers and public safety and emergency personnel.

[SENATE FILE 469](#)

- Motor Homes and Manufacturers' Club Rallies
SEE TRANSPORTATION. This Act repeals, effective May 9, 2007, two sections of 2007 Iowa Acts, S.F. 403 (see Appropriations), that would have limited the ability of the Department of Transportation and community colleges to sell, exchange, or otherwise dispose of real property with a fair market value of \$5 million without the authorization of the General Assembly and the approval of the Governor.

[SENATE FILE 477](#)

- Special Promotional Nonresident Deer Hunting Licenses
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act authorizes the issuance of up to 75 special nonresident deer hunting licenses to nonresident guests and dignitaries to promote the state and its natural resources.

[SENATE FILE 510](#)

- Electrical and Mechanical Amusement Devices
SEE GAMING. This Act makes changes concerning electrical and mechanical amusement devices authorized pursuant to Code Chapter 99B. The Act modifies provisions relative to the authority of the Department of Inspections and Appeals to deny, suspend, or revoke the registration of an electrical or mechanical amusement device.

[SENATE FILE 528](#)

- Department of Corrections — Housing of Inmates — Restriction
SEE CRIMINAL LAW, PROCEDURE, AND CORRECTIONS. This Act prohibits the Department of Corrections from entering into an agreement with a private sector for-profit entity for the purpose of housing inmates.

[SENATE FILE 548](#)

- Hemophilia Advisory Committee
SEE HEALTH AND SAFETY. This Act creates a Hemophilia Advisory Committee within the Department of Public Health and provides for membership and duties of the committee.

- [SENATE FILE 562](#) - Appropriations — Economic Development
SEE APPROPRIATIONS. This Act creates annual auditing requirements for the Auditor of State.
- [SENATE FILE 601](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters and includes a number of provisions affecting state government including state employee compensation in Division III; transferring oversight of certain elder services to the Department of Inspection and Appeals from the Department of Elder Affairs in Division VII; amending Code provisions and fees relating to food inspections in Division VIII; and other provisions affecting state government.
- [HOUSE FILE 413](#) - Campaign Finance — Filing of Statements and Reports
SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE. This Act relates to the filing of campaign finance disclosure statements and reports.
- [HOUSE FILE 559](#) - Midwest Interstate Passenger Rail Compact
SEE TRANSPORTATION. This Act provides that the Midwest Interstate Passenger Rail Compact is enacted into Iowa law, subject to funding by the General Assembly for FY 2007-2008 in an amount sufficient to pay dues assessed under the compact.
- [HOUSE FILE 647](#) - Iowa Great Places Projects — Designation — State Assistance
SEE ECONOMIC DEVELOPMENT. This Act relates to financial and technical assistance from state agencies to projects identified in Iowa Great Places agreements.
- [HOUSE FILE 773](#) - Energy City Designation Program
SEE ENERGY AND PUBLIC UTILITIES. This Act provides for the establishment of an Energy City Designation Program by the Department of Natural Resources. The department shall establish designation criteria by rule, award designations to cities of varying populations, and identify and publicize state grant and loan programs relating to energy efficiency. Additionally, the department is directed to develop a procedure for coordinating with other state agencies preferences given in the awarding of grants or making of loans to energy city-designated applicants.
- [HOUSE FILE 890](#) - Targeted Small Business Assistance — Programs and Appropriations
SEE ECONOMIC DEVELOPMENT. This Act relates to the duties of certain state agencies in relation to the Iowa Targeted Small Business Procurement Act and the Targeted Small Business Financial Assistance Program. The Act takes effect May 22, 2007.
- [HOUSE FILE 896](#) - Disaster Aid Individual Assistance Grants
SEE APPROPRIATIONS. This Act creates a Disaster Aid Individual Assistance Grant Fund for use by the Executive Council to provide grants to eligible individuals affected by a disaster. The Department of Human Services shall administer the fund.
- [HOUSE FILE 911](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division VII of this Act creates a Voting Machine Reimbursement Fund in the Office of the Treasurer of State to be expended to reimburse counties

for the costs of complying with provisions contained in 2007 Iowa Acts, S.F. 369 (see Elections, Ethics, and Campaign Finance), relating to requirements for construction of voting machines.

Divisions VI and VII of this Act make changes to certain reporting requirements for capital projects completed or in progress for certain state agencies that received an appropriation from the Rebuild Iowa Infrastructure Fund, the Environment First Fund, the Vertical Infrastructure Fund, or the Technology Reinvestment Fund.

[H.J.R. 3](#)

- Proposed Constitutional Amendment — Qualification of Electors
SEE ELECTIONS, ETHICS, AND CAMPAIGN FINANCE. This Joint Resolution proposes an amendment to the Constitution of the State of Iowa relating to persons who are disqualified from voting or holding elective office. The Joint Resolution removes the words "idiot" and "insane" from the constitutional provision and substitutes the phrase "mentally incompetent to vote." The Joint Resolution will be referred to the electorate for ratification at the general election in November 2008.

STATE GOVERNMENT

SENATE FILE 41 - Disposition of Unclaimed Property — Mineral Proceeds

BY COMMITTEE ON JUDICIARY. This Act defines "mineral" and "mineral proceeds" for purposes of Code Chapter 556, which is concerned with the disposition of unclaimed property. Previously, Code Section 556.1 defined property to include mineral proceeds and amounts distributable from a mineral interest in land, although these terms were not defined.

SENATE FILE 42 - Campaign Finance — Filing Methods and Political Communications

BY COMMITTEE ON STATE GOVERNMENT. This Act requires that any campaign finance report that is required to be filed with the Iowa Ethics and Campaign Disclosure Board five days prior to an election must be physically received by the board. It exempts communications by a nonprofit organization with its own members from a general prohibition relating to solicitations to a financial institution, insurance company, or a corporation. The Act also authorizes the board to adopt rules relating to media corporation resources if the publisher, owner, or editor of the corporation is a candidate for public office.

SENATE FILE 67 - Pharmacy Practice and Regulation

BY COMMITTEE ON HUMAN RESOURCES. This Act creates a limited drug and device distributor license. Limited drug and device distributors include home medical device suppliers, medical oxygen distributors, and other currently nonlicensed entities engaged in the distribution to consumers of limited noncontrolled prescription drugs, medical devices, and medical gases pursuant to a prescriber's authorization.

The Act also increases from 11 to 12 the number of times a prescription for a noncontrolled prescription drug may be refilled within an 18-month period.

SENATE FILE 74 - Occupational Licensing and Regulation — Health Care Professions

BY COMMITTEE ON HUMAN RESOURCES. The Department of Public Health contains 23 health-related examining boards. This Act renames them as licensing boards.

SENATE FILE 75 - Registration of Pharmacy Interns and Technicians

BY COMMITTEE ON HUMAN RESOURCES. This Act revises the current Pharmacy Technician Registration Program to include certification by a national certification authority approved by the Board of Pharmacy Examiners (which under S.F. 74 becomes the Board of Pharmacy) as a means for a pharmacy technician to be registered. The Act requires certification of all pharmacy technicians beginning July 1, 2010.

SENATE FILE 137 - Regulation of Real Estate Appraisals and Appraisers

BY COMMITTEE ON STATE GOVERNMENT. This Act requires registration of associate real estate appraisers who appraise real estate under the direct supervision of a certified real estate appraiser. Associate real estate appraisers must also train under the direct supervision of a certified real estate appraiser.

The Act requires that appraisals be performed in an honest, disinterested, and impartial manner, with objectivity and independence. Penalties are imposed on persons who attempt to impose improper influence on an appraisal. The Act sets out a variety of penalties that range from judicial action to enjoin an act or a practice to a civil penalty up to \$1,000 for each violation.

SENATE FILE 202 - Disposition of Unclaimed Property — Procedures

BY COMMITTEE ON STATE GOVERNMENT. This Act relates to the disposition of certain unclaimed property by the Treasurer of State that is presumed abandoned under Code Chapter 556.

Under the Act, the Treasurer of State is not required to publish a notice of abandoned property concerning any item with a value of less than \$100. The treasurer may mail a notice to each person listed in a report filed by a holder of unclaimed property at the last known address of that person if the treasurer believes it is in the person's best interests.

The holder of tangible property held in a safe deposit box or other safekeeping depository must deliver the property to the Treasurer of State at the treasurer's direction at the same time as or after the holder files an abandoned property report.

The Treasurer of State or an employee of the treasurer cannot be held liable in any action for any claim for abandoned property paid in good faith, although a claimant or other specified person representing a claimant to whom a claim is paid may be held liable to a person who proves a superior right to the payment.

The Treasurer of State may, prior to payment of a claim for abandoned property, require a claimant or owner of unclaimed or abandoned property to furnish a surety bond or other form of indemnification to protect the treasurer and the state against any loss which may result from payment of the claim by the treasurer.

The Treasurer of State must maintain a public record of the name and last known address of each person appearing to be entitled to unclaimed or abandoned property paid or delivered to the treasurer pursuant to Code Chapter 556. Any other identifying information set forth in any report, record, claim, or other document submitted to the Treasurer of State concerning unclaimed or abandoned property is a confidential record as provided in Code Section 22.7.

SENATE FILE 204 - Public Safety and Law Enforcement — Crimes, Practices, and Procedure

BY COMMITTEE ON JUDICIARY. This Act relates to Department of Public Safety (DPS) practices and procedures.

The amendments to Code Section 80.9 enhance the readability of the Code section.

The Act specifies that a person required to register as a sex offender shall submit a DNA sample for DNA profiling.

A criminal or juvenile justice agency may disseminate DPS arrest data, and the name, photograph, physical description, and other identifying information concerning a person who is wanted or being sought if a warrant for the arrest of that person has been issued. Information relating to any threat the person may pose to the public may also be disseminated under the Act.

A person may bring a civil suit to restrain the dissemination of the person's criminal history in violation of Code Chapter 692 and may be awarded actual and exemplary damages, notwithstanding Code Chapter 669, "State Tort Claims" or Code Chapter 670, "Tort Liability of Governmental Subdivisions."

The county attorney has discretion to decide whether the final disposition report of an arrest made in the county is forwarded to the county attorney, to the clerk of the district court in the county where the arrest was made, or to a juvenile court officer who received the referral, whichever is deemed appropriate under the circumstances. Under current law, the final disposition report shall be forwarded by the law enforcement agency making the arrest to the county attorney in the county of arrest or to the juvenile court officer who received the referral.

The DPS shall annually review all arrests or takings into custody which are at least four years old with no disposition data. Current law requires DPS to annually review all arrests or takings into custody which are at least one year old with no disposition data.

The amendment to Code Section 725.9 strikes the definition of "antique pinball machine" and defines a pachislo skill-stop machine as a "gambling device." The amendment to Code Section 725.9 also strikes "pinball machine" from the definition of "gambling device." The definition of "gambling device" in Code Section 725.9 also applies to Code Chapter 99A, "Possession of Gambling Devices" and to Code Chapter 99B, "Games of Skill or Chance, and Raffles."

A person who violates Code Section 321.232, "radar jamming devices" may be subject to a forfeiture action. Current law prohibits a forfeiture action for violations of Code Chapter 321, "Motor Vehicles and Law of the Road."

SENATE FILE 272 - Nonsubstantive Code Corrections

BY COMMITTEE ON JUDICIARY. This Act makes Code changes and corrections that are considered to be nonsubstantive and noncontroversial, in addition to style changes.

Changes made include adding, correcting, or updating references to various Code chapters and sections; correcting or updating references to or names of various state officials, terms, and programs; updating the style or format of various Code sections; correcting grammar or punctuation; correcting misspellings and other minor

clerical errors; standardizing citations to various Code provisions; and making technical corrections to several Acts to reflect editorial corrections that were either made when the Acts provisions were codified or are made in this Act. The correction made to 2006 Iowa Acts, Chapter 1106, Section 1, applies retroactively to May 8, 2006. The correction made to 2006 Iowa Acts, Chapter 1153, Section 3, applies retroactively to July 1, 2006. The correction to 2006 Iowa Acts, Chapter 1179, Section 33, applies retroactively to October 1, 2006.

SENATE FILE 333 - Substantive Code Corrections

BY COMMITTEE ON JUDICIARY. This Act contains statutory corrections that adjust language to reflect current practices, insert earlier omissions, delete redundancies and inaccuracies, delete temporary language, resolve inconsistencies and conflicts, update ongoing provisions, or remove ambiguities.

Language is reorganized and renumbered and related technical corrections are made in provisions relating to the Office of Citizen's Aide, economic development and tourism, confidential public records, the Brain Injury Services Program, actions against motor vehicle registrations or certificates of title due to traffic law infractions, state tax law administrative search warrants, sales and use tax refunds, debt management business license applications, and property that is exempt from execution.

Corrections, modifications, or clarifications in terminology and other qualifying language are made in provisions relating to Treasurer of State record audits, enterprise zone tax incentives, renewable fuels infrastructure programs, employment leaves for military service, the national guard branches, regulation of engineers, governmental ethics, employment actions against whistleblowers, forfeiture of property in criminal cases, substance abuse program appropriations, controlled substances, temporary practice certificates for chiropractics, local fairs, corn promotion and assessments, appeals in child in need of assistance proceedings, a library enrichment program, regents bonding, school fences, sanitary districts, urban renewal agreements, income taxation, alternative fuels tax credits, mercury switches and vehicle recycling, commercial manure service licensure, open feedlot solid waste, cooperative associations, securities investment advisor representatives, nonprofit corporations, fraternal benefit society licensure, credit union record destruction, debt management business license renewals, harvesters liens, civil actions against certain professionals, interpreters in legal proceedings, notice of sheriff's sales, rescissions of mortgage foreclosures, lis pendens actions, computer spyware or malware, and "DNA profile" sexual abuse indictments or informations.

Code section or chapter or court rule references are corrected, added, or updated in provisions relating to agricultural landholding reporting, the labeling of food, commercial weighing and measuring devices, a library enrichment program, all-terrain vehicle fee collection, administration of hotel and motel and equipment taxes, examination of insurance companies, commencement of certain tort claim actions, and child endangerment.

Obsolete language or provisions are stricken or repealed in provisions relating to indigent defense, the Business Development Finance Act, community college reporting under job training and career education programs, use of ethanol in school corporation vehicles, review of rural water district or association liability exemptions or limitations, and supplementary assistance liens.

The change relating to income taxation of certain heads of households takes effect January 1, 2009.

SENATE FILE 361 - Public Funds Deposits and Investments — Sudan

BY COMMITTEE ON STATE GOVERNMENT. This Act restricts the Treasurer of State, the State Board of Regents, the Iowa Public Employees' Retirement System, the Public Safety Peace Officers' Retirement System, the Municipal Fire and Police Retirement System, and the Judicial Retirement System, defined as "public funds," from directly investing in certain companies with active business operations in Sudan. The Act also adds notice requirements as to the public funds relative to companies with inactive business operations in Sudan.

The Act requires each public fund to develop and maintain a list of scrutinized companies with active and inactive business operations in Sudan that the fund has direct or indirect holdings in or in which the fund may invest in the future. Each public fund shall determine this list by July 1, 2007, and update it on a quarterly basis. Once a company is listed on the scrutinized companies list of a public fund, the public fund must send a notice to that company relative to the requirements of the Act.

The Act requires that a public fund not invest in, and shall divest from, holdings in a scrutinized company with active business operations. If the public fund has direct holdings in the company, the public fund shall proceed

to divest all assets with that company in 18 months so long as the company continues active business operations in Sudan. A public fund shall not be required to divest or refrain from investing in a company if the federal government so provides or the public fund has indirect holdings, and not direct holdings, in that company. However, public funds are encouraged to move their indirect holdings to funds that do not include scrutinized companies with active business operations.

The Act further requires each public fund to prepare and make available to the public, and file with the General Assembly, an annual report, beginning October 1, 2008, concerning actions taken by the public fund relative to the requirements of the Act in the previous fiscal year.

The requirements of the Act cease to be applicable if Congress or the President of the United States declares that the Darfur genocide has been halted or declares that mandatory divestment is contrary to United States foreign policy, the United States revokes all sanctions imposed against Sudan, or a controlling federal court declares the divestment requirements of the Act or similar statutes from other states is preempted by federal law.

SENATE FILE 427 - Civil Rights — Sexual Orientation or Gender Identity

BY COMMITTEE ON STATE GOVERNMENT. This Act prohibits discriminatory employment, public accommodation, housing, education, and credit practices based upon a person's sexual orientation or gender identity under Code Chapter 216, the Iowa Civil Rights Act of 1965.

Code Chapter 216 shall not be construed to allow marriage between persons of the same sex in accordance with Code Chapter 595.

"Gender identity" is defined as a gender-related identity of a person, regardless of the person's assigned sex at birth, and "sexual orientation" is defined as actual or perceived heterosexuality, homosexuality, or bisexuality.

SENATE FILE 479 - Congressional and Legislative Redistricting Process and Plans

BY COMMITTEE ON STATE GOVERNMENT. This Act makes changes to the time frames and the duties of the Legislative Services Agency (LSA) concerning the process of congressional and legislative redistricting in Iowa. Primarily, the changes relate to redistricting timelines, elections to the Senate following redistricting, and compactness measurements. The changes were recommended by LSA.

As to duties, the Act provides that LSA, not the Temporary Redistricting Advisory Commission (TRAC), is responsible for making information about a proposed redistricting plan available to the public.

The Act also makes changes to the timelines for completing redistricting. The Act reduces from seven days to three days the "cooling off" period between the TRAC report issued following public hearings conducted by TRAC and the ability of the General Assembly to consider the first redistricting plan. In addition, the Act reduces the time given LSA to produce the first redistricting plan from 59 days to 45 days following the release of Iowa population statistics by the U.S. Census Bureau. The time given LSA to produce a second or third plan following a rejection of a proposed plan by the General Assembly is increased from 21 days to 35 days. Finally, TRAC is requested to submit its report on the first redistricting plan no later than 14 days after the plan is released, and, if the first or second plan is rejected, the Senate or House of Representatives, as applicable, is required to provide reasons for the rejection, if any, within seven days of the rejection.

The Act also updates the provisions in Code Chapter 42 relative to the conducting of elections to the Senate following redistricting. Current law makes provisions for these elections following redistricting in 2001 and the Act makes the procedure used for the 2001 redistricting plan applicable on an ongoing basis for subsequent redistricting years without referring to specific years.

The Act also updates the tests used by LSA in determining the compactness of redistricting plans prepared and submitted to the General Assembly. The law continues to require that districts shall be reasonably compact in form to the extent consistent with the standards of population equality, respect for political subdivisions, and contiguity. In describing compactness, the Act provides, consistent with current law, that districts, to the extent permitted by natural and political boundaries, not be irregularly shaped. The Act retains the test for compactness that compares the length and width of a district, but simplifies statutory language by eliminating the alternative method of calculating this standard utilizing "x" and "y" coordinates of certain geographic unit centers. The test of compactness based upon population dispersion is eliminated, which test was always given

lesser weight than length-width compactness if the two standards were contradictory. The Act adds a test for compactness which provides that a district is most compact if the distance needed to traverse the perimeter of the district is as short as possible.

SENATE FILE 539 - State Obligations — Uniform Finance Procedures

BY COMMITTEE ON STATE GOVERNMENT. This Act establishes uniform procedures applicable to the issuance of notes, bonds, and other evidences of indebtedness by the state or a department, agency, instrumentality, or authority of the state. The Act is applicable if enabling legislation enacted on or after July 1, 2007, provides that obligations shall or may be issued pursuant to its provisions, but the Act states that it does not limit the authority of any other applicable provisions of the Code and that such other provisions may continue to be utilized for the issuance of notes, bonds, and other evidences of indebtedness in lieu of new Code Chapter 12F as established in the Act.

The obligations issued pursuant to new Code Chapter 12F as created in the Act are payable solely out of the moneys, assets, or revenues pledged to their payment in enabling legislation and any bond reserve funds established in accordance with the Code chapter which may be deposited with trustees or depositories.

The Act specifies general powers applicable to the issuance of obligations, provides for the creation of bond reserve funds, requires that amounts pledged as security for obligations be held in separate and distinct funds in the State Treasury, and states that moneys in a fund shall not be subject to appropriation for any other purpose by the General Assembly but shall be used only for debt service on the obligations and other amounts as set forth in authorizing documents. The Act specifies provisions which may be contained within a document or resolution authorizing issuance of obligations.

The obligations may be secured by a trust agreement by and between the issuer and an incorporated trustee, which may be a trust company or bank having the powers of a trust company in this state or another state, and the agreement or resolution providing for the issuance of the obligations may pledge or assign the revenue to be received for payment of the obligations or the proceeds of any contract pledged. Additionally, obligations issued under the provisions of new Code Chapter 12F shall be declared to be issued for a general public and governmental purpose and the obligations and interest on the obligations shall be exempt from state income and inheritance tax. The Act provides that the state pledges to and agrees with the holders of any obligations and with parties who enter into contracts with an issuer that the state will not limit or alter the rights vested in the issuer until the obligations, together with the interest on the obligations, are fully met and discharged and the contracts are fully performed on the part of the issuer, unless adequate provision is made by law for the protection of the rights of the holders of the obligations of the issuer or those entering into contracts with the issuer.

The Act concludes with a statutory construction statement that new Code Chapter 12F shall be liberally construed to effect its purpose.

SENATE JOINT RESOLUTION 6 - West Capitol Terrace and Capitol Grounds Improvements — Acknowledgements of Private Contributors

BY GRONSTAL. This Joint Resolution authorizes the Department of Administrative Services to establish permanent acknowledgements for contributions made by or on behalf of elementary and secondary schools and citizens of this state of trees, benches, and other foliage and items to be permanently located on the west Capitol terrace and other areas of the Capitol grounds. The Joint Resolution requires that the type and design of plaques to be used for the permanent acknowledgements be approved by the Capitol Planning Commission.

The Joint Resolution takes effect May 24, 2007.

HOUSE FILE 826 - Abraham Lincoln Bicentennial — Commemoration

BY COMMITTEE ON HUMAN RESOURCES. This Act establishes an Iowa Abraham Lincoln Bicentennial Commission in the Department of Human Rights. The commission shall be chartered and shall operate as a nonprofit corporation within the State of Iowa. The purpose of the commission is to plan, coordinate, and administer activities and programs relating to the commemoration of the bicentennial of the birth of Abraham Lincoln in 2009.

The commission shall consist of 17 voting members and four nonvoting legislative members appointed by legislative leaders. The commission is authorized to receive and expend funds and the Department of Human Rights, in cooperation with the commission, is authorized to adopt rules. The Act establishes an Abraham Lincoln Bicentennial Fund under the control of the commission. The commission expires no later than June 30, 2010, and upon expiration, all fund balances from state appropriations shall be returned to the General Fund of the State and all other assets shall be transferred to the Iowa Historical Foundation.

The Act is repealed June 30, 2010.

HOUSE FILE 830 - Public Improvement Bids and Contracts

BY COMMITTEE ON STATE GOVERNMENT. This Act amends the public construction bidding Code chapter, enacted in 2006 and effective January 1, 2007, relating to bids and quotations for entering into building or construction contracts for public improvements with governmental entities, including the state, political subdivisions of the state, and public school corporations, but excluding the State Board of Regents and the Department of Transportation.

With regard to public improvements with an estimated cost over \$100,000, the Act does the following:

Requires a notice to bidders to be published in a local newspaper not less than four days and not more than 45 days before the date for filing bids.

Requires the date and time and the person submitting the bid to be recorded on the envelope containing the bid. Untimely bids are required to be returned unopened.

The Act provides for the following with regard to public improvements with an estimated cost of less than the public bid threshold but more than \$67,000 for counties; \$51,000 for cities, school districts, and aviation authorities in cities with a population of 50,000 or more; and \$36,000 for cities, school districts, and other governmental entities with a population of less than 50,000, with the amount subject to adjustment:

1. Allows a contractor's premium cost for a performance and payment bond to be deducted from the contractor's price when determining the lowest responsible quotation for a public improvement that may be performed by an employee of the governmental entity, and prohibits work to commence until the bond is approved by the governmental entity.
2. Provides that a good faith effort to obtain quotations includes advising all contractors who have filed requests for notice of projects of the offered projects; and if no quotations are received after having made a good faith effort to obtain quotations from at least two contractors, allows the governmental entity to negotiate a contract with an appropriate contractor.

With regard to both competitive bidding and quotation requirements, the Act does the following:

1. Allows the results of competitive bidding and approved competitive quotations to be reported at a special meeting of the governing body.
2. Allows a governmental entity to proceed with a competitive quotation or competitive bidding procedure even when the total estimated cost of the public improvement does not warrant such procedures.
3. Requires the vertical infrastructure bid threshold subcommittee for public improvements appointed by the Director of the Department of Transportation, when adjusting a competitive bid or quotation threshold, to consider changes in prices and costs since the preceding adjustment; and requires, beginning after 2012, adjustments in competitive bid and quotation thresholds to be made at the same time and by the same percentage.
4. Authorizes landscape architects, in a manner similar to architects and engineers, to prepare plans and specifications regarding estimated total costs of public improvements, but exempts their own service contracts from competitive public bidding and quotation requirements.

The Act specifies that counties must follow the city contract letting procedures with regard to certain bond issuance and emergency repair procedures, requires city councils to pass a resolution to spend public funds in excess of \$100,000 on a public improvement project, and corrects Code references to certain city contract-letting procedures.

HOUSE FILE 849 - Department of Administrative Services — Miscellaneous Changes

BY COMMITTEE ON STATE GOVERNMENT. This Act makes changes relative to the Department of Administrative Services.

The Act changes provisions relative to certain reports made by or to the department. The Act eliminates the requirement that the department file a biennial report on the fiscal condition of the state, eliminates a requirement that the department contact state agencies relative to status reports on certain capital projects, and extends the date the department is required to submit a report of compliance with federal corporate fuel economy standards from February 15 to June 15 of each year.

The Act also provides that the department can enter into agreements with certain nonprofit organizations to furnish services to such organizations and eliminates the requirement that the director of the department serve as permanent chair of the Technology Governance Board.

The Act extends the repeal of the Code section establishing the Iowa State Health Insurance Administration Fund and the monthly per contract administrative fee charged to cover the costs of administering the state's health insurance program from July 1, 2007, to July 1, 2009. This provision takes effect April 26, 2007.

The Act requires the state, through the department, to grant a contract preference to Iowa-based companies that have adopted policies beyond those otherwise required by law to support employees who are in the national guard and organized reserves of the United States Armed Forces. This provision takes effect January 1, 2008.

The Act also eliminates the Friends of Capitol Hill Corporation.

HOUSE FILE 851 - Iowa Communications Network Telecommunications Equipment or Services Purchases — Approval

BY COMMITTEE ON STATE GOVERNMENT. This Act increases existing limitations on amounts which may be expended by the Iowa Communications Network for purchasing equipment or services for telecommunications without prior authorization by the General Assembly, the Legislative Council if the General Assembly is not in session, or the Executive Council in situations involving contracts relating to a natural disaster or homeland security.

The limitations are increased from \$1 million to \$2 million for amounts expended by the network pursuant to a contract for the purchase, lease, or improvement of property, equipment, or services for telecommunications, or for the purchase of property, equipment, or services for telecommunications pursuant to a financing agreement. The increased authorized limitation shall be adjusted annually by the Executive Director of the Telecommunications and Technology Commission to reflect increases in the Consumer Price Index For All Urban Consumers, as published in the Federal Register by the United States Department of Labor, Bureau of Labor Statistics.

A list of contracts entered into by the commission in excess of \$1 million shall be included in the commission's annual report related to actual income and expenses of the network.

HOUSE FILE 897 - Licensure and Certification Relating to Electrical Work and Alarm Systems

BY COMMITTEE ON WAYS AND MEANS. This Act implements a statewide system of licensure for electricians; contains provisions regarding electrical inspections; identifies licensure requirements for specified classifications of electricians, installers, and related employees; specifies licensing and inspection fees; and provides for examination and continuing education requirements. The new statewide licensure system supplements current licensure of electricians on a city-by-city basis, permitting electricians to practice on a statewide, as well as a local, basis.

An Electrical Examining Board is established within the State Fire Marshal Division of the Department of Public Safety with powers and duties relating thereto. An Electrician and Installer Licensing and Inspection Fund is established in the State Treasury, under the control of the board.

The Act contains provisions permitting specified electrician classifications to be granted a statewide license in lieu of taking the licensing examination, and expressly provides for the continuation of an existing license granted by a political subdivision without a requirement of statewide licensure provided that the licensing requirements of the subdivision conform to those required for statewide licensure. The authority of political subdivisions relating to the performance of electrical inspections is addressed, as well as the circumstances under which a political subdivision performing its own inspections may switch to state inspections.

Additionally, the Act provides for the certification of alarm system contractors and alarm system installers under the provisions of Code Chapter 100C.

An appeal process and provisions relating to license suspension, revocation, and penalties are specified, and a Code chapter inapplicability section exempts designated professions from electrician licensure requirements.

Provisions of the Act relating primarily to definitions, the establishment of the board, and board authority relating to alarm system contractors and alarm system installers take effect May 25, 2007. Provisions relating primarily to establishing the various categories of electrician licensure take effect January 1, 2008. Provisions relating primarily to inspections take effect January 1, 2009.

HOUSE FILE 908 - Licensing and Regulation of Plumbers and Mechanical Professionals

BY COMMITTEE ON WAYS AND MEANS. This Act provides for a single state license for persons who provide plumbing, heating, ventilation, and air conditioning (HVAC) services. A licensing board is created within the Department of Public Health to administer this licensing program. These licensing provisions supersede and preempt all licensing requirements of government subdivisions.

The Act takes effect July 1, 2008.

TAXATION

- [SENATE FILE 128](#) - Taxation of Cigarettes and Tobacco Products — Health Care Trust Fund
- [SENATE FILE 580](#) - 2007 Tax Amnesty Program
- [SENATE FILE 590](#) - State Earned Income Tax Credit — Miscellaneous Changes
- [SENATE FILE 592](#) - Sales and Use Taxes — Miscellaneous Changes
- [HOUSE FILE 319](#) - Internal Revenue Code References Update
- [HOUSE FILE 904](#) - Taxation — Individual Income Withholding — Loan Agencies Tax
- [HOUSE FILE 912](#) - Computer-Related Service Businesses — Sales, Use, and Property Tax Exemptions and Refunds
- [HOUSE FILE 923](#) - Taxes, Tax Policy, and Administration

RELATED LEGISLATION

- [SENATE FILE 70](#) - Crime Victim Rights and Remedies — Notification and Compensation
SEE CRIMINAL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to crime victim compensation and exempts victim compensation awards, victim restitution payments, and damages from civil actions received during the tax year from individual income tax. The Act applies retroactively to tax years beginning on or after January 7, 2007.
- [SENATE FILE 200](#) - Habitual Trespass by Livestock — Fence Erection and Maintenance
SEE AGRICULTURE. This Act provides for the habitual trespass of livestock, which stray from the land where the livestock are kept onto the same neighbor's land or the same public road on three or more occasions within a 12-month period, by requiring the landowner responsible for keeping the livestock to erect or repair a fence, or by authorizing the county board of supervisors to erect or repair the fence and assess the costs against the responsible landowner as part of property taxes.
- [SENATE FILE 278](#) - Utility Replacement Taxes
SEE ENERGY AND PUBLIC UTILITIES. This Act makes changes relating to the allocation of the assessed value of new electric power generating plants valued in excess of \$44,444,445 and extends the statutory existence of the Utility Replacement Tax Task Force to January 1, 2010.
- [SENATE FILE 333](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act contains statutory corrections in provisions relating to state tax law administrative search warrants, sales and use tax refunds, enterprise zone tax incentives, renewable fuels infrastructure programs, urban renewal incentive agreements, income taxation of certain heads of household, and alternative fuels tax credits. The change relating to income taxation of certain heads of households is effective January 1, 2009.
- [SENATE FILE 450](#) - Property Tax Collection — Limitations of Actions
SEE LOCAL GOVERNMENT. This Act establishes that no time limitation shall apply to an action brought by a county to collect delinquent real property taxes levied on or after April 1, 1992.
- [SENATE FILE 540](#) - Trusts and Estates — Miscellaneous Changes
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act concerns trusts and estates, including fiduciaries and beneficiaries and includes certain applicability provisions. The Act allows the Department of Revenue to waive the imposition of a penalty involving an estate with a disclaimer that is filed more than nine months from the date of the decedent's death if, solely due to the disclaimer, the personal represen-

tative is required to file an inheritance tax return and such return is filed and any tax due is paid within the later of nine months from the date of death or 60 days from the filing of the disclaimer. The Act also eliminates inheritance tax on tangible personal property distributed in kind to beneficiaries if the aggregate total value of all tangible personal property in the estate is \$5,000 or less.

[SENATE FILE 558](#)

- Game Bird Habitat Development Programs and Funding
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act increases the wild-life habitat fee by \$3, appropriates moneys collected from the increase, and creates programs to expend the moneys for game bird habitat development.

[SENATE FILE 564](#)

- Dangerous Wild Animals — Possession, Ownership, Transportation — Penalties
SEE AGRICULTURE. This Act regulates the possession of dangerous wild animals which are defined to include wolves, coyotes, jackals, hyenas, lions, tigers, cougars, leopards, cheetahs, ocelots, servals, bears, pandas, rhinoceroses, elephants, primates other than humans, alligators, crocodiles, water monitors, venomous snakes, and certain constrictors (pythons and anacondas), and has been further amended by S.F. 601 (see Appropriations) to include swine commonly known as a Russian boar or European boar. The Act provides that a person who keeps a dangerous wild animal must pay the Department of Agriculture and Land Stewardship a registration fee which ranges from \$10 to \$500 for deposit into a Dangerous Wild Animal Registration Fund under the department's control. Moneys in the fund are appropriated to the department for purposes of administering and enforcing the Act's provisions.

[SENATE FILE 566](#)

- Historic Preservation and Cultural and Entertainment District Tax Credits
SEE ECONOMIC DEVELOPMENT. This Act relates to Historic Preservation and Cultural and Entertainment District Tax Credits.

[SENATE FILE 578](#)

- Veterans — Vietnam Service Bonus Compensation
SEE PUBLIC DEFENSE AND VETERANS. This Act provides that Vietnam Conflict veterans bonuses paid as provided by this Act are exempt from state income tax.

[SENATE FILE 601](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act makes, reduces, and transfers appropriations; provides for salaries and compensation of state employees; and covers other related matters. The Act includes a number of provisions affecting state and local tax matters.

[HOUSE FILE 95](#)

- Urban Renewal Targeted Jobs Withholding Tax Credits — Pilot Project City Designations
SEE ECONOMIC DEVELOPMENT. This Act relates to the designation of pilot project cities for a targeted jobs withholding tax credit to be used for funding improvements in certain urban renewal areas. The Act takes effect February 6, 2007, is retroactively applicable to July 1, 2006, and applies to pilot project city applications received prior to October 1, 2006.

[HOUSE FILE 752](#)

- Appropriations — Transportation
SEE APPROPRIATIONS. This Act makes an appropriation from the Primary Road Fund to the Department of Transportation for development of a system for administration of the International Registration Plan and the International Fuel Tax Agreement to provide for proportional registration of commercial vehicle fleets and uniform distribution of fuel tax revenues from commercial motor vehicles traveling between jurisdictions in the United States and Canada.

[HOUSE FILE 892](#)

- Film, Television, and Video Project Promotion Program
SEE ECONOMIC DEVELOPMENT. This Act creates a Film, Television, and Video Project Promotion Program and provides for tax credits and income exclusions. The Act takes effect May 17, 2007, and is retroactively applicable to January 1, 2007, for tax years beginning on or after that date.

HOUSE FILE 932

- Road Construction and Maintenance Revenue

SEE TRANSPORTATION. This Act increases the amount of Revitalize Iowa's Sound Economy Fund moneys available to counties by revising the formula for allocations of motor fuel tax revenues to and from the fund.

TAXATION

SENATE FILE 128 - Taxation of Cigarettes and Tobacco Products — Health Care Trust Fund

BY COMMITTEE ON WAYS AND MEANS. This Act relates to cigarettes and tobacco products. The Act increases the percentage of the basic cost of cigarettes presumed to be the cost of doing business by a retailer from 6 percent to 8 percent and by a wholesaler from 3 percent to 4 percent. The cost of doing business is the amount below which a retailer or wholesaler is not allowed to offer for sale or sell cigarettes in the state.

The Act increases the tax on cigarettes from 1.8 cents per cigarette to 6.8 cents per cigarette, effectively increasing the tax on a package of cigarettes from 36 cents to \$1.36. The Act requires that cigarettes be sold only in packages of 20 or more cigarettes.

In addition to the tax on tobacco products of 22 percent of the wholesale sales price for distributors and 22 percent of the cost of tobacco products for the use of or storage by consumers of tobacco products, there is imposed a tax of 28 percent of the wholesale sales price or the cost, with the limitation that if the tobacco product is a cigar the additional tax is not to exceed 50 cents per cigar. With reference to snuff, the Act imposes a tax upon all snuff in the state, upon any person engaged in the business as a distributor of snuff, and upon the use or storage by consumers of snuff and upon consumers of snuff at the rate of \$1.19 per ounce, with a proportionate tax at the same rate on all fractional parts of an ounce of snuff.

House File 923, which was subsequently enacted, provides that, in the case of cigars, the total amount of tobacco products tax shall not exceed 50 cents per cigar.

The Act creates a Health Care Trust Fund. Of the revenues generated from the tax on cigarettes and tobacco products deposited in the General Fund of the State beginning July 1, 2007, there is appropriated annually to the Health Care Trust Fund the first \$127.6 million. Moneys in the Health Care Trust Fund are to be used only for the purposes of health care.

The Act provides for payment of the inventory tax by all persons required to obtain a distributor's, wholesaler's, or retailer's permit, or a distributor's or subjobber's license, who have in their possession and hold for resale on the effective date of any future increase in the tax rate on cigarettes, little cigars, or tobacco products upon which the tax has been paid; unused cigarette tax stamps which have been paid for; unused metered imprints which have been paid for; or tobacco products for which the tax has not been paid. However, the Act provides that, notwithstanding the provision relating to the inventory tax, persons required to obtain a permit or license shall not be subject to an inventory tax on the items as a result of the tax increase provided in the Act.

See H.F. 923 for additional provisions.

The Act takes effect March 15, 2007.

SENATE FILE 580 - 2007 Tax Amnesty Program

BY COMMITTEE ON WAYS AND MEANS. This Act provides for a state Tax Amnesty Program to be administered by the Department of Revenue from September 4, 2007, through October 31, 2007. The program covers tax liabilities delinquent as of December 31, 2006, and authorizes a taxpayer, during the period of the program, to pay the tax and one-half of the interest which would ordinarily be due without being subject to further penalty or civil and criminal prosecution. The taxpayer must agree to relinquish all administrative and judicial rights to challenge the imposition of the tax and its amount.

The taxes that are covered under the program are the individual and corporate income taxes; franchise tax; sales and use taxes; hotel and motel tax; local city, county, and school district sales and services taxes; automobile rental tax; equipment tax; petroleum diminution charge; inheritance and estate taxes; motor fuel and special fuel taxes; cigarette and tobacco taxes; and controlled substance tax.

The Act provides an appropriation of \$710,000 for the fiscal period beginning July 1, 2006, and ending June 30, 2008, for the department to administer the program, and an appropriation of \$150,000 for FY 2007-2008

for increased auditing and enforcement activities following the end of the program. Any full-time equivalent positions hired by the department for purposes of the program are not authorized for employment after June 30, 2008.

The Act takes effect May 24, 2007.

SENATE FILE 590 - State Earned Income Tax Credit — Miscellaneous Changes

BY COMMITTEE ON WAYS AND MEANS. This Act increases the state earned income tax credit from 6.5 percent to 7 percent of the federal tax credit and makes the state earned income tax credit refundable like the federal earned income tax credit. Because the Act makes the state tax credit refundable, numerous coordinating amendments are made to other tax credits that specify that the earned income tax credit is to be taken before those other tax credits.

The Act takes effect May 15, 2007, and applies retroactively to January 1, 2007, for tax years beginning on or after that date.

SENATE FILE 592 - Sales and Use Taxes — Miscellaneous Changes

BY COMMITTEE ON WAYS AND MEANS. This Act makes changes and additions to the state sales and use tax relating to the Streamlined Sales and Use Tax Agreement.

Puerto Rico is added as a state that is included in the agreement.

New Code Section 423.34A is enacted to specify under what circumstances a purchaser is relieved of liability for tax, penalty, and interest, which are the same circumstances for which a purchaser is relieved of liability under the agreement. The purchaser is so relieved if the state provides erroneous data in the taxability matrix or in tax rate, boundary, or taxing jurisdiction databases. This provision takes effect January 1, 2009.

The Code section relating to multiple points of use exemption forms which have been deleted from the agreement is repealed.

HOUSE FILE 319 - Internal Revenue Code References Update

BY COMMITTEE ON WAYS AND MEANS. This Act updates references to the Internal Revenue Code to make the federal income tax revisions enacted by Congress in 2006 applicable for Iowa income tax purposes. Code Sections 422.3 and 422.32, general definition sections in the income tax chapter of the Code, are amended to update references to the Internal Revenue Code.

Code Sections 15.335, 15A.9, 422.10, and 422.33 are amended to update the Code references to the state research activities credit for individuals, corporations, corporations in economic development areas, and corporations in quality jobs enterprise zones to include the 2006 federal changes in the research activities credit and the alternative incremental research credit.

The Act takes effect March 9, 2007, and applies retroactively to January 1, 2006, for tax years beginning on or after that date.

HOUSE FILE 904 - Taxation — Individual Income Withholding — Loan Agencies Tax

BY COMMITTEE ON WAYS AND MEANS. This Act repeals the loan agencies tax set forth in Code Chapter 430A. In a ruling dated March 28, 2006, the Polk County District Court in *General Motors Acceptance Corporation v. Polk County, Iowa, et al.*, ruled that this tax facially discriminated against interstate commerce and violated the United States Constitution's commerce clause because this tax was only imposed on out-of-state corporations. The tax is no longer being enforced by the Department of Revenue and the county treasurers who administered and collected the tax.

The Act also amends the state individual income tax withholding provisions to allow additional exemptions from withholding to account for such items as contributions to individual retirement accounts and the additional standard deduction for persons who are aged and blind.

HOUSE FILE 912 - Computer-Related Service Businesses — Sales, Use, and Property Tax Exemptions and Refunds

BY COMMITTEE ON WAYS AND MEANS. This Act provides a sales and use tax exemption for the sale or rental of computers and equipment that are necessary for the maintenance and operation of a web search portal and for property that is directly or indirectly connected to the computers, for the sale of back-up power generation fuel, and for electricity used in providing the web search portal.

To qualify for the sales and use tax exemption, one of the primary businesses of the purchaser or renter must be as a provider of a web search portal, the web search portal business must have a physical location in the state that is used for the operations and maintenance of the web search portal site on the Internet, the business must have a minimum investment within the first six years of operation in Iowa of \$200 million, and the business must purchase, option, or lease land in the state not later than December 31, 2008.

The Act provides a property tax exemption for property, other than land and buildings, utilized by a web search portal business as defined in and meeting the qualifications of the provisions for the sales and use tax exemption. The statutory requirement that the state provide funding to implement a new property tax exemption does not apply to the property tax exemption in the Act.

The Act provides an annual sales tax refund for up to five years for an information technology facility located in this state on July 1, 2007, on the sales price of all sales of fuels used in creating heat, power, and steam for processing or for generating electrical current or from the sale of electricity consumed by computers, machinery, or other equipment for operation of the facility.

To qualify for the refund, an information technology facility must be classified under the North American Industry Classification System No. 518210 or 541519, which includes companies that provide computer-related services, including computer disaster recovery services and software installation services; must have \$1 million in capital expenditures for computers, machinery, and equipment used in the operation of the facility; and must meet the Leadership in Energy and Environmental Design standards.

To obtain a tax refund, the applicant shall use forms furnished by the Department of Revenue and the applicant shall separately list the amounts of sales and use tax paid during the reporting period. The applicant may request when the refund begins, but it must start on the first day of a month and proceed for a continuous 12-month period. In order to receive refunds during the five-year refund period, an applicant shall make refund requests within three months after the end of each refund year. The refund only applies to state sales and use tax and not to local option sales and services taxes.

HOUSE FILE 923 - Taxes, Tax Policy, and Administration

BY COMMITTEE ON WAYS AND MEANS. This Act makes policy and technical administrative changes to the tax law and related matters handled by or affecting the Department of Revenue (DOR) or local jurisdictions.

Division I — Tax Administration

Code Sections 15E.44(1) and 15E.45(3) are amended to eliminate the requirement that tax identification numbers (social security numbers) of investors must be provided at the time that a qualifying business or community-based seed capital fund submits an application to the Iowa Capital Investment Board. The tax identification numbers are provided at the time the investors apply for a tax credit certificate.

Code Sections 331.434(1) and 384.16(1) are amended to require counties and cities that have established urban renewal areas to include in their annual budgets estimated and actual tax increment financing (TIF) revenues; estimated and actual expenditures of the revenues; proceeds from debt and estimated and actual expenditures of debt proceeds, bonds, indebtedness, and other obligations outstanding at the end of the fiscal year; and the identification of entities receiving direct payment of TIF revenues. The Code section that required biennial reporting of TIF district indebtedness to the state is repealed.

Code Section 421.26 is amended to require cigarette permit holders to be personally liable for unpaid cigarette taxes. This requirement is the same as presently exists for licensees, retailers, purchasers, users, and permit holders for other taxes.

Code Section 421.27 is amended to allow a penalty waiver which reflects a legislative change made to correct an inconsistent time frame for filing disclaimers by the beneficiary of an estate refusing to take the property.

Code Section 422.7(32) is amended to provide that withdrawals from the Iowa Educational Savings Plan Trust which are not used for qualified education expenses must be added back on the Iowa individual income tax return to the extent that a deduction for a contribution was previously allowed.

Code Section 422.11S(1), (2), and (8) are amended to allow noncash contributions to be made for purposes of the school tuition organization tax credit with the noncash contribution to be valued according to rules of the Director of Revenue. These provisions are effective retroactively to January 1, 2007, for tax years beginning on or after that date.

Code Section 422.11S(6) and (7) are amended to change the deadlines for certified enrollment and notification requirements for the school tuition organization tax credit to be consistent with the notification requirements relating to the school aid formula.

Code Section 422.12E is amended to state that the director will determine which checkoffs will be included on the individual income tax form in situations where additional checkoffs in excess of the number allowed are enacted on the same day.

Code Section 422.13(5) is amended to allow nonresident trusts and estates that are members of partnerships, limited liability companies, trusts, or S corporations to be included on an Iowa composite return.

Code Section 422.16(12) is amended to provide that withholding agents are not required to withhold state income tax from a partner's pro rata share of income from a publicly traded partnership if the partnership files an informational return with DOR concerning the partner.

Code Section 422.35(17) is amended to correct the reference to federal taxable income for the deduction allowed for the social security credit for corporation income tax.

Code Section 422.73(3) is repealed. Because any capital or ordinary gain from the involuntary conversion relating to eminent domain is exempt from Iowa individual or corporation income tax, there is no need to file a claim for refund relating to the repurchase of property when tax was not paid on the gain in the initial instance.

Code Section 422.75 is amended to update current reporting requirements related to the annual report filed by DOR.

Code Section 423.2(6) is amended to require financial institutions unregulated by federal or Iowa authorities to pay sales tax on service charges if they are doing business in Iowa.

Code Section 423.3(65) is amended to exempt from sales tax charges paid for access to the Internet by means of any device and not solely by means of a computer server.

Code Section 423.3(80) is amended to exempt from sales tax sales of building materials, supplies, or equipment only to the extent those items are consumed in an exempt construction project.

Code Section 423.41 is amended to require a taxpayer maintaining electronic records to provide those electronic records relating to sales and use taxes to the director for examination upon request.

Code Sections 423A.4, 423B.1(6), and 423E.2(5) are amended to grant the director the authority to waive the requirement that a city or county notify the director of the imposition, repeal, extension, or change in the rate of the local option hotel and motel tax or sales and services tax.

Code Section 427.3 is amended to allow county boards of supervisors to abate property taxes levied against property acquired by purchase by a library or art gallery or by a religious, literary, or charitable institution or society or by an educational institution if the transfer took place after the deadline for filing for a tax exemption, if such entity would have been entitled to the tax exemption on the purchased property had there been a timely filing. Previous law allowed abatement of taxes for property of such institutions or societies acquired by gift only.

The division also requires the board of supervisors of a county with a population of more than 88,000 but not more than 95,000 to refund the property taxes paid by a religious, literary, or charitable institution or society or by an educational institution for FY 2002-2003 and FY 2005-2006 on property purchased by the institution or society if the institution or society was unable to or failed to file for a property tax exemption in a timely manner for those fiscal years. To receive the refund, the institution or society must apply for the refund by October 1, 2007. This provision takes effect May 24, 2007, and applies retroactively to property taxes due and payable in the fiscal year beginning July 1, 2002, and in the fiscal year beginning July 1, 2005.

Division II — Cigarette/Tobacco Taxes

Code Section 421B.3 is amended to impose civil penalties for the sale of cigarettes below minimum price. These penalties are consistent with those for violations of other cigarette and tobacco tax laws and rules. The penalties are in addition to other penalties for violating the chapter, and moneys collected are to be deposited into the State General Fund.

Code Section 453A.7 is amended to provide sufficient funds for DOR to purchase tax stamps for placement on packages of cigarettes as evidence that the tax has been paid.

Code Section 453A.13 is amended to require furnishing of the names and addresses of all officers of the business applying for a bond to obtain a cigarette permit. Code Section 453A.13 is further amended to allow the use of cigarette retail permit forms approved by DOR and to require the public display of the permit at the place of business.

Code Section 453A.15(2) requires cigarette permit holders to maintain separate and detailed records for cigarettes sold at retail.

Code Section 453A.15(7) is enacted to give the director the authority to require that cigarette reports be filed by electronic transmission.

Code Section 453A.18 authorizes DOR to furnish permit holders with electronic forms in lieu of paper forms.

Code Section 453A.24 is amended to require common carriers or other persons to provide monthly reports to DOR by electronic transmission if the director requires by rule.

Code Section 453A.25(3) is amended to delete the requirement that the director appoint a person whose only responsibility is to administer cigarette and tobacco taxes.

Code Section 453A.30 is amended to include the requirements for the filing of cigarette reports the same as those for the filing of cigarette returns relating to the cost of an audit.

Code Section 453A.31 is amended to prohibit the sale of cigarette stamps to distributors who do not file appropriate returns or reports in a timely manner.

Code Section 453A.32 is amended to make the cigarette seizure provisions applicable to tobacco products.

Code Section 453A.36(6) is amended to specify that cigarette retailers receive a permit, not a license, to do business in Iowa, and to prohibit the sale of cigarettes or tobacco through a vending machine if other nontobacco products are also sold in the vending machine.

Code Section 453A.36(7A) is enacted to prohibit a holder of a retail permit to sell or distribute any cigarettes or tobacco products without having the federal health warning on it.

Code Section 453A.42(1) and (2) are amended to limit the combined tobacco products tax on cigars to 50 cents per cigar. The tobacco products tax was increased in S.F. 128, by an additional 28 percent for a combined tax of 50 percent of the wholesale price with a limit of 50 cents per cigar for the additional tax only. This provision is retroactive to March 15, 2007, and authorizes a refund of any excess cigar tax paid.

Code Section 453A.45(5) is amended to give the director the authority to require by rule that tobacco transportation reports be filed electronically and makes the failure or refusal to file or to allow the examination of the required reports a serious misdemeanor rather than a simple misdemeanor.

Code Section 453A.46 is amended to give the director the authority to require by rule any additional information that should be included on a return, add language to reference civil penalties, and give the director the authority to require by rule that distributors file tobacco reports electronically.

Code Section 453A.50(2) is amended to specify that, unless otherwise stated, a violation of the tobacco products division of Code Chapter 453A is a simple misdemeanor. Code Section 453A.50 is also amended to impose civil penalties for violation of the tobacco tax laws and regulations. These penalties are consistent with penalties that are applicable to cigarettes.

Code Section 453A.51 is enacted to make tobacco products tax enforcement provisions related to the cost of an audit similar to cigarette tax enforcement provisions.

Code Section 453C.1 is amended to provide a more specific definition of "units sold" for the purposes of the tobacco product manufacturers' obligations, which is the basis for determining the amount that a nonparticipating manufacturer in the Tobacco Master Settlement Agreement must place in escrow. The amended definition provides that "units sold" is measured only by those packs bearing an excise stamp of the state.

TRANSPORTATION

- [SENATE FILE 358](#) - Used Motor Vehicle Dealer Education Requirements
- [SENATE FILE 463](#) - Ambulance, Rescue Vehicle, Fire Vehicle, or Towing or Recovery Vehicle Manufacturers and Dealers — Licensing
- [SENATE FILE 469](#) - Motor Homes and Manufacturers' Club Rallies
- [HOUSE FILE 559](#) - Midwest Interstate Passenger Rail Compact
- [HOUSE FILE 641](#) - Judicial Branch Practices and Procedures — Driver's Licenses, Installment Payment Agreements, and Court Revenue Distribution
- [HOUSE FILE 793](#) - Transportation Regulation and Land Surveying Standards
- [HOUSE FILE 932](#) - Road Construction and Maintenance Revenue

RELATED LEGISLATION

- [SENATE FILE 204](#) - Public Safety and Law Enforcement — Crimes, Practices, and Procedure
SEE STATE GOVERNMENT. This Act relates to Department of Public Safety practices and procedures, and provides that a person who violates Code Section 321.232, "Radar Jamming Devices," may be subject to a forfeiture action.
- [SENATE FILE 333](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act contains statutory corrections relating to the actions against motor vehicle registrations or certificates of title due to traffic law infractions, renewable fuels infrastructure programs, alternative fuels tax credits, mercury switches and vehicle recycling, and all-terrain vehicle fee collection. Obsolete language is stricken in a provision relating to use of ethanol in school corporation vehicles.
- [SENATE FILE 472](#) - Railway Safety — Close-Clearance Warning Devices
SEE LABOR AND EMPLOYMENT. This Act requires the owner of a railroad track to place warning devices at close-clearance locations along the track and requires the Department of Transportation to administer and enforce the requirement.
- [SENATE FILE 586](#) - Gold Star Motor Vehicle Registration Plates
SEE PUBLIC DEFENSE AND VETERANS. This Act creates a special gold star motor vehicle registration plate available to the surviving spouse, parent, child, or sibling of a member of the Armed Forces who died while serving on active duty during a time of military conflict. The Act takes effect January 1, 2008.
- [HOUSE FILE 5](#) - Consumer Loans Secured by Motor Vehicle Titles — Finance Charges
SEE BUSINESS, BANKING, AND INSURANCE. This Act relates to the maximum finance charge allowed for consumer loans secured by a certificate of title to a motor vehicle.
- [HOUSE FILE 314](#) - Operating Noncommercial Motor Vehicles While Intoxicated — Effect on Commercial Driver's License
SEE CIVIL LAW, PROCEDURE, AND COURT ADMINISTRATION. This Act relates to a peace officer's statements to a person operating a noncommercial motor vehicle and holding a commercial driver's license who has been requested to submit to a chemical test in an operating-while-intoxicated case.

HOUSE FILE 742

- Snowmobile and All-Terrain Vehicle Regulation
SEE NATURAL RESOURCES AND OUTDOOR RECREATION. This Act contains provisions relating to the regulation of snowmobiles and all-terrain vehicles by the Department of Natural Resources.

HOUSE FILE 749

- Special Motor Vehicle Registration Plates — Military Service and Emergency Medical Services
SEE PUBLIC DEFENSE AND VETERANS. This Act contains provisions relating to existing and new special motor vehicle registration plates associated with military service and to the allocation of fees from special plates to the Veterans License Fee Fund and the Emergency Medical Services Fund. The Act contains various effective dates.

HOUSE FILE 752

- Appropriations — Transportation
SEE APPROPRIATIONS. This Act makes appropriations from the Road Use Tax Fund and the Primary Road Fund to the Department of Transportation.

TRANSPORTATION

SENATE FILE 358 - Used Motor Vehicle Dealer Education Requirements

BY COMMITTEE ON TRANSPORTATION. This Act establishes preclicensing education and continuing education requirements for used motor vehicle dealers.

Under the Act, an applicant for licensure as a used motor vehicle dealer is required to complete at least eight hours of preclicensing education prior to licensure, and an applicant for renewal of a license is required to complete at least five hours of continuing education over a two-year period as a condition for license renewal. A person who completes a preclicensing or continuing education program course shall be issued a certificate which must be posted conspicuously in the principal office of the used motor vehicle dealer. At least one person associated with a dealer in an official capacity must complete the education program courses in order to fulfill the education requirements on behalf of the dealer. The education requirements do not apply to nationally franchised rental companies; national motor vehicle and wholesale dealer-only auction companies; used car dealerships owned by a franchise motor vehicle dealer; and banks, credit unions, and savings and loan associations.

The Act requires the Iowa Independent Automobile Dealers Association, in consultation with the Department of Transportation, the Department of Education, the Attorney General, and the Iowa Association of Community College Trustees, to develop course curricula for the education program. The scope of the curricula shall include examination of federal and state laws applicable to the motor vehicle industry and to used motor vehicle dealers. The program courses may be provided by community colleges or by the Iowa Independent Automobile Dealers Association in conjunction with a community college. Reasonable fees for the courses shall be established by the Department of Education by rule. Each community college that provides the courses is required to transmit an annual report to the Director of Transportation, the Director of the Department of Education, the Attorney General, and the President of the Iowa Association of Community College Trustees.

The Department of Transportation is directed to provide timely notice of the new requirements to current used motor vehicle dealer licensees.

SENATE FILE 463 - Ambulance, Rescue Vehicle, Fire Vehicle, or Towing or Recovery Vehicle Manufacturers and Dealers — Licensing

BY COMMITTEE ON TRANSPORTATION. This Act allows a licensed manufacturer of ambulances, rescue vehicles, or fire vehicles to obtain special plates with a distinguishing number to be displayed on the manufacturer's vehicles so that the vehicles can be driven for purposes of transporting, demonstrating, showing, or exhibiting the vehicles. Similar plates are currently issued to motor vehicle dealers. The Act also allows a person who rebuilds completed vehicles as ambulances, rescue vehicles, fire vehicles, or towing or recovery vehicles and is licensed as a wholesaler of those vehicles to be licensed as a used motor vehicle dealer for the purpose of selling used vehicles of the same make and model the person is licensed to wholesale.

SENATE FILE 469 - Motor Homes and Manufacturers' Club Rallies

BY COMMITTEE ON TRANSPORTATION. This Act establishes a five-year pilot project in Clay County to permit a manufacturer of class A motor homes to sponsor and conduct a camping rally annually on the grounds of the county fair and to sell its class A motor homes at the rally. Current Iowa law does not allow a motor home manufacturer to engage in retail sales activity. The Act creates an exception under limited circumstances during the period of the pilot project.

The Act specifies that a camping rally sponsored and conducted by a motor home manufacturer shall not be open to the public. Attendance is restricted to members and their families of a club sponsored by the manufacturer for owners of motor homes manufactured by the manufacturer. The attendees must camp on the fairgrounds where the rally is held in their motor homes manufactured by the manufacturer. The duration of the rally is limited to seven consecutive days.

During the camping rally, the manufacturer may sell its class A motor homes to nonresident attendees of the rally and display but not sell its new class B and class C motor homes at the rally. The manufacturer may accept trade-ins of used motor homes manufactured by the manufacturer from attendees who purchase new motor

homes. The manufacturer may sell or trade a used motor home acquired from a purchaser at the rally, provided the manufacturer has a certificate of title to the motor home assigned to the manufacturer. An Iowa certificate of title shall not be issued for a motor home sold by a manufacturer at a camping rally. The Act contains provisions to allow a motor home sold at a camping rally to be operated on Iowa highways for the purpose of removing it from this state.

In the absence of legislative action, the Code provisions enabling the sale of motor homes by a manufacturer at a camping rally are repealed on June 30, 2012. Until then, the Clay County Fair Board is required to report annually to the House and Senate standing committees on Transportation regarding the pilot project. The board is also required to report to the Department of Transportation (DOT) any suspected violation of the sales provisions of the Act brought to the board's attention. The DOT is charged with investigating possible violations and reporting any substantiated violation to the board and the transportation committees. Upon receipt of a report of a substantiated violation, the Clay County Fair Board shall not allow another camping rally to be conducted at the fairgrounds by a motor home manufacturer.

The Act also repeals, effective May 9, 2007, two sections of 2007 Iowa Acts, S.F. 403 (see Appropriations), that would have limited the ability of the DOT and community colleges to sell, exchange, or otherwise dispose of real property with a fair market value of \$5 million without the authorization of the General Assembly and the approval of the Governor.

HOUSE FILE 559 - Midwest Interstate Passenger Rail Compact

BY COMMITTEE ON TRANSPORTATION. This Act enacts the Midwest Interstate Passenger Rail Compact into Iowa law. As a result, Iowa enters into the compact with at least eight other Midwestern states that have already enacted the compact.

The purposes of the compact are to promote development and implementation of improvements to intercity passenger rail service in the Midwest, to coordinate interaction among Midwestern state officials on passenger rail issues, to promote development and implementation of plans for high-speed rail passenger service in the Midwest and other regions, to work with public and private sectors at all levels to ensure coordination among entities with an interest in passenger rail service and promote Midwestern interests regarding such service, and to support efforts of transportation agencies involved in developing and implementing passenger rail service in the Midwest.

Under the compact, a commission is established to further the purposes of and carry out the duties specified in the compact. Each state joining the compact is represented by four commission members: the Governor of the state or the Governor's designee, serving during the tenure of the Governor or until a successor is named; a member of the private sector appointed by the Governor, serving during the tenure of the Governor or until a successor is named; and two legislators, one from each legislative chamber appointed by the appropriate appointing authority in each chamber, serving two-year terms or until successors are appointed.

The compact provides a list of the powers and duties of the commission and provides for financing the general operations of the commission with moneys appropriated equally by the member states.

The Act specifies that moneys shall not be diverted from the Road Use Tax Fund to pay costs associated with participation in the compact. The Legislative Council allocated \$15,000 on June 13, 2007, for payment of the annual membership dues for FY 2007-2008. The compact, having already been enacted into law and entered into by a requisite number of states, takes effect for Iowa upon effectiveness of this Act.

HOUSE FILE 641 - Judicial Branch Practices and Procedures — Driver's Licenses, Installment Payment Agreements, and Court Revenue Distribution

BY COMMITTEE ON JUDICIARY. This Act relates to the issuance of a driver's license or temporary restricted license, operating a motor vehicle after suspension or revocation, and the distribution of court revenue to cities, counties, and the state.

INSTALLMENT AGREEMENTS. Under the Act, if the driver's license of a person has been suspended pursuant to Code Section 321.210A for failing to pay a fine, penalty, surcharge, or court cost related to a moving violation, the person may enter into an installment agreement for the purpose of paying off the delinquent obligation.

The Department of Transportation (DOT) must reinstate the driver's license of a person upon receipt of an executed installment agreement between the person and the county attorney if the driver's license of the person is not otherwise suspended, revoked, or barred under another provision of the law. Current law requires the delinquent obligation to be paid in full prior to reinstatement of the driver's license.

If the DOT reinstates the driver's license, the person must pay the \$20 fee required for reinstatement and provide proof of financial responsibility. If a civil penalty is assessed by the DOT, the amount of the civil penalty shall be added to the amount owing under the installment agreement. The clerk of the district court shall transmit to the DOT, from the first moneys collected, an amount equal to the amount of any civil penalty assessed and added to the installment agreement.

A person is required to enter into the installment agreement with the county attorney in the county where the delinquent obligation was imposed. However, if the county where the delinquent obligation was imposed does not have an installment agreement program, the person shall execute the installment agreement in the person's county of residence. If the county of residence does not have an installment agreement program, the person may execute the agreement with any county attorney. A county attorney may designate another entity to enter into the installment agreements on behalf of the county attorney. An installment agreement shall not be executed in any county, except Polk or Linn County, until January 1, 2008.

The county attorney must file the executed installment agreement with the clerk of the district court in the county where the obligation was imposed. The person is required to make one installment payment prior to the clerk of the district court reporting receipt of the executed installment agreement to the DOT.

Upon determination by the county attorney that the person is in default of the installment agreement, the county attorney shall notify the clerk of the district court, the clerk shall report the default to the DOT, and the DOT shall suspend the person's driver's license. If the installment agreement is in default, the particular delinquent obligations covered under the installment agreement shall not become part of any new installment agreement.

The Act limits a person to five installment agreements in the person's lifetime.

Any moneys collected pursuant to the installment agreement, except the civil penalty, shall be distributed as provided in Code Section 602.8107, subsection 4, for delinquent judgments collected by a county attorney.

TEMPORARY RESTRICTED LICENSE. A person with a temporary restricted license may operate a motor vehicle to and from an appointment with the person's probation or parole officer.

PROBATION PERIOD AFTER SUSPENSION. A person whose driver's license has previously been suspended under Code Chapter 321 may be suspended for an additional period equal in duration to the period of the original suspension upon a second conviction of a moving traffic violation. For a person whose driver's license has previously been suspended under Code Chapter 321J (Operating While Intoxicated), the driver's license may be suspended for an additional period equal in duration to the period of the original suspension upon a conviction of one moving traffic violation. For purposes of determining if a conviction has occurred, the DOT shall not consider the first two speeding violations within the probation period that are 10 miles per hour or less over the speed limit in speed zones having a speed limit between 34 miles per hour and 56 miles per hour.

PRAECIPE FEE. A filing fee for a praecipe shall be waived for a political subdivision of the state if a county attorney is collecting a delinquent judgment pursuant to Code Section 602.8107. A praecipe is a document filed with the clerk of the district court that relates to enforcing a judgment.

DISTRIBUTION OF COURT REVENUE TO CITIES. The Act modifies the manner in which court revenue is reconciled between a city and the clerk of the district court. The clerk of the district court may offset any amounts owed by the city to the clerk prior to distributing any amounts owed to the city. The city may offset any amounts owed by the clerk to the city prior to distributing any amounts owed to the clerk. Current law permits the clerk of the district court and the county to offset amounts owed prior to distribution in Code Section 602.8109.

HOUSE FILE 793 - Transportation Regulation and Land Surveying Standards

BY COMMITTEE ON WAYS AND MEANS. This Act contains provisions relating to the administration of highways and the regulation of motor vehicles by the Department of Transportation (DOT) and to the collection of regional transit district tax revenues by county treasurers.

Division I — Highways

Code Section 306C.11 is amended to allow businesses in a commercial or industrial development to place signs within or adjacent to the highway right-of-way anywhere within the development.

Code Section 543D.3 is amended to allow real estate appraisals to be done by a DOT employee who is a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser.

Division II — Land Surveying Standards

Amendments to Code Sections 355.5, 355.7, and 355.8 reflect that the U.S. survey foot, rather than the international foot, is the land surveying standard for distance measurements.

Division III — Motor Vehicles

Code Section 321.16 is amended to allow a peace officer serving notice of suspension or revocation of a driver's license to destroy the license or send it to the DOT. A related amendment to Code Section 321.206 permits a court to destroy a surrendered driver's license rather than forward it to the DOT.

Code Section 321.24 is amended to allow a county treasurer to issue a certificate of title for a vehicle with an unreleased security interest upon presentation of satisfactory evidence that the security interest has been extinguished or that the holder of the security interest cannot be located to release the security interest.

Code Section 321.34 is amended to specify that the owner of a motor vehicle who has been awarded the Legion of Merit is entitled to only one set of special Legion of Merit registration plates. This is consistent with provisions for Medal of Honor plates and ex-prisoner of war plates.

Code Section 321.52 is amended to allow a licensed vehicle recycler or a new motor vehicle dealer to assign or reassign a salvage certificate of title from another state without the issuance of an Iowa salvage certificate of title.

Amendments to Code Sections 321.112 and 321.115 revise the registration requirements and fees for antique motor vehicles. Under current law, the owner of a motor vehicle 25 years old or older who operates the vehicle only for exhibition or educational purposes may register the vehicle for an annual fee of \$5. The Act eliminates the \$5 fee along with the restricted use provisions and requires all such antique vehicles to be registered under the annual fee schedules provided for older vehicles. The owner of an antique motor vehicle may furnish and display authentic Iowa registration plates from the model year of the motor vehicle, approved by the DOT, so long as the current and valid Iowa plates and registration card are carried within the vehicle. The Act provides for registration of truck tractors and semitrailers as antique vehicles and prohibits the use of such vehicles to haul loads. The amendments to requirements for antique motor vehicles take effect July 1, 2008.

The Act amends a provision in Code Section 321.134 that allows owners of trucks, truck tractors, and road tractors registered for a gross weight exceeding five tons to pay annual registration fees in two semiannual installments. Under the Act, if a registrant has paid the registration fee late for two consecutive years, annual payment is required for the next five years.

Code Section 321.457 is amended to increase the maximum overall length allowed for a single truck, unladen or with load, from 40 to 41 feet, including the front and rear bumpers. The change takes effect May 9, 2007.

The Act amends Code Sections 321.463, 321E.2, and 321E.7, and adds new Code Section 321E.8A to allow certain self-propelled implements of husbandry that are used for the application of fertilizers, and that, as newly manufactured, exceed axle weight limits when unloaded, to be operated on noninterstate highways, excluding bridges, pursuant to a permit issued by the DOT. The permit allows a maximum single axle weight of 25,000

pounds. Permits shall be valid for operating in up to 10 counties annually from July 1 through June 30. The owner of the vehicle shall pay a fee of \$600 for each county in which the vehicle will be operated, up to a maximum of \$3,500 per year. The permit fees for the vehicle shall be equally divided among the specified counties and deposited in the secondary road funds of those counties. Only vehicles purchased or ordered before February 1, 2007, are eligible for permits, which must be obtained prior to July 1, 2007. After that date, no new permits shall be issued; however, the existing permit for a vehicle may be renewed annually upon payment of the appropriate county fees. The owner of a vehicle that is operated without a permit, or that violates the restrictions under the permit, including operation on a bridge, is subject to a civil penalty of \$10,000 in addition to other penalties that may apply. The Act requires the DOT to accept applications for permits by June 1, 2007, and issue the permits prior to July 1, 2007. This provision takes effect May 9, 2007. A related amendment to Code Section 321.285 clarifies that those self-propelled implements of husbandry, also known as "floaters," are subject to a 35-mile-per-hour speed limit when operated on a highway.

The Act amends Code Section 321J.4 to allow a person whose driver's license has been suspended or revoked for an offense of driving a motor vehicle while under suspension or revocation for operating while intoxicated to apply for a temporary restricted license without the requirement of an ignition interlock device, provided that 12 years have elapsed since the conclusion of the original period of suspension or revocation for the underlying offense of operating while intoxicated.

The Act amends Code Sections 322.4 and 322.7 to modify the application requirements for a motor vehicle dealer license. Under current law, the application must contain the post office address of every partner if the business is a copartnership, or of each officer and director if the business is a corporation. The Act requires the bona fide address, rather than the post office address, of only two partners or two officers, as applicable, and omits the requirement that a license include the names and addresses of all partners.

Code Section 326.10A is amended to permit the DOT to accept a corporate check from an approved company with a satisfactory payment history as payment of proportional registration fees for a commercial vehicle fleet following receipt of a dishonored check from the applicant. Currently, the only acceptable form of payment is with guaranteed funds. Code Section 326.16 is amended to specify that failure to receive a renewal notice or invoice by mail, facsimile transmission, or other means of delivery does not relieve a person from responsibility for payment of proportional registration fees, invoiced amounts, or penalties. A similar amendment to Code Section 452A.54 specifies that failure to receive a quarterly report or fuel credentials by mail, facsimile transmission, or other means of delivery does not relieve a person from fuel tax liability for a commercial vehicle or the requirement to display fuel credentials. New Code Section 326.24 and the amendment to Code Section 452A.68 allow the DOT to impose sanctions on a carrier under both the International Registration Plan and the International Fuel Tax Agreement licensing provisions for unpaid debt under either program.

The Act amends Code Section 327B.1 to authorize the DOT to participate in the Unified Carrier Registration System, newly established under federal law. Coordinating amendments repeal Code Section 327B.4, which exempts private carriers from the current Single State Registration System (SSRS), and Code Section 327B.7, which provides for reciprocity agreements with other member states of an exempt commodity base state registration system. The Act also provides for immediate repeal of Code Section 327B.6, relating to insurance and bonding requirements for exempt carriers under the SSRS, upon the date established by the Secretary of the United States Department of Transportation as the transition termination date for that registration system. All of the changes to Code Chapter 327B take effect May 9, 2007.

The Act repeals, effective May 9, 2007, an amendment to Code Section 321.25 passed in the 2006 Legislative Session that would have extended, from 45 days to 60 days, the amount of time a vehicle could be operated on the highways bearing a "registration applied for" card. That 2006 amendment was scheduled to take effect July 1, 2007.

Division IV — Regional Transit Districts

Code Section 28M.4 is amended to require that regional transit district tax revenues collected by a county treasurer shall be sent for direct deposit into the account designated by the regional transit district commission before the 15th day of each month, with notice sent to the secretary of the commission.

HOUSE FILE 932 - Road Construction and Maintenance Revenue

BY COMMITTEE ON WAYS AND MEANS. This Act creates a Transportation Investment Moves the Economy in the 21st Century Fund in the state treasury under the control of the Department of Transportation (DOT). The fund, to be known as the TIME-21 Fund, shall consist of revenues appropriated by the General Assembly or credited by law to the fund.

The Act allocates 60 percent of TIME-21 Fund moneys to the Primary Road Fund, 20 percent to the Secondary Road Fund, and 20 percent to the Street Construction Fund of the Cities.

Funds allocated from the TIME-21 Fund to the Primary Road Fund shall be used for construction and maintenance projects on Access Iowa highways, commercial and industrial network (CIN) highways that are included in the state's five-year transportation plan or long-range transportation plan, and interstate highways. Projects on Access Iowa highways have the highest funding priority, followed by CIN highway projects, with preference given to projects in areas with existing biodiesel, ethanol, or other biorefinery plants. Funds used for construction may be used for purchase of right-of-way, but not for planning and design.

TIME-21 Fund moneys allocated to the Secondary Road Fund are to be used for construction and maintenance of secondary road bridges and farm-to-market roads. At least 10 percent of the moneys received by a county must be used for bridge construction, repair, and maintenance, with priority given to projects that aid and support economic development and job creation. The Act provides for apportionment of TIME-21 Fund moneys in the Street Construction Fund of the Cities on a population basis, to be used to sustain and improve roads in the municipal street system.

Provisions in the Act concerning the TIME-21 Fund are repealed June 30, 2028.

The Act increases the amount of Revitalize Iowa's Sound Economy (RISE) Fund moneys available to counties by revising the formula for allocation of motor fuel tax revenues from the Road Use Tax Fund to the RISE Fund and the Secondary Road Fund, and revising the distribution formula for RISE Fund moneys. Fifty percent of RISE Fund moneys deposited in the Primary Road Fund shall be used for highways that support the production and transport of renewable fuels, including highways that connect biofuel facilities with CIN highways, and the remaining 50 percent shall be used for highways designated by the Transportation Commission as Access Iowa highways. The RISE Fund moneys deposited in the Secondary Road Fund shall be used for secondary road projects, including projects that connect biofuel facilities with CIN highways.

The DOT is required to continue to study the revenue levels of the Road Use Tax Fund and alternative funding sources for roads and report its findings and recommendations to the General Assembly every five years, beginning December 31, 2011.

The Legislative Council is directed to establish an interim committee composed of eight legislative members to study funding options for the TIME-21 Fund and report the committee's recommendations to the General Assembly by January 15, 2008.

APPENDIX: [Code Sections & Acts Affected by 2007 Legislative Session](#)