

House File 2459

H-8286

1 Amend the Senate amendment, H-8278, to House File
2 2459, as amended, passed, and reprinted by the House,
3 as follows:

4 1. By striking page 1, line 1, through page 20,
5 line 34, and inserting:

6 <Amend House File 2459, as amended, passed, and
7 reprinted by the House, as follows:

8 1. By striking everything after the enacting clause
9 and inserting:

10 <DIVISION I

11 EQUAL PAY TASK FORCE AND REPORT

12 Section 1. EQUAL PAY.

13 1. An equal pay task force is created. The task
14 force shall consist of seven members appointed by the
15 governor.

16 2. The task force shall study wage discrepancies
17 within public and private employment and between public
18 and private employers.

19 3. The task force shall submit a report regarding
20 its findings and its recommendations regarding
21 potential actions for the elimination and prevention
22 of such discrepancies to the governor and the general
23 assembly no later than December 22, 2017.

24 DIVISION II

25 MISCELLANEOUS PROVISIONS — WAGE DISCRIMINATION

26 Sec. 2. ADDITIONAL UNFAIR OR DISCRIMINATORY
27 PRACTICE — WAGE DISCRIMINATION IN EMPLOYMENT.

28 1. As stated in chapter 216, the general assembly
29 finds that the practice of discriminating against any
30 employee because of the age, race, creed, color, sex,
31 sexual orientation, gender identity, national origin,
32 religion, or disability of such employee by paying
33 wages to such employee at a rate less than the rate
34 paid to other employees does all of the following:

35 a. Unjustly discriminates against the person

1 receiving the lesser rate.
2 b. Leads to low employee morale, high turnover, and
3 frequent labor unrest.
4 c. Discourages employees paid at lesser wage rates
5 from training for higher level jobs.
6 d. Curtails employment opportunities, decreases
7 employees' mobility, and increases labor costs.
8 e. Impairs purchasing power and threatens the
9 maintenance of an adequate standard of living by such
10 employees and their families.
11 f. Prevents optimum utilization of the state's
12 available labor resources.
13 g. Threatens the well-being of citizens of this
14 state and adversely affects the general welfare.
15 2. As stated in section 216.6A, it remains
16 unfair or discriminatory practice for any employer
17 or agent of any employer to discriminate against
18 any employee because of the age, race, creed, color,
19 sex, sexual orientation, gender identity, national
20 origin, religion, or disability of such employee by
21 paying wages to such employee at a rate less than the
22 rate paid to other employees who are employed within
23 the same establishment for equal work on jobs, the
24 performance of which requires equal skill, effort, and
25 responsibility, and which are performed under similar
26 working conditions. As also stated in section 216.6A,
27 an employer or agent of an employer who is paying wages
28 to an employee at a rate less than the rate paid to
29 other employees in violation of this section shall not
30 remedy the violation by reducing the wage rate of any
31 employee.

32 DIVISION III

33 STANDING APPROPRIATIONS AND RELATED MATTERS

34 Sec. 3. 2015 Iowa Acts, chapter 138, section 3, is
35 amended by adding the following new subsection:

1 NEW SUBSECTION. 4. For the peace officers'
2 retirement, accident, and disability system retirement
3 fund under section 97A.11A:

4 \$ 2,500,000

5 Sec. 4. 2015 Iowa Acts, chapter 138, is amended by
6 adding the following new section:

7 NEW SECTION. SEC. 5A. GENERAL ASSEMBLY.

8 1. The appropriations made pursuant to section
9 2.12 for the expenses of the general assembly and
10 legislative agencies for the fiscal year beginning July
11 1, 2016, and ending June 30, 2017, are reduced by the
12 following amount:

13 \$ 5,850,000

14 2. The budgeted amounts for the general assembly
15 and legislative agencies for the fiscal year beginning
16 July 1, 2016, may be adjusted to reflect the unexpended
17 budgeted amounts from the previous fiscal year.

18 3. Annual membership dues for organizations,
19 associations, and conferences shall not be paid from
20 moneys appropriated pursuant to section 2.12.

21 4. Costs for out-of-state travel and per diems
22 for out-of-state travel shall not be paid from moneys
23 appropriated pursuant to section 2.12.

24 Sec. 5. 2015 Iowa Acts, chapter 138, is amended by
25 adding the following new section:

26 NEW SECTION. SEC. 7A. Section 257.35, Code 2016,
27 is amended by adding the following new subsection:

28 NEW SUBSECTION. 10A. Notwithstanding subsection 1,
29 and in addition to the reduction applicable pursuant
30 to subsection 2, the state aid for area education
31 agencies and the portion of the combined district cost
32 calculated for these agencies for the fiscal year
33 beginning July 1, 2016, and ending June 30, 2017, shall
34 be reduced by the department of management by twenty
35 million dollars. The reduction for each area education

1 agency shall be prorated based on the reduction that
2 the agency received in the fiscal year beginning July
3 1, 2003.

4 Sec. 6. Section 2.48, subsection 3, Code 2016, is
5 amended by adding the following new paragraph:

6 NEW PARAGRAPH. *Of.* In 2016:

7 (1) The homestead tax credit under chapter 425.

8 (2) The elderly and disabled property tax credit
9 under chapter 425.

10 (3) The agricultural land tax credit under chapter
11 426.

12 (4) The military service tax credit under chapter
13 426A.

14 (5) The business property tax credit under chapter
15 426C.

16 (6) The commercial and industrial property tax
17 replacement claims under section 441.21A.

18 Sec. 7. Section 230.8, Code 2016, is amended to
19 read as follows:

20 **230.8 Transfers of persons with mental illness —**
21 **expenses.**

22 The transfer to any state hospitals or to the places
23 of their residence of persons with mental illness who
24 have no residence in this state or whose residence is
25 unknown and deemed to be a state case, shall be made
26 according to the directions of the administrator,
27 and when practicable by employees of the state
28 hospitals. The actual and necessary expenses of such
29 transfers shall be paid by the department on itemized
30 vouchers sworn to by the claimants and approved by
31 the administrator, ~~and the amount of the expenses is~~
32 ~~appropriated to the department from any funds in the~~
33 ~~state treasury not otherwise appropriated.~~

34 Sec. 8. Section 820.24, Code 2016, is amended to
35 read as follows:

1 **820.24 Expenses — how paid.**

2 When the punishment of the crime shall be the
3 confinement of the criminal in the penitentiary, the
4 expenses shall be paid ~~out of the state treasury, on~~
5 ~~the certificate of the governor and warrant of the~~
6 ~~director of the department of administrative services~~
7 by the department of corrections; and in all other
8 cases they shall be paid out of the county treasury in
9 the county wherein the crime is alleged to have been
10 committed. The expenses shall be the fees paid to the
11 officers of the state on whose governor the requisition
12 is made, and all necessary and actual traveling
13 expenses incurred in returning the prisoner.

14 DIVISION IV

15 MISCELLANEOUS PROVISIONS

16 Sec. 9. BUDGET PROCESS FOR FISCAL YEAR 2017-2018.

17 1. For the budget process applicable to the fiscal
18 year beginning July 1, 2017, on or before October 1,
19 2016, in lieu of the information specified in section
20 8.23, subsection 1, unnumbered paragraph 1, and
21 paragraph "a", all departments and establishments of
22 the government shall transmit to the director of the
23 department of management, on blanks to be furnished
24 by the director, estimates of their expenditure
25 requirements, including every proposed expenditure, for
26 the ensuing fiscal year, together with supporting data
27 and explanations as called for by the director of the
28 department of management after consultation with the
29 legislative services agency.

30 2. The estimates of expenditure requirements
31 shall be in a form specified by the director of
32 the department of management, and the expenditure
33 requirements shall include all proposed expenditures
34 and shall be prioritized by program or the results to
35 be achieved. The estimates shall be accompanied by

1 performance measures for evaluating the effectiveness
2 of the programs or results.

3 Sec. 10. WATER QUALITY — IOWA FINANCE
4 AUTHORITY. There is appropriated from the general fund
5 of the state to the Iowa finance authority for the
6 fiscal year beginning July 1, 2016, and ending June 30,
7 2017, the following amount, or so much thereof as is
8 necessary, to be used for the purpose designated:

9 For deposit in the water quality financial
10 assistance fund created in section 16.134A, if enacted
11 by 2016 Iowa Acts, House File 2451:

12 \$ 2,000,000

13 Sec. 11. SALARY MODEL ADMINISTRATOR. The salary
14 model administrator shall work in conjunction with
15 the legislative services agency to maintain the
16 state's salary model used for analyzing, comparing,
17 and projecting state employee salary and benefit
18 information, including information relating to
19 employees of the state board of regents. The
20 department of revenue, the department of administrative
21 services, the five institutions under the jurisdiction
22 of the state board of regents, the judicial district
23 departments of correctional services, and the state
24 department of transportation shall provide salary data
25 to the department of management and the legislative
26 services agency to operate the state's salary
27 model. The format and frequency of provision of the
28 salary data shall be determined by the department of
29 management and the legislative services agency. The
30 information shall be used in collective bargaining
31 processes under chapter 20 and in calculating the
32 funding needs contained within the annual salary
33 adjustment legislation. A state employee organization
34 as defined in section 20.3, subsection 4, may request
35 information produced by the model, but the information

1 provided shall not contain information attributable to
2 individual employees.

3 Sec. 12. Section 24.32, Code 2016, is amended to
4 read as follows:

5 **24.32 Decision certified.**

6 After a hearing upon the appeal, the state board
7 shall certify its decision to the county auditor and
8 to the parties to the appeal as provided by rule, and
9 the decision shall be final. The county auditor shall
10 make up the records in accordance with the decision and
11 the levying board shall make its levy in accordance
12 with the decision. Upon receipt of the decision, the
13 certifying board shall correct its records accordingly,
14 if necessary. Final disposition of all appeals shall
15 be made by the state board ~~on or before April 30 of~~
16 each year within forty-five days after the date of the
17 appeal hearing.

18 Sec. 13. Section 284.6, subsection 8, Code 2016, is
19 amended to read as follows:

20 8. For each year in which a school district
21 receives funds calculated and paid to school
22 districts for professional development pursuant to
23 section 257.10, subsection 10, or section 257.37A,
24 subsection 2, the school district shall create quality
25 professional development opportunities. Not less
26 than thirty-six hours in the school calendar, held
27 outside of the minimum school day, shall be set aside
28 during nonpreparation time or designated professional
29 development time to allow practitioners to collaborate
30 with each other to deliver educational programs and
31 assess student learning, or to engage in peer review
32 pursuant to [section 284.8, subsection 1](#). The funds
33 may be used to implement the professional development
34 provisions of the teacher career paths and leadership
35 roles specified in [section 284.7](#) or [284.15](#), including

1 but not limited to providing professional development
2 to teachers, including additional salaries for
3 time beyond the normal negotiated agreement; pay
4 for substitute teachers; professional development
5 materials, speakers, and professional development
6 content; textbooks and curriculum materials used for
7 classroom purposes, if purchase of such textbooks and
8 curriculum materials includes professional development;
9 and costs associated with implementing the individual
10 professional development plans. The use of the funds
11 shall be balanced between school district, attendance
12 center, and individual professional development plans,
13 making every reasonable effort to provide equal access
14 to all teachers.

15 Sec. 14. Section 418.12, subsection 5, Code 2016,
16 is amended to read as follows:

17 5. If the department of revenue determines that
18 the revenue accruing to the fund or accounts within
19 the fund exceeds thirty million dollars for a fiscal
20 year or exceeds the amount necessary for the purposes
21 of **this chapter** if the amount necessary is less than
22 thirty million dollars for a fiscal year, then those
23 excess moneys shall be credited by the department of
24 revenue for deposit in the general fund of the state.

25 Sec. 15. Section 669.11, Code 2016, is amended to
26 read as follows:

27 **669.11 Payment of award.**

28 1. Any Except as provided in subsection 2, an award
29 to a claimant under **this chapter**, and any judgment in
30 favor of any claimant under **this chapter**, shall be
31 paid promptly out of appropriations which have been
32 made for such purpose, if any; but any such amount or
33 part thereof which cannot be paid promptly from such
34 appropriations shall be paid promptly out of any money
35 in the state treasury not otherwise appropriated.

1 Payment shall be made only upon receipt of a written
2 release by the claimant in a form approved by the
3 attorney general.

4 2. An award under this chapter, and any judgment
5 in favor of any claimant under this chapter, for a
6 claim relating to conduct or actions of an employee
7 of the hospital and medical clinics at the university
8 of Iowa that is paid by moneys from the general fund
9 of the state through the state appeal board shall be
10 reimbursed by the hospital and medical clinics at the
11 university of Iowa. Payment shall be made only upon
12 receipt of a written release by the claimant in a form
13 approved by the attorney general.

14 Sec. 16. Section 915.25, subsection 3, as enacted
15 by 2016 Iowa Acts, Senate File 2288, section 16, is
16 amended to read as follows:

17 3. Notwithstanding the provisions of sections
18 232.147, 232.149, and 232.149A, an intake or juvenile
19 court officer shall disclose to the alleged victim
20 of a delinquent act, upon the request of the victim,
21 the complaint, the name and address of the child
22 who allegedly committed the delinquent act, and
23 the disposition of the complaint. If the alleged
24 delinquent act would be a ~~foreible felony~~ serious
25 misdemeanor, aggravated misdemeanor, or felony offense
26 if committed by an adult, the intake or juvenile court
27 officer shall provide notification to the victim of the
28 delinquent act as required by [section 915.24](#).

29 Sec. 17. 2016 Iowa Acts, Senate File 2314, section
30 22, if enacted, is amended to read as follows:

31 SEC. 59. SECRETARY OF STATE. There is appropriated
32 from the general fund of the state to the office of
33 the secretary of state for the fiscal year beginning
34 July 1, 2016, and ending June 30, 2017, the following
35 amounts, or so much thereof as is necessary, to be used

1 for the purposes designated:

2 1. ADMINISTRATION AND ELECTIONS

3 For salaries, support, maintenance, and
4 miscellaneous purposes, and for not more than the
5 following full-time equivalent positions:

6	\$	1,440,890
7	FTEs	13.10
8		<u>15.60</u>

9 The state department or state agency which provides
10 data processing services to support voter registration
11 file maintenance and storage shall provide those
12 services without charge.

13 2. BUSINESS SERVICES

14 For salaries, support, maintenance, and
15 miscellaneous purposes, and for not more than the
16 following full-time equivalent positions:

17	\$	1,440,891
18	FTEs	13.10
19		<u>15.60</u>

20 DIVISION V

21 CORRECTIVE PROVISIONS

22 Sec. 18. Section 29C.24, subsection 3, paragraph
23 a, subparagraphs (3) and (6), if enacted by 2016 Iowa
24 Acts, Senate File 2306, section 2, are amended to read
25 as follows:

26 (3) The imposition of income taxes under chapter
27 422, divisions II and III, including the requirement
28 to file tax returns under sections 422.13 through
29 422.15 or section 422.36, as applicable, and
30 including the requirement to withhold and remit
31 income tax from out-of-state employees under section
32 422.16. In addition, the performance of disaster or
33 emergency-related work during a disaster response
34 period by an out-of-state business or out-of-state
35 employee shall not require an out-of-state business

1 to be included in a consolidated return under section
2 422.37, and shall not increase the amount of net income
3 of the out-of-state business allocated and apportioned
4 to the state under ~~sections~~ section 422.8 or 422.33, as
5 applicable.

6 (6) The assessment of property taxes by the
7 department of revenue under sections 428.24 through
8 428.26, 428.28, and 428.29, or chapters 433, 434,
9 435, and 437 through 438, or by a local assessor
10 under another provision of law, on property brought
11 into the state to aid in the performance of disaster
12 or emergency-related work during a disaster response
13 period if such property does not remain in the state
14 after the conclusion of the disaster response period.

15 Sec. 19. Section 29C.24, subsection 4, if enacted
16 by 2016 Iowa Acts, Senate File 2306, section 2, is
17 amended to read as follows:

18 4. *Business and employee status after a disaster*
19 *response period.* An out-of-state business or
20 out-of-state employee that remains in the state after
21 the conclusion of the disaster response period ~~for~~
22 during which the disaster or emergency-related work
23 was performed shall be fully subject to the state's
24 standards for establishing presence, residency, or
25 doing business as otherwise provided by law, and
26 shall be responsible for any resulting taxes, fees,
27 licensing, registration, filing, or other requirements.

28 Sec. 20. Section 155A.13, subsection 3, paragraph
29 d, if enacted by 2016 Iowa Acts, Senate File 453,
30 section 3, is amended to read as follows:

31 d. An applicant seeking a special or limited-use
32 pharmacy ~~licensed~~ license for a proposed telepharmacy
33 site that does not meet the mileage requirement
34 established in paragraph "c" and is not statutorily
35 exempt from the mileage requirement may apply to the

1 board for a waiver of the mileage requirement. A
2 waiver request shall only be granted if the applicant
3 can demonstrate to the board that the proposed
4 telepharmacy site is located in an area where there is
5 limited access to pharmacy services and can establish
6 the existence of compelling circumstances that justify
7 waiving the mileage requirement. The board's decision
8 to grant or deny a waiver request shall be a proposed
9 decision subject to mandatory review by the director
10 ~~of the department~~ of public health. The director
11 shall review a proposed decision and shall have the
12 power to approve, modify, or veto a proposed decision.
13 The director's decision on a waiver request shall be
14 considered final agency action subject to judicial
15 review under chapter 17A.

16 Sec. 21. Section 229.13, subsection 7, paragraph a,
17 subparagraph (1), if enacted by 2016 Iowa Acts, Senate
18 File 2259, section 1, is amended to read as follows:

19 (1) The respondent's mental health professional
20 acting within the scope of the mental health
21 professional's practice shall notify the committing
22 court, with preference given to the committing judge,
23 if available, in the appropriate county ~~who~~ and the
24 court shall enter a written order directing that
25 the respondent be taken into immediate custody by
26 the appropriate sheriff or sheriff's deputy. The
27 appropriate sheriff or sheriff's deputy shall exercise
28 all due diligence in taking the respondent into
29 protective custody to a hospital or other suitable
30 facility.

31 Sec. 22. Section 256.11, subsection 4, Code 2016,
32 as amended by 2016 Iowa Acts, House File 2392, section
33 26, if enacted, is amended to read as follows:

34 4. The following shall be taught in grades seven
35 and eight: English-language arts; social studies;

1 mathematics; science; health; age-appropriate and
2 research-based human growth and development; career
3 exploration and development; physical education; music;
4 and visual art. Career exploration and development
5 shall be designed so that students are appropriately
6 prepared to create an individual career and academic
7 plan pursuant to section 279.61, incorporate
8 foundational career and technical education concepts
9 aligned with the six career and technical education
10 service areas as defined in ~~paragraph~~ subsection 5,
11 ~~subsection~~ paragraph "h", and incorporate relevant
12 twenty-first century skills. The health curriculum
13 shall include age-appropriate and research-based
14 information regarding the characteristics of
15 sexually transmitted diseases, including HPV and the
16 availability of a vaccine to prevent HPV, and acquired
17 immune deficiency syndrome. The state board as part
18 of accreditation standards shall adopt curriculum
19 definitions for implementing the program in grades
20 seven and eight. However, **this subsection** shall
21 not apply to the teaching of career exploration and
22 development in nonpublic schools. For purposes of this
23 section, "age-appropriate", "HPV", and "research-based"
24 mean the same as defined in **section 279.50**.

25 Sec. 23. Section 272.25, subsection 3, Code 2016,
26 as amended by 2016 Iowa Acts, Senate File 2196, section
27 3, is amended to read as follows:

28 3. A requirement that the program include
29 instruction in skills and strategies to be used in
30 classroom management of individuals, and of small and
31 large groups, under varying conditions; skills for
32 communicating and working constructively with pupils,
33 teachers, administrators, and parents; preparation in
34 reading theory, knowledge, strategies, and approaches,
35 and for integrating literacy instruction ~~in~~ into

1 content areas in accordance with section 256.16; and
2 skills for understanding the role of the board of
3 education and the functions of other education agencies
4 in the state. The requirement shall be based upon
5 recommendations of the department of education after
6 consultation with teacher education faculty members in
7 colleges and universities.

8 Sec. 24. Section 598C.102, subsection 8, paragraph
9 b, if enacted by 2016 Iowa Acts, Senate File 2233,
10 section 2, is amended to read as follows:

11 b. An individual who has custodial responsibility
12 for a child under a law of this state other than this
13 chapter.

14 Sec. 25. 2016 Iowa Acts, House File 2269, section
15 20, subsection 1, is amended to read as follows:

16 1. It is amended, rescinded, or supplemented by the
17 affirmative action of the executive ~~council~~ committee
18 of the Iowa beef cattle producers association created
19 in section 181.3, as amended in this Act.

20 Sec. 26. 2016 Iowa Acts, Senate File 378, section
21 2, is amended to read as follows:

22 SEC 2. REPEAL. Section 80.37, Code ~~2015~~ 2016, is
23 repealed.

24 Sec. 27. 2016 Iowa Acts, Senate File 2185, section
25 2, if enacted, is amended by striking the section and
26 inserting in lieu thereof the following:

27 SEC. 2. Section 709.21, subsection 3, Code 2016, is
28 amended to read as follows:

29 3. A person who violates this section commits a
30 ~~serious~~ an aggravated misdemeanor.

31 DIVISION VI

32 AREA EDUCATION AGENCY FUNDING

33 Sec. 28. SPECIAL EDUCATION SUPPORT SERVICES
34 FUNDING. Notwithstanding the provisions of section
35 257.35, subsection 11, and section 257.37, subsection

1 6, for the budget year beginning July 1, 2016, an area
2 education agency shall use the total amount determined
3 to be available to the area education agency under
4 section 257.35 and any unreserved fund balances for
5 media services or education services that exceed
6 an amount equal to 5 percent of the area education
7 agency's budget for media services and education
8 services for that budget year, and including funds
9 that exceed the payment for special education support
10 services pursuant to section 257.35, in a manner to
11 best maintain the level of required area education
12 agency special education support services.

13 Sec. 29. EFFECTIVE UPON ENACTMENT. This division
14 of this Act, being deemed of immediate importance,
15 takes effect upon enactment.

16 DIVISION VII

17 SCHOOL DISTRICT FUNDING

18 Sec. 30. Section 257.2, subsection 2, Code 2016, is
19 amended by striking the subsection.

20 Sec. 31. NEW SECTION. 257.14A District cost per
21 pupil equity — budget adjustment.

22 1. The board of directors of a school district
23 with a regular program district cost per pupil for
24 the budget year beginning July 1, 2016, that is less
25 than the highest regular program district cost per
26 pupil among all school districts in the state for the
27 same budget year that wishes to receive the budget
28 adjustment under this section may adopt a resolution
29 by June 30, 2016, and shall notify the department of
30 management of the adoption of the resolution and the
31 amount of the budget adjustment to be received.

32 2. a. For the budget year beginning July 1, 2016,
33 each school district that satisfies the requirements of
34 subsection 1 shall be eligible for a budget adjustment
35 for that budget year in an amount not to exceed the

1 difference between the school district's regular
2 program district cost per pupil for the budget year
3 beginning July 1, 2016, and the highest regular program
4 district cost per pupil among all school districts
5 in the state for the same budget year multiplied by
6 the district's budget enrollment for the budget year
7 beginning July 1, 2016. The resolution adopted under
8 subsection 1 may specify a budget adjustment amount
9 that is less than the maximum amount authorized under
10 this paragraph "a".

11 *b.* The school district shall fund the budget
12 adjustment solely by using cash reserve moneys
13 available to the school district during the budget
14 year beginning July 1, 2016. Amounts used to fund the
15 budget adjustment may be used by the school district
16 for any school general fund purpose.

17 *c.* A school district receiving a budget adjustment
18 under this section shall be subject to the reduction
19 of the maximum cash reserve levy authorized in section
20 298.10, subsection 3, paragraph "b", and shall in one
21 or more subsequent budget years reimburse the school
22 district's cash reserve amount the total amount of
23 the budget adjustment received during the budget year
24 beginning July 1, 2016, using school district general
25 fund moneys that are part of the school district's
26 authorized expenditures in section 257.7.

27 3. A budget adjustment received under this section
28 shall not affect the eligibility for or amount of any
29 other budget adjustment authorized by law for the same
30 budget year. In addition, a budget adjustment under
31 this section shall be limited to the budget year for
32 which the adjustment was authorized and shall not be
33 included in any computation of a school district's cost
34 for any future budget year.

35 Sec. 32. Section 257.34, Code 2016, is amended to

1 read as follows:

2 **257.34 Cash reserve information.**

3 1. If a school district receives less state school
4 foundation aid under [section 257.1](#) than is due under
5 that section for a base year and the school district
6 uses funds from its cash reserve during the base year
7 to make up for the amount of state aid not paid, the
8 board of directors of the school district shall include
9 in its general fund budget document information about
10 the amount of the cash reserve used to replace state
11 school foundation aid not paid.

12 2. If a school district uses funds from its cash
13 reserve during the budget year beginning July 1, 2016,
14 to fund a budget adjustment under section 257.14A, the
15 board of directors of the school district shall include
16 in its general fund budget document information about
17 the amount of the cash reserve used for such purpose.

18 Sec. 33. Section 298.10, subsection 3, Code 2016,
19 is amended to read as follows:

20 3. a. For fiscal years beginning on or after
21 July 1, 2012, the cash reserve levy for a budget
22 year shall not exceed twenty percent of the general
23 fund expenditures for the year previous to the base
24 year minus the unexpended fund balance, as defined in
25 section 257.2, for the year previous to the base year.

26 b. For fiscal years beginning on or after July
27 1, 2017, the maximum amount of the cash reserve levy
28 calculated under paragraph "a" shall be reduced by an
29 amount equal to the amount of the budget adjustment
30 authorized by the school district under section 257.14A
31 that has not been reimbursed by the school district
32 pursuant to section 257.14, subsection 2, paragraph
33 "c".

34 Sec. 34. EFFECTIVE UPON ENACTMENT. This division
35 of this Act, being deemed of immediate importance,

1 takes effect upon enactment.

2 DIVISION VIII
3 WATER UTILITIES

4 Sec. 35. Section 388.1, Code 2016, is amended by
5 adding the following new subsections:

6 NEW SUBSECTION. 1A. "*Population*" means the
7 population shown by the latest preceding certified
8 federal census or the latest applicable population
9 estimate issued by the federal government, whichever is
10 most recent and available as of July 1 of the preceding
11 fiscal year.

12 NEW SUBSECTION. 2A. "*Water utility services*"
13 means providing water at retail or wholesale cost;
14 water withdrawal, storage, treatment, or distribution
15 facilities; other equipment or facilities necessary for
16 the operation of a water utility; or water management,
17 operation, or billing services.

18 Sec. 36. Section 388.3, Code 2016, is amended to
19 read as follows:

20 **388.3 Procedure upon approval.**

21 1. If a proposal to establish a utility board
22 receives a favorable majority vote, the mayor shall
23 appoint the board members, as provided in the proposal,
24 subject to the approval of the council. The council
25 shall by resolution provide for staggered six-year
26 terms for, and shall set the compensation of, board
27 members.

28 2. A board member appointed to fill a vacancy
29 occurring by reason other than the expiration of a term
30 is appointed for the balance of the unexpired term.

31 3. A public officer or a salaried employee of the
32 city may not serve on a utility board.

33 4. Notwithstanding section 388.2, a board for
34 a city with a population of more than one hundred
35 ninety thousand that provides water utility services

1 to persons who reside outside of the city limits or to
2 other cities shall be appointed as follows:

3 a. The mayor of the city with a population of one
4 hundred ninety thousand or more shall appoint two board
5 members, subject to approval by the city council.

6 b. The mayor of each city with a population of
7 more than fifteen thousand and less than one hundred
8 ninety thousand where the city utility provides utility
9 services shall each appoint one board member, subject
10 to approval by the respective city councils.

11 c. The board of supervisors of each county in which
12 the city utility provides utility services shall each
13 appoint one board member. Such board members shall
14 reside in an area in which the city utility provides
15 utility services that is not within a city with a
16 population of more than fifteen thousand. However, if
17 the utility services in the county are provided to a
18 rural water district organized under chapter 357A, the
19 board of the rural water district shall appoint the
20 board member.

21 5. The board established in subsection 4 shall, by
22 resolution, provide for staggered six-year terms and
23 shall set the compensation for the board members.

24 DIVISION IX

25 ELECTRIC TRANSMISSION LINES

26 **Sec. 37. NEW SECTION. 478.6A Merchant line**
27 **franchises — requirements — limitations.**

28 1. a. For purposes of this section, "*bifurcation*"
29 means the conducting of two separate hearings when
30 a petition involves the taking of property under
31 eminent domain, one hearing considering whether the
32 proposed line is necessary to serve a public use and
33 represents a reasonable relationship to an overall plan
34 of transmitting electricity in the public interest, and
35 the other considering the granting of eminent domain

1 authority.

2 *b.* For purposes of this section, "*merchant*
3 *line*" means a high-voltage direct current electric
4 transmission line which does not provide for the
5 erection of electric substations at intervals of less
6 than fifty miles, which substations are necessary
7 to accommodate both the purchase and sale to persons
8 located in this state of electricity generated or
9 transmitted by the franchisee.

10 2. A petition for a franchise to construct a
11 merchant line, in addition to any other applicable
12 requirements pursuant to this chapter, shall be subject
13 to all of the following:

14 *a.* The board shall not permit the bifurcation in
15 any manner of a petition and shall reject any request
16 by a petitioner for bifurcation.

17 *b.* Notwithstanding section 478.10, the sale and
18 transfer of a merchant line, by voluntary or judicial
19 sale or otherwise, shall not carry with it the transfer
20 of the franchise.

21 *c.* Notwithstanding section 478.21, if a petition
22 that involves the taking of property under eminent
23 domain is not approved by the board and a franchise
24 granted within three years following the date of
25 the first informational meeting held in any county
26 regarding the petition, pursuant to section 478.2, the
27 utilities board shall reject the petition and make a
28 record of the rejection. A petitioner may not file a
29 petition for the same or a similar project that has
30 been rejected under this subsection within sixty months
31 following the date of rejection.

32 *d.* The board shall not grant a petition that
33 involves the taking of property under eminent domain
34 unless a minimum of seventy-five percent of the
35 easements necessary to construct the project have been

1 obtained voluntarily.

2 e. In considering whether to grant a petition that
3 involves the taking of property under eminent domain,
4 section 478.3, subsection 3, is not applicable, and
5 the term "*public*" shall be interpreted to be limited to
6 consumers located in this state.

7 Sec. 38. EFFECTIVE UPON ENACTMENT. This division
8 of this Act, being deemed of immediate importance,
9 takes effect upon enactment.

10 Sec. 39. APPLICABILITY. This division of this Act
11 is applicable to petitions for franchise filed on or
12 after November 1, 2014, that have not been approved
13 by the utilities board on or after the effective date
14 of this division of this Act, and to petitions for
15 franchise filed on or after the effective date of this
16 division of this Act.>>

17 2. Title page, line 4, after <date> by inserting
18 <and applicability>

RIZER of Linn