

**EIGHTY-FIFTH GENERAL ASSEMBLY
2014 REGULAR SESSION
DAILY
HOUSE CLIP SHEET**

MARCH 26, 2014

HOUSE FILE 2448

H-8148

1 Amend House File 2448 as follows:

2 1. Page 7, by striking line 26 and inserting <used
3 primarily for a residential purpose, or will be used
4 primarily for a>

By KAUFMANN of Cedar
THOMAS of Clayton

H-8148 FILED MARCH 25, 2014

HOUSE FILE 2452

H-8150

1 Amend House File 2452 as follows:

2 1. Page 1, by striking lines 7 through 12.

3 2. Page 1, by striking lines 20 and 21.

4 3. Page 2, line 25, after <owner> by inserting <and
5 administrator>

6 4. Page 2, line 32, after <Use> by inserting <and
7 administration>

8 5. By striking page 3, line 7, through page 4, line
9 31, and inserting:

10 <d. The account holder shall not use funds held in
11 a first-time homebuyer savings account to pay expenses,
12 if any, of administering the account, except that
13 a service fee may be charged to the account by the
14 financial institution where the account is held.

15 e. Documentation regarding the segregation of
16 funds in a first-time homebuyer savings account from
17 other funds and documentation regarding eligible
18 costs for the purchase of a principal residence shall
19 be maintained by the account holder. The burden of
20 proving that a withdrawal from a first-time homebuyer
21 savings account was made for eligible costs is upon the
22 account holder.

23 f. Within thirty days of being furnished proof of
24 death of the account holder, the financial institution
25 where the first-time homebuyer savings account is held
26 shall distribute any amount remaining in the first-time
27 homebuyer savings account to the estate of the account
28 holder or to a transfer on death or pay on death
29 beneficiary of the account properly designated by the
30 account holder with the financial institution.

31 g. The account holder shall file reports with the
32 department of revenue as reasonably required by the
33 department of revenue.

34 h. The account holder is required to remit the
35 withdrawal penalty in section 422.7, subsection 57,
36 paragraph "c", subparagraph (1), if assessed, to the
37 department of revenue in the same manner as provided in
38 section 422.16, subsection 2.>

39 6. By striking page 5, line 34, through page 6,
40 line 1, and inserting <the payment of eligible costs
41 of the account holder. Such withdrawal shall also be
42 assessed>

43 7. Page 6, line 24, by striking <"business day",>

44 8. By renumbering, redesignating, and correcting
45 internal references as necessary.

By BALTIMORE of Boone

H-8150 FILED MARCH 25, 2014

HOUSE FILE 2458

H-8155

1 Amend House File 2458 as follows:
2 1. Page 28, by striking lines 17 through 26.
3 2. Page 33, after line 18 by inserting:
4 <Sec. ____ . Section 478.6, Code 2014, is amended by
5 adding the following new unnumbered paragraph:
6 NEW UNNUMBERED PARAGRAPH Notwithstanding any other
7 provision to the contrary, a franchise shall not be
8 granted or extended when the petition for a franchise
9 or extension of a franchise involves construction or
10 extension of a high voltage direct current transmission
11 line exceeding three hundred miles in length in this
12 state and extending across a state boundary line if, in
13 such county affected by the proposed project, more than
14 twenty-five percent of the specific parcels of real
15 property over which a right-of-way easement or other
16 property interest is sought to be acquired will be
17 acquired by exercise of the right of eminent domain.>
18 3. By renumbering as necessary.

By WATTS of Dallas

H-8155 FILED MARCH 25, 2014

HOUSE FILE 2458

H-8156

1 Amend House File 2458 as follows:
2 1. Page 22, after line 11 by inserting:
3 <DIVISION ____
4 SPECIAL APPROPRIATION ---- AGRICULTURAL DRAINAGE WELL
5 WATER QUALITY ASSISTANCE FUND
6 Sec. ____ . AGRICULTURAL DRAINAGE WELL WATER
7 QUALITY ASSISTANCE FUND. There is appropriated from
8 the general fund of the state to the department of
9 agriculture and land stewardship for the fiscal year
10 beginning July 1, 2014, and ending June 30, 2015, the
11 following amount, or so much thereof as is necessary,
12 to be used for the purposes designated:
13 For deposit in the agricultural drainage well water
14 quality assistance fund created in section 460.303 to
15 be used for purposes of supporting the agricultural
16 drainage well water quality assistance program as
17 provided in section 460.304:
18 \$ 11,800,000>
19 2. By renumbering as necessary.

By WOOD of Scott

H-8156 FILED MARCH 25, 2014

HOUSE FILE 2458

H-8157

1 Amend House File 2458 as follows:

2 1. Page 22, after line 11 by inserting:

3 <DIVISION _____
4 SPECIAL APPROPRIATION ---- SOIL AND WATER CONSERVATION
5 Sec. _____. COST-SHARE PROGRAM.

6 1. There is appropriated from the general fund of
7 the state to the department of agriculture and land
8 stewardship for the fiscal year beginning July 1, 2014,
9 and ending June 30, 2015, the following amount, or
10 so much thereof as is necessary, to be used for the
11 purposes designated:

12 For use by the department in providing for soil and
13 water conservation administration, the conservation of
14 soil and water resources, or the support of soil and
15 water conservation district commissioners:

16 \$ 18,500,000

17 2. Not more than 5 percent of the moneys
18 appropriated in subsection 1 may be allocated for cost
19 sharing to address complaints filed under section
20 161A.47.

21 3. Of the moneys appropriated in subsection 1, 5
22 percent shall be allocated for financial incentives
23 to establish practices to protect watersheds above
24 publicly owned lakes of the state from soil erosion and
25 sediment as provided in section 161A.73.

26 4. Not more than 30 percent of a soil and water
27 conservation district's allocation of moneys as
28 financial incentives may be provided for the purpose
29 of establishing management practices to control soil
30 erosion on land that is row cropped, including but
31 not limited to no-till planting, ridge-till planting,
32 contouring, and contour strip-cropping as provided in
33 section 161A.73.

34 5. The state soil conservation committee
35 established by section 161A.4 may allocate moneys
36 appropriated in subsection 1 to conduct research and
37 demonstration projects to promote conservation tillage
38 and nonpoint source pollution control practices.

39 6. The allocation of moneys as financial incentives
40 as provided in section 161A.73 may be used in
41 combination with moneys allocated by the department of
42 natural resources.

43 7. Not more than 15 percent of the moneys
44 appropriated in subsection 1 may be used for costs of
45 administration and implementation of soil and water
46 conservation practices.

47 8. Notwithstanding section 8.33, moneys
48 appropriated in this section for the fiscal year
49 beginning July 1, 2014, that remain unencumbered or
50 unobligated at the close of the fiscal year shall not

H-8157

H-8157

Page 2

1 revert but shall remain available for expenditure for
2 the purposes designated until the close of the fiscal
3 year beginning July 1, 2017.>

4 2. By renumbering as necessary.

By BEARINGER of Fayette

H-8157 FILED MARCH 25, 2014

SENATE FILE 303

H-8158

1 Amend the amendment, H-8137, to Senate File 303,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. By striking page 1, line 1, through page 12,
5 line 5, and inserting: <<

6 Amend Senate File 303, as amended, passed, and
7 reprinted by the Senate, as follows:

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

10 <DIVISION I

11 RETIREMENT PAY TAX EXEMPTION

12 Section 1. Section 422.5, subsection 3, paragraph
13 a, Code 2014, is amended to read as follows:

14 a. The tax shall not be imposed on a resident or
15 nonresident whose net income, as defined in section
16 422.7, is thirteen thousand five hundred dollars or
17 less in the case of married persons filing jointly
18 or filing separately on a combined return, heads of
19 household, and surviving spouses or nine thousand
20 dollars or less in the case of all other persons;
21 but in the event that the payment of tax under this
22 division would reduce the net income to less than
23 thirteen thousand five hundred dollars or nine thousand
24 dollars as applicable, then the tax shall be reduced to
25 that amount which would result in allowing the taxpayer
26 to retain a net income of thirteen thousand five
27 hundred dollars or nine thousand dollars as applicable.
28 The preceding sentence does not apply to estates or
29 trusts. For the purpose of this subsection, the entire
30 net income, including any part of the net income not
31 allocated to Iowa, shall be taken into account. For
32 purposes of this subsection, net income includes all
33 amounts of pensions or other retirement income, except
34 for military retirement pay excluded under section
35 422.7, subsection 31A, paragraph "a", or section
36 422.7, subsection 31B, paragraph "a", received from any
37 source which is not taxable under this division as a
38 result of the government pension exclusions in section
39 422.7, or any other state law. If the combined net
40 income of a husband and wife exceeds thirteen thousand
41 five hundred dollars, neither of them shall receive
42 the benefit of this subsection, and it is immaterial
43 whether they file a joint return or separate returns.
44 However, if a husband and wife file separate returns
45 and have a combined net income of thirteen thousand
46 five hundred dollars or less, neither spouse shall
47 receive the benefit of this paragraph, if one spouse
48 has a net operating loss and elects to carry back or
49 carry forward the loss as provided in section 422.9,
50 subsection 3. A person who is claimed as a dependent

H-8158

1 by another person as defined in section 422.12 shall
2 not receive the benefit of this subsection if the
3 person claiming the dependent has net income exceeding
4 thirteen thousand five hundred dollars or nine thousand
5 dollars as applicable or the person claiming the
6 dependent and the person's spouse have combined net
7 income exceeding thirteen thousand five hundred dollars
8 or nine thousand dollars as applicable.

9 Sec. 2. Section 422.5, subsection 3B, paragraph a,
10 Code 2014, is amended to read as follows:

11 a. The tax shall not be imposed on a resident or
12 nonresident who is at least sixty-five years old on
13 December 31 of the tax year and whose net income,
14 as defined in section 422.7, is thirty-two thousand
15 dollars or less in the case of married persons
16 filing jointly or filing separately on a combined
17 return, heads of household, and surviving spouses or
18 twenty-four thousand dollars or less in the case of all
19 other persons; but in the event that the payment of
20 tax under this division would reduce the net income to
21 less than thirty-two thousand dollars or twenty-four
22 thousand dollars as applicable, then the tax shall be
23 reduced to that amount which would result in allowing
24 the taxpayer to retain a net income of thirty-two
25 thousand dollars or twenty-four thousand dollars as
26 applicable. The preceding sentence does not apply to
27 estates or trusts. For the purpose of this subsection,
28 the entire net income, including any part of the net
29 income not allocated to Iowa, shall be taken into
30 account. For purposes of this subsection, net income
31 includes all amounts of pensions or other retirement
32 income, except for military retirement pay excluded
33 under section 422.7, subsection 31A, paragraph "a",
34 or section 422.7, subsection 31B, paragraph "a",
35 received from any source which is not taxable under
36 this division as a result of the government pension
37 exclusions in section 422.7, or any other state law.
38 If the combined net income of a husband and wife
39 exceeds thirty-two thousand dollars, neither of them
40 shall receive the benefit of this subsection, and it
41 is immaterial whether they file a joint return or
42 separate returns. However, if a husband and wife file
43 separate returns and have a combined net income of
44 thirty-two thousand dollars or less, neither spouse
45 shall receive the benefit of this paragraph, if one
46 spouse has a net operating loss and elects to carry
47 back or carry forward the loss as provided in section
48 422.9, subsection 3. A person who is claimed as a
49 dependent by another person as defined in section
50 422.12 shall not receive the benefit of this subsection

1 if the person claiming the dependent has net income
2 exceeding thirty-two thousand dollars or twenty-four
3 thousand dollars as applicable or the person claiming
4 the dependent and the person's spouse have combined
5 net income exceeding thirty-two thousand dollars or
6 twenty-four thousand dollars as applicable.

7 Sec. 3. Section 422.7, Code 2014, is amended by
8 adding the following new subsection:

9 NEW SUBSECTION. 31A. a. Subtract, to the extent
10 included, retirement pay received by a taxpayer from
11 the federal government for military service performed
12 in the armed forces, the armed forces military reserve,
13 or national guard.

14 b. The exclusion of retirement pay under this
15 subsection is in addition to any exclusion provided
16 under subsection 31.

17 Sec. 4. Section 422.7, Code 2014, is amended by
18 adding the following new subsection:

19 NEW SUBSECTION. 31B. a. Subtract, to the extent
20 included, amounts received as survivor benefits by a
21 taxpayer from the federal government pursuant to 10
22 U.S.C. {1447, et seq.

23 b. The exclusion of survivor benefits under this
24 subsection is in addition to any exclusion provided
25 under subsection 31.

26 Sec. 5. RETROACTIVE APPLICABILITY. This division
27 of this Act applies retroactively to January 1, 2014,
28 for tax years beginning on or after that date.

29 DIVISION II

30 PROPERTY OF ASSOCIATIONS OF WAR VETERANS

31 Sec. 6. Section 427.1, subsection 5, Code 2014, is
32 amended to read as follows:

33 5. Property of associations of war veterans.

34 a. The property of any organization composed wholly
35 of veterans of any war, when such property is, except
36 as otherwise provided in this subsection or subsection
37 14, devoted entirely to its own use and not held for
38 pecuniary profit.

39 b. The operation of bingo games on property of such
40 organization shall not adversely affect the exemption
41 of that property under this subsection if all proceeds,
42 in excess of expenses, are used for the legitimate
43 purposes of the organization.

44 c. The occasional or irregular lease or rental of
45 all or a portion of the property of such organization
46 shall not adversely affect the exemption of that
47 property under this subsection if the proceeds from
48 such lease or rental do not exceed two hundred fifty
49 dollars per lease or rental, and the proceeds, in
50 excess of expenses, are used for the legitimate

1 purposes of the organization. In addition, the
2 occasional or irregular lease or rental shall be
3 considered a use for the appropriate objects of the
4 organization for purposes of subsection 14.

5 Sec. 7. IMPLEMENTATION OF ACT. Section 25B.7 does
6 not apply to this division of this Act.

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

10 Sec. 9. RETROACTIVE APPLICABILITY. This division
11 of this Act applies retroactively to January 1, 2014,
12 for assessment years beginning on or after that date.

13 DIVISION III
14 LICENSE PLATES

15 Sec. 10. Section 35A.11, Code 2014, is amended to
16 read as follows:

17 35A.11 Veterans license fee fund.

18 1. A veterans license fee fund is created in the
19 state treasury under the control of the commission.
20 Notwithstanding section 12C.7, interest or earnings
21 on moneys in the veterans license fee fund shall be
22 credited to the veterans license fee fund. Moneys in
23 the fund are appropriated to the commission to be used
24 to fulfill the responsibilities of the commission.

25 2. The fund created in this section shall include
26 the fees credited by the treasurer of state from the
27 ~~sale annual validation~~ of the following special motor
28 vehicle registration plates:

29 ~~1. Veteran special plates issued pursuant to~~
30 ~~section 321.34, subsection 13, paragraph "d".~~

31 ~~2. a.~~ National guard special plates issued
32 pursuant to section 321.34, subsection 16.

33 ~~3. b.~~ Pearl Harbor special plates issued pursuant
34 to section 321.34, subsection 17.

35 ~~4. c.~~ Purple heart special plates issued pursuant
36 to section 321.34, subsection 18.

37 ~~5. d.~~ United States armed forces retired special
38 plates issued pursuant to section 321.34, subsection
39 19.

40 ~~6. e.~~ Silver star and bronze star special plates
41 issued pursuant to section 321.34, subsection 20.

42 ~~7. f.~~ Distinguished service cross, navy cross,
43 and air force cross special plates issued pursuant to
44 section 321.34, subsection 20A.

45 ~~8. g.~~ Soldier's medal, navy and marine corps
46 medal, and airman's medal special plates issued
47 pursuant to section 321.34, subsection 20B.

48 ~~9. h.~~ Combat infantryman badge, combat action
49 badge, combat action ribbon, air force combat action
50 medal, and combat medical badge plates issued pursuant

1 to section 321.34, subsection 20C.

2 ~~10. i.~~ Gold star special plates issued pursuant to
3 section 321.34, subsection 24.

4 j. United States veteran special plates issued
5 pursuant to section 321.34, subsection 27.

6 Sec. 11. Section 321.34, subsection 16, paragraph
7 a, Code 2014, is amended to read as follows:

8 a. An owner referred to in subsection 12 who is a
9 member of the national guard, as defined in chapter
10 29A, may, upon written application to the department,
11 order special registration plates with a national
12 guard processed emblem with the emblem designed by the
13 department in cooperation with the adjutant general
14 which emblem signifies that the applicant is a member
15 of the national guard. The application shall be
16 approved by the department in consultation with the
17 adjutant general. The special plate fees collected by
18 the director under subsection 12, ~~paragraphs~~ paragraph
19 "a" and "c", from the issuance and annual validation
20 of letter-number designated national guard plates,
21 and subsection 12, paragraph "c", from the issuance
22 and annual validation of personalized national guard
23 plates shall be paid monthly to the treasurer of
24 state and deposited in the road use tax fund. The
25 treasurer of state shall transfer monthly from the
26 statutory allocations fund created under section
27 321.145, subsection 2, to the veterans license fee fund
28 created in section 35A.11 the amount of the special
29 fees collected under subsection 12, paragraph "a", in
30 the previous month for national guard plates. Special
31 registration plates with a national guard processed
32 emblem shall be surrendered, as provided in subsection
33 12, in exchange for regular registration plates upon
34 termination of the owner's membership in the active
35 national guard.

36 Sec. 12. Section 321.34, subsection 16, Code 2014,
37 is amended by adding the following new paragraph:

38 NEW PARAGRAPH. 0b. Notwithstanding subsection 12,
39 paragraph "a", an owner who is approved for special
40 registration plates under this subsection shall be
41 issued one set of special registration plates with a
42 national guard processed emblem at no charge.

43 Sec. 13. Section 321.34, subsection 17, paragraph
44 a, Code 2014, is amended to read as follows:

45 a. An owner referred to in subsection 12 who was at
46 Pearl Harbor, Hawaii, as a member of the armed services
47 of the United States on December 7, 1941, may, upon
48 written application to the department, order special
49 registration plates with a Pearl Harbor processed
50 emblem. The emblem shall be designed by the department

1 in consultation with service organizations. The
2 application is subject to approval by the department.
3 The special plate fees collected by the director under
4 subsection 12, ~~paragraphs~~ paragraph "a" and "c", from
5 the ~~issuance and~~ annual validation of letter-number
6 designated Pearl Harbor plates, and subsection 12,
7 paragraph "c", from the ~~issuance and~~ annual validation
8 of personalized Pearl Harbor plates shall be paid
9 monthly to the treasurer of state and deposited in
10 the road use tax fund. The treasurer of state shall
11 transfer monthly from the statutory allocations fund
12 created under section 321.145, subsection 2, to the
13 veterans license fee fund created in section 35A.11 the
14 amount of the special fees collected under subsection
15 12, paragraph "a", in the previous month for Pearl
16 Harbor plates.

17 Sec. 14. Section 321.34, subsection 17, Code 2014,
18 is amended by adding the following new paragraph:

19 NEW PARAGRAPH. 0b. Notwithstanding subsection 12,
20 paragraph "a", an owner who is approved for special
21 registration plates under this subsection shall be
22 issued one set of special registration plates with a
23 Pearl Harbor processed emblem at no charge.

24 Sec. 15. Section 321.34, subsection 18, paragraph
25 a, Code 2014, is amended to read as follows:

26 a. An owner referred to in subsection 12 who was
27 awarded a purple heart medal by the United States
28 government for wounds received in military or naval
29 combat against an armed enemy of the United States
30 may, upon written application to the department and
31 presentation of satisfactory proof of the award of the
32 purple heart medal, order special registration plates
33 with a purple heart processed emblem. The design of
34 the emblem shall include a representation of a purple
35 heart medal and ribbon. The application is subject to
36 approval by the department in consultation with the
37 adjutant general. The special plate fees collected by
38 the director under subsection 12, ~~paragraphs~~ paragraph
39 "a" and "c", from the ~~issuance and~~ annual validation
40 of letter-number designated purple heart plates, and
41 subsection 12, paragraph "c", from the ~~issuance and~~
42 annual validation of personalized purple heart plates
43 shall be paid monthly to the treasurer of state and
44 deposited in the road use tax fund. The treasurer
45 of state shall transfer monthly from the statutory
46 allocations fund created under section 321.145,
47 subsection 2, to the veterans license fee fund created
48 in section 35A.11 the amount of the special fees
49 collected under subsection 12, paragraph "a", in the
50 previous month for purple heart plates.

1 Sec. 16. Section 321.34, subsection 18, Code 2014,
2 is amended by adding the following new paragraph:

3 NEW PARAGRAPH. 0b. Notwithstanding subsection 12,
4 paragraph "a", an owner who is approved for special
5 registration plates under this subsection shall be
6 issued one set of special registration plates with a
7 purple heart processed emblem at no charge.

8 Sec. 17. Section 321.34, subsection 19, paragraph
9 a, Code 2014, is amended to read as follows:

10 a. An owner referred to in subsection 12 who is a
11 retired member of the United States armed forces may,
12 upon written application to the department and upon
13 presentation of satisfactory proof of membership, order
14 special registration plates with a United States armed
15 forces retired processed emblem. The emblem shall be
16 designed by the department in consultation with service
17 organizations. The application is subject to approval
18 by the department. For purposes of this subsection,
19 a person is considered to be retired if the person is
20 recognized by the United States armed forces as retired
21 from the United States armed forces. The special plate
22 fees collected by the director under subsection 12,
23 ~~paragraphs paragraph "a" and "c",~~ from the issuance
24 ~~and~~ annual validation of letter-number designated
25 armed forces retired plates, and subsection 12,
26 paragraph "c", from the issuance and annual validation
27 of personalized armed forces retired plates shall be
28 paid monthly to the treasurer of state and deposited in
29 the road use tax fund. The treasurer of state shall
30 transfer monthly from the statutory allocations fund
31 created under section 321.145, subsection 2, to the
32 veterans license fee fund created in section 35A.11 the
33 amount of the special fees collected under subsection
34 12, paragraph "a", in the previous month for armed
35 forces retired plates.

36 Sec. 18. Section 321.34, subsection 19, Code 2014,
37 is amended by adding the following new paragraph:

38 NEW PARAGRAPH. 0b. Notwithstanding subsection 12,
39 paragraph "a", an owner who is approved for special
40 registration plates under this subsection shall be
41 issued one set of special registration plates with an
42 armed forces retired processed emblem at no charge.

43 Sec. 19. Section 321.34, subsection 20, paragraph
44 a, Code 2014, is amended to read as follows:

45 a. An owner referred to in subsection 12 who
46 was awarded a silver or a bronze star by the United
47 States government, may, upon written application to
48 the department and presentation of satisfactory proof
49 of the award of the silver or bronze star, order
50 special registration plates with a silver or bronze

1 star processed emblem. The emblem shall be designed
2 by the department in consultation with the adjutant
3 general. The special plate fees collected by the
4 director under subsection 12, ~~paragraphs~~ paragraph "a"
5 ~~and "c"~~, from the ~~issuance and~~ annual validation of
6 letter-number designated silver star and bronze star
7 plates, and subsection 12, paragraph "c", from the
8 issuance and annual validation of personalized silver
9 star and bronze star plates shall be paid monthly
10 to the treasurer of state and deposited in the road
11 use tax fund. The treasurer of state shall transfer
12 monthly from the statutory allocations fund created
13 under section 321.145, subsection 2, to the veterans
14 license fee fund created in section 35A.11 the amount
15 of the special fees collected under subsection 12,
16 paragraph "a", in the previous month for silver star
17 and bronze star plates.

18 Sec. 20. Section 321.34, subsection 20, Code 2014,
19 is amended by adding the following new paragraph:

20 NEW PARAGRAPH. 0b. Notwithstanding subsection 12,
21 paragraph "a", an owner who is approved for special
22 registration plates under this subsection shall be
23 issued one set of special registration plates with
24 a silver star or bronze star processed emblem at no
25 charge.

26 Sec. 21. Section 321.34, subsection 20A, paragraph
27 a, Code 2014, is amended to read as follows:

28 a. An owner referred to in subsection 12 who was
29 awarded a distinguished service cross, a navy cross,
30 or an air force cross by the United States government
31 may, upon written application to the department and
32 presentation of satisfactory proof of the award, order
33 special registration plates with a distinguished
34 service cross, navy cross, or air force cross processed
35 emblem. The emblem shall be designed by the department
36 in consultation with the adjutant general. The special
37 plate fees collected by the director under subsection
38 12, ~~paragraphs~~ paragraph "a" and "c", from the ~~issuance~~
39 ~~and~~ annual validation of letter-number designated
40 distinguished service cross, navy cross, and air force
41 cross plates, and subsection 12, paragraph "c", from
42 the issuance and annual validation of personalized
43 distinguished service cross, navy cross, and air force
44 cross plates shall be paid monthly to the treasurer
45 of state and deposited in the road use tax fund. The
46 treasurer of state shall transfer monthly from the
47 statutory allocations fund created under section
48 321.145, subsection 2, to the veterans license fee fund
49 created in section 35A.11 the amount of the special
50 fees collected under subsection 12, paragraph "a", in

1 the previous month for distinguished service cross,
2 navy cross, and air force cross plates.

3 Sec. 22. Section 321.34, subsection 20A, Code 2014,
4 is amended by adding the following new paragraph:

5 NEW PARAGRAPH. 0b. Notwithstanding subsection 12,
6 paragraph "a", an owner who is approved for special
7 registration plates under this subsection shall be
8 issued one set of special registration plates with a
9 distinguished service cross, navy cross, or air force
10 cross processed emblem at no charge.

11 Sec. 23. Section 321.34, subsection 20B, paragraph
12 a, Code 2014, is amended to read as follows:

13 a. An owner referred to in subsection 12 who was
14 awarded a soldier's medal, a navy and marine corps
15 medal, or an airman's medal by the United States
16 government may, upon written application to the
17 department and presentation of satisfactory proof of
18 the award, order special registration plates with
19 a soldier's medal, navy and marine corps medal, or
20 airman's medal processed emblem. The emblem shall be
21 designed by the department in consultation with the
22 adjutant general. The special plate fees collected by
23 the director under subsection 12, ~~paragraphs~~ paragraph
24 "a" and "c", from the issuance and annual validation
25 of letter-number designated soldier's medal, navy and
26 marine corps medal, and airman's medal plates, and
27 subsection 12, paragraph "c", from the issuance and
28 annual validation of personalized soldier's medal, navy
29 and marine corps medal, and airman's medal plates shall
30 be paid monthly to the treasurer of state and deposited
31 in the road use tax fund. The treasurer of state shall
32 transfer monthly from the statutory allocations fund
33 created under section 321.145, subsection 2, to the
34 veterans license fee fund created in section 35A.11 the
35 amount of the special fees collected under subsection
36 12, paragraph "a", in the previous month for soldier's
37 medal, navy and marine corps medal, and airman's medal
38 plates.

39 Sec. 24. Section 321.34, subsection 20B, Code 2014,
40 is amended by adding the following new paragraph:

41 NEW PARAGRAPH. 0b. Notwithstanding subsection 12,
42 paragraph "a", an owner who is approved for special
43 registration plates under this subsection shall be
44 issued one set of special registration plates with
45 a soldier's medal, navy and marine corps medal, or
46 airman's medal processed emblem at no charge.

47 Sec. 25. Section 321.34, subsection 20C, paragraph
48 b, Code 2014, is amended to read as follows:

49 b. An owner referred to in subsection 12 who was
50 awarded a combat infantryman badge, combat action

1 badge, combat action ribbon, air force combat action
2 medal, or combat medical badge by the United States
3 government may, upon written application to the
4 department and presentation of satisfactory proof of
5 the award, order special registration plates with a
6 combat infantryman badge, combat action badge, combat
7 action ribbon, air force combat action medal, or combat
8 medical badge processed emblem. The special plate
9 fees collected by the director under subsection 12,
10 ~~paragraphs paragraph "a" and "c", from the issuance and~~
11 annual validation of letter-number designated combat
12 infantryman badge, combat action badge, combat action
13 ribbon, air force combat action medal, and combat
14 medical badge plates, and subsection 12, paragraph
15 "c", from the issuance and annual validation of
16 personalized combat infantryman badge, combat action
17 badge, combat action ribbon, air force combat action
18 medal, and combat medical badge plates shall be paid
19 monthly to the treasurer of state and deposited in
20 the road use tax fund. The treasurer of state shall
21 transfer monthly from the statutory allocations fund
22 created under section 321.145, subsection 2, to the
23 veterans license fee fund created in section 35A.11 the
24 amount of the special fees collected under subsection
25 12, paragraph "a", in the previous month for combat
26 infantryman badge, combat action badge, combat action
27 ribbon, air force combat action medal, and combat
28 medical badge plates.

29 Sec. 26. Section 321.34, subsection 20C, Code 2014,
30 is amended by adding the following new paragraph:

31 NEW PARAGRAPH. 0c. Notwithstanding subsection 12,
32 paragraph "a", an owner who is approved for special
33 registration plates under this subsection shall be
34 issued one set of special registration plates with a
35 combat infantryman badge, combat action badge, combat
36 action ribbon, air force combat action medal, and
37 combat medical badge distinguishing processed emblem
38 at no charge.

39 Sec. 27. Section 321.34, subsection 24, Code 2014,
40 is amended to read as follows:

41 24. Gold star plates.

42 a. An owner referred to in subsection 12 who is
43 the surviving spouse, parent, child, or sibling of
44 a deceased member of the United States armed forces
45 who died while serving on active duty during a time
46 of military conflict or who died as a result of such
47 service may order special registration plates bearing
48 a gold star emblem upon written application to the
49 department accompanied by satisfactory supporting
50 documentation as determined by the department. The

1 gold star emblem shall be designed by the department in
2 cooperation with the commission of veterans affairs.
3 The special plate fees collected by the director under
4 subsection 12, ~~paragraphs~~ paragraph "a" and "c", from
5 the ~~issuance and~~ annual validation of letter-number
6 designated gold star plates, and subsection 12,
7 paragraph "c", from the issuance and annual validation
8 of personalized gold star plates shall be paid monthly
9 to the treasurer of state and deposited in the road
10 use tax fund. The treasurer of state shall transfer
11 monthly from the statutory allocations fund created
12 under section 321.145, subsection 2, to the veterans
13 license fee fund created in section 35A.11 the amount
14 of the special fees collected under subsection 12,
15 paragraph "a", in the previous month for gold star
16 plates.

17 b. Notwithstanding subsection 12, paragraph "a",
18 an owner who is approved for special registration
19 plates under this subsection shall be issued one set of
20 special registration plates bearing a gold star emblem
21 at no charge.

22 Sec. 28. Section 321.34, Code 2014, is amended by
23 adding the following new subsection:

24 NEW SUBSECTION. 27. United States veteran plates.

25 a. An owner referred to in subsection 12 who served
26 in the armed forces of the United States and was
27 discharged under honorable conditions may, upon written
28 application to the department and upon presentation of
29 satisfactory proof of military service and discharge
30 under honorable conditions, order special registration
31 plates bearing a distinguishing processed emblem
32 depicting the word "veteran" below an image of the
33 American flag. The application is subject to approval
34 by the department. The special plate fees collected
35 by the director under subsection 12, paragraph "a",
36 from the annual validation of letter-number designated
37 United States veteran plates, and subsection 12,
38 paragraph "c", from the issuance and annual validation
39 of personalized United States veteran plates, shall be
40 paid monthly to the treasurer of state and deposited in
41 the road use tax fund. The treasurer of state shall
42 transfer monthly from the statutory allocations fund
43 created under section 321.145, subsection 2, to the
44 veterans license fee fund created in section 35A.11 the
45 amount of the special fees collected under subsection
46 12, paragraph "a", in the previous month for United
47 States veteran plates.

48 b. Notwithstanding subsection 12, paragraph "a",
49 an owner who is approved for a special registration
50 plate under this subsection shall be issued one set of

1 special registration plates bearing a distinguishing
2 processed emblem depicting the word "veteran" below an
3 image of the American flag at no charge.

4 DIVISION IV

5 VETERANS PREFERENCE

6 Sec. 29. NEW SECTION. 35.3 Veterans preference in
7 private employment permitted.

8 1. A private employer may grant preference in
9 hiring and promotion to an individual who is a veteran.

10 2. a. A private employer may grant preference in
11 hiring and promotion to the spouse of a veteran who has
12 sustained a permanent, compensable service-connected
13 disability as adjudicated by the United States veterans
14 administration or by the retirement board of one of the
15 armed forces of the United States.

16 b. A private employer may grant preference in
17 hiring and promotion to the surviving spouse of a
18 deceased member of the United States armed forces
19 who died while serving on active duty during a time
20 of military conflict or who died as a result of such
21 service.

22 3. Granting a hiring or promotion preference under
23 this section does not violate any state law or local
24 ordinance regarding equal employment opportunity,
25 including but not limited to chapter 216.

26 4. The hiring and promotion preferences allowable
27 under this section shall only be granted if consistent
28 with applicable federal laws and regulations.

29 DIVISION V

30 POSTSECONDARY EDUCATION REPORTING

31 Sec. 30. Section 260C.14, Code 2014, is amended by
32 adding the following new subsection:

33 NEW SUBSECTION. 24. a. Beginning December 15,
34 2015, annually file a report with the governor and the
35 general assembly providing information and statistics
36 for the previous five academic years on the number
37 of students who are veterans per year who received
38 education credit for military education, training, and
39 service, that number as a percentage of veterans known
40 to be enrolled at the college, the average number of
41 credits received by students, and the average number
42 of credits applied towards the award of a certificate,
43 competency-based credential, postsecondary diploma, or
44 associate degree.

45 b. For purposes of this subsection, "veteran" means
46 a veteran as defined in section 35.1.

47 Sec. 31. Section 262.9, Code 2014, is amended by
48 adding the following new subsection:

49 NEW SUBSECTION. 38. a. Beginning December 15,
50 2015, annually file a report with the governor and the

1 general assembly providing information and statistics
2 for the previous five academic years on the number
3 of students who are veterans per year who received
4 education credit for military education, training, and
5 service, that number as a percentage of veterans known
6 to be enrolled at the institution, the average number
7 of credits received by students, and the average number
8 of credits applied towards the award or completion of a
9 course of instruction, postsecondary diploma, degree,
10 or other evidences of distinction.

11 b. For purposes of this subsection, "veteran" means
12 a veteran as defined in section 35.1.

13

DIVISION VI

14

LICENSED PROFESSIONS AND OCCUPATIONS

15 Sec. 32. Section 272C.4, Code 2014, is amended by
16 adding the following new subsections:

17 NEW SUBSECTION. 11. Adopt rules by January 1,
18 2015, to provide credit towards qualifications for
19 licensure to practice an occupation or profession
20 in this state for education, training, and service
21 obtained or completed by an individual while serving
22 honorably on federal active duty, state active duty,
23 or national guard duty, as defined in section 29A.1,
24 to the extent consistent with the qualifications
25 required by the appropriate licensing board. The
26 rules shall also provide credit towards qualifications
27 for initial licensure for education, training, or
28 service obtained or completed by an individual while
29 serving honorably in the military forces of another
30 state or the organized reserves of the armed forces of
31 the United States, to the extent consistent with the
32 qualifications required by the appropriate licensing
33 board.

34 NEW SUBSECTION. 12. a. Establish procedures
35 by January 1, 2015, to expedite the licensing of an
36 individual who is licensed in a similar profession or
37 occupation in another state and who is a veteran, as
38 defined in section 35.1, or the spouse of a veteran.

39 b. If the board determines that the professional
40 or occupational licensing requirements of the state
41 where the veteran or veteran's spouse is licensed are
42 substantially equivalent to the licensing requirements
43 of this state, the procedures shall require the
44 licensing of the veteran or the veteran's spouse in
45 this state.

46 c. If the board determines that the professional
47 or occupational licensing requirements of the state
48 where the veteran or veteran's spouse is licensed are
49 not substantially equivalent to the professional or
50 occupational licensing requirements of this state, the

1 procedures shall allow the provisional licensing of
 2 the veteran or veteran's spouse for a period of time
 3 deemed necessary by the board to obtain a substantial
 4 equivalent to the licensing requirements of this state.
 5 The board shall advise the veteran or the veteran's
 6 spouse of required education or training necessary to
 7 obtain a substantial equivalent to the professional
 8 or occupational licensing requirements of this state,
 9 and the procedures shall provide for licensing of
 10 an individual who has, pursuant to this paragraph,
 11 obtained a substantial equivalent to the professional
 12 or occupational licensing requirements of this state.

13 NEW SUBSECTION. 13. Beginning December 15, 2016,
 14 annually file a report with the governor and the
 15 general assembly providing information and statistics
 16 on credit received by individuals for education,
 17 training, and service pursuant to subsection 11 and
 18 information and statistics on licenses and provisional
 19 licenses issued pursuant to subsection 12.

20 NEW SUBSECTION. 14. Notwithstanding the
 21 designation of the licensing boards in section 272C.1,
 22 the provisions of subsections 11 through 13 shall apply
 23 to all of the occupational and professional licensing
 24 boards of this state.

25 Sec. 33. REPORT. Each occupational and
 26 professional licensing board of this state shall file
 27 a report with the governor and the general assembly
 28 by January 31, 2015, on the substance of rules and
 29 procedures adopted to implement the provisions of this
 30 division of this Act.

31 DIVISION VII
 32 COUNTY COMMISSIONS

33 Sec. 34. Section 35B.4, Code 2014, is amended to
 34 read as follows:

35 35B.4 Appointment ---- vacancies.

36 1. Members of the commission of veteran affairs
 37 shall be appointed by the board of supervisors, in
 38 consultation with the current commission members and
 39 the executive director or administrator, to staggered
 40 three-year terms at the regular meeting in June.
 41 However, a member shall serve until a successor has
 42 been appointed and qualifies. The board may remove
 43 an appointee at any time for neglect of duty or
 44 maladministration. A vacancy on the commission shall
 45 be filled for the unexpired portion of the regular term
 46 in the same manner as regular appointments are made.

47 2. If the board of supervisors increases the
 48 commission of veteran affairs membership to five
 49 members, the initial terms of the two new members
 50 shall be two and three years respectively. However,

1 the new members shall serve until their successors are
2 appointed and qualify.

3 Sec. 35. Section 35B.6, subsection 1, paragraphs a
4 and c, Code 2014, are amended to read as follows:

5 a. The members of the commission shall qualify by
6 taking the usual oath of office, ~~and give bond in the~~
7 ~~sum of five hundred dollars each, conditioned for the~~
8 ~~faithful discharge of their duties with sureties to be~~
9 ~~approved by the county auditor.~~ The commission shall
10 organize by the selection of one of their members as
11 chairperson and one as secretary. The commission,
12 subject to the approval of the board of supervisors,
13 shall employ an executive director or administrator
14 ~~and~~ who shall have the power to employ other necessary
15 employees when needed to carry out the provisions of
16 this chapter, including administrative or clerical
17 assistants, but no member of the commission shall
18 be so employed. ~~The compensation of such employees~~
19 ~~shall be fixed by the board of supervisors.~~ The
20 state department of veterans affairs shall recognize
21 the executive director or administrator as a county
22 veterans service officer of a veterans' service
23 organization recognized pursuant to 38 C.F.R. {
24 14.628(c) for the purposes of assisting veterans
25 and their dependents in obtaining federal and state
26 benefits. The commission shall recommend the annual
27 compensation of the executive director or administrator
28 to the board of supervisors. The board of supervisors
29 shall consider the recommendation and shall determine
30 and approve the annual compensation of the executive
31 director or administrator. The executive director
32 must possess the same qualifications as provided in
33 section 35B.3 for commission members. However, this
34 qualification requirement shall not apply to a person
35 employed as an executive director prior to July 1,
36 1989.

37 c. Upon the employment of an executive director or
38 administrator, the executive director or administrator
39 shall complete a course of certification training
40 provided by the department of veterans affairs
41 pursuant to section 35A.5. If an executive director
42 or administrator fails to obtain certification within
43 one year of being employed, the executive director
44 or administrator shall be removed from office. ~~A~~
45 ~~commissioner or other commission employee may also~~
46 ~~complete the course of certification training.~~ The
47 department shall issue the executive director, or
48 ~~administrator, commissioner, or employee~~ a certificate
49 of training after completion of the certification
50 training course. To maintain certification, the

1 executive director, ~~or administrator, commissioner,~~
2 ~~or employee~~ shall satisfy the continuing education
3 requirements established by the national association
4 of county ~~veteran~~ veterans service officers. Failure
5 of an executive director or administrator to maintain
6 certification shall be cause for removal from office.
7 The expenses of training the executive director or
8 administrator shall be paid from the appropriation
9 authorized in section 35B.14.

10 Sec. 36. Section 35B.6, subsection 1, paragraph
11 d, Code 2014, is amended by adding the following new
12 subparagraph:

13 NEW SUBPARAGRAPH. (3) Complete and submit all
14 forms required for federal, state, and county benefits.

15 Sec. 37. Section 35B.6, subsection 2, Code 2014, is
16 amended to read as follows:

17 2. a. Two or more boards of supervisors may agree,
18 pursuant to chapter 28E, to share the services of an
19 executive director or administrator. The agreement
20 shall provide for the establishment of a commission
21 of veteran affairs office in each of the counties
22 participating in the agreement.

23 b. Neither a county board of supervisors nor a
24 county commission of veterans affairs shall place the
25 administration of the duties of the county commission
26 of veteran affairs under any other agency of any
27 county, or publish the names of the veterans or their
28 families who receive benefits under the provisions of
29 this chapter.

30 Sec. 38. Section 35B.6, subsection 3, Code 2014, is
31 amended by striking the subsection.

32 Sec. 39. Section 35B.6, subsection 4, paragraph a,
33 Code 2014, is amended to read as follows:

34 a. Each county commission of veteran affairs
35 shall maintain an office in a public building owned,
36 operated, or leased by the county.

37 Sec. 40. Section 35B.7, Code 2014, is amended to
38 read as follows:

39 35B.7 Meetings ---- report ---- budget.

40 The commission shall meet monthly and at other
41 times as necessary. At the monthly meeting it shall
42 determine who are entitled to county benefits and
43 the probable amount required to be expended. The
44 commission shall meet annually to prepare an estimated
45 budget for all expenditures to be made in the next
46 fiscal year and certify the budget to the board of
47 supervisors. The board may approve or reduce the
48 budget for valid reasons shown and entered of record
49 and the board's decision is final.

50 Sec. 41. Section 35B.10, Code 2014, is amended to

1 read as follows:

2 35B.10 Disbursements ---- inspection of records.

3 1. All claims certified by the commission shall be
4 ~~reviewed~~ approved by the board of supervisors and the
5 county auditor shall issue warrants in payment of the
6 claims. All applications, investigation reports, and
7 case records are privileged communications and ~~shall~~
8 ~~be held~~ confidential, subject to use and inspection
9 only by persons authorized by law in connection with
10 their official duties relating to financial audits and
11 the administration of this chapter or as authorized
12 by order of a district court. A person may sign a
13 release to authorize the examination of that person's
14 applications, reports, or records.

15 2. ~~However, the~~ The county commission of veteran
16 affairs shall prepare and file in the office of the
17 county auditor on or before the thirtieth day of each
18 January, April, July, and October a report showing the
19 case numbers of all recipients receiving assistance
20 under this chapter, together with the amount paid
21 to each during the preceding quarter. Each report
22 so filed shall be ~~securely fixed in~~ maintained as a
23 permanent record book to be used only for such reports
24 made under this chapter.

25 ~~The record book shall be and the same is hereby~~
26 ~~declared to be a public record, open to public~~
27 ~~inspection at all times during the regular office~~
28 ~~hours of the county auditor. Each person who desires~~
29 ~~to examine said records, other than in pursuance of~~
30 ~~official duties as hereinbefore provided, shall sign~~
31 ~~a written request to examine the same, which shall~~
32 ~~contain an agreement on the part of the signer that~~
33 ~~the signer will not utilize any information gained~~
34 ~~therefrom for commercial or political purposes.~~

35 3. It shall be unlawful for any person, body,
36 association, firm, corporation or any other agency
37 to solicit, disclose, receive, make use of or to
38 authorize, knowingly permit, participate in or
39 acquiesce in the use of any lists, names or other
40 information obtained from the reports above provided
41 for, for commercial or political purposes, and a
42 violation of this provision shall constitute a serious
43 misdemeanor.

44 Sec. 42. Section 35B.14, Code 2014, is amended by
45 adding the following new subsections:

46 NEW SUBSECTION. 3. The commission is responsible
47 for the interment in a suitable cemetery of the body of
48 any veteran, as defined in section 35.1, or the spouse,
49 surviving spouse, or child of the person, if the person
50 has died without leaving sufficient means to defray the

1 funeral expenses. The commission may pay the expenses
2 in a sum not exceeding an amount established by the
3 board of supervisors.

4 NEW SUBSECTION. 4. Burial expenses shall be paid
5 by the county in which the person died. If the person
6 is a resident of a different county at the time of
7 death, the county of residence shall reimburse the
8 county where the person died for the cost of burial.

9 In either case, the board of supervisors of the
10 respective counties shall audit and pay the account
11 from the funds provided for in this chapter in the
12 manner as other claims are audited and paid.

13 Sec. 43. Section 35B.16, Code 2014, is amended to
14 read as follows:

15 35B.16 Markers for graves.

16 The county commission of veteran affairs may
17 furnish a suitable and appropriate ~~metal~~ marker for
18 the grave of each veteran, as defined in section 35.1,
19 who is buried within the limits of the county. The
20 marker shall be placed at the individual's grave to
21 permanently mark and designate the grave for memorial
22 purposes. The expenses shall be paid from any funds
23 raised as provided in this chapter.

24 Sec. 44. Section 35B.17, Code 2014, is amended to
25 read as follows:

26 35B.17 Maintenance of graves.

27 1. The county boards of supervisors shall each
28 year appropriate and pay to the owners of, or to the
29 public board or officers having control of cemeteries
30 within the state in which any such deceased service
31 person is buried, a sum sufficient to pay for the care
32 and maintenance of the lots on which they are buried
33 in all cases in which provision for such care is not
34 otherwise made, or may conclude their responsibility
35 by paying a mutually agreed to fee for perpetual care
36 when the cemetery authority has established a perpetual
37 care fund for the cemetery, to be paid either as a lump
38 sum, or in not to exceed five installments in a manner
39 agreed to by the parties.

40 2. Payment under subsection 1 shall be made at the
41 rate charged for like care and maintenance of other
42 lots of similar size in the same cemetery, upon the
43 affidavit of the superintendent or other person in
44 charge of such cemetery, that the same has not been
45 otherwise paid or provided for.

46 Sec. 45. Section 35B.19, Code 2014, is amended to
47 read as follows:

48 35B.19 Burial records.

49 ~~The county commission of veteran affairs~~ executive
50 director or administrator shall be charged with

1 securing the information requested by the department
2 of veterans affairs of every person having a military
3 service record and buried in ~~that~~ the county. Such
4 information shall be secured from the ~~undertaker~~
5 funeral director in charge of the burial or cremation
6 and shall be transmitted by the ~~undertaker~~ funeral
7 director to the ~~commission of~~ county veteran affairs
8 office of the county where burial or disposition of
9 cremated remains is made. This information shall
10 be recorded alphabetically and by description of
11 location in the cemetery where the veteran is buried
12 or the place of disposition of the cremated remains
13 of the veteran. This recording shall conform to
14 the directives of the department of veterans affairs
15 and shall be ~~kept in~~ maintained as a book permanent
16 record by the ~~county commission~~ executive director or
17 administrator.

18 Sec. 46. Section 64.11, Code 2014, is amended to
19 read as follows:

20 64.11 Expense of bonds paid by county.

21 If a county treasurer, county attorney, recorder,
22 auditor, sheriff, medical examiner, ~~member of the~~
23 ~~veterans affairs commission~~, member of the board of
24 supervisors, engineer, steward, or matron elects to
25 furnish a bond with an association or incorporation as
26 surety as provided in this chapter, the reasonable cost
27 of the bond shall be paid by the county where the bond
28 is filed.

29 Sec. 47. Section 331.381, subsection 6, Code 2014,
30 is amended to read as follows:

31 6. Audit and pay the burial expense for indigent
32 veterans, as provided in section ~~35B.15~~ 35B.14,
33 subsection 4.

34 Sec. 48. Section 331.502, subsection 13, Code 2014,
35 is amended by striking the subsection.

36 Sec. 49. Section 331.502, subsection 14, Code 2014,
37 is amended to read as follows:

38 14. Issue warrants and maintain a ~~book containing~~
39 a permanent record of persons receiving veteran
40 assistance as provided in section 35B.10.

41 Sec. 50. REPEAL. Sections 35B.8, 35B.9, 35B.12,
42 35B.13, 35B.15, and 35B.18, Code 2014, are repealed.>

43 2. Title page, by striking lines 1 through 3 and
44 inserting <An Act relating to veterans, military
45 service members, and certain survivor beneficiaries and
46 including effective date and retroactive applicability
47 provisions.>

48 3. By renumbering, redesignating, and correcting
49 internal references as necessary.>

By WINDSCHITL of Harrison

SENATE FILE 2168

H-8147

1 Amend Senate File 2168, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting clause
4 and inserting:

5 <Section 1. Section 144A.7, subsection 1, paragraph
6 a, Code 2014, is amended to read as follows:

7 a. The attorney in fact designated to make
8 treatment decisions for the patient should such person
9 be diagnosed as suffering from a terminal condition, if
10 the designation is in writing and complies with chapter
11 144B ~~or section 633B.1~~.

12 Sec. 2. Section 231E.3, subsection 15, Code 2014,
13 is amended to read as follows:

14 15. "Power of attorney" means a durable power of
15 attorney for health care as defined in section 144B.1
16 or a power of attorney ~~that becomes effective upon the~~
17 ~~disability of the principal as described in section~~
18 ~~633B.1~~ executed pursuant to chapter 633B.

19 Sec. 3. NEW SECTION. 633B.101 Title.

20 This chapter shall be known and may be cited as the
21 "Iowa Uniform Power of Attorney Act".

22 Sec. 4. NEW SECTION. 633B.102 Definitions.

23 1. "Agent" means a person granted authority to act
24 for a principal under a power of attorney, whether
25 denominated an agent, attorney in fact, or otherwise.
26 The term includes an original agent, coagent, successor
27 agent, and a person to which an agent's authority is
28 delegated.

29 2. "Conservator" or "conservatorship" means a
30 conservator appointed or conservatorship established
31 pursuant to sections 633.570 and 633.572 or a similar
32 provision of the laws of another state.

33 3. "Durable", with respect to a power of attorney,
34 means not terminated by the principal's incapacity.

35 4. "Electronic" means relating to technology having
36 electrical, digital, magnetic, wireless, optical,
37 electromagnetic, or similar capabilities.

38 5. "Good faith" means honesty in fact.

39 6. "Guardian" or "guardianship" means a guardian
40 appointed or a guardianship established pursuant to
41 sections 633.556 and 633.560 or a similar provision of
42 the laws of another state.

43 7. "Incapacity" means the inability of an
44 individual to manage property or business affairs
45 because the individual is any of the following:

46 a. An individual whose decision-making capacity
47 is so impaired that the individual is unable to
48 make, communicate, or carry out important decisions
49 concerning the individual's financial affairs.

50 b. Detained or incarcerated in a penal system.

H-8147

1 c. Outside the United States and unable to return.

2 8. "Person" means an individual, corporation,
3 business trust, estate, trust, partnership, limited
4 liability company, association, joint venture, public
5 corporation, government or governmental subdivision,
6 agency, or instrumentality, or any other legal or
7 commercial entity.

8 9. "Power of attorney" means a writing that grants
9 authority to an agent to act in the place of the
10 principal, whether or not the term "power of attorney"
11 is used.

12 10. "Presently exercisable general power of
13 appointment", with respect to property or a property
14 interest subject to a power of appointment, means
15 power exercisable at the time in question to vest
16 absolute ownership in the principal individually, the
17 principal's estate, the principal's creditors, or the
18 creditors of the principal's estate. The term includes
19 a power of appointment not exercisable until the
20 occurrence of a specified event, the satisfaction of an
21 ascertainable standard, or the passage of a specified
22 period of time only after the occurrence of the
23 specified event, the satisfaction of the ascertainable
24 standard, or the passage of the specified period of
25 time. The term does not include a power exercisable in
26 a fiduciary capacity or only by will.

27 11. "Principal" means an individual who grants
28 authority to an agent in a power of attorney.

29 12. "Property" means anything that may be the
30 subject of ownership, whether real or personal, or
31 legal or equitable, or any interest or right therein.

32 13. "Record" means information that is inscribed on
33 a tangible medium or that is stored in an electronic or
34 other medium and is retrievable in perceivable form.

35 14. "Sign" means, with present intent to
36 authenticate or adopt a record, to do any of the
37 following:

38 a. Execute or adopt a tangible symbol.

39 b. Attach to or logically associate with the record
40 an electronic sound, symbol, or process.

41 15. "State" means a state of the United States, the
42 District of Columbia, Puerto Rico, the United States
43 Virgin Islands, or any territory or insular possession
44 subject to the jurisdiction of the United States.

45 16. "Stocks and bonds" means stocks, bonds, mutual
46 funds, and all other types of securities and financial
47 instruments, whether held directly, indirectly, or in
48 any other manner. The term does not include commodity
49 futures contracts and call or put options on stocks or
50 stock indexes.

1 Sec. 5. NEW SECTION. 633B.103 Applicability.

2 This chapter applies to all powers of attorney
3 except for the following:

4 1. A power to the extent it is coupled with an
5 interest of the agent in the subject of the power,
6 including but not limited to a power given to or for
7 the benefit of a creditor in connection with a credit
8 transaction.

9 2. A power to make health care decisions.

10 3. A proxy or other delegation to exercise voting
11 rights or management rights with respect to an entity.

12 4. A power created on a form prescribed by a
13 government or governmental subdivision, agency, or
14 instrumentality for a governmental purpose.

15 Sec. 6. NEW SECTION. 633B.104 Durability of power
16 of attorney.

17 A power of attorney created under this chapter
18 is durable unless the power of attorney expressly
19 provides that it is terminated by the incapacity of the
20 principal.

21 Sec. 7. NEW SECTION. 633B.105 Execution.

22 A power of attorney must be signed by the principal
23 or in the principal's conscious presence by another
24 individual, other than any prospective agent, directed
25 by the principal to sign the principal's name on
26 the power of attorney. A power of attorney must be
27 acknowledged before a notary public or other individual
28 authorized by law to take acknowledgments. An agent
29 named in the power of attorney shall not notarize the
30 principal's signature. An acknowledged signature on a
31 power of attorney is presumed to be genuine.

32 Sec. 8. NEW SECTION. 633B.106 Validity.

33 1. A power of attorney executed in this state on or
34 after July 1, 2014, is valid if the execution of the
35 power of attorney complies with section 633B.105.

36 2. A power of attorney executed in this state
37 before July 1, 2014, is valid if the execution of the
38 power of attorney complied with the law of this state
39 as it existed at the time of execution.

40 3. A power of attorney executed other than in this
41 state is valid in this state if, when the power of
42 attorney was executed, the execution complied with any
43 of the following:

44 a. The law of the jurisdiction that determines the
45 meaning and effect of the power of attorney pursuant
46 to section 633B.107.

47 b. The requirements for a military power of
48 attorney pursuant to 10 U.S.C. {1044b, as amended.

49 4. Except as otherwise provided by law, a photocopy
50 or electronically transmitted copy of an original power

1 of attorney has the same effect as the original.

2 Sec. 9. NEW SECTION. 633B.107 Meaning and effect.

3 The meaning and effect of a power of attorney is
4 determined by the law of the jurisdiction indicated
5 in the power of attorney and, in the absence of
6 an indication of jurisdiction, by the law of the
7 jurisdiction in which the power of attorney was
8 executed.

9 Sec. 10. NEW SECTION. 633B.108 Nomination
10 of conservator or guardian ---- relation of agent to
11 court-appointed fiduciary.

12 1. Under a power of attorney, a principal may
13 nominate a conservator of the principal's estate or
14 guardian of the principal's person for consideration
15 by the court if proceedings for the principal's
16 estate or person are begun after the principal
17 executes the power of attorney. Except for good cause
18 shown or disqualification, the court shall make its
19 appointment in accordance with the principal's most
20 recent nomination. This section does not prohibit an
21 individual from executing a petition for the voluntary
22 appointment of a guardian or conservator on a standby
23 basis pursuant to sections 633.560 and 633.591.

24 2. If, after a principal executes a power of
25 attorney, a court appoints a conservator of the
26 principal's estate or other fiduciary charged with
27 the management of some or all of the principal's
28 property, the power of attorney is suspended unless
29 the power of attorney provides otherwise or unless the
30 court appointing the conservator decides the power of
31 attorney should continue. If the power of attorney
32 continues, the agent is accountable to the fiduciary as
33 well as to the principal. The power of attorney shall
34 be reinstated upon termination of the conservatorship
35 as a result of the principal regaining capacity.

36 Sec. 11. NEW SECTION. 633B.109 When power of
37 attorney effective.

38 1. A power of attorney is effective when executed
39 unless the principal provides in the power of attorney
40 that it becomes effective at a future date or upon the
41 occurrence of a future event or contingency.

42 2. If a power of attorney becomes effective upon
43 the occurrence of a future event or contingency, the
44 principal, in the power of attorney, may authorize one
45 or more persons to determine in a writing or other
46 record that the event or contingency has occurred.

47 3. If a power of attorney becomes effective upon
48 the principal's incapacity and the principal has not
49 authorized a person to determine whether the principal
50 is incapacitated or the person authorized is unable

1 or unwilling to make the determination, the power of
2 attorney becomes effective upon a determination in a
3 writing or other record by the occurrence of any of the
4 following:

5 a. A licensed physician or licensed psychologist
6 determines that the principal is incapacitated.

7 b. A judge, or an appropriate governmental official
8 determines that the principal is incapacitated.

9 4. A person authorized by the principal in the
10 power of attorney to determine that the principal is
11 incapacitated may act as the principal's personal
12 representative pursuant to the federal Health Insurance
13 Portability and Accountability Act of 1996, Pub. L. No.
14 104-191, including amendments thereto and regulations
15 promulgated thereunder, to obtain access to the
16 principal's health care information and to communicate
17 with the principal's health care provider.

18 Sec. 12. NEW SECTION. 633B.110 Termination ----
19 power of attorney or agent authority.

20 1. A power of attorney terminates when any of the
21 following occur:

22 a. The principal dies.

23 b. The principal becomes incapacitated, if the
24 power of attorney is not durable.

25 c. The principal revokes the power of attorney.

26 d. The power of attorney provides that it
27 terminates.

28 e. The purpose of the power of attorney is
29 accomplished.

30 f. The principal revokes the agent's authority
31 or the agent dies, becomes incapacitated, or resigns,
32 and the power of attorney does not provide for another
33 agent to act under the power of attorney.

34 2. An agent's authority terminates when any of the
35 following occur:

36 a. The principal revokes the authority.

37 b. The agent dies, becomes incapacitated, or
38 resigns.

39 c. An action is filed for the dissolution or
40 annulment of the agent's marriage to the principal
41 or for their legal separation, unless the power of
42 attorney otherwise provides.

43 d. The power of attorney terminates.

44 3. Unless the power of attorney otherwise
45 provides, an agent's authority is exercisable until
46 the agent's authority terminates under subsection 2,
47 notwithstanding a lapse of time since the execution of
48 the power of attorney.

49 4. Termination of a power of attorney or an agent's
50 authority under this section is not effective as to the

1 agent or another person that, without actual knowledge
2 of the termination, acts in good faith under the power
3 of attorney. An act so performed, unless otherwise
4 invalid or unenforceable, binds the principal and the
5 principal's successors in interest.

6 5. Incapacity of the principal of a power of
7 attorney that is not durable does not revoke or
8 terminate the power of attorney as to an agent or
9 other person that, without actual knowledge of the
10 incapacity, acts in good faith under the power of
11 attorney. An act so performed, unless otherwise
12 invalid or unenforceable, binds the principal and the
13 principal's successors in interest.

14 6. Except as provided in section 633B.103, the
15 execution of a general or plenary power of attorney
16 revokes all general or plenary powers of attorney
17 previously executed in this state by the principal,
18 but does not revoke a power of attorney limited to a
19 specific and identifiable action or transaction, which
20 action or transaction is still capable of performance
21 but has not yet been fully accomplished by the agent.

22 Sec. 13. NEW SECTION. 633B.111 Coagents and
23 successor agents.

24 1. A principal may designate two or more persons
25 to act as coagents. Unless the power of attorney
26 otherwise provides, all of the following apply to
27 actions of coagents:

28 a. A power held by coagents shall be exercised by
29 majority action.

30 b. If impasse occurs due to the failure to reach
31 a majority decision, any agent may petition the court
32 to decide the issue, or a majority of the agents may
33 consent to an alternative form of dispute resolution.

34 c. If one or more agents resigns or becomes unable
35 to act, the remaining coagents may act.

36 2. A principal may designate one or more successor
37 agents to act if an agent resigns, dies, becomes
38 incapacitated, is not qualified to serve, or declines
39 to serve. A principal may grant authority to designate
40 one or more successor agents to an agent or other
41 person designated by name, office, or function. Unless
42 the power of attorney otherwise provides, a successor
43 agent:

44 a. Has the same authority as that granted to the
45 original agent.

46 b. Shall not act until all predecessor agents have
47 resigned, died, become incapacitated, are no longer
48 qualified to serve, or have declined to serve.

49 3. Except as otherwise provided in the power of
50 attorney and subsection 4, an agent that does not

1 participate in or conceal a breach of fiduciary duty
2 committed by another agent, including a predecessor
3 agent, is not liable for the actions of the other
4 agent.

5 4. An agent with actual knowledge of a breach or
6 imminent breach of fiduciary duty by another agent
7 shall notify the principal and, if the principal is
8 incapacitated, take any action reasonably appropriate
9 in the circumstances to safeguard the principal's best
10 interest. An agent that fails to notify the principal
11 or take action as required by this subsection is liable
12 for the reasonably foreseeable damages that could have
13 been avoided if the agent had notified the principal
14 or taken such action.

15 Sec. 14. NEW SECTION. 633B.112 Reimbursement and
16 compensation of agent.

17 Unless the power of attorney otherwise provides, an
18 agent who is an individual is entitled to reimbursement
19 of expenses reasonably incurred on behalf of the
20 principal but not to compensation. If a power of
21 attorney does provide for compensation or if the agent
22 is a bank or trust company authorized to administer
23 trusts in Iowa, the compensation must be reasonable
24 under the circumstances.

25 Sec. 15. NEW SECTION. 633B.113 Agent's acceptance.

26 Except as otherwise provided in the power of
27 attorney, a person accepts appointment as an agent
28 under a power of attorney by exercising authority or
29 performing duties as an agent or by any other assertion
30 or conduct indicating acceptance.

31 Sec. 16. NEW SECTION. 633B.114 Agent's duties.

32 1. Notwithstanding provisions in the power of
33 attorney, an agent that has accepted appointment shall
34 act in conformity with all of the following:

35 a. In accordance with the principal's reasonable
36 expectations to the extent actually known by the agent
37 and otherwise in the principal's best interest.

38 b. In good faith.

39 c. Only within the scope of authority granted in
40 the power of attorney.

41 2. Except as otherwise provided in the power of
42 attorney, an agent that has accepted appointment shall
43 do all of the following:

44 a. Act loyally for the principal's benefit.

45 b. Act so as not to create a conflict of interest
46 that impairs the agent's ability to act impartially in
47 the principal's best interest.

48 c. Act with the care, competence, and diligence
49 ordinarily exercised by agents in similar
50 circumstances.

1 d. Keep a record of all receipts, disbursements,
2 and transactions made on behalf of the principal.

3 e. Cooperate with a person that has authority to
4 make health care decisions for the principal to carry
5 out the principal's reasonable expectations to the
6 extent actually known by the agent and, otherwise, act
7 in the principal's best interest.

8 f. Attempt to preserve the principal's estate
9 plan, to the extent actually known by the agent, if
10 preserving the plan is consistent with the principal's
11 best interest based upon all relevant factors,
12 including all of the following:

13 (1) The value and nature of the principal's
14 property.

15 (2) The principal's foreseeable obligations and
16 need for maintenance.

17 (3) Minimization of the principal's
18 taxes, including income, estate, inheritance,
19 generation-skipping transfer, and gift taxes.

20 (4) The principal's eligibility for a benefit, a
21 program, or assistance under a statute or regulation
22 or contract.

23 3. An agent that acts in good faith is not liable
24 to any beneficiary under the principal's estate plan
25 for failure to preserve the plan.

26 4. An agent that acts with care, competence, and
27 diligence for the best interest of the principal is not
28 liable solely because the agent also benefits from the
29 act or has an individual or conflicting interest in
30 relation to the property or affairs of the principal.

31 5. If an agent is selected by the principal because
32 of special skills or expertise possessed by the agent
33 or in reliance on the agent's representation that the
34 agent has special skills or expertise, the special
35 skills or expertise shall be considered in determining
36 whether the agent has acted with care, competence, and
37 diligence under the circumstances.

38 6. Absent a breach of duty to the principal, an
39 agent is not liable if the value of the principal's
40 property declines.

41 7. An agent that exercises authority to delegate to
42 another person the authority granted by the principal
43 or that engages another person on behalf of the
44 principal is not liable for an act, error of judgment,
45 or default of that person if the agent exercises care,
46 competence, and diligence in selecting and monitoring
47 the person.

48 8. Except as otherwise provided in the power
49 of attorney, an agent is not required to disclose
50 receipts, disbursements, or transactions conducted on

1 behalf of the principal unless ordered by a court or
2 requested by the principal, a conservator, another
3 fiduciary acting for the principal, a governmental
4 agency having authority to protect the welfare of the
5 principal, or, upon the death of the principal, by the
6 personal representative or a successor in interest of
7 the principal's estate. If an agent receives a request
8 to disclose such information, the agent shall comply
9 with the request within thirty days of the request or
10 provide a writing or other record substantiating why
11 additional time is necessary. Such additional time
12 shall not exceed thirty days.

13 Sec. 17. NEW SECTION. 633B.115 Exoneration of
14 agent.

15 A provision in a power of attorney relieving an
16 agent of liability for breach of duty is binding on the
17 principal and the principal's successors in interest
18 except to the extent the provision does any of the
19 following:

20 1. Relieves the agent of liability for a breach
21 of duty committed in bad faith, with an improper
22 motive, or with reckless indifference to the purposes
23 of the power of attorney or the best interest of the
24 principal.

25 2. Was included in the power of attorney as a
26 result of an abuse of a confidential or fiduciary
27 relationship with the principal.

28 Sec. 18. NEW SECTION. 633B.116 Judicial relief.

29 1. The following persons may petition a court to
30 construe a power of attorney or to review an agent's
31 conduct:

32 a. The principal or the agent.

33 b. A guardian, conservator, or other fiduciary
34 acting for the principal.

35 c. A person authorized to make health care
36 decisions for the principal.

37 d. The principal's spouse, parent, or descendant or
38 an individual who would qualify as a presumptive heir
39 of the principal.

40 e. A person named as a beneficiary to receive
41 any property, benefit, or contractual right upon
42 the principal's death or as a beneficiary of a trust
43 created by or for the principal that has a financial
44 interest in the principal's estate.

45 f. A governmental agency having regulatory
46 authority to protect the welfare of the principal.

47 g. The principal's caregiver, including but not
48 limited to a caretaker as defined in section 235B.2 or
49 235E.1, or another person that demonstrates sufficient
50 interest in the principal's welfare.

1 h. A person asked to accept the power of attorney.

2 i. A person designated by the principal in the
3 power of attorney.

4 2. Upon motion to dismiss by the principal, the
5 court shall dismiss a petition filed under this section
6 unless the court finds that the principal lacks the
7 capacity to revoke the agent's authority or the power
8 of attorney.

9 3. The court may award reasonable attorney fees and
10 costs to the prevailing party in a proceeding under
11 this section.

12 Sec. 19. NEW SECTION. 633B.117 Agent's liability.

13 An agent that violates this chapter is liable to the
14 principal or the principal's successors in interest for
15 the amount required to do both of the following:

16 1. Restore the value of the principal's property to
17 what it would have been had the violation not occurred.

18 2. Reimburse the principal or the principal's
19 successors in interest for attorney fees and costs paid
20 on the agent's behalf.

21 Sec. 20. NEW SECTION. 633B.118 Agent's resignation
22 ---- notice.

23 Unless the power of attorney provides for a
24 different method for an agent's resignation, an agent
25 may resign by giving notice to the principal and,
26 if the principal is incapacitated, to any of the
27 following:

28 1. The conservator or guardian, if a conservator or
29 guardian has been appointed for the principal, and any
30 coagent or successor agent.

31 2. If there is no conservator, guardian, or coagent
32 or successor agent, the agent may give notice to any
33 of the following:

34 a. The principal's caregiver, including but not
35 limited to a caretaker as defined in section 235B.2 or
36 235E.1.

37 b. Any other person reasonably believed by the
38 agent to have sufficient interest in the principal's
39 welfare.

40 c. A governmental agency having regulatory
41 authority to protect the welfare of the principal.

42 Sec. 21. NEW SECTION. 633B.119 Acknowledged power
43 of attorney ---- acceptance and reliance.

44 1. For purposes of this section and section
45 633B.120, "acknowledged" means purportedly verified
46 before a notary public or other individual authorized
47 by law to take acknowledgments.

48 2. A person that in good faith accepts an
49 acknowledged power of attorney without actual knowledge
50 that the signature is not genuine may rely upon the

1 presumption under section 633B.105 that the signature
2 is genuine.

3 3. A person that in good faith accepts an
4 acknowledged power of attorney without actual knowledge
5 that the power of attorney is void, invalid, or
6 terminated, that the purported agent's authority
7 is void, invalid, or terminated, or that the agent
8 is exceeding or improperly exercising the agent's
9 authority may rely upon the power of attorney as if the
10 power of attorney were genuine, valid, and still in
11 effect, the agent's authority were genuine, valid, and
12 still in effect, and the agent had not exceeded and had
13 not improperly exercised the authority.

14 4. A person that is asked to accept an acknowledged
15 power of attorney may request, and rely upon, all of
16 the following without further investigation:

17 a. An agent's certification under penalty of
18 perjury of any factual matter concerning the principal,
19 agent, or power of attorney in substantially the same
20 form as set out in section 633B.302.

21 b. An English translation of the power of attorney
22 if the power of attorney contains, in whole or in part,
23 language other than English.

24 c. An opinion of agent's counsel as to any matter
25 of law concerning the power of attorney if the person
26 making the request provides the reason for the request
27 in a writing or other record.

28 5. An English translation or an opinion of counsel
29 requested under this section shall be provided at the
30 principal's expense unless the request is made more
31 than ten business days after the power of attorney is
32 presented for acceptance.

33 6. For purposes of this section and section
34 633B.120, a person who conducts activities through an
35 employee is without actual knowledge of a fact relating
36 to a power of attorney, a principal, or an agent if the
37 employee conducting the transaction involving the power
38 of attorney is without actual knowledge of the fact.

39 Sec. 22. NEW SECTION. 633B.120 Refusal to accept
40 acknowledged power of attorney ---- liability.

41 1. Except as otherwise provided in subsection 2,
42 all of the following shall apply to a person's actions
43 regarding an acknowledged power of attorney:

44 a. A person shall either accept an acknowledged
45 power of attorney or request a certification, a
46 translation, or an opinion of counsel under section
47 633B.119, subsection 4, no later than seven business
48 days after presentation of the power of attorney for
49 acceptance.

50 b. If a person requests a certification, a

1 translation, or an opinion of counsel under section
2 633B.199, subsection 4, the person shall accept the
3 power of attorney no later than five business days
4 after receipt of the certification, translation, or
5 opinion of counsel.

6 c. A person shall not require an additional or
7 different form of power of attorney for authority
8 granted in the power of attorney presented unless an
9 exception in subsection 2 applies.

10 2. A person is not required to accept an
11 acknowledged power of attorney if any of the following
12 occur:

13 a. The person is not otherwise required to engage
14 in a transaction with the principal in the same
15 circumstances.

16 b. Engaging in a transaction with the agent or
17 the principal in the same circumstances would be
18 inconsistent with federal law.

19 c. The person has actual knowledge of the
20 termination of the agent's authority or of the power of
21 attorney before exercise of the power.

22 d. A request for a certification, a translation,
23 or an opinion of counsel under section 633B.119,
24 subsection 4, is refused.

25 e. The person in good faith believes that the
26 power of attorney is not valid or that the agent does
27 not have the authority to perform the act requested,
28 or that the power of attorney does not comply with
29 federal or state law or regulations, whether or not
30 a certification, a translation, or an opinion of
31 counsel under section 633B.119, subsection 4, has been
32 requested or provided.

33 f. The person makes, or has actual knowledge that
34 another person has made, a report to the department
35 of human services stating a good-faith belief that
36 the principal may be subject to physical or financial
37 abuse, neglect, exploitation, or abandonment by the
38 agent or a person acting for or with the agent.

39 3. A person that refuses to accept an acknowledged
40 power of attorney in violation of this section is
41 subject to both of the following:

42 a. A court order mandating acceptance of the power
43 of attorney.

44 b. Liability for damages sustained by the principal
45 for reasonable attorney fees and costs incurred in any
46 action or proceeding that confirms the validity of
47 the power of attorney or mandates acceptance of the
48 power of attorney, provided that any such action must
49 be brought within one year of the initial request for
50 acceptance of the power of attorney.

1 Sec. 23. NEW SECTION. 633B.121 Principles of law
2 and equity.

3 Unless displaced by a provision of this chapter, the
4 principles of law and equity supplement this chapter.

5 Sec. 24. NEW SECTION. 633B.122 Laws applicable to
6 financial institutions and entities.

7 This chapter does not supersede any other law
8 applicable to financial institutions or other entities,
9 and the other law controls if inconsistent with this
10 chapter.

11 Sec. 25. NEW SECTION. 633B.123 Remedies under
12 other law.

13 The remedies under this chapter are not exclusive
14 and do not abrogate any right or remedy under the law
15 of this state other than this chapter.

16 Sec. 26. NEW SECTION. 633B.201 Authority ----
17 specific and general.

18 1. An agent under a power of attorney may do
19 any of the following on behalf of the principal or
20 with the principal's property only if the power of
21 attorney expressly grants the agent the authority
22 and the exercise of the authority is not otherwise
23 prohibited by another agreement or instrument to which
24 the authority or property is subject:

25 a. Create, amend, revoke, or terminate an inter
26 vivos trust.

27 b. Make a gift.

28 c. Create or change rights of survivorship.

29 d. Create or change a beneficiary designation.

30 e. Delegate authority granted under the power of
31 attorney.

32 f. Waive the principal's right to be a beneficiary
33 of a joint and survivor annuity, including but not
34 limited to a survivor benefit under a retirement plan.

35 g. Exercise fiduciary powers that the principal has
36 authority to delegate.

37 h. Disclaim property, including but not limited to
38 a power of appointment.

39 2. Notwithstanding a grant of authority to do an
40 act described in subsection 1, unless the power of
41 attorney otherwise provides, an agent that is not an
42 ancestor, spouse, or descendant of the principal shall
43 not exercise authority under a power of attorney to
44 create in the agent, or in an individual to whom the
45 agent owes a legal obligation of support, an interest
46 in the principal's property, whether by gift, right of
47 survivorship, beneficiary designation, disclaimer, or
48 otherwise.

49 3. Subject to subsections 1, 2, 4, and 5, if a
50 power of attorney grants an agent authority to do

1 all acts that a principal could do, the agent has
2 the general authority described in sections 633B.204
3 through 633B.216.

4 4. Unless the power of attorney otherwise provides,
5 a grant of authority to make a gift is subject to
6 section 633B.217.

7 5. Subject to subsections 1, 2, and 4, if the
8 subjects over which authority is granted in a power of
9 attorney are similar or overlap, the broadest authority
10 controls.

11 6. Authority granted in a power of attorney is
12 exercisable with respect to property that the principal
13 has when the power of attorney is executed or acquires
14 later, whether or not the property is located in this
15 state and whether or not the authority is exercised or
16 the power of attorney is executed in this state.

17 7. An act performed by an agent pursuant to a
18 power of attorney has the same effect and inures
19 to the benefit of and binds the principal and the
20 principal's successors in interest as if the principal
21 had performed the act.

22 Sec. 27. NEW SECTION. 633B.202 Incorporation of
23 authority.

24 1. An agent has authority described in this chapter
25 if the power of attorney refers to general authority
26 with respect to the descriptive term for the subjects
27 stated in sections 633B.204 through 633B.217 or cites
28 the section in which the authority is described.

29 2. A reference in a power of attorney to general
30 authority with respect to the descriptive term for a
31 subject stated in sections 633B.204 through 633B.217 or
32 a citation to a section in sections 633B.204 through
33 633B.217 incorporates the entire section as if it were
34 set out in full in the power of attorney.

35 3. A principal may modify authority incorporated
36 by reference.

37 Sec. 28. NEW SECTION. 633B.203 Construction of
38 authority generally.

39 Except as otherwise provided in the power of
40 attorney, by executing a power of attorney that
41 incorporates by reference a subject described in
42 sections 633B.204 through 633B.217 or that grants
43 an agent authority to do all acts that a principal
44 could do pursuant to section 633B.201, subsection 3, a
45 principal authorizes the agent, with respect to that
46 subject, to do all of the following:

47 1. Demand, receive, and obtain by litigation or
48 otherwise, money or another thing of value to which the
49 principal is, may become, or claims to be entitled, and
50 conserve, invest, disburse, or use anything so received

1 or obtained for the purposes intended.

2 2. Contract in any manner with any person, on terms
3 agreeable to the agent, to accomplish a purpose of a
4 transaction and perform, rescind, cancel, terminate,
5 reform, restate, release, or modify the contract or
6 another contract made by or on behalf of the principal.

7 3. Execute, acknowledge, seal, deliver, file,
8 or record any instrument or communication the agent
9 considers desirable to accomplish a purpose of a
10 transaction, including but not limited to creating
11 at any time a schedule listing some or all of the
12 principal's property and attaching the instrument of
13 communication to the power of attorney.

14 4. Initiate, participate in, submit to alternative
15 dispute resolution, settle, oppose, or propose or
16 accept a compromise with respect to a claim existing
17 in favor of or against the principal or intervene in
18 litigation relating to the claim.

19 5. Seek on the principal's behalf the assistance of
20 a court or other governmental agency to carry out an
21 act authorized in the power of attorney.

22 6. Engage, compensate, and discharge an attorney,
23 accountant, discretionary investment manager, expert
24 witness, or other advisor.

25 7. Prepare, execute, and file a record, report, or
26 other document to safeguard or promote the principal's
27 interest under a statute, rule, or regulation.

28 8. Communicate with any representative or employee
29 of a government or governmental subdivision, agency, or
30 instrumentality, on behalf of the principal.

31 9. Access communications intended for, and
32 communicate on behalf of the principal, whether by
33 mail, electronic transmission, telephone, or other
34 means.

35 10. Do any lawful act with respect to the subject
36 and all property related to the subject.

37 Sec. 29. NEW SECTION. 633B.204 Real property.

38 Unless the power of attorney otherwise provides and
39 subject to section 633B.201, language in a power of
40 attorney granting general authority with respect to
41 real property authorizes the agent to do all of the
42 following:

43 1. Demand, buy, lease, receive, accept as a gift or
44 as security for an extension of credit, or otherwise
45 acquire or reject an interest in real property or a
46 right incident to real property.

47 2. Sell; exchange; convey with or without
48 covenants, representations, or warranties; quitclaim;
49 release; surrender; retain title for security;
50 encumber; partition; consent to partitioning; be

1 subject to an easement or covenant; subdivide;
2 apply for zoning or other governmental permits; plat
3 or consent to platting; develop; grant an option
4 concerning; lease; sublease; contribute to an entity in
5 exchange for an interest in that entity; or otherwise
6 grant or dispose of an interest in real property or a
7 right incident to real property.

8 3. Pledge or mortgage an interest in real property
9 or right incident to real property as security to
10 borrow money or pay, renew, or extend the time of
11 payment of a debt of the principal or a debt guaranteed
12 by the principal.

13 4. Release, assign, satisfy, or enforce by
14 litigation or otherwise, a mortgage, deed of trust,
15 conditional sale contract, encumbrance, lien, or other
16 claim to real property which exists or is asserted.

17 5. Manage or conserve an interest in real property
18 or a right incident to real property owned or claimed
19 to be owned by the principal, including but not limited
20 to by doing all of the following:

21 a. Insuring against liability or casualty or other
22 loss.

23 b. Obtaining or regaining possession of or
24 protecting the interest or right by litigation or
25 otherwise.

26 c. Paying, assessing, compromising, or contesting
27 taxes or assessments or applying for and receiving
28 refunds in connection with them.

29 d. Purchasing supplies, hiring assistance or labor,
30 and making repairs or alterations to the real property.

31 6. Use, develop, alter, replace, remove, erect,
32 or install structures or other improvements upon real
33 property in or incident to which the principal has, or
34 claims to have, an interest or right.

35 7. Participate in a reorganization with respect
36 to real property or an entity that owns an interest
37 in or a right incident to real property and receive,
38 hold, and act with respect to stocks and bonds or
39 other property received in a plan of reorganization,
40 including by doing any of the following:

41 a. By selling or otherwise disposing of the stocks,
42 bonds, or other property.

43 b. By exercising or selling an option, right of
44 conversion, or similar right.

45 c. By exercising any voting rights in person or by
46 proxy.

47 8. Change the form of title of an interest in or
48 right incident to real property.

49 9. Dedicate to public use, with or without
50 consideration, easements or other real property

1 in which the principal has, or claims to have, an
2 interest.

3 Sec. 30. NEW SECTION. 633B.205 Tangible personal
4 property.

5 Unless the power of attorney otherwise provides and
6 subject to section 633B.201, language in a power of
7 attorney granting general authority with respect to
8 tangible personal property authorizes the agent to do
9 all of the following:

10 1. Demand, buy, receive, accept as a gift or as
11 security for an extension of credit, or otherwise
12 acquire or reject ownership or possession of tangible
13 personal property or an interest in tangible personal
14 property.

15 2. Sell; exchange; convey with or without
16 covenants, representations, or warranties; quitclaim;
17 release; surrender; create a security interest
18 in; grant options concerning; lease; sublease; or,
19 otherwise dispose of tangible personal property or an
20 interest in tangible personal property.

21 3. Grant a security interest in tangible personal
22 property or an interest in tangible personal property
23 as security to borrow money or pay, renew, or extend
24 the time of payment of a debt of the principal or a
25 debt guaranteed by the principal.

26 4. Release, assign, satisfy, or enforce by
27 litigation or otherwise, a security interest, lien, or
28 other claim on behalf of the principal, with respect to
29 tangible personal property or an interest in tangible
30 personal property.

31 5. Manage or conserve tangible personal property or
32 an interest in tangible personal property on behalf of
33 the principal, including by doing all of the following:

34 a. Insuring against liability or casualty or other
35 loss.

36 b. Obtaining or regaining possession of or
37 protecting the property or interest, by litigation or
38 otherwise.

39 c. Paying, assessing, compromising, or contesting
40 taxes or assessments or applying for and receiving
41 refunds in connection with taxes or assessments.

42 d. Moving the property from place to place.

43 e. Storing the property for hire or on a gratuitous
44 bailment.

45 f. Using and making repairs, alterations, or
46 improvements to the property.

47 6. Change the form of title of an interest in
48 tangible personal property.

49 Sec. 31. NEW SECTION. 633B.206 Stocks and bonds.

50 Unless the power of attorney otherwise provides and

1 subject to section 633B.201, language in a power of
2 attorney granting general authority with respect to
3 stocks and bonds authorizes the agent to do all of the
4 following:

5 1. Buy, sell, and exchange stocks and bonds.

6 2. Establish, continue, modify, or terminate an
7 account with respect to stocks and bonds.

8 3. Pledge stocks and bonds as security to borrow,
9 pay, renew, or extend the time of payment of a debt of
10 the principal.

11 4. Receive certificates and other evidence of
12 ownership with respect to stocks and bonds.

13 5. Exercise voting rights with respect to stocks
14 and bonds in person or by proxy, enter into voting
15 trusts, and consent to limitations on the right to
16 vote.

17 Sec. 32. NEW SECTION. 633B.207 Commodities and
18 options.

19 Unless the power of attorney otherwise provides and
20 subject to section 633B.201, language in a power of
21 attorney granting general authority with respect to
22 commodities and options authorizes the agent to do all
23 of the following:

24 1. Buy, sell, exchange, assign, settle, and
25 exercise commodity futures contracts and call or
26 put options on stocks or stock indexes traded on a
27 regulated option exchange.

28 2. Establish, continue, modify, and terminate
29 option accounts.

30 Sec. 33. NEW SECTION. 633B.208 Banks and other
31 financial institutions.

32 Unless the power of attorney otherwise provides and
33 subject to section 633B.201, language in a power of
34 attorney granting general authority with respect to
35 banks and other financial institutions authorizes the
36 agent to do all of the following:

37 1. Continue, modify, and terminate an account or
38 other banking arrangement made by or on behalf of the
39 principal.

40 2. Establish, modify, and terminate an account or
41 other banking arrangement with a bank, trust company,
42 savings and loan association, credit union, thrift
43 company, brokerage firm, or other financial institution
44 selected by the agent.

45 3. Contract for services available from a financial
46 institution, including but not limited to renting a
47 safe deposit box or space in a vault.

48 4. Withdraw, by check, order, electronic funds
49 transfer, or otherwise, money or property of the
50 principal deposited with or left in the custody of a

1 financial institution.
2 5. Receive statements of account, vouchers,
3 notices, and similar documents from a financial
4 institution and act with respect to them.
5 6. Enter a safe deposit box or vault and withdraw
6 or add to the contents.
7 7. Borrow money and pledge as security personal
8 property of the principal necessary to borrow money or
9 pay, renew, or extend the time of payment of a debt of
10 the principal or a debt guaranteed by the principal.
11 8. Make, assign, draw, endorse, discount,
12 guarantee, and negotiate promissory notes, checks,
13 drafts, and other negotiable or nonnegotiable paper
14 of the principal or payable to the principal or the
15 principal's order, transfer money, receive the cash
16 or other proceeds of those transactions, and accept a
17 draft drawn by a person upon the principal and pay the
18 promissory note, check, draft, or other negotiable or
19 nonnegotiable paper when due.
20 9. Receive for the principal and act upon a sight
21 draft, warehouse receipt, or other document of title
22 whether tangible or electronic, or any other negotiable
23 or nonnegotiable instrument.
24 10. Apply for, receive, and use letters of credit,
25 credit and debit cards, electronic transaction
26 authorizations, and traveler's checks from a financial
27 institution and give an indemnity or other agreement in
28 connection with letters of credit.
29 11. Consent to an extension of the time of payment
30 with respect to commercial paper or a financial
31 transaction with a financial institution.
32 Sec. 34. NEW SECTION. 633B.209 Operation of entity
33 or business.
34 Subject to the terms of a document or an agreement
35 governing an entity or business or an entity or
36 business ownership interest, and subject to section
37 633B.201, and unless the power of attorney otherwise
38 provides, language in a power of attorney granting
39 general authority with respect to operation of an
40 entity or business authorizes the agent to do all of
41 the following:
42 1. Operate, buy, sell, enlarge, reduce, or
43 terminate an ownership interest.
44 2. Perform a duty or discharge a liability and
45 exercise in person or by proxy a right, power,
46 privilege, or option that the principal has, may have,
47 or claims to have.
48 3. Enforce the terms of an ownership agreement.
49 4. Initiate, participate in, submit to alternative
50 dispute resolution, settle, oppose, or propose or

1 accept a compromise with respect to litigation to
2 which the principal is a party because of an ownership
3 interest.

4 5. Exercise in person or by proxy or enforce by
5 litigation or otherwise, a right, power, privilege,
6 or option the principal has or claims to have as the
7 holder of stocks and bonds.

8 6. Initiate, participate in, submit to alternative
9 dispute resolution, settle, oppose, or propose or
10 accept a compromise with respect to litigation to which
11 the principal is a party concerning stocks and bonds.

12 7. Do all of the following with respect to an
13 entity or business owned solely by the principal:

14 a. Continue, modify, renegotiate, extend, and
15 terminate a contract made by or on behalf of the
16 principal with respect to the entity or business before
17 execution of the power of attorney.

18 b. Determine all of the following:

19 (1) The location of the entity or business
20 operation.

21 (2) The nature and extent of the entity or
22 business.

23 (3) The methods of manufacturing, selling,
24 merchandising, financing, accounting, and advertising
25 employed in the operation of the entity or business.

26 (4) The amount and types of insurance carried by
27 the entity or business.

28 (5) The mode of engaging, compensating, and dealing
29 with the employees, accountants, attorneys, or other
30 advisors of the entity or business.

31 c. Change the name or form of organization under
32 which the entity or business is operated and enter into
33 an ownership agreement with other persons to take over
34 all or part of the operation of the entity or business.

35 d. Demand and receive money due or claimed by the
36 principal or on the principal's behalf in the operation
37 of the entity or business and control and disburse the
38 money in the operation of the entity or business.

39 8. Inject needed capital into an entity or business
40 in which the principal has an interest.

41 9. Join in a plan of reorganization, consolidation,
42 conversion, domestication, or merger of the entity or
43 business.

44 10. Sell or liquidate all or part of the entity or
45 business.

46 11. Establish the value of an entity or business
47 under a buyout agreement to which the principal is a
48 party.

49 12. Prepare, sign, file, and deliver reports,
50 compilations of information, returns, or other papers

1 with respect to an entity or business and make related
2 payments.

3 13. Pay, compromise, or contest taxes, assessments,
4 fines, or penalties and perform any other act to
5 protect the principal from illegal or unnecessary
6 taxation, assessments, fines, or penalties with respect
7 to an entity or business, including but not limited to
8 attempts to recover, in any manner permitted by law,
9 money paid before or after the execution of the power
10 of attorney.

11 Sec. 35. NEW SECTION. 633B.210 Insurance and
12 annuities.

13 Unless the power of attorney otherwise provides and
14 subject to section 633B.201, language in a power of
15 attorney granting general authority with respect to
16 insurance and annuities authorizes the agent to do all
17 of the following:

18 1. Continue, pay the premium or make a contribution
19 on, modify, exchange, rescind, release, or terminate
20 a contract procured by or on behalf of the principal
21 which insures or provides an annuity to either
22 the principal or another person whether or not the
23 principal is a beneficiary under the contract.

24 2. Procure new, different, and additional contracts
25 of insurance and annuities for the principal and the
26 principal's spouse, children, and other dependents, and
27 select the amount, type of insurance or annuity, and
28 mode of payment.

29 3. Pay the premium or make a contribution on,
30 modify, exchange, rescind, release, or terminate a
31 contract of insurance or annuity procured by the agent.

32 4. Apply for and receive a loan secured by a
33 contract of insurance or annuity.

34 5. Surrender and receive the cash surrender value
35 on a contract of insurance or annuity.

36 6. Exercise an election.

37 7. Exercise investment powers available under a
38 contract of insurance or annuity.

39 8. Change the manner of paying premiums on a
40 contract of insurance or annuity.

41 9. Change or convert the type of insurance or
42 annuity with respect to which the principal has or
43 claims to have authority described in this section.

44 10. Apply for and procure a benefit or assistance
45 under a statute, rule, or regulation to guarantee or
46 pay premiums of a contract of insurance on the life of
47 the principal.

48 11. Collect, sell, assign, hypothecate, borrow
49 against, or pledge the interest of the principal in a
50 contract of insurance or annuity.

1 12. Select the form and timing of the payment of
2 proceeds from a contract of insurance or annuity.

3 13. Pay, from proceeds or otherwise, compromise
4 or contest, and apply for refunds in connection with
5 a tax or assessment levied by a taxing authority with
6 respect to a contract of insurance or annuity or its
7 proceeds or liability accruing by reason of the tax or
8 assessment.

9 Sec. 36. NEW SECTION. 633B.211 Estates, trusts,
10 and other beneficial interests.

11 1. In this section, "estate, trust, or other
12 beneficial interest" means a trust, probate
13 estate, guardianship, conservatorship, escrow, or
14 custodianship, or a fund from which the principal is,
15 may become, or claims to be, entitled to a share or
16 payment.

17 2. Unless the power of attorney otherwise provides,
18 language in a power of attorney granting general
19 authority with respect to estates, trusts, and other
20 beneficial interests authorizes the agent to do all of
21 the following:

22 a. Accept, receive, provide a receipt for, sell,
23 assign, pledge, or exchange a share in or payment from
24 an estate, trust, or other beneficial interest.

25 b. Demand or obtain money or another thing of value
26 to which the principal is, may become, or claims to
27 be, entitled by reason of an estate, trust, or other
28 beneficial interest, by litigation or otherwise.

29 c. Exercise for the benefit of the principal a
30 presently exercisable general power of appointment held
31 by the principal.

32 d. Initiate, participate in, submit to alternative
33 dispute resolution, settle, oppose, or propose or
34 accept a compromise with respect to litigation to
35 ascertain the meaning, validity, or effect of a deed,
36 will, declaration of trust, or other instrument or
37 transaction affecting the interest of the principal.

38 e. Initiate, participate in, submit to alternative
39 dispute resolution, settle, oppose, or propose or
40 accept a compromise with respect to litigation to
41 remove, substitute, or surcharge a fiduciary.

42 f. Conserve, invest, disburse, or use any assets
43 received for an authorized purpose.

44 g. Transfer an interest of the principal in real
45 property, stocks and bonds, accounts with financial
46 institutions or securities intermediaries, insurance,
47 annuities, and other property to the trustee of a
48 revocable trust created by the principal as settlor.

49 h. Reject, renounce, disclaim, release, or consent
50 to a reduction in or modification of a share in or

1 payment from an estate, trust, or other beneficial
2 interest.

3 Sec. 37. NEW SECTION. 633B.212 Claims and
4 litigation.

5 Unless the power of attorney otherwise provides and
6 subject to section 633B.201, language in a power of
7 attorney granting general authority with respect to
8 claims and litigation authorizes the agent to do all
9 of the following:

10 1. Assert and maintain before a court or
11 administrative agency a claim, claim for relief,
12 cause of action, counterclaim, offset, recoupment,
13 or defense, including but not limited to an action
14 to recover property or other thing of value, recover
15 damages sustained by the principal, eliminate or
16 modify tax liability, or seek an injunction, specific
17 performance, or other relief.

18 2. Bring an action to determine adverse claims or
19 intervene or otherwise participate in litigation.

20 3. Seek an attachment, garnishment, or other
21 preliminary, provisional, or intermediate relief and
22 use an available procedure to effect or satisfy a
23 judgment, order, or decree.

24 4. Make or accept a tender, offer of judgment, or
25 admission of facts, submit a controversy on an agreed
26 statement of facts, consent to examination, and bind
27 the principal in litigation.

28 5. Submit to alternative dispute resolution, or
29 settle, propose, or accept a compromise.

30 6. Waive the issuance and service of process upon
31 the principal, accept service of process, appear for
32 the principal, designate persons upon which process
33 directed to the principal may be served, execute and
34 file or deliver stipulations on the principal's behalf,
35 verify pleadings, seek appellate review, procure and
36 give surety and indemnity bonds, contract and pay for
37 the preparation and printing of records and briefs,
38 receive, execute, and file or deliver a consent,
39 waiver, release, confession of judgment, satisfaction
40 of judgment, notice, agreement, or other instrument in
41 connection with the prosecution, settlement, or defense
42 of a claim or litigation.

43 7. Act for the principal with respect to bankruptcy
44 or insolvency, whether voluntary or involuntary,
45 concerning the principal or some other person, or
46 with respect to a reorganization, receivership, or
47 application for the appointment of a receiver or
48 trustee which affects an interest of the principal in
49 property or other thing of value.

50 8. Pay a judgment, award, or order against the

1 principal or a settlement made in connection with a
2 claim or litigation.

3 9. Receive money or other thing of value paid in
4 settlement of or as proceeds of a claim or litigation.

5 Sec. 38. NEW SECTION. 633B.213 Personal and family
6 maintenance.

7 1. Unless the power of attorney otherwise provides
8 and subject to subsection 633B.201, language in a power
9 of attorney granting general authority with respect to
10 personal and family maintenance authorizes the agent
11 to do all of the following:

12 a. Perform the acts necessary to maintain the
13 customary standard of living of the principal, the
14 principal's spouse, and the following individuals,
15 whether living when the power of attorney is executed
16 or later born:

17 (1) The principal's minor children.

18 (2) The principal's adult children who are pursuing
19 a postsecondary school education and are under the age
20 of twenty-five.

21 (3) The principal's parents or the parents of the
22 principal's spouse, if the principal had established a
23 pattern of such payments.

24 (4) Any other individuals legally entitled to be
25 supported by the principal.

26 b. Make periodic payments of child support and
27 other family maintenance required by a court or
28 governmental agency or an agreement to which the
29 principal is a party.

30 c. Provide living quarters for the individuals
31 described in paragraph "a" by any of the following:

32 (1) Purchase, lease, or other contract.

33 (2) Paying the operating costs, including but not
34 limited to interest, amortization payments, repairs,
35 improvements, and taxes, for premises owned by the
36 principal or occupied by those individuals.

37 d. Provide funds for shelter, clothing, food,
38 appropriate education, including postsecondary and
39 vocational education, and other current living costs
40 for the individuals described in paragraph "a" to
41 enable those individuals to maintain their customary
42 standard of living.

43 e. Pay expenses for necessary health care and
44 custodial care on behalf of the individuals described
45 in paragraph "a".

46 f. Act as the principal's personal representative
47 pursuant to the federal Health Insurance Portability
48 and Accountability Act of 1996, Pub. L. No. 104-191,
49 including amendments thereto and regulations
50 promulgated thereunder, in making decisions related to

1 past, present, or future payments for the provision of
2 health care consented to by the principal or anyone
3 authorized under the law of this state to consent to
4 health care on behalf of the principal.

5 g. Continue any provision made by the principal for
6 automobiles or other means of transportation, including
7 registering, licensing, insuring, and replacing them,
8 for the individuals described in paragraph "a".

9 h. Maintain credit and debit accounts for the
10 convenience of the individuals described in paragraph
11 "a" and open new accounts.

12 i. Continue payments or contributions incidental
13 to the membership or affiliation of the principal in a
14 religious institution, club, society, order, or other
15 organization.

16 2. Authority with respect to personal and family
17 maintenance is neither dependent upon, nor limited
18 by, authority that an agent may or may not have with
19 respect to gifts under this chapter.

20 Sec. 39. NEW SECTION. 633B.214 Benefits from
21 governmental programs or civil or military service.

22 1. In this section, "benefits from governmental
23 programs or civil or military service" means any
24 benefit, program, or assistance provided under a
25 statute, rule, or regulation relating to but not
26 limited to social security, Medicare, or Medicaid.

27 2. Unless the power of attorney otherwise provides,
28 language in a power of attorney granting general
29 authority with respect to benefits from governmental
30 programs or civil or military service authorizes the
31 agent to do all of the following:

32 a. Execute vouchers in the name of the principal
33 for allowances and reimbursements payable by the United
34 States, a foreign government, or a state or subdivision
35 of a state to the principal, including but not limited
36 to allowances and reimbursements for transportation
37 of the individuals described in section 633B.213,
38 subsection 1, paragraph "a", and for shipment of the
39 household effects of such individuals.

40 b. Take possession and order the removal and
41 shipment of property of the principal from a post,
42 warehouse, depot, dock, or other place of storage
43 or safekeeping, either governmental or private, and
44 execute and deliver a release, voucher, receipt, bill
45 of lading, shipping ticket, certificate, or other
46 instrument for that purpose.

47 c. Enroll in, apply for, select, reject, change,
48 amend, or discontinue, on the principal's behalf, a
49 benefit or program.

50 d. Prepare, file, and maintain a claim of the

1 principal for a benefit or assistance, financial or
2 otherwise, to which the principal may be entitled under
3 a statute, rule, or regulation.

4 e. Initiate, participate in, submit to alternative
5 dispute resolution, settle, oppose, or propose
6 or accept a compromise with respect to litigation
7 concerning any benefit or assistance the principal
8 may be entitled to receive under a statute, rule, or
9 regulation.

10 f. Receive the financial proceeds of a claim
11 described in paragraph "d" and conserve, invest,
12 disburse, or use for a lawful purpose anything so
13 received.

14 Sec. 40. NEW SECTION. 633B.215 Retirement plans.

15 1. In this section, "retirement plan" means a plan
16 or account created by an employer, the principal, or
17 another individual to provide retirement benefits
18 or deferred compensation in which the principal is
19 a participant, beneficiary, or owner, including but
20 not limited to a plan or account under the following
21 sections of the Internal Revenue Code:

22 a. An individual retirement account in accordance
23 with section 408.

24 b. A Roth individual retirement account established
25 under section 408A.

26 c. A deemed individual retirement account under
27 section 408(q).

28 d. An annuity or mutual fund custodial account
29 under section 403(b).

30 e. A pension, profit-sharing, stock bonus, or other
31 retirement plan qualified under section 401(a).

32 f. An eligible deferred compensation plan under
33 section 457(b).

34 g. A nonqualified deferred compensation plan under
35 section 409A.

36 2. Unless the power of attorney otherwise provides,
37 language in a power of attorney granting general
38 authority with respect to retirement plans authorizes
39 the agent to do all of the following:

40 a. Select the form and timing of payments under a
41 retirement plan and withdraw benefits from a plan.

42 b. Make a rollover, including a direct
43 trustee-to-trustee rollover of benefits from one
44 retirement plan to another.

45 c. Establish a retirement plan in the principal's
46 name.

47 d. Make contributions to a retirement plan.

48 e. Exercise investment powers available under a
49 retirement plan.

50 f. Borrow from, sell assets to, or purchase assets

1 from a retirement plan.

2 Sec. 41. NEW SECTION. 633B.216 Taxes.

3 Unless the power of attorney otherwise provides,
4 language in a power of attorney granting general
5 authority with respect to taxes authorizes the agent
6 to do all of the following:

7 1. Prepare, sign, and file federal, state, local,
8 and foreign income, gift, payroll, property, Federal
9 Insurance Contributions Act returns and other tax
10 returns, claims for refunds, requests for extension
11 of time, petitions regarding tax matters, and any
12 other tax-related documents, including receipts,
13 offers, waivers, consents, including but not limited
14 to consents and agreements under section 2032A of the
15 Internal Revenue Code, closing agreements, and any
16 power of attorney required by the Internal Revenue
17 Service or other taxing authority with respect to a tax
18 year upon which the statute of limitations has not run.

19 2. Pay taxes due, collect refunds, post bonds,
20 receive confidential information, and contest
21 deficiencies determined by the Internal Revenue Service
22 or other taxing authority.

23 3. Exercise any election available to the principal
24 under federal, state, local, or foreign tax law.

25 4. Act for the principal in all tax matters for
26 all periods before the Internal Revenue Service or any
27 other taxing authority.

28 Sec. 42. NEW SECTION. 633B.217 Gifts.

29 1. In this section, a gift "for the benefit of" a
30 person includes a gift to a trust, an account under
31 a uniform transfers to minors Act, and a qualified
32 state tuition program exempt from taxation pursuant to
33 section 529 of the Internal Revenue Code.

34 2. Unless the power of attorney otherwise provides,
35 language in a power of attorney granting general
36 authority with respect to gifts authorizes the agent
37 only to do all of the following:

38 a. Make a gift of any of the principal's property
39 outright to, or for the benefit of, a person, including
40 but not limited to by the exercise of a presently
41 exercisable general power of appointment held by
42 the principal, in an amount per donee not to exceed
43 the annual dollar limits of the federal gift tax
44 exclusion under section 2503(b) of the Internal Revenue
45 Code without regard to whether the federal gift tax
46 exclusion applies to the gift or if the principal's
47 spouse agrees to consent to a split gift pursuant to
48 section 2513 of the Internal Revenue Code in an amount
49 per donee not to exceed twice the annual federal gift
50 tax exclusion limit.

1 b. Consent to the splitting of a gift made by the
2 principal's spouse pursuant to section 2513 of the
3 Internal Revenue Code in an amount per donee not to
4 exceed the aggregate annual gift tax exclusions for
5 both spouses.

6 3. An agent may make a gift of the principal's
7 property only as the agent determines is consistent
8 with the principal's objectives if actually known by
9 the agent and, if unknown, as the agent determines is
10 consistent with the principal's best interest based on
11 all relevant factors, including but not limited to all
12 of the following:

13 a. The value and nature of the principal's
14 property.

15 b. The principal's foreseeable obligations and need
16 for maintenance.

17 c. The minimization of taxes, including but
18 not limited to income, estate, inheritance,
19 generation-skipping transfer, and gift taxes.

20 d. Eligibility for a benefit, a program, or
21 assistance under a statute, rule, or regulation.

22 e. The principal's personal history of making or
23 joining in making gifts.

24 Sec. 43. NEW SECTION. 633B.301 Power of attorney
25 ---- form.

26 A document substantially in the following form may
27 be used to create a statutory power of attorney that
28 has the meaning and effect prescribed by this chapter:

29 IOWA STATUTORY POWER OF ATTORNEY FORM

30 1. POWER OF ATTORNEY

31 This power of attorney authorizes another person
32 (your agent) to make decisions concerning your property
33 for you (the principal). Your agent will be able to
34 make decisions and act with respect to your property
35 (including but not limited to your money) whether or
36 not you are able to act for yourself. The meaning
37 of authority over subjects listed on this form is
38 explained in the Iowa Uniform Power of Attorney Act,
39 Iowa Code chapter [633B](#).

40 This power of attorney does not authorize the agent
41 to make health care decisions for you.

42 You should select someone you trust to serve as your
43 agent. Unless you specify otherwise, generally the
44 agent's authority will continue until you die or revoke
45 the power of attorney or the agent resigns or is unable
46 to act for you.

47 Your agent is not entitled to compensation
48 unless you state otherwise in the optional Special
49 Instructions.

1 This form provides for designation of one agent. If
2 you wish to name more than one agent, you may name a
3 coagent in the optional Special Instructions. Coagents
4 must act by majority rule unless you provide otherwise
5 in the optional Special Instructions.

6 If your agent is unable or unwilling to act for you,
7 your power of attorney will end unless you have named a
8 successor agent. You may also name a second successor
9 agent.

10 This power of attorney becomes effective immediately
11 upon signature and acknowledgment unless you state
12 otherwise in the optional Special Instructions.

13 If you have questions about this power of attorney
14 or the authority you are granting to your agent, you
15 should seek legal advice before signing this form.

16 DESIGNATION OF AGENT

17 I _____ (name of principal) name
18 the following person as my agent:

19 Name of Agent

20 _____

21 Agent's Address

22 _____

23 Agent's Telephone Number

24 _____

25 DESIGNATION OF SUCCESSOR AGENT(S) (OPTIONAL)

26 If my agent is unable or unwilling to act for me, I
27 name as my successor agent:

28 Name of Successor Agent

29 _____

30 Successor Agent's Address

31 _____

32 Successor Agent's Telephone Number

33 _____

34 If my successor agent is unable or unwilling to act
35 for me, I name as my second successor agent:

36 Name of Second Successor Agent

37 _____

38 Second Successor Agent's Address

39 _____

40 Second Successor Agent's Telephone Number

41 _____

42 GRANT OF GENERAL AUTHORITY

43 I grant my agent and any successor agent general
44 authority to act for me with respect to the following
45 subjects as defined in the Iowa Uniform Power of
46 Attorney Act, Iowa Code chapter [633B](#):

47 (Initial each subject you want to include in the
48 agent's general authority. If you wish to grant
49 general authority over all of the subjects you may

1 initial "All Preceding Subjects" instead of initialing
2 each subject.)

- 3 ___ Real Property
- 4 ___ Tangible Personal Property
- 5 ___ Stocks and Bonds
- 6 ___ Commodities and Options
- 7 ___ Banks and Other Financial Institutions
- 8 ___ Operation of Entity or Business
- 9 ___ Insurance and Annuities
- 10 ___ Estates, Trusts, and Other Beneficial Interests
- 11 ___ Claims and Litigation
- 12 ___ Personal and Family Maintenance
- 13 ___ Benefits from Governmental Programs or Civil or
14 Military Service
- 15 ___ Retirement Plans
- 16 ___ Taxes
- 17 ___ All Preceding Subjects

18 GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

19 My agent shall not do any of the following specific
20 acts for me unless I have initialed the specific
21 authority listed below:

22 (Caution: Granting any of the following will give
23 your agent the authority to take actions that could
24 significantly reduce your property or change how your
25 property is distributed at your death. Initial only
26 the specific authority you WANT to give your agent.)

27 ___ Amend, revoke, or terminate a revocable inter
28 vivos trust, if authorized by the trust.

29 ___ Agree to the amendment or termination of any
30 other inter vivos trust.

31 ___ Make a gift to an individual who is not an
32 agent, subject to the limitations of the Iowa Uniform
33 Power of Attorney Act, Iowa Code section [633B.217](#), and
34 any special instructions in this power of attorney.

35 Make gifts, either direct or indirect, to my agent
36 acting under this power of attorney as follows:

37 ___ Any such gift must be approved in writing by
38 _____; or

39 ___ No third party approval is needed.

40 ___ Authorize another person to exercise the
41 authority granted under this power of attorney.

42 ___ Waive the principal's right to be a beneficiary
43 of a joint and survivor annuity, including a survivor
44 benefit under a retirement plan.

45 ___ Exercise fiduciary powers that the principal has
46 authority to delegate.

47 ___ Disclaim or refuse an interest in property,
48 including a power of appointment.

49 LIMITATION ON AGENT'S AUTHORITY

1 An agent that is not my ancestor, spouse, or
2 descendant shall not use my property to benefit the
3 agent or a person to whom the agent owes an obligation
4 of support unless I have included that authority in the
5 optional Special Instructions.

6 SPECIAL INSTRUCTIONS (OPTIONAL)

7 You may give special instructions on the following
8 lines:

9 _____
10 _____
11 _____
12 _____
13 _____
14 _____
15 _____
16 _____
17 _____
18 _____
19 _____

20 _____ shall have the authority
21 to request an accounting of any agent.

22 EFFECTIVE DATE

23 This power of attorney is effective immediately
24 upon signature and acknowledgment unless I have stated
25 otherwise in the optional Special Instructions.

26 NOMINATION OF CONSERVATOR AND GUARDIAN (OPTIONAL)

27 If it becomes necessary for a court to appoint a
28 conservator of my estate or guardian of my person, I
29 nominate the following person(s) for appointment:

30 Name of Nominee for Conservator of My Estate

31 _____
32 Nominee's Address

33 _____
34 Nominee's Telephone Number

35 _____
36 Name of Nominee for Guardian of My Person

37 _____
38 Nominee's Address

39 _____
40 Nominee's Telephone Number

41 _____
42 RELIANCE ON THIS POWER OF ATTORNEY

43 Any person, including my agent, may rely upon
44 the validity of this power of attorney or a copy of
45 it unless that person knows it has terminated or is
46 invalid.

47 SIGNATURE AND ACKNOWLEDGMENT

48 _____

49 Your Signature _____ Date _____

50 _____

1 Your Name Printed
 2 _____
 3 _____
 4 Your Address
 5 _____
 6 Your Telephone Number
 7 State of _____
 8 County of _____
 9 This document was acknowledged before me on
 10 _____ (date), by _____
 11 (name of principal)
 12 _____ (Seal, if
 13 any)
 14 Signature of Notary
 15 My commission expires _____
 16 This document prepared by
 17 _____
 18 _____

19 2. IMPORTANT INFORMATION FOR AGENT
 20 AGENT'S DUTIES

21 When you accept the authority granted under this
 22 power of attorney, a special legal relationship
 23 is created between the principal and you. This
 24 relationship imposes upon you legal duties that
 25 continue until you resign or the power of attorney
 26 is terminated or revoked. You must do all of the
 27 following:

28 Do what you know the principal reasonably expects
 29 you to do with the principal's property or, if you
 30 do not know the principal's expectations, act in the
 31 principal's best interest.

32 Act in good faith.

33 Do nothing beyond the authority granted in this
 34 power of attorney.

35 Disclose your identity as an agent whenever you act
 36 for the principal by writing or printing the name of
 37 the principal and signing your own name as agent in the
 38 following manner:

39 _____ (principal's name) by
 40 _____ (your signature) as Agent

41 Unless the Special Instructions in this power of
 42 attorney state otherwise, you must also do all of the
 43 following:

44 Act loyally for the principal's benefit.

45 Avoid conflicts that would impair your ability to
 46 act in the principal's best interest.

47 Act with care, competence, and diligence.

48 Keep a record of all receipts, disbursements, and
 49 transactions made on behalf of the principal.

1 Cooperate with any person that has authority to make
2 health care decisions for the principal to do what you
3 know the principal reasonably expects or, if you do
4 not know the principal's expectations, to act in the
5 principal's best interest.

6 Attempt to preserve the principal's estate plan if
7 you know the plan and preserving the plan is consistent
8 with the principal's best interest.

9 TERMINATION OF AGENT'S AUTHORITY

10 You must stop acting on behalf of the principal
11 if you learn of any event that terminates this power
12 of attorney or your authority under this power of
13 attorney. Events that terminate a power of attorney or
14 your authority to act under a power of attorney include
15 any of the following:

16 Death of the principal.

17 The principal's revocation of the power of attorney
18 or your authority.

19 The occurrence of a termination event stated in the
20 power of attorney.

21 The purpose of the power of attorney is fully
22 accomplished.

23 If you are married to the principal, a legal action
24 is filed with a court to end your marriage, or for your
25 legal separation, unless the Special Instructions in
26 this power of attorney state that such an action will
27 not terminate your authority.

28 LIABILITY OF AGENT

29 The meaning of the authority granted to you is
30 defined in the Iowa Uniform Power of Attorney Act, Iowa
31 Code chapter 633B. If you violate the Iowa Uniform
32 Power of Attorney Act, Iowa Code chapter [633B](#), or act
33 outside the authority granted, you may be liable for
34 any damages caused by your violation.

35 If there is anything about this document or your
36 duties that you do not understand, you should seek
37 legal advice.

38 Sec. 44. NEW SECTION. 633B.302 Agent's
39 certification ---- optional form.

40 The following optional form may be used by an agent
41 to certify facts concerning a power of attorney:

42 IOWA STATUTORY POWER OF ATTORNEY AGENT'S CERTIFICATION
43 FORM

44 AGENT'S CERTIFICATION OF VALIDITY OF POWER OF ATTORNEY
45 AND AGENT'S AUTHORITY

46 State of _____

47 County of _____

48 I, _____ (name of

49 agent), certify under penalty of perjury that

50 _____ (name of principal)

1 granted me authority as an agent or successor agent in
2 a power of attorney dated _____.

3 I further certify all of the following to my
4 knowledge:

5 The principal is alive and has not revoked the power
6 of attorney or the Power of Attorney and my authority
7 to act under the Power of Attorney have not terminated.

8 If the power of attorney was drafted to become
9 effective upon the happening of an event or
10 contingency, the event or contingency has occurred.

11 If I was named as a successor agent, the prior agent
12 is no longer able or willing to serve.

13 _____
14 _____
15 _____.

(Insert other relevant statements)

17 SIGNATURE AND ACKNOWLEDGMENT

18 _____

19 Agent's Signature Date

20 _____

21 Agent's Name Printed

22 _____

23 _____

24 Agent's Address

25 _____

26 Agent's Telephone Number

27 This document was acknowledged before me on

28 _____ (date), by _____

29 (name of agent)

30 _____

(Seal, if

31 any)

32 Signature of Notary

33 My commission expires _____

34 This document prepared by

35 _____

36 _____

37 Sec. 45. NEW SECTION. 633B.401 Uniformity of
38 application and construction.

39 In applying and construing this chapter,
40 consideration shall be given to the need to promote
41 uniformity of the law with respect to the subject
42 matter of this chapter among states that enact the
43 uniform power of attorney Act.

44 Sec. 46. NEW SECTION. 633B.402 Relation to
45 Electronic Signatures in Global and National Commerce
46 Act.

47 This chapter modifies, limits, and supersedes the
48 federal Electronic Signatures in Global and National
49 Commerce Act, 15 U.S.C. {7001 et seq., but does not
50 modify, limit, or supersede section 101(c) of that Act,

1 15 U.S.C. {7001(c), or authorize electronic delivery of
2 any of the notices described in section 103(b) of that
3 Act, 15 U.S.C. {7003(b).

4 Sec. 47. NEW SECTION. 633B.403 Effect on existing
5 powers of attorney.

6 Except as otherwise provided in this chapter:

7 1. This chapter applies to a power of attorney
8 created before, on, or after July 1, 2014.

9 2. This chapter applies to all judicial proceedings
10 concerning a power of attorney commenced on or after
11 July 1, 2014.

12 3. This chapter applies to all judicial proceedings
13 concerning a power of attorney commenced before July
14 1, 2014, including but not limited to proceedings
15 pursuant to section 633B.116, unless the court finds
16 that application of a provision of this chapter would
17 substantially interfere with the effective conduct of
18 the proceedings or the rights of the parties or other
19 interested persons. In that case, the provision does
20 not apply and the court shall apply prior law.

21 4. An act completed before July 1, 2014, shall not
22 be affected by this chapter.

23 Sec. 48. REPEAL. Sections 633B.1 and 633B.2, Code
24 2014, are repealed.>

By BALTIMORE of Boone

SENATE FILE 2195

H-8151

1 Amend Senate File 2195, as passed by the Senate, as
2 follows:

3 1. By striking everything after the enacting clause
4 and inserting:

5 <Section 1. Section 476.1D, subsection 1, paragraph
6 c, Code 2014, is amended by striking the paragraph.

7 Sec. 2. Section 476.1D, subsection 2, Code 2014, is
8 amended to read as follows:

9 2. ~~Except as provided in subsection 1, paragraph~~
10 ~~"c", deregulation~~ Deregulation of a service or facility
11 for a utility is effective only after a finding of
12 effective competition by the board.

13 Sec. 3. Section 476.3, subsection 2, paragraph b,
14 Code 2014, is amended by striking the paragraph.

15 Sec. 4. Section 476.4, Code 2014, is amended to
16 read as follows:

17 476.4 Tariffs filed.

18 1. Every public utility shall file with the
19 board tariffs showing the rates and charges for its
20 public utility services and the rules and regulations
21 under which such services were furnished, on April
22 1, 1963, which rates and charges shall be subject to
23 investigation by the board as provided in section
24 476.3, and upon such investigation the burden of
25 establishing the reasonableness of such rates and
26 charges shall be upon the public utility filing the
27 same. These filings shall be made under such rules as
28 the board may prescribe within such time and in such
29 form as the board may designate. In prescribing rules
30 and regulations with respect to the form of tariffs,
31 the board shall, in the case of public utilities
32 subject to regulation by any federal agency, give due
33 regard to any corresponding rules and regulations
34 of such federal agency, to the end that unnecessary
35 duplication of effort and expense may be avoided so far
36 as reasonably possible. Each public utility shall keep
37 copies of its tariffs open to public inspection under
38 such rules as the board may prescribe.

39 2. No later than January 1, 2015, a telephone
40 utility is required to file tariffs as provided in
41 this section only for such wholesale services as may
42 be specified by the board.

43 3. Every rate, charge, rule, and regulation
44 contained in any filing made with the commission on or
45 prior to July 4, 1963, shall be effective as of such
46 date, subject, however, to investigation as herein
47 provided. If any such filing is made prior to the time
48 the commission prescribes rules as aforesaid, and if
49 such filing does not comply as to form or substance
50 with such rules, then the public utility which filed

H-8151

1 the same shall within a reasonable time after the
2 adoption of such rules make a new filing or filings
3 complying with such rules, which new filing or filings
4 shall be deemed effective as of July 4, 1963.

5 Sec. 5. Section 476.5, Code 2014, is amended to
6 read as follows:

7 476.5 Adherence to schedules ~~———discounts.~~

8 No public utility subject to rate regulation
9 shall directly or indirectly charge a greater or less
10 compensation for its services than that prescribed in
11 its tariffs, and no such public utility shall make or
12 grant any unreasonable preferences or advantages as to
13 rates or services to any person or subject any person
14 to any unreasonable prejudice or disadvantage.

15 ~~Nothing in this section shall be construed to~~
16 ~~prohibit any public utility furnishing communications~~
17 ~~services from providing any service rendered by~~
18 ~~it without charge or at reduced rate to any of its~~
19 ~~active or retired officers, directors, or employees,~~
20 ~~or such officers, directors or employees of other~~
21 ~~public utilities furnishing communications services.~~
22 ~~Provided, however, said service is for personal use,~~
23 ~~and not for engaging in a business for profit.~~

24 Sec. 6. Section 476.6, subsection 9, Code 2014, is
25 amended by striking the subsection.

26 Sec. 7. Section 476.29, subsections 3 and 6, Code
27 2014, are amended to read as follows:

28 3. A certificate is transferable, subject to
29 approval of the board pursuant to section 476.20,
30 subsection 1, ~~and for purposes of a rate regulated~~
31 ~~local exchange utility shall be treated by the board~~
32 ~~in the same manner as a reorganization pursuant to~~
33 ~~sections 476.76 and 476.77.~~

34 6. The certificate ~~and tariffs~~ approved by
35 the board ~~are~~ is the only authority required for
36 the utility to furnish land-line local telephone
37 service. However, to the extent not inconsistent with
38 this section, the power to regulate the conditions
39 required and manner of use of the highways, streets,
40 rights-of-way, and public grounds remains in the
41 appropriate public authority.

42 Sec. 8. Section 476.29, subsection 15, Code 2014,
43 is amended by striking the subsection.

44 Sec. 9. Section 476.72, subsections 4 and 5, Code
45 2014, are amended to read as follows:

46 4. "Public utility" ~~includes only~~ means a gas
47 or electric rate-regulated public utilities and
48 rate-regulated telephone utilities providing local
49 exchange telecommunication service utility.

50 5. "Utility business" means the generation or

1 transmission of electricity or furnishing of gas or
2 furnishing electricity ~~or furnishing rate regulated~~
3 ~~communications services~~ to the public for compensation.

4 Sec. 10. Section 476.78, Code 2014, is amended to
5 read as follows:

6 476.78 Cross-subsidization prohibited.

7 A ~~rate regulated gas or electric~~ public utility
8 shall not directly or indirectly include any costs or
9 expenses attributable to providing nonutility service
10 in regulated rates or charges. Except for contracts
11 existing as of July 1, 1996, a ~~rate regulated gas~~
12 ~~or electric~~ public utility or its affiliates shall
13 not use vehicles, service tools and instruments,
14 or employees, the costs, salaries, or benefits of
15 which are recoverable in the regulated rates for
16 electric service or gas service to install, service,
17 or repair residential or commercial gas or electric
18 heating, ventilating, or air conditioning systems, or
19 interior lighting systems and fixtures; or to sell
20 at retail heating, ventilating, air conditioning,
21 or interior lighting equipment. For the purpose of
22 this section, "commercial" means a place of business
23 primarily used for the storage or sale, at wholesale
24 or retail, of goods, wares, services, or merchandise.
25 Nothing in this section shall be construed to prohibit
26 a ~~rate regulated gas or electric~~ public utility
27 from using its utility vehicles, service tools and
28 instruments, and employees to market systems, services,
29 and equipment, to light pilots, or to eliminate a
30 customer emergency or threat to public safety.

31 Sec. 11. Section 476.79, Code 2014, is amended to
32 read as follows:

33 476.79 Provision of nonutility service.

34 1. A ~~rate regulated gas or electric~~ public utility
35 providing any nonutility service to its customers shall
36 keep and render to the board separate records of the
37 nonutility service. The board may provide for the
38 examination and inspection of the books, accounts,
39 papers, and records of the nonutility service, as
40 may be necessary, to enforce any provisions of this
41 chapter.

42 2. The board shall adopt rules which specify the
43 manner and form of the accounts relating to providing
44 nonutility services which the ~~rate regulated gas or~~
45 ~~electric~~ public utility shall maintain.

46 Sec. 12. Section 476.80, unnumbered paragraph 1,
47 Code 2014, is amended to read as follows:

48 A ~~rate regulated gas or electric~~ public utility
49 which engages in a systematic marketing effort as
50 defined by the board, other than on an incidental or

1 casual basis, to promote the availability of nonutility
2 service from the public utility shall make available at
3 reasonable compensation on a nondiscriminatory basis
4 to all persons engaged primarily in providing the same
5 competitive nonutility services in that area all of
6 the following services to the same extent utilized by
7 the public utility in connection with its nonutility
8 services:

9 Sec. 13. Section 476.81, Code 2014, is amended to
10 read as follows:

11 476.81 Audit required.

12 The board may periodically retain a nationally or
13 regionally recognized independent auditing firm to
14 conduct an audit of the nonutility services provided by
15 a ~~rate-regulated gas or electric~~ public utility subject
16 to the provisions of section 476.80. A nonutility
17 service audit shall not be conducted more frequently
18 than every three years, unless ordered by the board for
19 good cause. The cost of the audit shall be paid by the
20 public utility to the independent auditing firm and
21 shall be included in its regulated rates and charges,
22 unless otherwise ordered by the board for good cause
23 after providing the public utility the opportunity for
24 a hearing on the board's decision.

25 Sec. 14. Section 476.83, Code 2014, is amended to
26 read as follows:

27 476.83 Complaints.

28 Any person may file a written complaint with the
29 board requesting that the board determine compliance by
30 a ~~rate-regulated gas or electric~~ public utility with
31 the provisions of section 476.78, 476.79, or 476.80, or
32 any validly adopted rules to implement these sections.
33 Upon the filing of a complaint, the board may promptly
34 initiate a formal complaint proceeding and give notice
35 of the proceeding and the opportunity for hearing. The
36 formal complaint proceeding may be initiated at any
37 time by the board on its own motion. The board shall
38 render a decision in the proceeding within ninety days
39 after the date the written complaint was filed, unless
40 additional time is requested by the complainant.

41 Sec. 15. Section 476.96, Code 2014, is amended to
42 read as follows:

43 476.96 Definitions.

44 As used in ~~section 476.95, this section, and~~
45 ~~sections 476.97 through 476.102~~ 476.100 and 476.101,
46 unless the context otherwise requires:

47 ~~1. "Basic communications service" includes at~~
48 ~~a minimum, basic local telephone service, switched~~
49 ~~access, 911 and E-911 services, and dual party relay~~
50 ~~service. The board is authorized to classify by rule~~

~~1 at any time, any other two way switched communications
2 services as basic communications services consistent
3 with community expectations and the public interest.~~

~~4 2. "Basic local telephone service" means the
5 provision of dial tone access and usage, for the
6 transmission of two way switched communications within
7 a local exchange area, including, but not limited to,
8 the following:~~

~~9 a. Residence service and business services,
10 including flat rate or local measured service, private
11 branch exchange trunks, trunk type hunting services,
12 direct inward dialing, and the network access portion
13 of central office switched exchange service.~~

~~14 b. Extended area service.~~

~~15 c. Touch tone service when provided separately.~~

~~16 d. Call tracing.~~

~~17 e. Calling number blocking on either a per call or
18 a per line basis.~~

~~19 f. Local exchange white pages directories.~~

~~20 g. Installation and repair of local network access.~~

~~21 h. Local operator services, excluding directory
22 assistance.~~

~~23 i. Toll service blocking and 1-900 and 1-976 access
24 blocking.~~

~~25 3. 1. "Competitive local exchange service provider"
26 means any person, including a municipal utility, that
27 provides local exchange services, other than a local
28 exchange carrier or a nonrate-regulated wireline
29 provider of local exchange services under an authorized
30 certificate of public convenience and necessity within
31 a specific geographic area described in maps filed with
32 and approved by the board as of September 30, 1992.~~

~~33 4. "Interim number portability" means one or more
34 mechanisms by which a local exchange customer at a
35 particular location may change the customer's local
36 exchange services provider without any change in the
37 local exchange customer's telephone number, while
38 experiencing as little loss of functionality as is
39 feasible using available technology.~~

~~40 5. 2. "Local exchange carrier" means any person
41 that was the incumbent and historical rate-regulated
42 wireline provider of local exchange services or any
43 successor to such person that provides local exchange
44 services under an authorized certificate of public
45 convenience and necessity within a specific geographic
46 area described in maps filed with and approved by the
47 board as of September 30, 1992.~~

~~48 6. "Nonbasic communications services" means all
49 communications services subject to the board's
50 jurisdiction which are not deemed either by statute or~~

~~1 by rule to be basic communications services, including
2 any service offered by the local exchange carrier
3 for the first time after July 1, 1995. A service is
4 not considered new if it constitutes the bundling,
5 unbundling, or repricing of an already existing
6 service. Consistent with community expectations and
7 the public interest, the board may reclassify by rule
8 as nonbasic those two way switched communications
9 services previously classified by rule as basic.~~

~~10 7. "Provider number portability" means the
11 capability of a local exchange customer to change
12 the customer's local exchange services provider
13 at the customer's same location without any change
14 in the local exchange customer's telephone number,
15 while preserving the full range of functionality
16 that the customer currently experiences. "Provider
17 number portability" includes the equal availability
18 of information concerning the local exchange provider
19 serving the number to all carriers, and the ability
20 to deliver traffic directly to that provider without
21 having first to route traffic to the local exchange
22 carrier or otherwise use the services, facilities, or
23 capabilities of the local exchange carrier to complete
24 the call, and without the dialing of additional digits
25 or access codes.~~

26 Sec. 16. Section 476.101, subsections 1, 8, and 10,
27 Code 2014, are amended to read as follows:

28 1. A certificate of public convenience and
29 necessity to provide local telephone service shall
30 not be interpreted as conveying a monopoly, exclusive
31 privilege, or franchise. A competitive local
32 exchange service provider shall not be subject to
33 the requirements of this chapter, except that a
34 competitive local exchange service provider shall
35 obtain a certificate of public convenience and
36 necessity pursuant to section 476.29, ~~file tariffs,~~
37 notify affected customers prior to any rate increase,
38 file reports, information, and pay assessments pursuant
39 to section 476.2, subsection 4, and sections 476.9,
40 476.10, 476.16, 476.102, and 477C.7, and shall be
41 subject to the board's authority with respect to
42 adequacy of service, interconnection, discontinuation
43 of service, civil penalties, and complaints. If,
44 after notice and opportunity for hearing, the board
45 determines that a competitive local exchange service
46 provider possesses market power in its local exchange
47 market or markets, the board may apply such other
48 provisions of this chapter to a competitive local
49 exchange service provider as it deems appropriate.

50 8. Any person may file a written complaint with the

1 board requesting the board to determine compliance by a
2 local exchange carrier with the provisions of sections
3 476.96, ~~through~~ 476.100, and 476.102, and this section,
4 or any board rules implementing those sections. Upon
5 the filing of such complaint, the board may promptly
6 initiate a formal complaint proceeding and give notice
7 of the proceeding and the opportunity for hearing. The
8 formal complaint proceeding may be initiated at any
9 time by the board on its own motion. The board shall
10 render a decision in the proceeding within ninety days
11 after the date the written complaint was filed. The
12 board, for good cause shown, may extend the deadline
13 for acting upon the complaint for an additional period
14 not to exceed thirty days.

15 10. In a proceeding associated with the granting
16 of a certificate under section 476.29, approving
17 maps ~~and tariffs~~ for competitive local exchange
18 providers provided for in this section, or in resolving
19 a complaint filed pursuant to subsection 8 and
20 proceedings under 47 U.S.C. {251 - 254, the board shall
21 allocate the costs and expenses of the proceedings
22 to persons identified as parties in the proceeding
23 who are engaged in or who seek to engage in providing
24 telecommunications services or other persons identified
25 as participants in the proceeding. The funds received
26 for the costs and the expenses shall be remitted to the
27 treasurer of state for deposit in the department of
28 commerce revolving fund created in section 546.12 as
29 provided in section 476.10.

30 Sec. 17. Section 476.101, subsections 4, 5, and 6,
31 Code 2014, are amended by striking the subsections.

32 Sec. 18. Section 477.9A, Code 2014, is amended to
33 read as follows:

34 477.9A Deregulated services.

35 1. A telegraph or telephone company whose services
36 are deregulated by the board under section 476.1D
37 may use public notice as a means of conveying terms
38 and conditions to customers where identification of
39 those customers is infeasible or impractical. Public
40 notice may also be used to convey changes in terms and
41 conditions, other than price increases or limitations
42 of liability, to all other customers, but only if those
43 customers were put on notice that this means would be
44 used to convey subsequent changes. Notwithstanding
45 section 477.7, when services are deregulated by the
46 board under section 476.1D, a telegraph or telephone
47 company, in any contract, agreement, or by means of
48 public notice, may reasonably limit its liability
49 under section 477.7 in the course of providing the
50 deregulated communications services to its customers,

H-8151

Page 8

1 except for acts of willful misconduct. However,
2 this section does not allow a greater limitation on
3 liability than exists in any contract or approved
4 tariff as of the effective date of the deregulation of
5 the services.

6 2. A telephone company whose services are subject
7 to regulation by the board with respect to terms and
8 conditions, but not rates, shall give notice of rate
9 changes to customers.

10 Sec. 19. REPEAL. Sections 476.4A, 476.97, and
11 476.99, Code 2014, are repealed.>

12 2. Title page, by striking lines 1 through 3
13 and inserting <An Act relating to matters under the
14 purview of the utilities division of the department of
15 commerce.>

By WATTS of Dallas

H-8151 FILED MARCH 25, 2014

SENATE FILE 2195

H-8152

1 Amend Senate File 2195, as passed by the Senate, as
2 follows:

3 1. Page 6, after line 33 by inserting:

4 <Sec. ____ . Section 478.6, Code 2014, is amended by
5 adding the following new unnumbered paragraph:
6 NEW UNNUMBERED PARAGRAPH A petition seeking
7 the use of the right of eminent domain shall not
8 be considered to serve a public use, as determined
9 pursuant to this section or under section 6A.22, if
10 the franchise involves the proposed construction of a
11 direct current transmission line which extends across
12 state boundaries.

13 Sec. ____ . EFFECTIVE UPON ENACTMENT. The section
14 of this Act amending section 478.6, being deemed of
15 immediate importance, takes effect upon enactment.

16 Sec. ____ . RETROACTIVE APPLICABILITY. The
17 section of this Act amending section 478.6 applies
18 retroactively to January 1, 2014.>

19 2. Title page, by striking lines 1 through 3
20 and inserting <An Act relating to matters under the
21 purview of the utilities division of the department of
22 commerce, and including effective date and retroactive
23 applicability provisions.>

24 3. By renumbering as necessary.

By WATTS of Dallas

H-8152 FILED MARCH 25, 2014

SENATE FILE 2195

H-8153

1 Amend Senate File 2195, as passed by the Senate, as
2 follows:

3 1. Page 6, after line 33 by inserting:

4 <Sec. _____. Section 478.3, subsection 2, Code 2014,
5 is amended by adding the following new paragraph:

6 NEW PARAGRAPH. 0b. Petitions for transmission
7 lines capable of operating at more than one hundred
8 kilovolts direct current and either extending a
9 distance of not less than one mile or extending across
10 state boundaries shall also demonstrate that prior to
11 filing the petition the proposed construction has been
12 examined, accepted, and identified in appendix A of
13 the most recent annual midcontinent independent system
14 operator transmission expansion plan as approved by
15 the midcontinent independent system operator board of
16 directors, or approved as part of the expansion plan
17 of any successor regional transmission organization
18 representing the area in which the proposed lines will
19 be constructed. Notwithstanding paragraph "b", this
20 requirement shall not be subject to waiver by the
21 utilities board.

22 Sec. _____. Section 478.13, Code 2014, is amended by
23 adding the following new subsection:

24 NEW SUBSECTION. 6. If an extension is sought
25 for transmission lines capable of operating at more
26 than one hundred kilovolts direct current and either
27 extending a distance of not less than one mile or
28 extending across state boundaries, the application
29 shall be subject to the requirement in section 478.3,
30 subsection 2, paragraph "0b".

31 Sec. _____. EFFECTIVE UPON ENACTMENT. The following
32 provision or provisions of this Act, being deemed of
33 immediate importance, take effect upon enactment:

34 1. The section of this Act enacting section 478.3,
35 subsection 2, paragraph "0b".

36 2. The section of this Act enacting section 478.13,
37 subsection 6.

38 Sec. _____. RETROACTIVE APPLICABILITY. The following
39 provision or provisions of this Act apply retroactively
40 to January 1, 2014:

41 1. The section of this Act enacting section 478.3,
42 subsection 2, paragraph "0b".

43 2. The section of this Act enacting section 478.13,
44 subsection 6.>

45 2. Title page, by striking lines 1 through 3
46 and inserting <An Act relating to matters under the
47 purview of the utilities division of the department of
48 commerce, and including effective date and retroactive
49 applicability provisions.>

50 3. By renumbering as necessary.

By WATTS of Dallas

H-8153 FILED MARCH 25, 2014

SENATE FILE 2195

H-8154

1 Amend Senate File 2195, as passed by the Senate, as
2 follows:

3 1. Page 1, after line 34 by inserting:

4 <Sec. _____. NEW SECTION. 476.10C Solar panel
5 installation ---- annual analysis.

6 1. The division shall enter into an agreement with
7 the department of administrative services to contract
8 with an independent engineer selected by the department
9 to conduct an analysis regarding the performance of
10 solar panels installed at the energy-efficient building
11 constructed pursuant to section 476.10B. The analysis
12 shall be conducted on an annual basis commencing on
13 December 31 of the year following a full year of solar
14 panel operation and December 31 each year thereafter,
15 and shall continue until the panels are removed from
16 service. A report summarizing the annual analysis
17 shall be submitted to the general assembly by March 31
18 following each annual analysis period.

19 2. The annual analysis shall include or encompass
20 the following factors:

21 a. The total actual cost to acquire, install, test,
22 and commission the installation project.

23 b. The total operating and maintenance costs
24 incurred, including but not limited to internal
25 and external labor, repairs, panel cleaning, and
26 replacement parts.

27 c. The actual kilowatt hours of alternating-current
28 generation produced by the project and the associated
29 capacity factor.

30 d. The performance ratio for the project.

31 e. The actual project availability.

32 f. The sale of any renewable energy credits
33 generated by the project.

34 g. The calculated annual degradation rate for the
35 project.

36 h. The alternating current output in comparison to
37 solar insolation.

38 i. The actual electricity and demand charge savings
39 resulting from the project.

40 j. Financing costs incurred to support the project.

41 k. Estimated project decommissioning costs, net of
42 any expected salvage value.

43 l. The projected and actual internal rate of return
44 and payback of the project including tax impacts, to
45 the extent applicable over the twenty-five-year period
46 following installation.

47 3. In conducting the analysis, each of the factors
48 listed in subsection 2 shall be compared to and
49 reconciled with the pro forma document developed when
50 the project was originally proposed.

H-8154

H-8154

Page 2

1 4. The amount to be expended by the division for
2 purposes of conducting the analysis shall not exceed
3 ten thousand dollars annually.>

4 2. Title page, by striking lines 1 through 3
5 and inserting <An Act relating to matters under the
6 purview of the utilities division of the department of
7 commerce.>

8 3. By renumbering as necessary.

By WATTS of Dallas

H-8154 FILED MARCH 25, 2014

SENATE FILE 2239

H-8146

1 Amend the amendment, H-8119, to Senate File 2239,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 2, line 48, by striking <sixty-five> and
5 inserting <sixty>

By HEDDENS of Story

H-8146 FILED MARCH 25, 2014

SENATE FILE 2239

H-8149

1 Amend the amendment, H-8119, to Senate File 2239,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 10, line 38, by striking <CONFORMING> and
5 inserting <ADDITIONAL PROVISIONS AND CONFORMING>

6 2. Page 11, after line 33 by inserting:
7 <Sec. ____ . Section 235B.6, subsection 2, paragraph
8 e, subparagraph (5), Code 2014, is amended to read as
9 follows:

10 (5) ~~The office of the attorney for the department~~
11 ~~who is responsible for representing the department~~
12 general.

13 Sec. ____ . Section 235B.6, subsection 3, Code 2014,
14 is amended to read as follows:

15 3. Access to unfounded dependent adult abuse
16 information is authorized only to those persons
17 identified in subsection 2, paragraph "a", paragraph
18 "b", subparagraphs (2), (5), and (6), and paragraph
19 "e", subparagraphs (2), (5), and (10).>

20 3. By renumbering as necessary.

By HEDDENS of Story

H-8149 FILED MARCH 25, 2014



HF 2437 – Inheritance Taxes (LSB 5555YH)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New
Requested by Representative Sandy Salmon

Description

House File 2437 exempts from the State inheritance tax the entire amount of an inheritance passing to any natural person. The exemption is effective for deaths occurring on or after July 1, 2014.

Background

Iowa currently exempts inheritances passing to a surviving spouse as well as all lineal ascendants and descendants. This Bill broadens the exemption to include any natural person filing under Schedule B, Schedule C, and individual beneficiaries under Schedule F of the [Iowa Inheritance Tax Schedule](#).

Assumptions

- Using a sample of actual inheritance tax returns, the Department of Revenue determined that 98.0% of all inheritance tax received by the State comes from inheritances received by natural persons. Based on this sample, this Bill is assumed to reduce projected inheritance tax revenue by 98.0%.
- Inheritance tax returns are due to the State six months after death. With an effective date of July 1, 2014, the impact on FY 2015 is a partial annual impact.
- All inheritance tax revenue is deposited to the State General Fund.

Fiscal Impact

The expanded inheritance tax exemption contained in this Bill is projected to reduce net General Fund revenue by the following amounts:

- FY 2015 = \$-46.7 million
- FY 2016 = \$-110.3 million
- FY 2017 = \$-117.3 million
- FY 2018 = \$-126.0 million

The fiscal impact of the law change continues at a similar level beyond FY 2018.

Source

Department of Revenue

/s/ Holly M. Lyons

March 25, 2014



HF 2454 – Beginning Farmer Tax Credit (LSB 5548HZ)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New (similar to HF 2401 fiscal note)

Description

House File 2454 extends the carryforward provision for tax credits in the Beginning Farmer Tax Credit Program. These tax credits include the Agricultural Assets Transfer Tax Credit and the Custom Farming Contract Tax Credit.

The tax credits are nonrefundable and have a five-year carryforward period for any credits in excess of the taxpayer's tax liability for the year. This legislation proposes to extend the carryforward period to 10 years for awards issued in 2009 or later. The increased carryforward period applies retroactively to tax credits awarded for 2009 and after.

Background

The two tax credits that make up the Beginning Farmer Tax Credit Program are limited to no more than a total of \$12.0 million in any year. Effective December 31, 2017, current law provides for the reinstatement of a previous \$6.0 million annual limit. Current law repeals the Custom Farming Contract Tax Credit effective December 31, 2017.

Assumptions

- The \$12.0 million in annual tax credits available will be utilized each year.
- Beginning in calendar year 2018, the \$6.0 million annual limit will be fully utilized.
- Under the current five-year carryforward provisions, it is assumed 27.7% of credit awards will not be claimed due to insufficient tax liability. With the extension to a 10-year carryforward, it is assumed the percentage expiring unclaimed is 7.7%.
- Based on historical redemptions of these credits, the credit redemption schedule for credits award each year is assumed to be:
 - Year 1 = 32.0%
 - Year 2 = 18.5%
 - Year 3 = 7.7%
 - Year 4 = 6.0%
 - Year 5 = 4.1%
 - Years 6 through 11 = 4.0%
 - Unclaimed = 7.7%
- Beginning Farmer Tax Credits reduce the State income taxes owed by taxpayers and also reduce the yield of the local option income surtax for schools. Statewide, the surtax yield is 3.5% of State income tax liability.

Fiscal Impact

The extension of the carryforward periods for unused credits awarded under the Beginning Farmer Tax Credit Program is projected to reduce net General Fund revenue beginning in FY 2016, in the annual amounts displayed in the following table.

Beginning Farm Tax Credit Changes			
State General Fund Revenue Impact			
In millions			
	<u>Revenue</u>		<u>Revenue</u>
	<u>Reduction</u>		<u>Reduction</u>
FY 2016	\$ -0.1	FY 2023	\$ -2.2
FY 2017	-0.4	FY 2024	-6.7
FY 2018	-0.6	FY 2025	-4.6
FY 2019	-0.8	FY 2026	-3.2
FY 2020	-1.3	FY 2027	-2.5
FY 2021	-1.7	FY 2028	-1.9
FY 2022	-1.9	FY 2029	-1.4

The carryforward extension will also reduce the amount of revenue raised by the local option income surtax for schools. The reduction is projected to range from \$3,500 in FY 2016 to \$236,000 in FY 2024.

Source

Department of Revenue

/s/ Holly M. Lyons

March 25, 2014

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



HF 2451 – Automobile Racetrack Facility, Sales Tax Rebates (LSB 5535HV)
Analyst: Shawn Snyder (Phone: (515) 281-7799) (shawn.snyder@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2451 modifies requirements pertaining to the sales tax rebates for the Iowa Speedway. Changes include:

- The definition of “change of control” was modified to remove the requirement that the original owners retain 25.0% of voting equity interest.
- The definition of Iowa corporation by renaming it Iowa business and allowing a limited liability company (LLC) to qualify for the sales tax rebate.
- Elimination of the requirement that at least 25.0% of the corporation of equity interests be owned by Iowa residents.
- Extends the repeal date by 10 years (from June 30, 2016, to June 30, 2026), if the sales tax rebate cap has not been exhausted by that time.

This Bill is effective on enactment and applies retroactively to November 2013.

Background

The sales tax rebate provision was originally enacted during the 2005 Legislative Session and included a total rebate cap of \$12.5 million and an expiration date of June 30, 2016, if the rebate cap had not been reached prior to the expiration date. Through FY 2013, the rebate amount totaled approximately \$3.1 million. The Iowa Speedway was purchased by NASCAR in November 2013. Because of the ownership provision requirements specified in Iowa Code section [423.4\(5a\)](#), the owners will not be eligible to receive any sales tax rebates under current law.

Assumptions

The remaining sales tax rebate capacity totals approximately \$9.4 million and is assumed to be exhausted prior to the expiration date of June 30, 2026. The average annual rebated amount from FY 2007 through FY 2013 was approximately \$424,000. However, the specific annual amount under this proposal may vary and is currently unknown.

Fiscal Impact

The specific annual fiscal impact is unknown, but will likely be at least \$400,000 annually beginning in FY 2015. The total fiscal impact will not exceed \$9.4 million and may extend through FY 2027.

Sources

Iowa Speedway website: <http://www.iowaspeedway.com>
[LSA Fiscal Topic, Tax Increment Financing - Sales Tax](#)
LSA analysis

/s/ Holly M. Lyons

March 25, 2014

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



HF 2456 – Community College Tax Levies (LSB 5429HV)

Analyst: Robin Madison (Phone: (515) 281-5270) (robin.madison@legis.iowa.gov)

Fiscal Note Version – New

Description

House File 2456 provides changes to two property tax levies available to community college districts. It allows both the Facilities Levy, established in Iowa Code section **260C.22**, and the voter-approved portion of the Equipment Levy, established in Iowa Code section **260C.28**, to be continued by resolution of the Board of Trustees without voter approval after a levy has been approved by voters for two consecutive elections and has been in place for 20 consecutive years. This Bill allows the Boards to continue each of the levies by resolution at the current rates for periods not exceeding 10 years. This Bill provides that levies renewed by resolution can be discontinued or the rate changed by petition of eligible electors and subsequent election.

Background

The Facilities Levy is limited to an amount not exceeding \$0.2025 per \$1,000 of valuation for up to 10 years with voter approval. All 15 of the community colleges have the levy in place at the maximum level for FY 2014. All have had it approved in two previous consecutive elections. Four of the colleges have already sought and received voter approval for levy renewals that begin in 2015 or 2016. By the completion of the latest voter-approved term, all will have had the levy in place for at least 20 consecutive years. In FY 2014, the levy generated \$28.5 million statewide.

The Boards of Trustees of the community colleges can and do annually certify an Equipment Levy of \$0.03 per \$1,000 of valuation for equipment replacement purposes. In addition to that, the Boards may seek voter approval of another \$0.06 per \$1,000 of valuation for up to 10 years for purposes of sharing programs between community colleges and for purchase of instructional equipment. All 15 colleges have both portions of the levy in place at the maximum level for FY 2014. Ten of the colleges have had it approved by voters in two previous consecutive elections and will have had it in place for at least 20 consecutive years at the completion of the latest term. The remaining five colleges will need to seek voter-approval for one additional 10-year term before being able to take advantage of the provisions in HF 2456. In FY 2014, the voter-approved levy generated \$8.5 million statewide.

For an overview of all property tax levies available to community college districts, see the Legislative Services Agency Fiscal Topic: [Community College Property Tax Revenue](#).

Assumptions

Costs to community college districts to conduct elections and to promote voter approval of levies vary greatly. While the costs are unlikely to exceed \$100,000 for any one district, the annual statewide cost in years when more than one district is facing a levy election most likely exceeds that amount.

The following chart shows the estimated amount of property tax generated from FY 2015 through FY 2019 by renewals of levies by resolution rather than voter approval. The estimates are based on assumptions regarding annual increases in valuations ranging from 3.0% to 4.6%.

Estimated Amount of Property Tax Generated by Renewal of Levies by Resolution

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Plant Levy (20.25¢)					
02-North Iowa Area				\$ 1,484,042	\$ 1,551,714
04-Northwest		\$ 744,927	\$ 773,606	802,926	839,539
07-Hawkeye	\$ 1,823,737	1,888,298	1,960,997	2,035,319	2,128,129
11-Des Moines Area	7,374,264	7,635,312	7,929,272	8,229,791	8,605,070
15-Indian Hills					1,267,377
Equipment Levy (6.00¢)					
01-Northeast Iowa					689,041
06-Iowa Valley				294,557	307,988
09-Eastern Iowa			853,180	885,515	925,895
10-Kirkwood		1,296,586	1,346,504	1,397,537	1,461,264
Statewide	<u>\$ 9,198,001</u>	<u>\$ 11,565,122</u>	<u>\$ 12,863,559</u>	<u>\$ 15,129,686</u>	<u>\$ 17,776,018</u>

Fiscal Impact

[HF 2456](#) will save community college districts statewide an estimated average of \$100,000 annually in election and promotion costs, beginning in FY 2015.

This Bill will allow the continuation of levies without voter approval generating approximately \$9.2 million in FY 2015 and \$11.6 million in FY 2016.

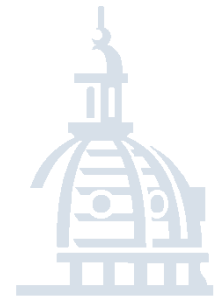
Sources

Iowa Association of Community College Trustees
Department of Management

/s/ Holly M. Lyons

March 25, 2014

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



SF 303 – Military Retirement Pay Tax Exemption (LSB 2169SV.3)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – As amended by H-8137

Description

Senate File 303 as amended by the House Ways and Means Committee strike-after amendment **H-8137**:

- Division I – Exempts all military retirement income from the State income tax, retroactive to January 1, 2014. Military retirement income is excluded from the calculation of the alternate tax and the calculation of the tax filing threshold. This change is effective retroactive to January 1, 2014 (tax year 2014).
- Division II – Amends the current property tax exemption for the property of associations of war veterans to allow those associations to rent their tax exempt property on an occasional or irregular basis and still retain property tax exempt status. This change is retroactive to assessment year 2014 (FY 2016).
- Division III – Eliminates the initial plate fee for military versions of vehicle license plates.

Background

Iowa currently exempts the first \$6,000 (single) and \$12,000 (married) in qualified retirement income from the State income tax (applies to traditional pensions, annuities, and distributions from Individual Retirement Accounts (IRA) and deferred compensation plans). To qualify, the taxpayer or the taxpayer's spouse must be 55 years of age or older, disabled, or a surviving spouse or a survivor having an insurable interest in an individual that would have qualified for the exemption during that tax year.

Assumptions

- According to federal Defense Finance and Accounting Services data, pension income paid to 11,472 Iowans in 2012 totaled \$252.8 million.
- The Department of Revenue income tax micro model projects 7,765 income tax returns will experience an income tax reduction due to the changes in this Bill.
- The difference between the number of Iowans receiving military pensions (11,472) and the number of tax returns benefiting from this Bill (7,765) is explained by:
 - Taxpayers exempt from Iowa income tax due to the current Iowa income tax filing thresholds.
 - Tax situations where Iowa's current \$6,000/\$12,000 pension exemption fully covers an existing military pension.
 - Taxpayers with pension income, including military pension income, in excess of \$6,000/\$12,000, but for other reasons have zero or negative Iowa income tax liability.
 - Disability-related pensions that are already exempt from State income tax.
 - Married taxpayers where both spouses are receiving military retirement income. In those instances, a tax return represents two military pensioners.
- The exemption applies to pensions received by a veteran and by the veteran's family or survivors on behalf of the veteran.
- Military pension payments were assumed to grow with inflation as forecasted by Moody's Analytics in November 2013.

- The tax liability impact was estimated for the 7,765 Iowa tax returns currently paying income tax on all or a portion of their military retirement income using the Department of Revenue’s income tax micro model. The micro model uses tax return information to account for nontaxable military pension benefits, includes interactions with the current pension exclusion, alternate tax, and filing thresholds, and reflects an estimated increase in the number of military retirees living in the State over time.
- The tax change is retroactive to January 1, 2014. For tax year 2014, 30.0% of the revenue reduction is assumed to impact FY 2014 and 70.0% to impact FY 2015. For tax year 2015, 40.0% impacts FY 2015 and 60.0% FY 2016.
- For those school districts that have a local option income surtax in place, the annual yield from that surtax depends on the Iowa income tax owed by Iowa taxpayers living within the school district. Law changes that impact Iowa income tax, with the exception of changes impacting refundable tax credits, also change the amount of revenue generated by the local option income surtax.

Fiscal Impact

Division I – Exempting military retirement pay from the State income tax and excluding retirement pay from the calculation of the State income tax filing thresholds will reduce taxes owed by retired veterans and their survivors. The following table provides the projected income tax reduction by tax year, along with the revenue impact to the State General Fund and to the local option income surtax for schools.

SF 303 - Military Retirement Income				
Income Tax Reduction and State/Local Revenue Reduction				
In millions				
Tax Year	Income Tax Reduction	Fiscal Year	General Fund Revenue Reduction	Local Option Income Surtax
TY 2014	\$ -8.2	FY 2014	\$ -2.4	\$ 0.0
TY 2015	-8.5	FY 2015	-9.1	-0.3
TY 2016	-8.8	FY 2016	-9.5	-0.3
TY 2017	-9.2	FY 2017	-9.0	-0.3
TY 2018	-9.7	FY 2018	-9.4	-0.3

Division II – Allowing veterans organizations to rent tax exempt property on an occasional or irregular basis without losing tax exempt status will have a minor negative impact on the State General Fund through the school aid formula and it will have a minor negative impact on property tax collections statewide. [Iowa Code section 25B.7](#) (State full-funding of new property tax credits and exemptions) is not applicable to this property tax exemption change.

Division II – Removing fees associated with military veteran specialty license plates will reduce state revenue and increase state expenditures by a total of \$20,000 or less per year.

Sources

Department of Revenue Individual Income Tax Micro Model
 Defense Finance and Accounting Services (DFAS)
 Moody’s Analytics

/s/ Holly M. Lyons

March 25, 2014

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
