

Senate File 510

H-1370

1 Amend the amendment, H-1365, to Senate File 510,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 4, line 13, after <dues.> by inserting
5 <This subsection shall not apply to institutions of
6 higher learning under the control of the state board of
7 regents or to the state board of regents.>

8 2. Page 4, after line 26 by inserting:

9 <Sec. _____. Section 8.55, subsection 2, paragraph a,
10 Code 2015, is amended to read as follows:

11 a. The first ~~sixty~~ ninety million dollars of the
12 difference between the actual net revenue for the
13 general fund of the state for the fiscal year and the
14 adjusted revenue estimate for the fiscal year shall be
15 transferred to the taxpayers trust fund.

16 Sec. _____. Section 8A.311, Code 2015, is amended by
17 adding the following new subsection:

18 NEW SUBSECTION. 23. Notwithstanding sections
19 904.807 and 904.808, the director of the department of
20 administrative services shall furnish state parks with
21 equipment deemed necessary by the department of natural
22 resources and the director of the department of natural
23 resources under a competitive bid process as described
24 in this chapter.>

25 3. Page 5, after line 30 by inserting:

26 <Sec. _____. Section 256.7, subsection 32, paragraph
27 c, Code 2015, is amended to read as follows:

28 c. Adopt rules that limit the statewide enrollment
29 of pupils in educational instruction and course content
30 that are delivered primarily over the internet to
31 not more than eighteen one-hundredths of one percent
32 of the statewide enrollment of all pupils, and that
33 limit the number of pupils participating in open
34 enrollment for purposes of receiving educational
35 instruction and course content that are delivered
36 primarily over the internet to no more than one percent
37 of a sending district's enrollment. ~~Until June 30,~~
38 ~~2015, students~~ Such limitations shall not apply if
39 the limitations would prevent siblings from enrolling
40 in the same school district or if a sending district
41 determines that the educational needs of a physically
42 or emotionally fragile student would be best served
43 by educational instruction and course content that
44 are delivered primarily over the internet. Students
45 who meet the requirements of section 282.18 may
46 participate in open enrollment under this paragraph "c"
47 for purposes of enrolling only in the CAM community
48 school district or the Clayton Ridge community school
49 district.

50 (01) The department, in collaboration with the

1 international association for K-12 online learning,
2 shall annually collect data on student performance in
3 educational instruction and course content that are
4 delivered primarily over the internet pursuant to this
5 paragraph "c". The department shall include such data
6 in its annual report to the general assembly pursuant
7 to subparagraph (3) and shall post the data on the
8 department's internet site.

9 (1) School districts providing educational
10 instruction and course content that are delivered
11 primarily over the internet pursuant to this paragraph
12 "c" shall annually submit to the department, in the
13 manner prescribed by the department, data that includes
14 but is not limited to student the following:

15 (a) Student achievement and demographic
16 characteristics, retention.

17 (b) Retention rates, and the.

18 (c) The percentage of enrolled students' active
19 participation in extracurricular activities.

20 (d) Academic proficiency levels, consistent with
21 requirements applicable to all school districts and
22 accredited nonpublic schools in this state.

23 (e) Academic growth measures, which shall include
24 either of the following:

25 (i) Entry and exit assessments in, at a minimum,
26 math and English for elementary and middle school
27 students, and additional subjects, including science,
28 for high school students.

29 (ii) State-required assessments that track
30 year-over-year improvements in academic proficiency.

31 (f) Academic mobility. To facilitate the tracking
32 of academic mobility, school districts shall request
33 the following information from the parent or guardian
34 of a student enrolled in educational instruction and
35 course content that are delivered primarily over the
36 internet pursuant to this paragraph "c":

37 (i) For a student newly enrolling, the reasons for
38 choosing such enrollment.

39 (ii) For a student terminating enrollment, the
40 reasons for terminating such enrollment.

41 (g) Student progress toward graduation.
42 Measurement of such progress shall account for specific
43 characteristics of each enrolled student, including
44 but not limited to age and course credit accrued prior
45 to enrollment in educational instruction and course
46 content that are delivered primarily over the internet
47 pursuant to this paragraph "c", and shall be consistent
48 with evidence-based best practices.

49 (2) The department shall conduct annually a survey
50 of not less than ten percent of the total number of

1 students enrolled as authorized under this paragraph
2 "c" and section 282.18, and not less than one hundred
3 percent of the students in those districts who are
4 enrolled as authorized under this paragraph "c" and
5 section 282.18 and who are eligible for free or reduced
6 price meals under the federal National School Lunch
7 Act and the federal Child Nutrition Act of 1966, 42
8 U.S.C. §§1751-1785, to determine whether students are
9 enrolled under this paragraph "c" and section 282.18
10 to receive educational instruction and course content
11 primarily over the internet or are students who are
12 receiving competent private instruction from a licensed
13 practitioner provided through a school district
14 pursuant to chapter 299A.

15 (3) The department shall compile and review the
16 data collected pursuant to this paragraph "c" and
17 shall submit its findings and recommendations for the
18 continued delivery of instruction and course content by
19 school districts pursuant to this paragraph "c", in a
20 report to the general assembly by January 15 annually.

21 (4) This paragraph "c" is repealed July 1, 2015.
22 School districts providing educational instruction
23 and course content that are delivered primarily over
24 the internet pursuant to this paragraph "c" shall
25 comply with the following requirements relating to such
26 instruction and content:

27 (a) Monitoring and verifying full-time student
28 enrollment, timely completion of graduation
29 requirements, course credit accrual, and course
30 completion.

31 (b) Monitoring and verifying student progress and
32 performance in each course through a school-based
33 assessment plan that includes submission of coursework
34 and security and validity of testing.

35 (c) Conducting parent-teacher conferences.

36 (d) Administering assessments required by the state
37 to all students in a proctored setting and pursuant to
38 state law.

39 **Sec. ____ . NEW SECTION. 274.3 Exercise of powers**
40 **— construction.**

41 1. The board of directors of a school district
42 shall operate, control, and supervise all public
43 schools located within its district boundaries and may
44 exercise any broad and implied power, not inconsistent
45 with the laws of the general assembly, related to the
46 operation, control, and supervision of those public
47 schools.

48 2. Notwithstanding subsection 1, the board of
49 directors of a school district shall not have power to
50 levy any tax unless expressly authorized by the general

1 assembly.

2 3. This chapter, chapter 257 and chapters 275
3 through 301, and other statutes relating to the
4 boards of directors of school districts and to school
5 districts shall be liberally construed to effectuate
6 the purposes of subsection 1.

7 Sec. _____. Section 279.50, subsections 3 and 5, Code
8 2015, are amended to read as follows:

9 3. Each school board shall annually provide to
10 a parent or guardian of any pupil enrolled in the
11 school district, information about the human growth and
12 development curriculum used in the pupil's grade level,
13 as well as information on human growth and development
14 that is provided to the pupil at any educational
15 conference or seminar for which the school district
16 facilitates pupil participation, and the procedure for
17 inspecting the instructional materials prior to their
18 use in the classroom or at the educational conference
19 or seminar.

20 5. A Except with the written consent of a pupil's
21 parent or guardian, which shall be filed with the
22 appropriate school principal, a pupil shall not neither
23 be required to take enrolled in a course of instruction
24 in human growth and development if the pupil's parent
25 or guardian files with the appropriate principal a
26 written request that the pupil be excused from the
27 instruction nor attend an educational conference or
28 seminar for which the school district facilitates pupil
29 participation if the educational conference or seminar
30 includes information on human growth and development.
31 Notification that the written request may be made
32 consent is required prior to a pupil's enrollment or
33 attendance as provided in this subsection shall be
34 included in the information provided by the school
35 district under subsection 3.

36 Sec. _____. Section 284.13, subsection 1, paragraph
37 e, subparagraph (2), subparagraph division (a), Code
38 2015, is amended to read as follows:

39 (a) For the initial school year for which a
40 school district receives department approval for
41 and implements a framework or comparable system in
42 accordance with section 284.15, teacher leadership
43 supplement foundation aid payable to that school
44 district shall be paid from the allocation made in
45 subparagraph (1) for that school year. For that school
46 year beginning July 1, 2014, the teacher leadership
47 supplement foundation aid payable to the school
48 district is the product of the teacher leadership
49 district cost per pupil for the school year multiplied
50 by the school district's budget enrollment. For that

1 school year beginning July 1, 2015, or beginning July
2 1, 2016, the teacher leadership supplement foundation
3 aid payable to the school district is the product
4 of three hundred eight dollars and eighty-two cents
5 multiplied by the school district's budget enrollment.
6 The board of directors of the district of residence
7 shall pay to the receiving district any moneys received
8 for a pupil under subparagraph (1) if the pupil is
9 participating in open enrollment under section 282.18
10 and both the district of residence and the receiving
11 district are receiving an allocation under subparagraph
12 (1).

13 Sec. _____. Section 730.5, subsection 9, paragraph e,
14 Code 2015, is amended to read as follows:

15 e. If the written policy provides for alcohol
16 testing, the employer shall establish in the written
17 policy a standard for alcohol concentration which shall
18 be deemed to violate the policy. The standard for
19 alcohol concentration shall not be less than ~~.04~~ .02,
20 expressed in terms of grams of alcohol per two hundred
21 ten liters of breath, or its equivalent.>

22 4. Page 12, by striking lines 11 through 34.

23 5. Page 28, after line 22 by inserting:

24 <Sec. _____. Section 459A.206, subsection 1, Code
25 2015, as amended by 2015 Iowa Acts, House File 583,
26 section 25, is amended to read as follows:

27 1. A settled open feedlot effluent basin or an
28 unformed animal truck wash effluent structure required
29 to be constructed pursuant to a construction permit
30 issued pursuant to section 459A.205 shall meet design
31 standards as required by a soils and hydrogeologic
32 report.

33 Sec. _____. Section 459A.206, subsection 2, paragraph
34 c, Code 2015, is amended to read as follows:

35 c. The results of at least three soil corings
36 reflecting the continuous soil profile taken for
37 each settled open feed lot effluent basin or unformed
38 animal truck wash effluent structure. The soil corings
39 shall be taken and used in determining subsurface soil
40 characteristics and groundwater elevation and direction
41 of flow of the proposed site for construction. The
42 soil corings shall be taken as follows:

43 (1) By a qualified person ordinarily engaged in the
44 practice of taking soil cores and in performing soil
45 testing.

46 (2) At locations that reflect the continuous
47 soil profile conditions existing within the area of
48 the proposed basin or unformed structure, including
49 conditions found near the corners and the deepest point
50 of the proposed basin. The soil corings shall be

1 taken to a minimum depth of ten feet below the bottom
2 elevation of the basin.

3 (3) By a method such as hollow stem auger or other
4 method that identifies the continuous soil profile and
5 does not result in the mixing of soil layers.

6 Sec. _____. Section 459A.207, subsection 1, paragraph
7 a, Code 2015, is amended to read as follows:

8 a. The basin or structure was constructed in
9 accordance with the design plans submitted to the
10 department as part of an application for a construction
11 permit pursuant to section 459A.205. If the actual
12 construction deviates from the approved design plans,
13 the construction certification shall identify all
14 changes and certify that the changes were consistent
15 with all applicable standards of this section.

16 Sec. _____. Section 459A.302, unnumbered paragraph
17 1, Code 2015, as amended by 2015 Iowa Acts, House File
18 583, section 32, is amended to read as follows:

19 A settled open feedlot effluent basin or an unformed
20 animal truck wash effluent structure required to be
21 constructed pursuant to a construction permit issued
22 pursuant to section 459A.205 shall meet all of the
23 following requirements:

24 Sec. _____. Section 459A.302, subsection 1, paragraph
25 a, unnumbered paragraph 1, Code 2015, as amended by
26 2015 Iowa Acts, House File 583, section 33, is amended
27 to read as follows:

28 Prior to constructing a settled open feedlot
29 effluent basin or an unformed animal truck wash
30 effluent structure, the site for the basin shall be
31 investigated for a drainage tile line by the owner
32 of the open feedlot operation or animal truck wash
33 facility. The investigation shall be made by digging
34 a core trench to a depth of at least six feet deep from
35 ground level at the projected center of the berm of the
36 basin or unformed structure. If a drainage tile line
37 is discovered, one of the following solutions shall be
38 implemented:

39 Sec. _____. Section 459A.302, subsection 1, paragraph
40 a, subparagraphs (1) and (2), Code 2015, are amended
41 to read as follows:

42 (1) The drainage tile line shall be rerouted
43 around the perimeter of the basin or unformed animal
44 truck wash effluent structure at a distance of at
45 least twenty-five feet horizontally separated from
46 the outside edge of the berm of the basin or unformed
47 structure. For an area of the basin or unformed
48 structure where there is not a berm, the drainage tile
49 line shall be rerouted at least fifty feet horizontally
50 separated from the edge of the basin or unformed

1 structure.

2 (2) The drainage tile line shall be replaced with a
3 nonperforated tile line under the basin floor of the
4 basin or unformed animal truck wash effluent structure.
5 The nonperforated tile line shall be continuous and
6 without connecting joints. There must be a minimum of
7 three feet between the nonperforated tile line and the
8 basin floor of the basin or unformed structure.

9 Sec. ____ . Section 459A.302, subsections 2, 3, 4,
10 and 5 Code 2015, as amended by 2015 Iowa Acts, House
11 File 583, section 34, is amended to read as follows:

12 2. a. The settled open feedlot effluent basin or
13 an unformed animal truck wash effluent structure shall
14 be constructed with a minimum separation of two feet
15 between the top of the liner of the basin or unformed
16 structure and the seasonal high-water table.

17 b. If a drainage tile line around the perimeter of
18 the settled open feedlot effluent basin or unformed
19 animal truck wash effluent structure is installed
20 a minimum of two feet below the top of the basin's
21 or unformed structure's liner to artificially lower
22 the seasonal high-water table, the top of the liner
23 may be a maximum of four feet below the seasonal
24 high-water table. The seasonal high-water table may
25 be artificially lowered by gravity flow tile lines or
26 other similar system. However, the following shall
27 apply:

28 (1) Except as provided in subparagraph (2), an
29 open feedlot operation or animal truck wash facility
30 shall not use a nongravity mechanical system that uses
31 pumping equipment.

32 (2) If the open feedlot operation was constructed
33 before July 1, 2005, the operation may continue to use
34 its existing nongravity mechanical system that uses
35 pumping equipment or it may construct a new nongravity
36 mechanical system that uses pumping equipment.
37 However, an open feedlot operation that expands the
38 area of its open feedlot on or after April 1, 2011,
39 shall not use a nongravity mechanical system that uses
40 pumping equipment.

41 3. Drainage tile lines may be installed to
42 artificially lower the seasonal high-water table at
43 a settled open feedlot effluent basin or an unformed
44 animal truck wash effluent structure, if all of the
45 following conditions are satisfied:

46 a. A device to allow monitoring of the water in the
47 drainage tile lines and a device to allow shutoff of
48 the flow in the drainage tile lines are installed, if
49 the drainage tile lines do not have a surface outlet
50 accessible on the property where the basin or unformed

1 structure is located.

2 b. Drainage tile lines are installed horizontally
3 at least twenty-five feet away from the basin or
4 unformed structure. Drainage tile lines shall be
5 placed in a vertical trench and encased in granular
6 material which extends upward to the level of the
7 seasonal high-water table.

8 4. A settled open feedlot effluent basin or an
9 unformed animal truck wash effluent structure shall
10 be constructed with at least four feet between the
11 bottom of the basin or unformed structure and a bedrock
12 formation.

13 5. A settled open feedlot effluent basin or
14 an unformed animal truck wash effluent structure
15 constructed on a floodplain or within a floodway of a
16 river or stream shall comply with rules adopted by the
17 commission.

18 Sec. _____. Section 459A.302, subsection 6,
19 unnumbered paragraph 1, Code 2015, as amended by 2015
20 Iowa Acts, House File 583, section 35, is amended to
21 read as follows:

22 The liner of a settled open feedlot effluent basin
23 or unformed animal truck wash effluent structure shall
24 comply with all of the following:

25 Sec. _____. Section 459A.302, subsection 7, Code
26 2015, as amended by 2015 Iowa Acts, House File 583,
27 section 36, is amended to read as follows:

28 7. The owner of an open feedlot operation using
29 a settled open feedlot effluent basin or animal truck
30 wash facility using an unformed animal truck wash
31 effluent structure shall inspect the berms of the
32 basin or unformed structure at least semiannually for
33 evidence of erosion. If the inspection reveals erosion
34 which may impact the basin's or unformed structure's
35 structural stability or the integrity of the basin's
36 or unformed structure's liner, the owner shall repair
37 the berms.>

38 6. Page 29, by striking line 18 and inserting:

39 <1. SECRETARY OF STATE>

40 7. Page 30, by striking lines 34 and 35 and
41 inserting:

42 <For the provision of the purchase of compatible
43 radio>

44 8. Page 30, by striking lines 38 and 39 and
45 inserting <narrowband mandate deadline:>

46 9. Page 31, by striking lines 17 and 18 and
47 inserting <\$626,000 for the provision of the purchase
48 of compatible radio>

49 10. Page 31, by striking lines 21 and 22 and
50 inserting <narrowband mandate deadline.>

1 11. Page 31, after line 31 by inserting:

2 <DIVISION _____
3 FIREARMS _____

4 Sec. _____. Section 724.1, subsection 1, paragraph h,
5 Code 2015, is amended by striking the paragraph.

6 Sec. _____. NEW SECTION. 724.1A Firearm suppressors
7 — certification.

8 1. As used in this section, unless the context
9 otherwise requires:

10 a. "*Certification*" means the participation and
11 assent of the chief law enforcement officer of the
12 jurisdiction where the applicant resides or maintains
13 an address of record, that is necessary under federal
14 law for the approval of an application to make or
15 transfer a firearm suppressor.

16 b. "*Chief law enforcement officer*" means the county
17 sheriff, chief of police, or the designee of such
18 official, that the federal bureau of alcohol, tobacco,
19 firearms and explosives, or any successor agency, has
20 identified by regulation or has determined is otherwise
21 eligible to provide any required certification for
22 making or transferring a firearm suppressor.

23 c. "*Firearm suppressor*" means a mechanical device
24 specifically constructed and designed so that when
25 attached to a firearm silences, muffles, or suppresses
26 the sound when fired that is considered a "*firearm*
27 *silencer*" or "*firearm muffler*" as defined in 18 U.S.C.
28 §921.

29 2. a. A chief law enforcement officer is not
30 required to make any certification under this section
31 the chief law enforcement officer knows to be false,
32 but the chief law enforcement officer shall not
33 refuse, based on a generalized objection, to issue a
34 certification to make or transfer a firearm suppressor.

35 b. When the certification of the chief law
36 enforcement officer is required by federal law or
37 regulation for making or transferring a firearm
38 suppressor, the chief law enforcement officer
39 shall, within thirty days of receipt of a request
40 for certification, issue such certification if the
41 applicant is not prohibited by law from making or
42 transferring a firearm suppressor or is not the subject
43 of a proceeding that could result in the applicant
44 being prohibited by law from making or transferring
45 the firearm suppressor. If the chief law enforcement
46 officer does not issue a certification as required by
47 this section, the chief law enforcement officer shall
48 provide the applicant with a written notification of
49 the denial and the reason for the denial.

50 c. A certification that has been approved under

1 this section grants the person the authority to make
2 or transfer a firearm suppressor as provided by state
3 and federal law.

4 3. An applicant whose request for certification
5 is denied may appeal the decision of the chief law
6 enforcement officer to the district court for the
7 county in which the applicant resides or maintains
8 an address of record. The court shall review the
9 decision of the chief law enforcement officer to deny
10 the certification de novo. If the court finds that
11 the applicant is not prohibited by law from making
12 or transferring the firearm suppressor, or is not the
13 subject of a proceeding that could result in such
14 prohibition, or that no substantial evidence supports
15 the decision of the chief law enforcement officer, the
16 court shall order the chief law enforcement officer
17 to issue the certification and award court costs and
18 reasonable attorney fees to the applicant. If the
19 court determines the applicant is not eligible to be
20 issued a certification, the court shall award court
21 costs and reasonable attorney fees to the political
22 subdivision of the state representing the chief law
23 enforcement officer.

24 4. In making a determination about whether to
25 issue a certification under subsection 2, a chief law
26 enforcement officer may conduct a criminal background
27 check, including an inquiry of the national instant
28 criminal background check system maintained by the
29 federal bureau of investigation or any successor
30 agency, but shall only require the applicant provide
31 as much information as is necessary to identify
32 the applicant for this purpose or to determine the
33 disposition of an arrest or proceeding relevant to the
34 eligibility of the applicant to lawfully possess or
35 receive a firearm suppressor. A chief law enforcement
36 officer shall not require access to or consent
37 to inspect any private premises as a condition of
38 providing a certification under this section.

39 5. A chief law enforcement officer and employees
40 of the chief law enforcement officer who act in good
41 faith are immune from liability arising from any act or
42 omission in making a certification as required by this
43 section.

44 Sec. ____. **NEW SECTION. 724.1B Firearm suppressors**
45 **— penalty.**

46 1. A person shall not possess a firearm suppressor
47 in this state if such possession is knowingly in
48 violation of federal law.

49 2. A person who possesses a firearm suppressor in
50 violation of subsection 1 commits a class "D" felony.

1 Sec. _____. Section 724.4, subsection 4, paragraph i,
2 Code 2015, is amended to read as follows:

3 *i.* (1) A person who has in the person's immediate
4 possession and who displays to a peace officer on
5 demand a valid permit to carry weapons which has been
6 issued to the person, and whose conduct is within the
7 limits of that permit. A peace officer shall verify
8 through electronic means, if possible, the validity of
9 the person's permit to carry weapons.

10 (2) A person commits a simple misdemeanor
11 punishable as a scheduled violation pursuant to section
12 805.8C, subsection 11, if the person does not have in
13 the person's immediate possession a valid permit to
14 carry weapons which has been issued to the person.

15 (3) Except as provided subparagraph (2), a
16 person shall not be convicted of a violation of this
17 section if the person produces at the person's trial a
18 permit to carry weapons which was valid at the time of
19 the alleged offense and which would have brought the
20 person's conduct within this exception if the permit
21 had been produced at the time of the alleged offense.

22 Sec. _____. Section 724.4B, subsection 2, paragraph
23 a, Code 2015, is amended to read as follows:

24 *a.* A person listed under section 724.4, subsection
25 4, paragraphs "b" through "f" or "j", or a certified
26 peace officer as specified in section 724.6, subsection
27 1.

28 Sec. _____. Section 724.5, Code 2015, is amended to
29 read as follows:

30 **724.5 Duty to carry or verify permit to carry**
31 **weapons.**

32 1. A person armed with a revolver, pistol, or
33 pocket billy concealed upon the person shall have in
34 the person's immediate possession the permit provided
35 for in section 724.4, subsection 4, paragraph "i", and
36 shall produce the permit for inspection at the request
37 of a peace officer.

38 2. A peace officer shall verify through electronic
39 means, if possible, the validity of the person's permit
40 to carry weapons.

41 3. Failure to so produce a permit is a simple
42 misdemeanor, punishable as a scheduled violation
43 pursuant to section 805.8C, subsection 12.

44 Sec. _____. Section 724.6, subsection 1, Code 2015,
45 is amended to read as follows:

46 1. A person may be issued a permit to carry weapons
47 when the person's employment in a private investigation
48 business or private security business licensed under
49 chapter 80A, or a person's employment as a peace
50 officer, correctional officer, security guard, bank

1 messenger or other person transporting property of a
2 value requiring security, or in police work, reasonably
3 justifies that person going armed. The permit shall be
4 on a form prescribed and published by the commissioner
5 of public safety, shall identify the holder, and
6 shall state the nature of the employment requiring the
7 holder to go armed. A permit so issued, other than to
8 a peace officer, shall authorize the person to whom
9 it is issued to go armed anywhere in the state, only
10 while engaged in the employment, and while going to and
11 from the place of the employment. A permit issued to
12 a certified peace officer shall authorize that peace
13 officer to go armed anywhere in the state, including
14 a school as provided in section 724.4B, at all times.
15 Permits shall expire twelve months after the date when
16 issued except that permits issued to peace officers and
17 correctional officers are valid through the officer's
18 period of employment unless otherwise canceled. When
19 the employment is terminated, the holder of the
20 permit shall surrender it to the issuing officer for
21 cancellation.

22 Sec. _____. Section 724.7, subsection 1, Code 2015,
23 is amended to read as follows:

24 1. Any person who is not disqualified under
25 section 724.8, who satisfies the training requirements
26 of section 724.9, if applicable, and who files an
27 application in accordance with section 724.10 shall be
28 issued a nonprofessional permit to carry weapons. Such
29 permits shall be on a form prescribed and published
30 by the commissioner of public safety, which shall be
31 readily distinguishable from the professional permit,
32 and shall identify the holder of the permit. Such
33 permits shall not be issued for a particular weapon
34 and shall not contain information about a particular
35 weapon including the make, model, or serial number of
36 the weapon or any ammunition used in that weapon. All
37 permits so issued shall be for a period of five years
38 and shall be valid throughout the state except where
39 the possession or carrying of a firearm is prohibited
40 by state or federal law.

41 Sec. _____. Section 724.9, Code 2015, is amended by
42 adding the following new subsection:

43 NEW SUBSECTION. 1A. The handgun safety training
44 course required in subsection 1 may be conducted
45 over the internet in a live or web-based format, if
46 completion of the course is verified by the instructor
47 or provider of the course.

48 Sec. _____. Section 724.11, subsections 1 and 3, Code
49 2015, are amended to read as follows:

50 1. a. Applications for permits to carry weapons

1 shall be made to the sheriff of the county in which
2 the applicant resides. Applications for professional
3 permits to carry weapons for persons who are
4 nonresidents of the state, or whose need to go armed
5 arises out of employment by the state, shall be made
6 to the commissioner of public safety. In either case,
7 the sheriff or commissioner, before issuing the permit,
8 shall determine that the requirements of sections 724.6
9 to 724.10 have been satisfied. However, ~~for renewal of~~
10 ~~a permit~~ the training program requirements in section
11 724.9, subsection 1, do not apply to an applicant
12 who is able to demonstrate completion of small arms
13 training as specified in section 724.9, subsection 1,
14 paragraph "d". For all other applicants the training
15 program requirements of section 724.9, subsection 1,
16 must be satisfied within the twenty-four-month period
17 prior to the date of the application for the issuance
18 of a permit.

19 b. (1) Prior to issuing a renewal, the sheriff
20 or commissioner shall determine the requirements of
21 sections 724.6, 724.7, 724.8, and 724.10 and either of
22 the following, as applicable, have been satisfied:

23 (a) Beginning with the first renewal of a permit
24 issued after the calendar year 2010, and alternating
25 renewals thereafter, if a renewal applicant applies
26 within thirty days prior to the expiration of the
27 permit or within thirty days after expiration of the
28 permit, the training program requirements of section
29 724.9, subsection 1, do not apply.

30 (b) Beginning with the second renewal of a permit
31 issued after the calendar year 2010, and alternating
32 renewals thereafter, if a renewal applicant applies
33 within thirty days prior to the expiration of the
34 permit or within thirty days after expiration of the
35 permit, a renewal applicant shall qualify for renewal
36 by taking an online training course certified by the
37 national rifle association or the Iowa law enforcement
38 academy, and the training program requirements of
39 section 724.9, subsection 1, do not apply.

40 (2) If any renewal applicant applies more than
41 thirty days after the expiration of the permit, the
42 permit requirements of paragraph "a" apply to the
43 applicant, and any subsequent renewal of this permit
44 shall be considered a first renewal for purposes
45 of subparagraph (1). However, the training program
46 requirements of section 724.9, subsection 1, do not
47 apply to an applicant who is able to demonstrate
48 completion of small arms training as specified in
49 section 724.9, subsection 1, paragraph "d". For all
50 other applicants, in lieu of the training program

1 requirements of section 724.9, subsection 1, the
2 renewal applicant may choose to qualify on a firing
3 range under the supervision of an instructor certified
4 by the national rifle association or the department of
5 public safety or another state's department of public
6 safety, state police department, or similar certifying
7 body.

8 (3) As an alternative to subparagraph (1), and if
9 the requirements of sections 724.6, 724.7, 724.8, and
10 724.10 have been satisfied, a renewal applicant may
11 choose to qualify, at any renewal, under the training
12 program requirements in section 724.9, subsection 1,
13 shall apply or the renewal applicant may choose to
14 qualify on a firing range under the supervision of an
15 instructor certified by the national rifle association
16 or the department of public safety or another
17 state's department of public safety, state police
18 department, or similar certifying body. Such training
19 or qualification must occur within the ~~twelve-month~~
20 twenty-four-month period prior to the expiration
21 of the applicant's current permit, except that the
22 twenty-four-month time period limitation for training
23 or qualification does not apply to an applicant who is
24 able to demonstrate completion of small arms training
25 as specified in section 724.9, subsection 1, paragraph
26 "d".

27 3. The issuing officer shall collect a fee of fifty
28 dollars, except from a duly appointed peace officer or
29 correctional officer, for each permit issued. Renewal
30 permits or duplicate permits shall be issued for a fee
31 of twenty-five dollars, provided the application for
32 such renewal permit is received by the issuing officer
33 at least within thirty days prior to the expiration
34 of the applicant's current permit or within thirty
35 days after such expiration. The issuing officer
36 shall notify the commissioner of public safety of the
37 issuance of any permit at least monthly and forward to
38 the commissioner an amount equal to ten dollars for
39 each permit issued and five dollars for each renewal
40 or duplicate permit issued. All such fees received
41 by the commissioner shall be paid to the treasurer
42 of state and deposited in the operating account of
43 the department of public safety to offset the cost of
44 administering this chapter. Notwithstanding section
45 8.33, any unspent balance as of June 30 of each year
46 shall not revert to the general fund of the state.

47 Sec. ____. Section 724.11, Code 2015, is amended by
48 adding the following new subsection:

49 NEW SUBSECTION. 5. The initial or renewal permit
50 shall have a uniform appearance, size, and content

1 prescribed and published by the commissioner of public
2 safety. The permit shall contain the name of the
3 permittee and the effective date of the permit, but
4 shall not contain the permittee's social security
5 number. Such a permit shall not be issued for a
6 particular weapon and shall not contain information
7 about a particular weapon including the make, model,
8 or serial number of the weapon, or any ammunition used
9 in that weapon.

10 Sec. _____. Section 724.11A, Code 2015, is amended to
11 read as follows:

12 **724.11A Recognition.**

13 A valid permit or license issued by another state to
14 any nonresident of this state shall be considered to
15 be a valid permit or license to carry weapons issued
16 pursuant to this chapter, except that such permit or
17 license shall not be considered to be a substitute for
18 ~~an annual~~ a permit to acquire ~~pistols or revolvers~~
19 issued pursuant to ~~section 724.15~~ this chapter.

20 Sec. _____. Section 724.15, subsections 1, 2, and 3,
21 Code 2015, are amended to read as follows:

22 1. Any person who desires to acquire ownership of
23 any pistol or revolver shall first obtain ~~an annual~~
24 a permit. ~~An annual~~ A permit shall be issued upon
25 request to any resident of this state unless the person
26 is subject to any of the following:

- 27 a. Is less than twenty-one years of age.
- 28 b. Is subject to the provisions of section 724.26.
- 29 c. Is prohibited by federal law from shipping,
30 transporting, possessing, or receiving a firearm.

31 2. Any person who acquires ownership of a pistol or
32 revolver shall not be required to obtain ~~an annual~~ a
33 permit if any of the following apply:

- 34 a. The person transferring the pistol or revolver
35 and the person acquiring the pistol or revolver are
36 licensed firearms dealers under federal law.
- 37 b. The pistol or revolver acquired is an antique
38 firearm, a collector's item, a device which is not
39 designed or redesigned for use as a weapon, a device
40 which is designed solely for use as a signaling,
41 pyrotechnic, line-throwing, safety, or similar device,
42 or a firearm which is unserviceable by reason of being
43 unable to discharge a shot by means of an explosive
44 and is incapable of being readily restored to a firing
45 condition.
- 46 c. The person acquiring the pistol or revolver is
47 authorized to do so on behalf of a law enforcement
48 agency.

49 d. The person has obtained a valid permit to carry
50 weapons, as provided in section 724.11.

1 e. The person transferring the pistol or revolver
2 and the person acquiring the pistol or revolver
3 are related to one another within the second degree
4 of consanguinity or affinity unless the person
5 transferring the pistol or revolver knows that the
6 person acquiring the pistol or revolver would be
7 disqualified from obtaining a permit.

8 3. The ~~annual~~ permit to acquire pistols or
9 revolvers shall authorize the permit holder to acquire
10 one or more pistols or revolvers during the period
11 that the permit remains valid. If the issuing officer
12 determines that the applicant has become disqualified
13 under the provisions of subsection 1, the issuing
14 officer may immediately revoke the permit and shall
15 provide a written statement of the reasons for
16 revocation, and the applicant shall have the right to
17 appeal the revocation as provided in section 724.21A.

18 Sec. _____. Section 724.16, Code 2015, is amended to
19 read as follows:

20 **724.16 ~~Annual permit~~ Permit to acquire required —**
21 **transfer prohibited.**

22 1. Except as otherwise provided in section 724.15,
23 subsection 2, a person who acquires ownership of a
24 pistol or revolver without a valid ~~annual~~ permit to
25 acquire pistols or revolvers or a person who transfers
26 ownership of a pistol or revolver to a person who does
27 not have in the person's possession a valid ~~annual~~
28 permit to acquire pistols or revolvers is guilty of an
29 aggravated misdemeanor.

30 2. A person who transfers ownership of a pistol
31 or revolver to a person that the transferor knows is
32 prohibited by section 724.15 from acquiring ownership
33 of a pistol or revolver commits a class "D" felony.

34 Sec. _____. Section 724.17, Code 2015, is amended to
35 read as follows:

36 **724.17 ~~Application for annual permit to acquire —~~**
37 **criminal history check required.**

38 1. The application for an ~~annual~~ a permit to
39 acquire pistols or revolvers may be made to the sheriff
40 of the county of the applicant's residence and shall be
41 on a form prescribed and published by the commissioner
42 of public safety.

43 a. The If an applicant is a United States citizen,
44 the application shall require only the full name of
45 the applicant, the driver's license or nonoperator's
46 identification card number of the applicant, the
47 residence of the applicant, and the date and place of
48 birth of the applicant.

49 b. If the applicant is not a United States citizen,
50 the application shall, in addition to the information

1 specified in paragraph "a", require the applicant's
2 country of citizenship, any alien or admission
3 number issued by the United States immigration and
4 customs enforcement or any successor agency, and,
5 if applicable, the basis for any exception claimed
6 pursuant to 18 U.S.C. §922(y).

7 c. The applicant shall also display an
8 identification card that bears a distinguishing number
9 assigned to the cardholder, the full name, date of
10 birth, sex, residence address, and brief description
11 and colored photograph of the cardholder, or other
12 identification as specified by rule of the department
13 of public safety.

14 2. The sheriff shall conduct a criminal history
15 check concerning each applicant by obtaining criminal
16 history data from the department of public safety
17 which shall include an inquiry of the national instant
18 criminal background check system maintained by the
19 federal bureau of investigation or any successor agency
20 and an immigration alien query through a database
21 maintained by the United States immigration and customs
22 enforcement or any successor agency if the applicant is
23 not a United States citizen.

24 3. A person who makes what the person knows to be
25 a false statement of material fact on an application
26 submitted under this section or who submits what the
27 person knows to be any materially falsified or forged
28 documentation in connection with such an application
29 commits a class "D" felony.

30 Sec. ____. Section 724.18, Code 2015, is amended to
31 read as follows:

32 **724.18 Procedure for making application for annual**
33 **permit to acquire.**

34 A person may personally request the sheriff to
35 mail an application for ~~an annual~~ a permit to acquire
36 pistols or revolvers, and the sheriff shall immediately
37 forward to such person an application for ~~an annual~~
38 a permit to acquire pistols or revolvers. A person
39 shall upon completion of the application ~~personally~~
40 ~~deliver file~~ such application ~~to~~ with the sheriff who
41 shall note the period of validity on the application
42 and shall immediately issue the ~~annual~~ permit to
43 acquire pistols or revolvers to the applicant. For the
44 purposes of this section the date of application shall
45 be the date on which the sheriff received the completed
46 application.

47 Sec. ____. Section 724.19, Code 2015, is amended to
48 read as follows:

49 **724.19 Issuance of annual permit to acquire.**

50 The ~~annual~~ permit to acquire pistols or revolvers

1 shall be issued to the applicant immediately upon
2 completion of the application unless the applicant is
3 disqualified under the provisions of section 724.15 and
4 or 724.17. The permit shall be on a form have a
5 uniform appearance, size, and content prescribed and
6 published by the commissioner of public safety. The
7 permit shall contain the name of the permittee, the
8 residence of the permittee, and the effective date
9 of the permit, but shall not contain the permittee's
10 social security number. Such a permit shall not be
11 issued for a particular pistol or revolver and shall
12 not contain information about a particular pistol or
13 revolver including the make, model, or serial number of
14 the pistol or revolver, or any ammunition used in such
15 a pistol or revolver.

16 Sec. _____. Section 724.20, Code 2015, is amended to
17 read as follows:

18 **724.20 Validity of ~~annual~~ permit to acquire pistols**
19 **or revolvers.**

20 The permit shall be valid throughout the state and
21 shall be valid three days after the date of application
22 and shall be invalid ~~one year~~ five years after the date
23 of application.

24 Sec. _____. Section 724.21A, subsections 1 and 7,
25 Code 2015, are amended to read as follows:

26 1. In any case where the sheriff or the
27 commissioner of public safety denies an application
28 for or suspends or revokes a permit to carry weapons
29 or ~~an annual~~ a permit to acquire pistols or revolvers,
30 the sheriff or commissioner shall provide a written
31 statement of the reasons for the denial, suspension,
32 or revocation and the applicant or permit holder
33 shall have the right to appeal the denial, suspension,
34 or revocation to an administrative law judge in the
35 department of inspections and appeals within thirty
36 days of receiving written notice of the denial,
37 suspension, or revocation.

38 7. In any case where the issuing officer denies an
39 application for, or suspends or revokes a permit to
40 carry weapons or ~~an annual~~ a permit to acquire pistols
41 or revolvers solely because of an adverse determination
42 by the national instant criminal background check
43 system, the applicant or permit holder shall not seek
44 relief under this section but may pursue relief of
45 the national instant criminal background check system
46 determination pursuant to Pub. L. No. 103-159, sections
47 103(f) and (g) and 104 and 28 C.F.R. §25.10, or other
48 applicable law. The outcome of such proceedings shall
49 be binding on the issuing officer.

50 Sec. _____. Section 724.21A, Code 2015, is amended by

1 adding the following new subsection:

2 NEW SUBSECTION. 8. If an applicant appeals the
3 decision by the sheriff or commissioner to deny an
4 application, or suspend or revoke a permit to carry
5 weapons or a permit to acquire, and it is later
6 determined the applicant is eligible to be issued or
7 possess such a permit, the applicant shall be awarded
8 court costs and reasonable attorney fees. If the
9 decision of the sheriff or commission to deny the
10 application, or suspend or revoke the permit is upheld
11 on appeal, the political subdivision of the state
12 representing the sheriff or the commissioner shall be
13 awarded court costs and reasonable attorney fees.

14 Sec. ____. Section 724.22, subsection 5, Code 2015,
15 is amended to read as follows:

16 5. A parent or guardian or spouse who is twenty-one
17 years of age or older, of a person ~~fourteen years of~~
18 ~~age but less than~~ below the age of twenty-one may
19 allow the person to possess a pistol or revolver or
20 the ammunition therefor for any lawful purpose while
21 under the direct supervision of the parent or guardian
22 or spouse who is twenty-one years of age or older, or
23 while the person receives instruction in the proper use
24 thereof from an instructor twenty-one years of age or
25 older, with the consent of such parent, guardian or
26 spouse.

27 Sec. ____. Section 724.23, Code 2015, is amended to
28 read as follows:

29 724.23 Records kept by commissioner and issuing
30 officers.

31 1. a. The commissioner of public safety shall
32 maintain a permanent record of all valid permits to
33 carry weapons and of current permit revocations.

34 b. The permanent record shall be kept in a
35 searchable database that is accessible on a statewide
36 basis for the circumstances described in subsection 2,
37 paragraph "b", "c", "d", or "e".

38 2. a. Notwithstanding any other law or rule to
39 the contrary, the commissioner of public safety and
40 any issuing officer shall keep confidential personally
41 identifiable information of holders of permits to
42 carry weapons and permits to acquire, including but not
43 limited to the name, social security number, date of
44 birth, residential or business address, and driver's
45 license or other identification number of the applicant
46 or permit holder.

47 b. This subsection shall not prohibit the
48 release of statistical information relating to the
49 issuance, denial, revocation, or administration of
50 nonprofessional permits to carry weapons and permits to

1 acquire, provided that the release of such information
2 does not reveal the identity of any individual permit
3 holder.

4 c. This subsection shall not prohibit the release
5 of information to any law enforcement agency or any
6 employee or agent thereof when necessary for the
7 purpose of investigating a possible violation of law
8 and when probable cause exists, or to determine the
9 validity of a permit, or for conducting a lawfully
10 authorized background investigation.

11 d. This subsection shall not prohibit the
12 release of information relating to the validity of a
13 professional permit to carry weapons to an employer who
14 requires an employee or an agent of the employer to
15 possess a professional permit to carry weapons as part
16 of the duties of the employee or agent.

17 e. (1) This subsection shall not prohibit the
18 release of the information described in subparagraph
19 (3) to a member of the public if the person, in writing
20 or in person, requests whether another person has a
21 professional or nonprofessional permit to carry weapons
22 or a permit to acquire. The request must include
23 the name of the other person and at least one of the
24 following identifiers pertaining to the other person:

25 (a) The date of birth of the person.

26 (b) The address of the person.

27 (c) The telephone number of the person, including
28 any landline or wireless numbers.

29 (2) Prior to the release of information under this
30 paragraph "e", the member of the public requesting the
31 information shall provide the department of public
32 safety or issuing officer with the name of the person
33 requesting the information and the reason for the
34 request in writing even if the person appears in person
35 to request such information. The department or issuing
36 officer shall keep a record of the person making the
37 request and the reason for such a request.

38 (3) The information released by the department
39 of public safety or issuing officer shall be limited
40 to an acknowledgment as to whether or not the person
41 currently possesses a valid permit to carry weapons or
42 a permit to acquire, the date such permit was issued,
43 and whether the person has ever possessed such a permit
44 that has been revoked or has expired and the date the
45 permit was revoked or expired. No other information
46 shall be released under this paragraph "e".

47 f. Except as provided in paragraphs "b", "c", "d",
48 or "e", the release of any confidential information
49 under this section shall require a court order or the
50 consent of the person whose personally identifiable

1 information is the subject of the information request.

2 Sec. _____. Section 724.27, subsection 1, unnumbered
3 paragraph 1, Code 2015, is amended to read as follows:

4 The provisions of section 724.8, section 724.15,
5 subsection 1 2, and section 724.26 shall not apply to
6 a person who is eligible to have the person's civil
7 rights regarding firearms restored under section 914.7
8 if any of the following occur:

9 Sec. _____. NEW SECTION. 724.29A Fraudulent purchase
10 of firearms or ammunition.

11 1. For purposes of this section:

12 a. "*Ammunition*" means any cartridge, shell, or
13 projectile designed for use in a firearm.

14 b. "*Licensed firearms dealer*" means a person who is
15 licensed pursuant to 18 U.S.C. §923 to engage in the
16 business of dealing in firearms.

17 c. "*Materially false information*" means information
18 that portrays an illegal transaction as legal or a
19 legal transaction as illegal.

20 d. "*Private seller*" means a person who sells or
21 offers for sale any firearm or ammunition.

22 2. A person who knowingly solicits, persuades,
23 encourages, or entices a licensed firearms dealer or
24 private seller of firearms or ammunition to transfer
25 a firearm or ammunition under circumstances that the
26 person knows would violate the laws of this state or of
27 the United States commits a class "D" felony.

28 3. A person who knowingly provides materially
29 false information to a licensed firearms dealer or
30 private seller of firearms or ammunition with the
31 intent to deceive the firearms dealer or seller about
32 the legality of a transfer of a firearm or ammunition
33 commits a class "D" felony.

34 4. Any person who willfully procures another to
35 engage in conduct prohibited by this section shall be
36 held accountable as a principal.

37 5. This section does not apply to a law enforcement
38 officer acting in the officer's official capacity
39 or to a person acting at the direction of such law
40 enforcement officer.

41 Sec. _____. NEW SECTION. 724.32 Rules.

42 The department of public safety shall adopt rules
43 pursuant to chapter 17A to administer this chapter.

44 Sec. _____. Section 805.8C, Code 2015, is amended by
45 adding the following new subsections:

46 NEW SUBSECTION. 11. *Duty to possess permit to carry*
47 *weapons.* For violations of section 724.4, subsection
48 4, paragraph "i", subparagraph (2), the scheduled fine
49 is ten dollars.

50 NEW SUBSECTION. 12. *Failure to produce permit to*

1 *carry*. For violations of section 724.5, the scheduled
2 fine is ten dollars.

3 Sec. _____. EFFECTIVE UPON ENACTMENT. The following
4 provision or provisions of this division of this Act,
5 being deemed of immediate importance, take effect upon
6 enactment:

7 1. The section of this division amending section
8 724.1, subsection 1, paragraph "h".

9 2. The section of this division enacting new
10 section 724.1A.

11 3. The section of this division amending section
12 724.22.

13 4. The section of this division amending section
14 724.23, subsection 2.

15 5. The section of this division amending section
16 724.29A.

17 6. The applicability section of this division.

18 Sec. _____. APPLICABILITY. The section of this
19 division of this Act amending section 724.23 applies
20 to holders of nonprofessional permits to carry weapons
21 and permits to acquire firearms and to applicants for
22 nonprofessional permits to carry weapons and permits to
23 acquire firearms on or after the effective date of that
24 section of this division of this Act.

25 DIVISION _____

26 STATUTE-OF-REPOSE

27 Sec. _____. Section 614.1, subsection 11, Code 2015,
28 is amended to read as follows:

29 11. *Improvements to real property.*

30 *a. Residential construction.* In addition to
31 limitations contained elsewhere in this section, an
32 action arising out of the unsafe or defective condition
33 of an improvement to ~~real property residential~~
34 construction based on tort and implied warranty and
35 for contribution and indemnity, and founded on injury
36 to property, real or personal, or injury to the person
37 or wrongful death, shall not be brought more than
38 fifteen years after the date on which occurred the act
39 or omission of the defendant alleged in the action to
40 have been the cause of the injury or death. However,
41 this subsection paragraph does not bar an action
42 against a person solely in the person's capacity as an
43 owner, occupant, or operator of an improvement to real
44 property.

45 *b. Nonresidential construction.* In addition to
46 limitations contained elsewhere in this section, an
47 action arising out of the unsafe or defective condition
48 of an improvement to nonresidential construction based
49 on tort and implied warranty and for contribution and
50 indemnity, and founded on injury to property, real or

1 personal, or injury to the person or wrongful death,
2 shall not be brought more than ten years after the date
3 on which occurred the act or omission of the defendant
4 alleged in the action to have been the cause of the
5 injury or death. However, this paragraph does not
6 bar an action against a person solely in the person's
7 capacity as an owner, occupant, or operator of an
8 improvement to real property.

9 c. Definitions. For purposes of this subsection,
10 "residential construction" means the same as defined
11 in section 572.1. "Nonresidential construction"
12 means all other construction that is not residential
13 construction.

14 Sec. ____. APPLICABILITY. This division of this
15 Act does not apply to residential-construction or
16 nonresidential-construction projects in existence prior
17 to the effective date of this division of this Act.

18 DIVISION ____

19 EDUCATION BUDGETING MATTERS

20 Sec. ____. Section 8.22A, subsection 2, Code 2015,
21 is amended to read as follows:

22 2. The conference shall meet as often as deemed
23 necessary, but shall meet at least three times per year
24 with at least one meeting taking place each year in
25 March. The conference may use sources of information
26 deemed appropriate. At each meeting, the conference
27 shall agree to estimates for the current fiscal year
28 and the following fiscal year for the general fund
29 of the state, lottery revenues to be available for
30 disbursement, and from gambling revenues and from
31 interest earned on the cash reserve fund and the
32 economic emergency fund to be deposited in the rebuild
33 Iowa infrastructure fund. At the meeting taking
34 place each year in March, in addition to agreeing to
35 estimates for the current fiscal year and the following
36 fiscal year, the conference shall agree to estimates
37 for the fiscal year beginning July 1 of the following
38 calendar year. Only an estimate for the following
39 fiscal year agreed to by the conference pursuant to
40 subsection 3, 4, or 5, shall be used for purposes
41 of calculating the state general fund expenditure
42 limitation under section 8.54, and any other estimate
43 agreed to shall be considered a preliminary estimate
44 that shall not be used for purposes of calculating the
45 state general fund expenditure limitation.

46 Sec. ____. Section 257.8, subsections 1 and 2, Code
47 2015, are amended to read as follows:

48 1. *State percent of growth.*

49 a. The state percent of growth for the budget year
50 beginning July 1, 2012, is two percent. The state

1 percent of growth for the budget year beginning July
2 1, 2013, is two percent. The state percent of growth
3 for the budget year beginning July 1, 2014, is four
4 percent.

5 b. (1) The state percent of growth for each
6 subsequent budget year beginning before July 1, 2017,
7 shall be established by statute which shall be enacted
8 within thirty days of the submission in the year
9 preceding the base year of the governor's budget under
10 section 8.21.

11 (2) The state percent of growth for each subsequent
12 budget year beginning on or after July 1, 2017, shall
13 be established by statute which shall be enacted during
14 the regular legislative session beginning in the same
15 calendar year during which the base year begins.

16 c. The establishment of the state percent of growth
17 for a budget year shall be the only subject matter of
18 the bill which enacts the state percent of growth for a
19 budget year.

20 2. *Categorical state percent of growth.*

21 a. The categorical state percent of growth for the
22 budget year beginning July 1, 2012, is two percent.
23 The categorical state percent of growth for the budget
24 year beginning July 1, 2013, is two percent. The
25 categorical state percent of growth for the budget year
26 beginning July 1, 2014, is four percent.

27 b. (1) The categorical state percent of growth
28 for each subsequent budget year beginning before July
29 1, 2017, shall be established by statute which shall
30 be enacted within thirty days of the submission in the
31 year preceding the base year of the governor's budget
32 under section 8.21.

33 (2) The categorical state percent of growth for
34 each subsequent budget year beginning on or after July
35 1, 2017, shall be established by statute which shall
36 be enacted during the regular legislative session
37 beginning in the same calendar year during which the
38 base year begins.

39 c. The establishment of the categorical state
40 percent of growth for a budget year shall be the only
41 subject matter of the bill which enacts the categorical
42 state percent of growth for a budget year.

43 d. The categorical state percent of growth may
44 include state percents of growth for the teacher salary
45 supplement, the professional development supplement,
46 the early intervention supplement, and the teacher
47 leadership supplement.

48 DIVISION _____

49 HEALTH CARRIER DISCLOSURES

50 Sec. _____. NEW SECTION. 514K.2 Health carrier

1 **disclosures — public internet sites.**

2 1. A carrier that provides small group health
3 coverage pursuant to chapter 513B or individual health
4 coverage pursuant to chapter 513C and that offers
5 for sale a policy, contract, or plan that covers the
6 essential health benefits required pursuant to section
7 1302 of the federal Patient Protection and Affordable
8 Care Act, Pub. L. No. 111-148, and its implementing
9 regulations, shall provide to each of its enrollees
10 at the time of enrollment, and shall make available
11 to prospective enrollees and enrollees, insurance
12 producers licensed under chapter 522B, and the general
13 public, on the carrier's internet site, all of the
14 following information in a clear and understandable
15 form for use in comparing policies, contracts, and
16 plans, and coverage and premiums:

17 a. Any exclusions from coverage and any
18 restrictions on the use or quantity of covered items
19 and services in each category of benefits, including
20 prescription drugs and drugs administered by a
21 physician or clinic.

22 b. Any items or services, including prescription
23 drugs, that have a coinsurance requirement where the
24 cost-sharing required depends on the cost of the item
25 or service.

26 c. The specific prescription drugs available on
27 the carrier's formulary, the specific prescription
28 drugs covered when furnished by a physician or clinic,
29 and any clinical prerequisites or prior authorization
30 requirements for coverage of the drugs.

31 d. The specific types of specialists available
32 in the carrier's network and the specific physicians
33 included in the carrier's network.

34 e. The process for an enrollee to appeal a
35 carrier's denial of coverage of an item or service
36 prescribed or ordered by the enrollee's treating
37 physician.

38 f. How medications will specifically be included
39 in or excluded from the deductible, including a
40 description of all out-of-pocket costs that may not
41 apply to the deductible for a prescription drug.

42 2. The commissioner may adopt rules pursuant to
43 chapter 17A to administer this section.

44 3. The commissioner may impose any of the sanctions
45 provided under chapter 507B for a violation of this
46 section.

47 **Sec. ____ . NEW SECTION. 514K.3 Health care plan**
48 **internal appeals process — disclosure requirements.**

49 1. A carrier that provides small group health
50 coverage pursuant to chapter 513B or individual

1 health coverage pursuant to chapter 513C through the
2 issuance of nongrandfathered health plans as defined
3 in section 1251 of the federal Patient Protection
4 and Affordable Care Act, Pub. L. No. 111-148, and
5 in 45 C.F.R. §147.140, shall implement and maintain
6 procedures for carrying out an effective internal
7 claims and appeals process that meets the requirements
8 established pursuant to section 2719 of the federal
9 Public Health Service Act, 42 U.S.C. §300gg-19, and 45
10 C.F.R. §147.136. The procedures shall include but are
11 not limited to all of the following:

12 *a.* Expedited notification to enrollees of benefit
13 determinations involving urgent care.

14 *b.* Full and fair internal review of claims and
15 appeals.

16 *c.* Avoidance of conflicts of interest.

17 *d.* Sufficient notice to enrollees, including a
18 description of available internal claims and appeals
19 procedures, as well as information about how to
20 initiate an appeal of a denial of coverage.

21 2. *a.* A carrier that provides health coverage
22 as described in subsection 1 shall maintain written
23 records of all requests for internal claims and appeals
24 that are received and for which internal review was
25 performed during each calendar year. Such records
26 shall be maintained for at least three years.

27 *b.* A carrier that provides health coverage
28 as described in subsection 1 shall submit to the
29 commissioner, upon request, a report that includes all
30 of the following:

31 (1) The total number of requests for internal
32 review of claims and appeals that are received by the
33 carrier each year.

34 (2) The average length of time for resolution of
35 each request for internal review of a claim or appeal.

36 (3) A summary of the types of coverage or cases
37 for which internal review of a claim or appeal was
38 requested.

39 (4) Any other information required by the
40 commissioner in a format specified by rule.

41 3. A carrier that provides health coverage as
42 described in subsection 1 shall make available to
43 consumers written notice of the carrier's internal
44 claims and appeals and internal review procedures
45 and shall maintain a toll-free consumer-assistance
46 telephone helpline that offers consumers assistance
47 with the carrier's internal claims and appeals and
48 internal review procedures, including how to initiate,
49 complete, or submit a claim or appeal.

50 4. The commissioner may adopt rules pursuant to

1 chapter 17A to administer this section.

2 Sec. _____. APPLICABILITY. This division of this Act
3 is applicable to health insurance policies, contracts,
4 or plans that are delivered, issued for delivery,
5 continued, or renewed on or after January 1, 2016.

6 DIVISION _____

7 PUBLIC IMPROVEMENT LOCATION AND UNUSED PORTION OF
8 CONDEMNED PROPERTY

9 Sec. _____. Section 6B.2C, Code 2015, is amended to
10 read as follows:

11 **6B.2C Approval of the public improvement.**

12 The authority to condemn is not conferred, and the
13 condemnation proceedings shall not commence, unless
14 the governing body for the acquiring agency approves
15 a preliminary or final route or site location of
16 the proposed public improvement, approves the use of
17 condemnation, and finds that there is a reasonable
18 expectation the applicant will be able to achieve its
19 public purpose, comply with all applicable standards,
20 and obtain the necessary permits.

21 Sec. _____. Section 6B.56, subsection 1, Code 2015,
22 is amended to read as follows:

23 1. If all or a portion of real property condemned
24 pursuant to this chapter is not used for the purpose
25 stated in the application filed pursuant to section
26 6B.3 and the acquiring agency seeks to dispose of
27 the unused real property, the acquiring agency shall
28 first offer the unused real property for sale to the
29 prior owner of the condemned property as provided in
30 this section. If real property condemned pursuant to
31 this chapter is used for the purpose stated in the
32 application filed pursuant to section 6B.3 and the
33 acquiring agency seeks to dispose of the real property
34 by sale to a private person or entity within five years
35 after acquisition of the property, the acquiring agency
36 shall first offer the property for sale to the prior
37 owner of the condemned property as provided in this
38 section. For purposes of this section, the prior owner
39 of the real property includes the successor in interest
40 of the real property.

41 Sec. _____. Section 6B.56, subsection 2, paragraph a,
42 Code 2015, is amended to read as follows:

43 a. Before the real property described in subsection
44 1 may be offered for sale to the general public,
45 the acquiring agency shall notify the prior owner
46 of the such real property ~~condemned~~ in writing of
47 the acquiring agency's intent to dispose of the real
48 property, of the current appraised value of the real
49 property to be offered for sale, and of the prior
50 owner's right to purchase the real property to be

1 offered for sale within sixty days from the date
2 the notice is served at a price equal to the current
3 appraised value of the real property to be offered for
4 sale or the fair market value of the property to be
5 offered for sale at the time it was acquired by the
6 acquiring agency from the prior owner plus cleanup
7 costs incurred by the acquiring agency for the property
8 to be offered for sale, whichever is less. However,
9 the current appraised value of the real property to be
10 offered for sale shall be the purchase price to be paid
11 by the previous owner if any other amount would result
12 in a loss of federal funding for projects funded in
13 whole or in part with federal funds. The notice sent
14 by the acquiring agency as provided in this subsection
15 shall be filed with the office of the recorder in the
16 county in which the real property is located.

17 Sec. _____. Section 6B.56A, subsection 1, Code 2015,
18 is amended to read as follows:

19 1. When five years have elapsed since property was
20 condemned and all or a portion of the property has not
21 been used for the purpose stated in the application
22 filed pursuant to section 6B.3, and the acquiring
23 agency has not taken action to dispose of the unused
24 property pursuant to section 6B.56, the acquiring
25 agency shall, within sixty days, adopt a resolution
26 reaffirming the purpose for which the property will be
27 used or offering the property for sale to the prior
28 owner at a price as provided in section 6B.56. If the
29 resolution adopted approves an offer of sale to the
30 prior owner, the offer shall be made in writing and
31 mailed by certified mail to the prior owner. The prior
32 owner has one hundred eighty days after the offer is
33 mailed to purchase the property from the acquiring
34 agency.

35 Sec. _____. APPLICABILITY. The section of this
36 division of this Act amending section 6B.2C applies to
37 public improvement projects for which an application
38 under section 6B.3 is filed on or after July 1, 2015.

39 Sec. _____. APPLICABILITY. The sections of this
40 division of this Act amending sections 6B.56 and 6B.56A
41 apply to public improvement projects for which an
42 application under section 6B.3 is filed before, on, or
43 after July 1, 2015.

44 DIVISION _____

45 CONDEMNATION FOR CREATION OF A LAKE — NUMBER OF ACRES

46 Sec. _____. Section 6A.22, subsection 2, paragraph c,
47 subparagraph (1), subparagraph division (b), Code 2015,
48 is amended to read as follows:

49 (b) (i) For purposes of this subparagraph (1),
50 *“number of acres justified as necessary for a surface*

1 *drinking water source*” means according to guidelines of
2 the United States natural resource conservation service
3 and according to analyses of surface drinking water
4 capacity needs conducted by one or more registered
5 professional engineers.

6 (ii) For condemnation proceedings for which the
7 application pursuant to section 6B.3 was filed after
8 January 1, 2013, for condemnation of property located
9 in a county with a population of greater than nine
10 thousand two hundred fifty but less than nine thousand
11 three hundred, according to the 2010 federal decennial
12 census, which property was in whole or in part subject
13 to an action under section 6A.24 for which the petition
14 under section 6A.24 was filed after January 1, 2013,
15 but before January 1, 2014, “number of acres justified
16 as necessary for a surface drinking water source”, as
17 determined under subparagraph subdivision (i) shall
18 not exceed the number of acres that would be necessary
19 to provide the amount of drinking water to meet the
20 needs of a population equal to the population of the
21 county where the lake is to be developed or created,
22 according to the most recent federal decennial census.
23 However, if the population of the county where the
24 lake is to be developed or created increased from the
25 federal decennial census immediately preceding the
26 most recent federal decennial census, the “number of
27 acres justified as necessary for a surface drinking
28 water source” shall not exceed the number of acres that
29 would be necessary to provide the amount of drinking
30 water to meet the needs of a population equal to the
31 product of one plus the percentage increase in the
32 population of the county between the two most recent
33 federal decennial censuses multiplied by the county’s
34 population according to the most recent federal
35 decennial census.

36 Sec. ____ . EFFECTIVE UPON ENACTMENT. This division
37 of this Act, being deemed of immediate importance,
38 takes effect upon enactment.

39 DIVISION ____
40 CONDEMNATION FOR CREATION OF A LAKE — EXISTING SOURCES

41 Sec. ____ . Section 6A.22, subsection 2, paragraph c,
42 subparagraph (1), Code 2015, is amended by adding the
43 following new subparagraph division:

44 NEW SUBPARAGRAPH DIVISION. (0b) For condemnation
45 of property located in a county with a population
46 of greater than nine thousand two hundred fifty but
47 less than nine thousand three hundred, according to
48 the 2010 federal decennial census, prior to making
49 a determination that development or creation of a
50 lake as a surface drinking water source is reasonable

1 and necessary, the acquiring agency shall conduct a
2 review of feasible alternatives to development or
3 creation of a lake as a surface drinking water source.
4 An acquiring agency shall not have the authority
5 to condemn private property for the development or
6 creation of a lake as a surface drinking water source
7 if one or more feasible alternatives to provision of
8 a drinking water source exist. An alternative that
9 results in the physical expansion of an existing
10 drinking water source is presumed to be a feasible
11 alternative to development or creation of a lake as
12 a surface drinking water source. An alternative that
13 supplies drinking water by pipeline or other method of
14 transportation or transmission from an existing source
15 located within or outside this state at a reasonable
16 cost is a feasible alternative to development or
17 creation of a lake as a surface drinking water source.
18 If private property is to be condemned for development
19 or creation of a lake, only that number of acres
20 justified as necessary for a surface drinking water
21 source, and not otherwise acquired, may be condemned.
22 Development or creation of a lake as a surface drinking
23 water source includes all of the following:

24 (i) Construction of the dam, including sites for
25 suitable borrow material and the auxiliary spillway.

26 (ii) The water supply pool.

27 (iii) The sediment pool.

28 (iv) The flood control pool.

29 (v) The floodwater retarding pool.

30 (vi) The surrounding area upstream of the dam
31 no higher in elevation than the top of the dam's
32 elevation.

33 (vii) The appropriate setback distance required
34 by state or federal laws and regulations to protect
35 drinking water supply.

36 Sec. _____. Section 6A.24, subsection 3, Code 2015,
37 is amended to read as follows:

38 3. For any action brought under this section,
39 the burden of proof shall be on the acquiring agency
40 to prove by a preponderance of the evidence that
41 the finding of public use, public purpose, or public
42 improvement meets the definition of those terms.
43 However, for any action brought under this section
44 that involves property described in section 6A.22,
45 subsection 2, paragraph "c", subparagraph (1),
46 subparagraph division (0b), the burden of proof shall
47 be on the acquiring agency to prove by clear and
48 convincing evidence that no feasible alternatives
49 to provision of a drinking water source exist. If a
50 property owner or a contract purchaser of record or a

1 tenant occupying the property under a recorded lease
2 prevails in an action brought under this section, the
3 acquiring agency shall be required to pay the costs,
4 including reasonable attorney fees, of the adverse
5 party.

6 Sec. _____. EFFECTIVE UPON ENACTMENT. This division
7 of this Act, being deemed of immediate importance,
8 takes effect upon enactment.

9 Sec. _____. APPLICABILITY. This division of this Act
10 applies to projects or condemnation proceedings pending
11 or commenced on or after the effective date of this
12 division of this Act.

13 DIVISION
14 DISPOSITION OF CONDEMNED PROPERTY

15 Sec. _____. Section 6B.56A, subsection 4, Code 2015,
16 is amended to read as follows:

17 4. This section does not apply to property acquired
18 for street and highway projects undertaken by the
19 state, a county, or a city or to property that is
20 subject to the disposition of property requirements
21 under section 6B.56B.

22 Sec. _____. NEW SECTION. 6B.56B Disposition of
23 condemned property — lake creation.

24 1. When two years have elapsed since property was
25 condemned for the creation of a lake according to the
26 requirements of section 6A.22, subsection 2, paragraph
27 "c", subparagraph (1), subparagraph division (0b), and
28 the property has not been used for the purpose stated
29 in the application filed pursuant to section 6B.3, and
30 the acquiring agency has not taken action to dispose of
31 the property pursuant to section 6B.56, the acquiring
32 agency shall, within sixty days, adopt a resolution
33 offering the property for sale to the prior owner at a
34 price as provided in section 6B.56. If the resolution
35 adopted approves an offer of sale to the prior owner,
36 the offer shall be made in writing and mailed by
37 certified mail to the prior owner. The prior owner has
38 one hundred eighty days after the offer is mailed to
39 purchase the property from the acquiring agency.

40 2. If the acquiring agency has not adopted a
41 resolution described in subsection 1 within the
42 sixty-day time period, the prior owner may, in writing,
43 petition the acquiring agency to offer the property
44 for sale to the prior owner at a price as provided in
45 section 6B.56. Within sixty days after receipt of
46 such a petition, the acquiring agency shall adopt a
47 resolution described in subsection 1. If the acquiring
48 agency does not adopt such a resolution within sixty
49 days after receipt of the petition, the acquiring
50 agency is deemed to have offered the property for sale

1 to the prior owner.

2 3. The acquiring agency shall give written notice
3 to the owner of the right to purchase the property
4 under this section at the time damages are paid to the
5 owner.

6 Sec. _____. EFFECTIVE UPON ENACTMENT. This division
7 of this Act, being deemed of immediate importance,
8 takes effect upon enactment.

9 Sec. _____. APPLICABILITY. This division of this Act
10 applies to projects or condemnation proceedings pending
11 or commenced on or after the effective date of this
12 division of this Act.

13 DIVISION

14 RENEWABLE CHEMICAL PRODUCTION TAX CREDIT

15 Sec. _____. Section 15.119, subsection 2, Code 2015,
16 is amended by adding the following new paragraph:

17 NEW PARAGRAPH. *h.* The renewable chemical
18 production tax credit program administered pursuant
19 to sections 15.315 through 15.320. In allocating tax
20 credits pursuant to this subsection, the authority
21 shall not allocate more than fifteen million dollars
22 for purposes of this paragraph.

23 Sec. _____. NEW SECTION. 15.315 **Short title.**

24 This part shall be known and may be cited as the
25 "*Renewable Chemical Production Tax Credit Program*".

26 Sec. _____. NEW SECTION. 15.316 **Definitions.**

27 As used in this part, unless the context otherwise
28 requires:

29 1. "*Biobased content percentage*" means, with respect
30 to any renewable chemical, the amount, expressed as a
31 percentage, of renewable organic material present as
32 determined by testing representative samples using the
33 American society for testing and materials standard
34 D6866.

35 2. "*Biomass feedstock*" means sugar, polysaccharide,
36 glycerin, lignin, fat, grease, or oil derived from
37 a plant or animal, or a protein capable of being
38 converted to a building block chemical by means of a
39 biological or chemical conversion process.

40 3. "*Building block chemical*" means a molecule
41 converted from biomass feedstock as a first product
42 or a secondarily derived product that can be further
43 refined into a higher-value chemical, material, or
44 consumer product. "*Building block chemical*" includes
45 but is not limited to glycerol, methanoic or formic
46 acid, arabonic acid, erythronic acid, glyceric acid,
47 glycolic acid, lactic acid, 3-hydroxypropionate,
48 propionic acid, malonic acid, serine, succinic
49 acid, fumaric acid, malic acid, aspartic acid,
50 3-hydroxybutyrolactone, acetoin, threonine, itaconic

1 acid, furfural, levulinic acid, glutamic acid, xylonic
2 acid, xylaric acid, xylitol, arabitol, citric acid,
3 aconitic acid, 5-hydroxymethylfurfural, lysine,
4 gluconic acid, glucaric acid, sorbitol, gallic acid,
5 ferulic acid, nonfuel butanol, nonfuel ethanol, a
6 polymer or gum that can be produced directly from a
7 protein-based biomass feedstock, or such additional
8 molecules as may be included by the authority by rule.

9 4. *"Eligible business"* means a business meeting the
10 requirements of section 15.317.

11 5. *"Food additive"* means a building block chemical
12 that is not primarily consumed as food but which, when
13 combined with other components, improves the taste,
14 appearance, odor, texture, or nutritional content
15 of food. The authority, in its discretion, shall
16 determine whether or not a building block chemical is
17 primarily consumed as food.

18 6. *"Program"* means the renewable chemical
19 production tax credit program administered pursuant to
20 this part.

21 7. *"Renewable chemical"* means a building block
22 chemical with a biobased content percentage of at least
23 fifty percent. *"Renewable chemical"* does not include a
24 chemical sold or used for the production of food, feed,
25 or fuel. *"Renewable chemical"* includes cellulosic
26 ethanol, starch ethanol, or other ethanol derived
27 from biomass feedstock, fatty acid methyl esters, or
28 butanol, but only to the extent that such molecules
29 are produced and sold for uses other than food,
30 feed, or fuel. *"Renewable chemical"* also includes a
31 building block chemical that can be a food additive as
32 long as the building block chemical is not primarily
33 consumed as food and is also sold for uses other than
34 food. *"Renewable chemical"* also includes supplements,
35 vitamins, nutraceuticals, and pharmaceuticals, but
36 only to the extent that such molecules do not provide
37 caloric value so as to be considered sustenance as food
38 or feed.

39 8. *"Sugar"* means the organic compound glucose,
40 fructose, xylose, arabinose, lactose, sucrose, starch,
41 cellulose, or hemicellulose.

42 Sec. ____ . NEW SECTION. 15.317 Eligibility
43 requirements.

44 To be eligible to receive the renewable chemical
45 production tax credit pursuant to the program, a
46 business shall meet all of the following requirements:

47 1. The business is physically located in this
48 state.

49 2. The business is operated for profit and under
50 single management.

1 3. The business is not an entity providing
2 professional services, health care services, or medical
3 treatments or an entity engaged primarily in retail
4 operations.

5 4. The business organized, expanded, or located
6 in the state on or after the effective date of this
7 division of this Act.

8 5. The business shall not be relocating or
9 reducing operations as described in section 15.329,
10 subsection 1, paragraph "b", and as determined under
11 the discretion of the authority.

12 6. The business is in compliance with all
13 agreements entered into under this program or other
14 programs administered by the authority.

15 Sec. ____ . NEW SECTION. 15.318 **Eligible business**
16 **application and agreement — maximum tax credits.**

17 1. *Application.*

18 a. An eligible business that produces a renewable
19 chemical in this state from biomass feedstock during
20 a calendar year may apply to the authority for the
21 renewable chemical production tax credit provided in
22 section 15.319.

23 b. The application shall be made to the authority
24 in the manner prescribed by the authority.

25 c. The application shall be made during the
26 calendar year following the calendar year in which the
27 renewable chemicals are produced.

28 d. The authority may accept applications on a
29 continuous basis or may establish, by rule, an annual
30 application deadline.

31 e. The application shall include all of the
32 following information:

33 (1) The amount of renewable chemicals produced
34 in the state from biomass feedstock by the eligible
35 business during the calendar year, measured in pounds.

36 (2) Any other information reasonably required
37 by the authority in order to establish and verify
38 eligibility under the program.

39 2. *Agreement and fees.*

40 a. Before being issued a tax credit under section
41 15.319, an eligible business shall enter into an
42 agreement with the authority for the successful
43 completion of all requirements of the program.

44 b. The compliance cost fees authorized in section
45 15.330, subsection 12, shall apply to all agreements
46 entered into under this program and shall be collected
47 by the authority in the same manner and to the same
48 extent as described in that subsection.

49 c. An eligible business shall fulfill all the
50 requirements of the program and the agreement before

1 receiving a tax credit or entering into a subsequent
2 agreement under this section. The authority may
3 decline to enter into a subsequent agreement under this
4 section or issue a tax credit if an agreement is not
5 successfully fulfilled.

6 *d.* Upon establishing that all requirements of the
7 program and the agreement have been fulfilled, the
8 authority shall issue a tax credit and related tax
9 credit certificate to the eligible business stating
10 the amount of renewable chemical production tax credit
11 under section 15.319 the eligible business may claim.

12 *3. Maximum tax credit amount.*

13 *a.* The maximum amount of tax credit that may be
14 issued under section 15.319 to an eligible business for
15 the production of renewable chemicals in a calendar
16 year shall not exceed the following:

17 (1) In the case of an eligible business that has
18 been in operation in the state for five years or less
19 at the time of the application, one million dollars.

20 (2) In the case of an eligible business that has
21 been in operation in the state for more than five years
22 at the time of the application, five hundred thousand
23 dollars.

24 *b.* An eligible business shall not receive a tax
25 credit for renewable chemicals produced before the date
26 the business first qualified as an eligible business
27 pursuant to section 15.317.

28 *c.* An eligible business shall not receive more than
29 five tax credits under the program.

30 *d.* The authority shall issue tax credits under
31 the program on a first-come, first-served basis until
32 the maximum amount of tax credits allocated pursuant
33 to section 15.119, subsection 2, paragraph "h", is
34 reached. The authority shall maintain a list of
35 successful applicants under the program, so that if
36 the maximum aggregate amount of tax credits is reached
37 in a given fiscal year, eligible businesses that
38 successfully applied but for which tax credits were not
39 issued shall be placed on a wait list in the order the
40 eligible businesses applied and shall be given priority
41 for receiving tax credits in succeeding fiscal years.
42 Placement on a wait list pursuant to this paragraph
43 shall not constitute a promise binding the state. The
44 availability of a tax credit and issuance of a tax
45 credit certificate pursuant to this subsection in a
46 future fiscal year is contingent upon the availability
47 of tax credits in that particular fiscal year.

48 *4. Termination and repayment.* The failure by an
49 eligible business in fulfilling any requirement of
50 the program or any of the terms and obligations of an

1 agreement entered into pursuant to this section may
2 result in the reduction, termination, or rescission of
3 the tax credits under section 15.319 and may subject
4 the eligible business to the repayment or recapture
5 of tax credits claimed. The repayment or recapture
6 of tax credits pursuant to this subsection shall be
7 accomplished in the same manner as provided in section
8 15.330, subsection 2.

9 5. *Confidentiality.*

10 a. Except as provided in paragraph "b", any
11 information or record in the possession of the
12 authority with respect to the program shall be presumed
13 by the authority to be a trade secret protected
14 under chapter 550 or common law and shall be kept
15 confidential by the authority unless otherwise ordered
16 by a court.

17 b. The identity of a tax credit recipient and the
18 amount of the tax credit shall be considered public
19 information under chapter 22.

20 Sec. ____ . NEW SECTION. 15.319 **Renewable chemical**
21 **production tax credit.**

22 1. An eligible business that has entered into an
23 agreement pursuant to section 15.318 may claim a tax
24 credit equal to the product of five cents multiplied by
25 the number of pounds of renewable chemicals produced
26 in this state from biomass feedstock by the eligible
27 business during the calendar year. However, an
28 eligible business shall not receive a tax credit for
29 the production of a secondarily derived building block
30 chemical if that chemical is also the subject of a
31 credit at the time of production as a first product.
32 The renewable chemical production tax credit shall not
33 be available for any renewable chemical produced before
34 the 2016 calendar year, or after the 2026 calendar
35 year.

36 2. The tax credit shall be allowed against taxes
37 imposed under chapter 422, division II or III.

38 3. The tax credit shall be claimed for the tax year
39 during which the eligible business was issued the tax
40 credit.

41 4. An individual may claim a tax credit under this
42 section of a partnership, limited liability company, S
43 corporation, cooperative organized under chapter 501
44 and filing as a partnership for federal tax purposes,
45 estate, or trust electing to have income taxed
46 directly to the individual. The amount claimed by the
47 individual shall be based upon the pro rata share of
48 the individual's earnings from the partnership, limited
49 liability company, S corporation, cooperative, estate,
50 or trust.

1 5. Any tax credit in excess of the tax liability
2 is refundable. In lieu of claiming a refund, the
3 taxpayer may elect to have the overpayment shown on the
4 taxpayer's final, completed return credited to the tax
5 liability for the following tax year.

6 6. a. To claim a tax credit under this section,
7 a taxpayer shall include one or more tax credit
8 certificates with the taxpayer's tax return.

9 b. The tax credit certificate shall contain the
10 taxpayer's name, address, tax identification number,
11 the amount of the credit, the name of the eligible
12 business, and any other information required by the
13 department of revenue.

14 c. The tax credit certificate, unless rescinded
15 by the authority, shall be accepted by the department
16 of revenue as payment for taxes imposed pursuant to
17 chapter 422, divisions II and III, subject to any
18 conditions or restrictions placed by the authority upon
19 the face of the tax credit certificate and subject to
20 the limitations of the program.

21 d. Tax credit certificates issued pursuant to this
22 section shall not be transferred to any other person.

23 Sec. ____ . NEW SECTION. 15.320 Rules.

24 The authority and the department of revenue shall
25 each adopt rules as necessary for the implementation
26 and administration of this part.

27 Sec. ____ . NEW SECTION. 422.10A Renewable chemical
28 production tax credit.

29 The taxes imposed under this division, less the
30 credits allowed under section 422.12, shall be reduced
31 by a renewable chemical production tax credit allowed
32 under section 15.319.

33 Sec. ____ . Section 422.33, Code 2015, is amended by
34 adding the following new subsection:

35 NEW SUBSECTION. 22. The taxes imposed under this
36 division shall be reduced by a renewable chemical
37 production tax credit allowed under section 15.319.

38 Sec. ____ . TAX CREDIT CLAIMS. Renewable chemical
39 production tax credits issued pursuant to the renewable
40 chemical production tax credit program enacted in
41 this division of this Act shall not be issued by
42 the economic development authority prior to July 1,
43 2017, and shall not be claimed by a taxpayer prior to
44 September 1, 2017.

45 Sec. ____ . EFFECTIVE UPON ENACTMENT. This division
46 of this Act, being deemed of immediate importance,
47 takes effect upon enactment.

48 Sec. ____ . APPLICABILITY. This division of this Act
49 applies to renewable chemicals produced in the state
50 from biomass feedstock on or after January 1, 2016.

1 DIVISION _____

2 ANGEL INVESTOR TAX CREDITS

3 Sec. _____. Section 2.48, subsection 3, paragraph
4 d, subparagraph (1), Code 2015, is amended to read as
5 follows:

6 (1) Tax credits for investments in qualifying
7 businesses and ~~community-based seed capital funds~~ under
8 chapter 15E, division V.

9 Sec. _____. Section 15.119, subsection 2, paragraph
10 d, Code 2015, is amended to read as follows:

11 d. The tax credits for investments in qualifying
12 businesses and ~~community-based seed capital funds~~
13 issued pursuant to section 15E.43. In allocating tax
14 credits pursuant to this subsection, the authority
15 shall allocate two million dollars for purposes of this
16 paragraph, unless the authority determines that the tax
17 credits awarded will be less than that amount.

18 Sec. _____. Section 15E.41, Code 2015, is amended by
19 striking the section and inserting in lieu thereof the
20 following:

21 **15E.41 Purpose.**

22 The purpose of this division is to stimulate job
23 growth, create wealth, and accelerate the creation
24 of new ventures by using investment tax credits to
25 incentivize the transfer of capital from investors to
26 entrepreneurs, particularly during early-stage growth.

27 Sec. _____. Section 15E.42, Code 2015, is amended by
28 adding the following new subsection:

29 **NEW SUBSECTION. 2A.** *"Entrepreneurial assistance*
30 *program"* includes the entrepreneur investment awards
31 program administered under section 15E.362, the receipt
32 of services from a service provider engaged pursuant
33 to section 15.411, subsection 1, or the program
34 administered under section 15.411, subsection 2.

35 Sec. _____. Section 15E.42, subsection 3, Code 2015,
36 is amended to read as follows:

37 3. *"Investor"* means a person making a cash
38 investment in a qualifying business ~~or in a~~
39 ~~community-based seed capital fund.~~ *"Investor"* does not
40 include a person that holds at least a seventy percent
41 ownership interest as an owner, member, or shareholder
42 in a qualifying business.

43 Sec. _____. Section 15E.42, subsection 4, Code 2015,
44 is amended by striking the subsection.

45 Sec. _____. Section 15E.43, subsections 1 and 2, Code
46 2015, are amended to read as follows:

47 1. a. For tax years beginning on or after January
48 1, ~~2002~~ 2015, a tax credit shall be allowed against the
49 taxes imposed in chapter 422, divisions II, III, and V,
50 and in chapter 432, and against the moneys and credits

1 tax imposed in section 533.329, for a portion of a
2 taxpayer's equity investment, as provided in subsection
3 2, in a qualifying business ~~or a community-based seed~~
4 ~~capital fund.~~

5 b. An individual may claim a tax credit under this
6 ~~paragraph~~ section of a partnership, limited liability
7 company, S corporation, estate, or trust electing
8 to have income taxed directly to the individual.

9 The amount claimed by the individual shall be based
10 upon the pro rata share of the individual's earnings
11 from the partnership, limited liability company, S
12 corporation, estate, or trust.

13 ~~b. c.~~ A tax credit shall be allowed only for an
14 investment made in the form of cash to purchase equity
15 in a qualifying business ~~or in a community-based seed~~
16 ~~capital fund.~~ A taxpayer that has received a tax
17 credit for an investment in a community-based seed
18 capital fund shall not claim the tax credit prior to
19 the third tax year following the tax year in which the
20 investment is made. Any tax credit in excess of the
21 taxpayer's liability for the tax year may be credited
22 to the tax liability for the following five years or
23 until depleted, whichever is earlier. A tax credit
24 shall not be carried back to a tax year prior to the
25 tax year in which the taxpayer redeems the tax credit.

26 ~~c.~~ In the case of a tax credit allowed against the
27 taxes imposed in chapter 422, division II, where the
28 taxpayer died prior to redeeming the entire tax credit,
29 the remaining credit can be redeemed on the decedent's
30 final income tax return.

31 d. For a tax credit claimed against the taxes
32 imposed in chapter 422, division II, any tax credit in
33 excess of the tax liability is refundable. In lieu of
34 claiming a refund, the taxpayer may elect to have the
35 overpayment shown on the taxpayer's final, completed
36 return credited to the tax liability for the following
37 tax year. For a tax credit claimed against the taxes
38 imposed in chapter 422, divisions III and V, and in
39 chapter 432, and against the moneys and credits tax
40 imposed in section 533.329, any tax credit in excess
41 of the taxpayer's liability for the tax year may be
42 credited to the tax liability for the following three
43 years or until depleted, whichever is earlier. A tax
44 credit shall not be carried back to a tax year prior
45 to the tax year in which the taxpayer redeems the tax
46 credit.

47 2. a. ~~A~~ The amount of the tax credit shall equal
48 ~~twenty~~ twenty-five percent of the taxpayer's equity
49 investment.

50 b. The maximum amount of a tax credit ~~for an~~

1 ~~investment by an investor in any one qualifying~~
2 ~~business shall be fifty thousand dollars. Each year,~~
3 ~~an investor and all affiliates of the investor shall~~
4 ~~not claim tax credits under this section for more~~
5 ~~than five different investments in five different~~
6 ~~qualifying businesses that may be issued per calendar~~
7 ~~year to a natural person and the person's spouse or~~
8 ~~dependent shall not exceed one hundred thousand dollars~~
9 ~~combined. For purposes of this paragraph, a tax credit~~
10 ~~issued to a partnership, limited liability company, S~~
11 ~~corporation, estate, or trust electing to have income~~
12 ~~taxed directly to the individual shall be deemed to be~~
13 ~~issued to the individual owners based upon the pro rata~~
14 ~~share of the individual's earnings from the entity.~~
15 ~~For purposes of this paragraph, "dependent" has the~~
16 ~~same meaning as provided by the Internal Revenue Code.~~

17 c. The maximum amount of tax credits that may be
18 issued per calendar year for equity investments in any
19 one qualifying business shall not exceed five hundred
20 thousand dollars.

21 Sec. ____. Section 15E.43, subsections 5 and 7, Code
22 2015, are amended to read as follows:

23 5. A tax credit shall not be transferable
24 transferred to any other taxpayer person.

25 7. The authority shall develop a system for
26 registration and authorization issuance of tax credits
27 authorized pursuant to this division and shall control
28 distribution of all tax credits distributed credit
29 certificates to investors pursuant to this division.
30 The authority shall develop rules for the qualification
31 and administration of qualifying businesses and
32 community-based seed capital funds. The department of
33 revenue shall adopt these criteria as administrative
34 rules and any other rules pursuant to chapter 17A as
35 necessary for the administration of this division.

36 Sec. ____. Section 15E.43, subsections 6 and 8, Code
37 2015, are amended by striking the subsections.

38 Sec. ____. Section 15E.44, subsection 2, paragraph
39 c, Code 2015, is amended by striking the paragraph and
40 inserting in lieu thereof the following:

41 c. The business is participating in an
42 entrepreneurial assistance program. The authority may
43 waive this requirement if a business establishes that
44 its owners, directors, officers, and employees have an
45 appropriate level of experience such that participation
46 in an entrepreneurial assistance program would not
47 materially change the prospects of the business. The
48 authority may consult with outside service providers in
49 consideration of such a waiver.

50 Sec. ____. Section 15E.44, subsection 2, paragraphs

1 e and f, Code 2015, are amended to read as follows:

2 e. The business shall not have a net worth that
3 exceeds ~~five~~ ten million dollars.

4 f. The business shall have secured all of the
5 following at the time of application for tax credits:

6 (1) At least two investors.

7 (2) ~~total~~ Total equity financing, near-equity
8 financing, binding investment commitments, or some
9 combination thereof, equal to at least ~~two hundred~~
10 fifty five hundred thousand dollars, from investors.
11 For purposes of this subparagraph, "investor" includes
12 a person who executes a binding investment commitment
13 to a business.

14 Sec. _____. Section 15E.46, Code 2015, is amended to
15 read as follows:

16 **15E.46 Reports Confidentiality — reports.**

17 1. Except as provided in subsection 2, all
18 information or records in the possession of the
19 authority with respect to this division shall be
20 presumed by the authority to be a trade secret
21 protected under chapter 550 or common law and shall be
22 kept confidential by the authority unless otherwise
23 ordered by a court.

24 2. All of the following shall be considered public
25 information under chapter 22:

26 a. The identity of a qualifying business.

27 b. The identity of an investor and the qualifying
28 business in which the investor made an equity
29 investment.

30 c. The number of tax credit certificates issued by
31 the authority.

32 d. The total dollar amount of tax credits issued by
33 the authority.

34 3. The authority shall publish an annual report
35 of the activities conducted pursuant to this division
36 and shall submit the report to the governor and the
37 general assembly. The report shall include a listing
38 of eligible qualifying businesses and the number of
39 tax credit certificates and the amount of tax credits
40 issued by the authority.

41 Sec. _____. Section 15E.52, subsection 4, Code 2015,
42 is amended to read as follows:

43 4. A taxpayer shall not claim a tax credit under
44 this section if the taxpayer is a venture capital
45 investment fund allocation manager for the Iowa fund
46 of funds created in section 15E.65 or an investor that
47 receives a tax credit for the same investment in a
48 qualifying business as described in section 15E.44 or
49 in a community-based seed capital fund as described in
50 section 15E.45, Code 2015.

1 Sec. _____. Section 422.11F, subsection 1, Code 2015,
2 is amended to read as follows:

3 1. The taxes imposed under this division, less
4 the credits allowed under section 422.12, shall be
5 reduced by an investment tax credit authorized pursuant
6 to section 15E.43 for an investment in a qualifying
7 business ~~or a community-based seed capital fund.~~

8 Sec. _____. Section 422.33, subsection 12, paragraph
9 a, Code 2015, is amended to read as follows:

10 a. The taxes imposed under this division shall be
11 reduced by an investment tax credit authorized pursuant
12 to section 15E.43 for an investment in a qualifying
13 business ~~or a community-based seed capital fund.~~

14 Sec. _____. Section 422.60, subsection 5, paragraph
15 a, Code 2015, is amended to read as follows:

16 a. The taxes imposed under this division shall be
17 reduced by an investment tax credit authorized pursuant
18 to section 15E.43 for an investment in a qualifying
19 business ~~or a community-based seed capital fund.~~

20 Sec. _____. Section 432.12C, subsection 1, Code 2015,
21 is amended to read as follows:

22 1. The tax imposed under this chapter shall be
23 reduced by an investment tax credit authorized pursuant
24 to section 15E.43 for an investment in a qualifying
25 business ~~or a community-based seed capital fund.~~

26 Sec. _____. REPEAL. Section 15E.45, Code 2015, is
27 repealed.

28 Sec. _____. TAX CREDIT CLAIMS. Tax credits for
29 equity investments in qualifying businesses made on
30 or after the effective date of this division of this
31 Act shall not be issued by the economic development
32 authority prior to July 1, 2016, and shall not be
33 claimed by a taxpayer prior to September 1, 2016.

34 Sec. _____. EFFECTIVE UPON ENACTMENT. This division
35 of this Act, being deemed of immediate importance,
36 takes effect upon enactment.

37 Sec. _____. APPLICABILITY. Unless otherwise provided
38 in this division of this Act, this division of this Act
39 applies to equity investments in a qualifying business
40 made on or after the effective date of this division of
41 this Act, and equity investments made in a qualifying
42 business or community-based seed capital fund prior to
43 the effective date of this division of this Act shall
44 be governed by sections 15E.41 through 15E.46, 422.11F,
45 422.33, 422.60, 432.12C, and 533.329, Code 2015.

46 Sec. _____. APPLICABILITY. The sections of this
47 division of this Act amending section 15E.44,
48 subsection 2, apply to businesses that submit an
49 application to the economic development authority to
50 be registered as a qualifying business on or after

1 the effective date of this division of this Act, and
2 businesses that submit an application to the economic
3 development authority to be registered as a qualifying
4 business before the effective date of this division
5 of this Act shall be governed by section 15E.44,
6 subsection 2, Code 2015.

7 DIVISION _____

8 ENTREPRENEUR INVESTMENT AWARDS PROGRAM

9 Sec. _____. Section 15E.362, Code 2015, is amended by
10 striking the section and inserting in lieu thereof the
11 following:

12 **15E.362 Entrepreneur investment awards program.**

13 1. For purposes of this division, unless the
14 context otherwise requires:

15 a. "*Business development services*" includes but
16 is not limited to corporate development services,
17 business model development services, business planning
18 services, marketing services, financial strategies and
19 management services, mentoring and management coaching,
20 and networking services.

21 b. "*Eligible entrepreneurial assistance provider*"
22 means a person meeting the requirements of subsection
23 3.

24 c. "*Financial assistance*" means the same as defined
25 in section 15.327.

26 d. "*Program*" means the entrepreneur investment
27 awards program administered pursuant to this division.

28 2. The authority shall establish and administer
29 an entrepreneur investment awards program for
30 purposes of providing financial assistance to eligible
31 entrepreneurial assistance providers that provide
32 technical and financial assistance to entrepreneurs and
33 start-up companies seeking to create, locate, or expand
34 a business in the state. Financial assistance under
35 the program shall be provided from the entrepreneur
36 investment awards program fund created in section
37 15E.363.

38 3. In order to be eligible for financial assistance
39 under the program an entrepreneurial assistance
40 provider must meet all of the following requirements:

41 a. The provider must have its principal place of
42 operations located in this state.

43 b. The provider must offer a comprehensive set
44 of business development services to emerging and
45 early-stage innovation companies to assist in the
46 creation, location, growth, and long-term success of
47 the company in this state.

48 c. The business development services may be
49 performed at the physical location of the provider or
50 the company.

1 d. The business development services may be
2 provided in consideration of equity participation in
3 the company, a fee for services, a membership agreement
4 with the company, or any combination thereof.

5 4. Entrepreneurial assistance providers may apply
6 for financial assistance under the program in the
7 manner and form prescribed by the authority.

8 5. The economic development authority board in its
9 discretion may approve, deny, or defer each application
10 for financial assistance under the program from
11 persons it determines to be an eligible entrepreneurial
12 assistance provider.

13 6. Subject to subsection 7, the amount of financial
14 assistance awarded to an eligible entrepreneurial
15 assistance provider shall be within the discretion of
16 the authority.

17 7. a. The maximum amount of financial assistance
18 awarded to an eligible entrepreneurial assistance
19 provider shall not exceed two hundred thousand dollars.

20 b. The maximum amount of financial assistance
21 provided under the program shall not exceed one million
22 dollars in a fiscal year.

23 8. The authority shall award financial assistance
24 on a competitive basis. In making awards of financial
25 assistance, the authority may develop scoring criteria
26 and establish minimum requirements for the receipt of
27 financial assistance under the program. In making
28 awards of financial assistance, the authority may
29 consider all of the following:

30 a. The business experience of the professional
31 staff employed or retained by the eligible
32 entrepreneurial assistance provider.

33 b. The business plan review capacity of the
34 professional staff of the eligible entrepreneurial
35 assistance provider.

36 c. The expertise in all aspects of business
37 disciplines of the professional staff of the eligible
38 entrepreneurial assistance provider.

39 d. The access of the eligible entrepreneurial
40 assistance provider to external service providers,
41 including legal, accounting, marketing, and financial
42 services.

43 e. The service model and likelihood of success of
44 the eligible entrepreneurial assistance provider and
45 its similarity to other successful entrepreneurial
46 assistance providers in the country.

47 f. The financial need of the eligible
48 entrepreneurial assistance provider.

49 9. Financial assistance awarded to an eligible
50 entrepreneurial assistance provider shall only be

1 used for the purpose of operating costs incurred by
2 the eligible entrepreneurial assistance provider in
3 providing business development services to emerging
4 and early-stage innovation companies in this state.
5 Such financial assistance shall not be distributed to
6 owners or investors of the company to which business
7 development services are provided and shall not
8 be distributed to other persons assisting with the
9 provision of business development services to the
10 company.

11 10. The authority may contract with outside service
12 providers for assistance with the program or may
13 delegate the administration of the program to the Iowa
14 innovation corporation pursuant to section 15.106B.

15 11. The authority may make client referrals to
16 eligible entrepreneurial assistance providers.

17 Sec. _____. Section 15E.363, subsection 3, Code 2015,
18 is amended to read as follows:

19 3. The Moneys credited to the fund are appropriated
20 to the authority and shall be used to provide grants
21 under the entrepreneur investment awards program
22 established in section 15E.362 financial assistance
23 under the program.

24 DIVISION _____

25 WORKFORCE HOUSING TAX INCENTIVES PROGRAM

26 Sec. _____. Section 15.354, subsection 3, paragraph
27 e, Code 2015, is amended to read as follows:

28 e. (1) Upon review of the examination and
29 verification of the amount of the qualifying new
30 investment, the authority may issue a tax credit
31 certificate to the housing business stating the amount
32 of workforce housing investment tax credits under
33 section 15.355 the eligible housing business may claim.

34 (2) If upon review of the examination in
35 subparagraph (1) the authority determines that a
36 housing project has incurred project costs in excess of
37 the amount submitted in the application made pursuant
38 to subsection 1, the authority shall do one of the
39 following:

40 (a) If the project costs do not cause the housing
41 project's average dwelling unit cost to exceed the
42 applicable maximum amount authorized in section 15.353,
43 subsection 3, the authority may consider the agreement
44 fulfilled and may issue a tax credit certificate.

45 (b) If the project costs cause the housing
46 project's average dwelling unit cost to exceed the
47 applicable maximum amount authorized in section
48 15.353, subsection 3, but does not cause the average
49 dwelling unit cost to exceed one hundred ten percent
50 of such applicable maximum amount, the authority

1 may consider the agreement fulfilled and may issue a
2 tax credit certificate. In such case, the authority
3 shall reduce the amount of tax incentives the eligible
4 housing project may claim under section 15.355,
5 subsections 2 and 3, by the same percentage that the
6 housing project's average dwelling unit cost exceeds
7 the applicable maximum amount under section 15.353,
8 subsection 3, and such tax incentive reduction shall
9 be reflected on the tax credit certificate. If
10 the authority issues a certificate pursuant to this
11 subparagraph division, the department of revenue shall
12 accept the certificate notwithstanding that the housing
13 project's average dwelling unit costs exceeds the
14 maximum amount specified in section 15.353, subsection
15 3.

16 (c) If the project costs cause the housing
17 project's average dwelling unit cost to exceed one
18 hundred ten percent of the applicable maximum amount
19 authorized in 15.353, subsection 3, the authority
20 shall determine the eligible housing business to be in
21 default under the agreement and shall not issue a tax
22 credit certificate.

23 Sec. ____. Section 15.355, subsection 2, Code 2015,
24 is amended to read as follows:

25 2. A housing business may claim a refund of the
26 sales and use taxes paid under chapter 423 that are
27 directly related to a housing project. The refund
28 available pursuant to this subsection shall be as
29 provided in section 15.331A to the extent applicable
30 for purposes of this program, excluding subsection
31 2, paragraph "c", of that section. For purposes of
32 the program, the term "project completion", as used
33 in section 15.331A, shall mean the date on which the
34 authority notifies the department of revenue that all
35 applicable requirements of an agreement entered into
36 pursuant to section 15.354 are satisfied.

37 Sec. ____. EFFECTIVE UPON ENACTMENT. This division
38 of this Act, being deemed of immediate importance,
39 takes effect upon enactment.

40 Sec. ____. RETROACTIVE APPLICABILITY. This division
41 of this Act applies retroactively to May 30, 2014, for
42 all agreements entered into pursuant to Code section
43 15.354 on or after that date.

44 DIVISION ____
45 MISCELLANEOUS CHANGES TO ECONOMIC DEVELOPMENT AUTHORITY
46 PROGRAMS

47 Sec. ____. Section 15.293B, subsection 4, Code 2015,
48 is amended to read as follows:

49 4. A registered project shall be completed within
50 thirty months of the date the project was registered

1 unless the authority, upon recommendation of the
2 council and approval of the board, provides additional
3 time to complete the project. ~~A project shall not be~~
4 ~~provided more than twelve months of additional time.~~
5 If the registered project is not completed within the
6 time required, the project is not eligible to claim a
7 tax credit provided in section 15.293A.

8 Sec. _____. SPECIAL PROJECT EXTENSION.

9 Notwithstanding any other provision of law to the
10 contrary, the economic development authority may extend
11 the project completion date for a project awarded tax
12 incentives under both the redevelopment tax credit
13 program in sections 15.293A and 15.293B and the housing
14 enterprise zone tax incentives program in section
15 15E.193B, Code 2014, if the property that is the
16 subject of the project suffered a catastrophic fire
17 during the 2014 calendar year.

18 Sec. _____. EFFECTIVE UPON ENACTMENT. This division
19 of this Act, being deemed of immediate importance,
20 takes effect upon enactment.

21 Sec. _____. RETROACTIVE APPLICABILITY. The
22 section of this division of this Act amending Code
23 section 15.293B applies retroactively to qualifying
24 redevelopment project agreements entered into on or
25 after July 1, 2010, for which a request for a project
26 extension is submitted to the economic development
27 authority on or after January 1, 2015.

28 DIVISION _____

29 HOUSING ENTERPRISE TAX CREDIT

30 Sec. _____. 2014 Iowa Acts, chapter 1130, is amended
31 by adding the following new section:

32 NEW SECTION. SEC. 41A. Notwithstanding the section
33 of this Act repealing section 15E.193B, the economic
34 development authority may enter into an agreement
35 and issue housing enterprise tax credits to a housing
36 business if all the following conditions are met:

37 1. The city or county in which the enterprise
38 zone is located mailed, or caused to be mailed, the
39 necessary program application forms on or after June 1,
40 2014, and prior to July 1, 2014, but the applications
41 were not received by the economic development
42 authority. The economic development authority may
43 accept an affidavit by a city to confirm timely mailing
44 of the application forms, notwithstanding section
45 622.105.

46 2. The application forms submitted pursuant to
47 subsection 1 were approved by all necessary governing
48 bodies and commissions of the city or county as
49 required by chapter 15E, division XVIII, Code 2014.

50 3. The economic development authority determines

1 the housing business would otherwise be eligible under
2 section 15E.193B, Code 2014.

3 4. The city or county and the eligible housing
4 business meet all other requirements of the housing
5 enterprise tax credit program under chapter 15E,
6 division XVIII, Code 2014, and the agreement to be
7 entered into pursuant to this section.

8 Sec. _____. 2014 Iowa Acts, chapter 1130, section 43,
9 subsection 1, is amended to read as follows:

10 1. On or after the effective date of this division
11 of this Act, a city or county shall not create an
12 enterprise zone under chapter 15E, division XVIII,
13 or enter into a new agreement or amend an existing
14 agreement under chapter 15E, division XVIII, unless
15 otherwise authorized in this Act.

16 Sec. _____. EFFECTIVE UPON ENACTMENT. This division
17 of this Act, being deemed of immediate importance,
18 takes effect upon enactment.

19 Sec. _____. RETROACTIVE APPLICABILITY. This division
20 of this Act applies retroactively to July 1, 2014.

21 DIVISION

22 ELIGIBILITY VERIFICATION — UNEMPLOYMENT INSURANCE

23 Sec. _____. NEW SECTION. 96.55 Eligibility
24 verification procedures.

25 1. The department shall establish procedures to
26 accurately verify the eligibility to receive benefits
27 of each individual filing a claim for benefits in order
28 to prevent payment of fraudulent or erroneous benefits.
29 The procedures shall include but not be limited to the
30 following components:

31 a. A requirement that each individual filing
32 a claim for benefits provide correct answers to
33 randomized questions relating to the individual's
34 identity.

35 b. A process to prevent an individual who is
36 ineligible for benefits due to the individual's
37 incarceration in a jail, prison, or other correctional
38 institution or facility from filing a claim for
39 benefits or receiving benefits. The department shall
40 coordinate the administration of this process with
41 the department of corrections and federal, state,
42 and local law enforcement agencies. The department
43 of corrections and state and local law enforcement
44 agencies shall cooperate with the department in the
45 administration of this process.

46 2. The department may utilize one or more requests
47 for proposals to administer this section. The
48 department may enter into agreements pursuant to
49 chapter 28E to administer this section. The department
50 shall utilize existing information technology resources

1 of state and local government to administer this
2 section where practicable.

3 Sec. _____. IMPLEMENTATION — REPORT. The department
4 of workforce development shall implement the procedures
5 required by this division of this Act no later than
6 June 30, 2016. The department shall submit a report
7 on the department's progress in implementing the
8 procedures required by this division of this Act to
9 the general assembly by December 15, 2015. The report
10 shall include any statutory changes necessary to
11 facilitate the implementation of this division of this
12 Act.

13 DIVISION
14 REFUND FRAUD — INCOME TAXES

15 Sec. _____. Section 421.17, subsection 23, Code 2015,
16 is amended to read as follows:

17 23. To develop, modify, or contract with vendors to
18 create or administer systems or programs which identify
19 nonfilers of returns or nonpayers of taxes administered
20 by the department and to identify and prevent the
21 issuance of fraudulent or erroneous refunds. Fees
22 for services, reimbursements, costs incurred by the
23 department, or other remuneration may be funded from
24 the amount of tax, penalty, or interest actually
25 collected and shall be paid only after the amount is
26 collected. An amount is appropriated from the amount
27 of tax, penalty, and interest actually collected, not
28 to exceed the amount collected, which is sufficient
29 to pay for services, reimbursement, costs incurred by
30 the department, or other remuneration pursuant to this
31 subsection. Vendors entering into a contract with the
32 department pursuant to this subsection are subject to
33 the requirements and penalties of the confidentiality
34 laws of this state regarding tax information. The
35 director shall report annually to the legislative
36 services agency and the chairpersons and ranking
37 members of the ways and means committees on the amount
38 of costs incurred and paid during the previous fiscal
39 year pursuant to this subsection and the incidence
40 of refund fraud and the costs incurred and amounts
41 prevented from issuance during the previous fiscal year
42 pursuant to this subsection.

43 Sec. _____. IMPLEMENTATION — REPORT. The director
44 of revenue shall implement the procedures required
45 by this division of this Act no later than January
46 1, 2016. The director shall submit a report on the
47 director's progress in implementing the procedures
48 required by this division of this Act to the general
49 assembly by October 3, 2016. The report shall include
50 any statutory changes necessary to facilitate the

1 implementation of this division of this Act.

2 DIVISION

3 ELIGIBILITY VERIFICATION — MEDICAID

4 Sec. ____ . MEDICAID PROGRAM — ELIGIBILITY

5 VERIFICATION SYSTEM. The department of human services
6 shall ensure during the fiscal year beginning July
7 1, 2015, that the department's Medicaid program
8 eligibility system, the eligibility integrated
9 application solution (ELIAS), is capable of accurately
10 verifying the identity of individuals for the purposes
11 of initial eligibility and redetermination of
12 eligibility for the Medicaid program. The department
13 shall submit a report on the department's progress
14 in implementing this section to the general assembly
15 by December 15, 2015. The report shall include
16 any statutory changes necessary to facilitate the
17 implementation of this section.

18 DIVISION

19 EXEMPTION FROM FRANCHISE FEES — STATE AGENCIES

20 Sec. ____ . Section 364.2, subsection 4, paragraph
21 f, subparagraph (2), Code 2015, is amended to read as
22 follows:

23 (2) Franchise fees collected pursuant to an
24 ordinance in effect on May 26, 2009, shall be deposited
25 in the city's general fund and such fees collected in
26 excess of the amounts necessary to inspect, supervise,
27 and otherwise regulate the franchise may be used by
28 the city for any other purpose authorized by law.
29 Franchise fees collected pursuant to an ordinance
30 that is adopted or amended on or after May 26, 2009,
31 to increase the percentage rate at which franchise
32 fees are assessed shall be credited to the franchise
33 fee account within the city's general fund and used
34 pursuant to section 384.3A. ~~If a city franchise fee~~
35 ~~is assessed to customers of a franchise, the fee shall~~
36 ~~not be assessed to the city as a customer.~~ Before a
37 city adopts or amends a franchise fee rate ordinance
38 or franchise ordinance to increase the percentage
39 rate at which franchise fees are assessed, a revenue
40 purpose statement shall be prepared specifying the
41 purpose or purposes for which the revenue collected
42 from the increased rate will be expended. If property
43 tax relief is listed as a purpose, the revenue purpose
44 statement shall also include information regarding the
45 amount of the property tax relief to be provided with
46 revenue collected from the increased rate. The revenue
47 purpose statement shall be published as provided in
48 section 362.3.

49 Sec. ____ . Section 364.2, subsection 4, paragraph
50 f, Code 2015, is amended by adding the following new

1 subparagraph:

2 NEW SUBPARAGRAPH. (4) (a) If a city franchise
3 fee is assessed to customers of a franchise or if a
4 franchise fee or substantially similar fee is assessed
5 by the franchisee to customers of the franchise for the
6 payment of a franchise fee assessed by the city to the
7 franchisee, the fee shall not be assessed to the city
8 or to a state agency as a customer.

9 (b) For purposes of this subparagraph, "state
10 agency" means any executive, judicial, or legislative
11 department, commission, board, institution, division,
12 bureau, office, agency, or other entity of state
13 government.

14 Sec. _____. APPLICABILITY. This division of this
15 Act applies to franchise fees assessed by a city to
16 a customer on or after July 1, 2015, pursuant to an
17 ordinance adopted before, on, or after that date.
18 This division of this Act also applies to franchise
19 fees or other substantially similar fees assessed
20 by a franchisee to a customer on or after July 1,
21 2015, to pay a franchise fee assessed by the city to
22 the franchisee pursuant to an ordinance or franchise
23 agreement adopted before, on, or after July 1, 2015.

24 DIVISION _____

25 PAYMENTS IN LIEU OF TAXES AGREEMENTS

26 Sec. _____. NEW SECTION. 262.9D **Agreements for**
27 **payments in lieu of taxes.**

28 1. For purposes of this section:

29 a. "Payments in lieu of taxes" are payments made
30 as a substitute for property taxes not levied on real
31 property as a result of a property tax exemption, which
32 payments are made by an institution under the control
33 of the board to a political subdivision in which the
34 institution is located pursuant to an agreement entered
35 into by the board or an institution under the control
36 of the board and the political subdivision. Payments
37 in lieu of taxes are not payments made in accordance
38 with a contract for services under section 364.19 or
39 other service agreements authorized in statute.

40 b. "Political subdivision" means a city, county,
41 school district, or any other public body or
42 corporation of this state that has power to levy
43 or certify a tax or sum of money to be collected by
44 taxation or otherwise derives funds from a property tax
45 levied against taxable property situated within the
46 political subdivision.

47 2. Any agreement providing for payments in lieu of
48 taxes between the board or an institution under the
49 control of the board and a political subdivision shall
50 be approved by the board at a regular meeting in open

1 session prior to the execution of such an agreement.
2 A request for board approval of an agreement for
3 payments in lieu of taxes shall include a detailed
4 explanation of the need for the agreement, the manner
5 in which payments are calculated, and concurrence from
6 the appropriate local assessor as to the assessment
7 calculation for establishing the amount of each payment
8 under the agreement. The agreement shall also include
9 a termination date for the agreement and shall ensure,
10 to the extent permitted by law, that the payments made
11 under the agreement are apportioned in the same manner
12 as property taxes are apportioned among the political
13 subdivisions in which the property is located.
14 Sec. ____ . APPLICABILITY. This division of this Act
15 applies to any agreement for payments in lieu of taxes
16 entered into on or after July 1, 2015.>
17 12. By renumbering, redesignating, and correcting
18 internal references as necessary.

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