

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

APRIL 28, 2014

**Senate Amendment to  
HOUSE FILE 2448**

**H-8313**

1 Amend House File 2448, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 11, by striking lines 22 through 24 and  
4 inserting:  
5 <d. Upon completion of a housing project, an  
6 examination of the project in accordance with the  
7 American institute of certified public accountants'  
8 statements on standards for attestation engagements,  
9 completed by a certified public accountant authorized  
10 to practice in this state, shall be submitted to the>  
11 2. Page 11, line 26, by striking <audit> and  
12 inserting <examination>  
13 3. Page 17, line 4, after <2014.> by inserting  
14 <Notwithstanding any other provision of law to the  
15 contrary, a tax credit transferred pursuant to this  
16 section shall not be claimed by a transferee prior to  
17 January 1, 2016.>  
18 4. By renumbering as necessary.

RECEIVED FROM THE SENATE

**H-8313** FILED APRIL 25, 2014

**Senate Amendment to  
HOUSE FILE 2459**

**H-8316**

1 Amend House File 2459, as passed by the House, as  
2 follows:  
3 1. Page 1, by striking line 31 and inserting  
4 <volunteer served for the entire tax year. A taxpayer  
5 who is a paid employee of an emergency medical  
6 services program or a fire department and who is also  
7 a volunteer emergency medical services personnel or  
8 volunteer fire fighter in a city, county, or area  
9 governed by an agreement pursuant to chapter 28E  
10 where the emergency medical services program or fire  
11 department performs services, shall qualify for the  
12 credit provided under this paragraph.>  
13 2. Title page, lines 2 and 3, by striking  
14 <increasing the amount of> and inserting <modifying>

RECEIVED FROM THE SENATE

**H-8316** FILED APRIL 25, 2014

HOUSE FILE 2467

H-8312

1 Amend House File 2467 as follows:

2 1. Page 2, line 4, after <building.> by inserting  
3 <However, urban renewal plans and urban renewal  
4 projects approved on or after the effective date of  
5 this Act, may include the use of revenue resulting from  
6 a division of taxes under section 403.19, subsection 2,  
7 for a public building that is a parking facility, as  
8 defined in section 384.37, owned by the municipality if  
9 the governing bodies of all affected taxing entities  
10 irrevocably authorize, by resolution, the use of  
11 revenues resulting from a division of taxes for the  
12 urban renewal plan or urban renewal project that  
13 includes the parking facility.>

**By** KOESTER of Polk

H-8312 FILED APRIL 25, 2014

HOUSE FILE 2473

H-8315

1 Amend House File 2473 as follows:

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

4 <DIVISION I

5 STANDING APPROPRIATIONS AND RELATED MATTERS

6 Section 1. 2013 Iowa Acts, chapter 140, is amended  
7 by adding the following new section:

8 NEW SECTION. SEC. 1A. BUDGET PROCESS FOR FISCAL  
9 YEAR 2015-2016.

10 1. For the budget process applicable to the fiscal  
11 year beginning July 1, 2015, on or before October 1,  
12 2014, in lieu of the information specified in section  
13 8.23, subsection 1, unnumbered paragraph 1, and  
14 paragraph "a", all departments and establishments of  
15 the government shall transmit to the director of the  
16 department of management, on blanks to be furnished  
17 by the director, estimates of their expenditure  
18 requirements, including every proposed expenditure, for  
19 the ensuing fiscal year, together with supporting data  
20 and explanations as called for by the director of the  
21 department of management after consultation with the  
22 legislative services agency.

23 2. The estimates of expenditure requirements  
24 shall be in a form specified by the director of  
25 the department of management, and the expenditure  
26 requirements shall include all proposed expenditures  
27 and shall be prioritized by program or the results to  
28 be achieved. The estimates shall be accompanied by  
29 performance measures for evaluating the effectiveness  
30 of the programs or results.

31 Sec. 2. 2013 Iowa Acts, chapter 140, is amended by  
32 adding the following new section:

33 NEW SECTION. SEC. 3A. GENERAL ASSEMBLY.

34 1. The appropriations made pursuant to section  
35 2.12 for the expenses of the general assembly and  
36 legislative agencies for the fiscal year beginning July  
37 1, 2014, and ending June 30, 2015, are reduced by the  
38 following amount:

39 ..... \$ 3,000,000

40 2. The budgeted amounts for the general assembly  
41 for the fiscal year beginning July 1, 2014, may be  
42 adjusted to reflect unexpended budgeted amounts from  
43 the previous fiscal year.

44 Sec. 3. 2013 Iowa Acts, chapter 140, section 6, is  
45 amended to read as follows:

46 SEC. 6. LIMITATIONS OF STANDING APPROPRIATIONS

47 ---- FY 2014-2015. Notwithstanding the standing  
48 appropriations in the following designated sections for  
49 the fiscal year beginning July 1, 2014, and ending June  
50 30, 2015, the amounts appropriated from the general

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1 fund of the state pursuant to these sections for the  
2 following designated purposes shall not exceed the  
3 following amounts:

4 1. For operational support grants and community  
5 cultural grants under section 99F.11, subsection 3,  
6 paragraph "d", subparagraph (1):

7 ..... \$ 208,351  
8 ..... 416,702

9 ~~2. For regional tourism marketing under section~~  
10 ~~99F.11, subsection 3, paragraph "d", subparagraph (2):~~

11 ..... \$ 582,000

12 3. For payment for nonpublic school transportation  
13 under section 285.2:

14 ..... \$ 8,560,931

15 If total approved claims for reimbursement for  
16 nonpublic school pupil transportation exceed the amount  
17 appropriated in accordance with this subsection, the  
18 department of education shall prorate the amount of  
19 each approved claim.

20 4. For the enforcement of chapter 453D relating to  
21 tobacco product manufacturers under section 453D.8:

22 ..... \$ 9,208  
23 ..... 18,416

24 Sec. 4. Section 257.35, Code 2014, is amended by  
25 adding the following new subsection:

26 NEW SUBSECTION. 8A. Notwithstanding subsection 1,  
27 and in addition to the reduction applicable pursuant  
28 to subsection 2, the state aid for area education  
29 agencies and the portion of the combined district cost  
30 calculated for these agencies for the fiscal year  
31 beginning July 1, 2014, and ending June 30, 2015, shall  
32 be reduced by the department of management by fifteen  
33 million dollars. The reduction for each area education  
34 agency shall be prorated based on the reduction that  
35 the agency received in the fiscal year beginning July  
36 1, 2003.

37 DIVISION II

38 CLAIMS AGAINST THE STATE AND BY THE STATE

39 Sec. 5. Section 8.55, subsection 3, paragraph a,  
40 Code 2014, is amended to read as follows:

41 a. Except as provided in paragraphs "b", "c",  
42 ~~and "d", and "0e"~~, the moneys in the Iowa economic  
43 emergency fund shall only be used pursuant to an  
44 appropriation made by the general assembly. An  
45 appropriation shall only be made for the fiscal year in  
46 which the appropriation is made. The moneys shall only  
47 be appropriated by the general assembly for emergency  
48 expenditures.

49 Sec. 6. Section 8.55, subsection 3, Code 2014, is  
50 amended by adding the following new paragraph:

1 NEW PARAGRAPH. 0e. There is appropriated from the  
2 Iowa economic emergency fund to the state appeal board  
3 an amount sufficient to pay claims authorized by the  
4 state appeal board as provided in section 25.2.

5 Sec. 7. Section 25.2, subsection 4, Code 2014, is  
6 amended to read as follows:

7 4. Payments authorized by the state appeal board  
8 shall be paid from the appropriation or fund of  
9 original certification of the claim. However, if that  
10 appropriation or fund has since reverted under section  
11 8.33, then such payment authorized by the state appeal  
12 board shall be ~~out of any money in the state treasury~~  
13 ~~not otherwise appropriated~~ as follows:

14 a. From the appropriation made from the Iowa  
15 economic emergency fund in section 8.55 for purposes of  
16 paying such expenses.

17 b. To the extent the appropriation from the  
18 Iowa economic emergency fund described in paragraph  
19 "a" is insufficient to pay such expenses, there is  
20 appropriated from moneys in the general fund of the  
21 state not otherwise appropriated the amount necessary  
22 to fund the deficiency.

23 DIVISION III

24 MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

25 Sec. 8. BUILDING CODE COMMISSIONER. There is  
26 appropriated from the general fund of the state to  
27 the department of public safety for the fiscal year  
28 beginning July 1, 2014, and ending June 30, 2015, the  
29 following amount, or so much thereof as is necessary,  
30 to be used for the purposes designated:

31 For purposes of installation inspection duties under  
32 chapter 103A, division IV:

33 ..... \$ 100,000

34 Sec. 9. FOOD SECURITY FOR OLDER INDIVIDUALS. There  
35 is appropriated from the general fund of the state to  
36 the department on aging for the fiscal year beginning  
37 July 1, 2014, and ending June 30, 2015, the following  
38 amount, or so much thereof as is necessary, to be used  
39 for the purposes designated:

40 To award to each area agency on aging designated  
41 under section 231.32 in the proportion that the  
42 estimated amount of older individuals in Iowa served by  
43 that area agency on aging bears to the total estimated  
44 amount of older individuals in Iowa, to be used to  
45 provide congregate meals and home-delivered meals to  
46 food-insecure older individuals in Iowa:

47 ..... \$ 250,000

48 Sec. 10. Section 8.9, subsection 2, paragraph a,  
49 Code 2014, is amended to read as follows:

50 a. All grant applications submitted and grant

1 moneys received by a department on behalf of the state  
2 shall be reported to the office of grants enterprise  
3 management. The office shall by ~~January 31~~ December  
4 1 of each year submit to the fiscal services division  
5 of the legislative services agency a written report  
6 listing all grants received during the ~~previous~~  
7 ~~calendar~~ most recently completed federal fiscal year  
8 with a value over one thousand dollars and the funding  
9 entity and purpose for each grant. However, the  
10 reports on grants filed by the state board of regents  
11 pursuant to section 8.44 shall be deemed sufficient to  
12 comply with the requirements of this subsection. In  
13 addition, each department shall submit and the office  
14 shall report, as applicable, for each grant applied  
15 for or received and other federal moneys received  
16 the expected duration of the grant or the other  
17 moneys, maintenance of effort or other matching fund  
18 requirements throughout and following the period of the  
19 grant or the other moneys, the sources of the federal  
20 funding and any match funding, any policy, program, or  
21 operational requirement associated with receipt of the  
22 funding, a status report on changes anticipated in the  
23 federal requirements associated with the grant or other  
24 federal funding during the fiscal year in progress and  
25 the succeeding fiscal year, and any other information  
26 concerning the grant or other federal funding that  
27 would be helpful in the development of policy or  
28 budget decisions. The fiscal services division of  
29 the legislative services agency shall compile the  
30 information received for consideration by the standing  
31 joint appropriations subcommittees of the general  
32 assembly.

33 Sec. 11. Section 68B.3, Code 2014, is amended by  
34 adding the following new subsection:

35 NEW SUBSECTION. 2A. This section does not apply to  
36 sales of services by a member of a board or commission  
37 as defined under section 7E.4 to state executive branch  
38 agencies or subunits of departments or independent  
39 agencies as defined in section 7E.4 that are not the  
40 subunit of the department or independent agency in  
41 which the person serves or are not a subunit of a  
42 department or independent agency with which the person  
43 has substantial and regular contact as part of the  
44 person's duties.

45 Sec. 12. Section 522B.1, Code 2014, is amended by  
46 adding the following new subsection:

47 NEW SUBSECTION. 12A. "Policy owner" means a person  
48 who is identified as the legal owner of an insurance  
49 policy or contract under the terms of the insurance  
50 policy or contract, or who is otherwise vested with

1 legal title to the insurance policy or contract through  
2 a valid assignment completed in accordance with the  
3 terms of the insurance policy or contract and is  
4 properly recorded as the legal owner of the policy or  
5 contract in the records of the insurer. "Policy owner"  
6 does not include a person who has a mere beneficial  
7 interest in an insurance policy or contract.

8 Sec. 13. Section 522B.11, subsection 7, Code 2014,  
9 is amended by adding the following new paragraphs:

10 NEW PARAGRAPH. c. Notwithstanding the holding  
11 in Pitts v. Farm Bureau Life Ins. Co., 818 N.W.2d  
12 91 (Iowa 2012), an insurance producer, while acting  
13 within the scope and course of the license provided  
14 for by this chapter, is not in the business of  
15 supplying information to others unless the requirements  
16 of paragraph "a" relating to expanded duties and  
17 responsibilities are met.

18 NEW PARAGRAPH. d. Neither an insurance producer  
19 nor an insurer has a duty to change the beneficiary of  
20 an insurance policy or contract unless clear written  
21 evidence of the policy owner's intent to change a  
22 beneficiary of the policy or contract is presented  
23 to the insurance producer or insurer in the manner  
24 required by the policy or contract prior to the payment  
25 of any insurance benefits under the policy or contract.  
26 Such evidence shall be provided in the same manner as a  
27 claim for benefits under the policy or contract.

28 NEW PARAGRAPH. e. Notwithstanding the holding in  
29 St. Malachy Roman Catholic Congregation v. Ingram, No.  
30 12-1817 (Iowa Dec. 27, 2013), an insurance producer  
31 owes any duties and responsibilities referred to in  
32 this subsection only to the policy owner, the person  
33 in privity of contract with the insurance producer,  
34 and the principal in the agency relationship with the  
35 insurance producer.

36 Sec. 14. Section 724.1, subsection 8, Code 2014, is  
37 amended by striking the subsection.

38 Sec. 15. NEW SECTION. 724.3A Firearm suppressors.  
39 Any person, trust, corporation, or other entity may  
40 possess a firearm suppressor if the firearm suppressor  
41 is registered and possessed in compliance with federal  
42 law and regulations.

43 Sec. 16. EFFECTIVE UPON ENACTMENT. The following  
44 provision or provisions of this division of this Act,  
45 being deemed of immediate importance, take effect upon  
46 enactment:

- 47 1. The section amending section 522B.1.
- 48 2. The section amending section 522B.11.

49

DIVISION IV

50

CORRECTIVE PROVISIONS

1 Sec. 17. Section 123.47, subsection 1A, paragraph  
2 c, subparagraph (2), as enacted by 2014 Iowa Acts,  
3 Senate File 2310, section 1, is amended to read as  
4 follows:

5 (2) A person under legal age who consumes or  
6 possesses any alcoholic liquor, wine, or beer in  
7 connection with a religious observance, ceremony, or  
8 ~~right rite~~.

9 Sec. 18. Section 331.552, subsection 35, as amended  
10 by 2014 Iowa Acts, House File 2273, section 5, if  
11 enacted, is amended to read as follows:

12 35. a. Destroy special assessment records required  
13 by section 445.11 within the county system after ten  
14 years have elapsed from the end of the fiscal year in  
15 which the special assessment was paid in full. The  
16 county treasurer shall also destroy the resolution of  
17 necessity, plat, and schedule of assessments required  
18 by section 384.51 after ten years have elapsed from the  
19 end of the fiscal year in which the entire schedule was  
20 paid in full. This ~~subsection~~ paragraph applies to  
21 documents described in this ~~subsection~~ paragraph that  
22 are in existence before, on, or after July 1, 2003.

23 b. Destroy assessment records required by chapter  
24 468 within the county system after ten years have  
25 elapsed from the end of the fiscal year in which the  
26 assessment was paid in full. The county treasurer  
27 shall also destroy the accompanying documents including  
28 any resolutions, plats, or schedule of assessments  
29 after ten years have elapsed from the end of the  
30 fiscal year in which the entire schedule was paid in  
31 full. This ~~subsection~~ paragraph applies to documents  
32 described in this ~~subsection~~ paragraph that are in  
33 existence before, on, or after July 1, 2014.

34 Sec. 19. Section 422.33, subsection 4, paragraph c,  
35 Code 2014, as amended by 2014 Iowa Acts, Senate File  
36 2240, section 87, and redesignated as paragraph b,  
37 subparagraph (3), is amended to read as follows:

38 (3) Subtract an exemption amount of forty thousand  
39 dollars. This exemption amount shall be reduced, but  
40 not below zero, by an amount equal to twenty-five  
41 percent of the amount by which the alternative minimum  
42 taxable income of the taxpayer, computed without regard  
43 to the exemption amount in this ~~paragraph~~ subparagraph,  
44 exceeds one hundred fifty thousand dollars.

45 Sec. 20. Section 508.36, subsection 13, paragraph  
46 d, subparagraph (1), subparagraph division (c), as  
47 enacted by 2014 Iowa Acts, Senate File 2131, section 9,  
48 is amended to read as follows:

49 (c) Minimum reserves for all other policies ~~of~~ or  
50 contracts subject to subsection 1, paragraph "b".

1 Sec. 21. Section 508.36, subsection 16, paragraph  
2 c, subparagraph (3), as enacted by 2014 Iowa Acts,  
3 Senate File 2131, section 9, is amended to read as  
4 follows:

5 (3) Once any portion of a memorandum in support  
6 of an opinion submitted under subsection 2 or a  
7 principle-based valuation report developed under  
8 subsection 14, paragraph "b", subparagraph (3), is  
9 cited by a company in its marketing or is publicly  
10 volunteered to or before a governmental agency other  
11 than a state insurance department or is released by  
12 the company to the news media, all portions ~~of~~ of such  
13 memorandum or report shall no longer be confidential  
14 information.

15 Sec. 22. Section 508.37, subsection 6, paragraph h,  
16 subparagraph (8), as enacted by 2014 Iowa Acts, Senate  
17 File 2131, section 13, is amended to read as follows:

18 (8) For policies issued on or after the operative  
19 date of the valuation manual, the valuation manual  
20 shall provide the Commissioners Standard Mortality  
21 Table for use in determining the minimum nonforfeiture  
22 standard that may be substituted for the Commissioners  
23 1961 Standard Industrial Mortality Table or the  
24 Commissioners 1961 Industrial Extended Term Insurance  
25 Table. If the commissioner approves by ~~regulation~~  
26 rule any Commissioners Standard Industrial Mortality  
27 Table adopted by the national association of insurance  
28 commissioners for use in determining the minimum  
29 nonforfeiture standard for policies issued on or after  
30 the operative date of the valuation manual, then that  
31 minimum nonforfeiture standard supersedes the minimum  
32 nonforfeiture standard provided by the valuation  
33 manual.

34 Sec. 23. Section 537.1301, subsection 46, as  
35 enacted by 2014 Iowa Acts, House File 2324, section 17,  
36 is amended to read as follows:

37 46. "Threshold amount" means the threshold amount,  
38 as determined by 12 C.F.R. ~~{226.3(b)}~~ {1026.3(b)},  
39 in effect during the period the consumer credit  
40 transaction was entered into.

41 Sec. 24. 2014 Iowa Acts, Senate File 2257, section  
42 15, is amended by striking the section and inserting in  
43 lieu thereof the following:

44 SEC. 15. REPEAL. Sections 261.17A, 261.22, 261.39,  
45 261.41, 261.44, 261.48, 261.54, 261.81A, and 261.82,  
46 Code 2014, are repealed.

47 Sec. 25. REPEAL. 2014 Iowa Acts, House File 2423,  
48 section 159, is repealed.

49

DIVISION V

50

GENERAL ASSEMBLY PUBLICATIONS PROVISIONS

1 Sec. 26. Section 2.42, subsection 13, Code 2014, is  
2 amended to read as follows:

3 13. To establish policies with regard to publishing  
4 printed and electronic versions of legal publications  
5 as provided in chapters 2A and 2B, including the Iowa  
6 Acts, Iowa Code, ~~Code Supplement~~, Iowa administrative  
7 bulletin, Iowa administrative code, and Iowa court  
8 rules, or any part of those publications. The  
9 publishing policies may include, but are not limited  
10 to: the style and format to be used; the frequency  
11 of publication; the contents of the publications;  
12 the numbering systems to be used; the preparation of  
13 editorial comments or notations; the correction of  
14 errors; the type of print or electronic media and  
15 data processing software to be used; the number of  
16 volumes to be published; recommended revisions; the  
17 letting of contracts for publication; the pricing of  
18 the publications to which section 22.3 does not apply;  
19 access to, and the use, reproduction, legal protection,  
20 sale or distribution, and pricing of related data  
21 processing software consistent with chapter 22; and any  
22 other matters deemed necessary to the publication of  
23 uniform and understandable publications.

24 Sec. 27. Section 2A.1, subsection 2, paragraph d,  
25 unnumbered paragraph 1, Code 2014, is amended to read  
26 as follows:

27 Publication of the official legal publications  
28 of the state, including but not limited to the Iowa  
29 Acts, Iowa Code, ~~Code Supplement~~, Iowa administrative  
30 bulletin, Iowa administrative code, and Iowa court  
31 rules as provided in chapter 2B. The legislative  
32 services agency shall do all of the following:

33 Sec. 28. Section 2A.5, subsection 2, paragraph b,  
34 Code 2014, is amended by striking the paragraph.

35 Sec. 29. Section 2A.5, Code 2014, is amended by  
36 adding the following new subsection:

37 NEW SUBSECTION. 2A. The legislative services  
38 agency shall publish annually an electronic or printed  
39 version of the roster of state officials. The roster  
40 of state officials shall include a correct list of  
41 state officers and deputies; members of boards and  
42 commissions; justices of the supreme court, judges  
43 of the court of appeals, and judges of the district  
44 courts including district associate judges and judicial  
45 magistrates; and members of the general assembly.  
46 The office of the governor shall cooperate in the  
47 preparation of the list.

48 Sec. 30. Section 2B.5, subsection 3, Code 2014, is  
49 amended by striking the subsection.

50 Sec. 31. Section 2B.5A, subsection 2, Code 2014, is

1 amended to read as follows:

2 2. In consultation with the administrative rules  
3 coordinator, the administrative code editor shall  
4 prescribe a uniform style and form required for a  
5 person filing a document for publication in the Iowa  
6 administrative bulletin or the Iowa administrative  
7 code, including but not limited to a rulemaking  
8 document. A rulemaking document includes a notice  
9 of intended action as provided in section 17A.4 or  
10 an adopted rule for filing as provided in section  
11 17A.5. The rulemaking document shall correlate each  
12 rule to the uniform numbering system established by  
13 the administrative code editor. The administrative  
14 code editor shall provide for the publication of  
15 an electronic publication version of the Iowa  
16 administrative bulletin and the Iowa administrative  
17 code. The administrative code editor shall review  
18 all submitted documents for style and form and notify  
19 the administrative rules coordinator if a rulemaking  
20 document is not in proper style or form, and may return  
21 or revise a document which is not in proper style and  
22 form. The style and form prescribed shall require  
23 that a rulemaking document include a reference to the  
24 statute which the rules are intended to implement.

25 Sec. 32. Section 2B.5A, subsection 6, paragraph a,  
26 subparagraph (2), subparagraph division (b), Code 2014,  
27 is amended to read as follows:

28 (b) A print ~~edition~~ version may include an index.

29 Sec. 33. Section 2B.5B, subsection 2, Code 2014, is  
30 amended to read as follows:

31 2. The administrative code editor, upon direction  
32 by the Iowa supreme court and in accordance with the  
33 policies of the legislative council pursuant to section  
34 2.42 and the legislative services agency pursuant  
35 to section 2A.1, shall prescribe a uniform style and  
36 form required for filing a document for publication in  
37 the Iowa court rules. The document shall correlate  
38 each rule to the uniform numbering system. The  
39 administrative code editor shall provide for the  
40 publication of an electronic publication version of  
41 the Iowa court rules. The administrative code editor  
42 shall review all submitted documents for style and  
43 form and notify the Iowa supreme court if a rulemaking  
44 document is not in proper style or form, and may return  
45 or revise a document which is not in proper style and  
46 form.

47 Sec. 34. Section 2B.5B, subsection 3, paragraph b,  
48 subparagraph (2), subparagraph division (b), Code 2014,  
49 is amended to read as follows:

50 (b) A print version ~~shall~~ may include an index.

1 Sec. 35. Section 2B.6, subsection 2, paragraph b,  
2 Code 2014, is amended to read as follows:

3 b. The Iowa Code ~~or Code Supplement~~, as provided in  
4 section 2B.12.

5 Sec. 36. Section 2B.12, Code 2014, is amended to  
6 read as follows:

7 2B.12 Iowa Code ~~and Code Supplement~~.

8 1. The legislative services agency shall control  
9 and maintain in a secure electronic repository  
10 custodial information used to publish the Iowa Code.

11 2. The legislative services agency shall publish  
12 an annual edition of the Iowa Code as soon as  
13 possible after the final adjournment of a regular  
14 or special session of a general assembly. ~~However,~~  
15 ~~the legislative services agency may publish a new~~  
16 ~~Code Supplement in lieu of the Iowa Code as soon as~~  
17 ~~possible after the final adjournment of a regular~~  
18 ~~session of a general assembly. The legislative~~  
19 ~~services agency may publish a new edition of the Iowa~~  
20 ~~Code or Code Supplement as soon as possible after the~~  
21 ~~final adjournment of a special session of the general~~  
22 ~~assembly.~~

23 3. An edition of the Iowa Code ~~or Code Supplement~~  
24 shall contain each Code section in its new or amended  
25 form. However, a new section or amendment which does  
26 not take effect until after the probable publication  
27 date of a succeeding Iowa Code ~~or Code Supplement~~  
28 may be deferred for publication in that succeeding  
29 Iowa Code ~~or Code Supplement~~. The sections shall  
30 be inserted in each edition in a logical order as  
31 determined by the Iowa Code editor in accordance with  
32 the policies of the legislative council.

33 4. Each section of an Iowa Code ~~or Code Supplement~~  
34 shall be indicated by a number printed in boldface  
35 type and shall have an appropriate headnote printed in  
36 boldface type.

37 5. The Iowa Code shall include all of the  
38 following:

- 39 a. The Declaration of Independence.
- 40 b. The Articles of Confederation.
- 41 c. The Constitution of the United States.
- 42 d. The laws of the United States relating to the  
43 authentication of records.
- 44 e. The Constitution of the State of Iowa, original  
45 and codified versions.
- 46 f. The Act admitting Iowa into the union as a  
47 state.
- 48 g. The arrangement of the Code into distinct units,  
49 as established by the legislative services agency,  
50 which may include titles, subunits of titles, chapters,

1 subunits of chapters, and sections, and subunits of  
2 sections. The distinct units shall be numbered and may  
3 include names.

4 h. All of the statutes of Iowa of a general and  
5 permanent nature, except as provided in subsection 3.

6 i. A comprehensive method to search and identify  
7 its contents, including the text of the Constitution  
8 and statutes of the State of Iowa.

9 (1) An electronic version may include search and  
10 retrieval programming, analysis of titles and chapters,  
11 and an index and a summary index.

12 (2) A print version shall include an analysis of  
13 titles and chapters, and may include an index and a  
14 summary index.

15 6. The Iowa Code may include all of the following:

16 a. A preface.

17 b. A description of citations to statutes.

18 c. Abbreviations to other publications which may be  
19 referred to in the Iowa Code.

20 d. Appropriate historical references or source  
21 notes.

22 e. An analysis of the Code by titles and chapters.

23 f. Other reference materials as determined by the  
24 Iowa Code editor in accordance with any policies of the  
25 legislative council.

26 ~~7. A Code Supplement shall include all of the  
27 following:~~

28 ~~a. The text of statutes of Iowa of a general  
29 and permanent nature that were enacted during the  
30 preceding regular or special session, except as  
31 provided in subsection 3, an indication of all sections  
32 repealed during that session, and any amendments to  
33 the Constitution of the State of Iowa approved by the  
34 voters since the adjournment of the previous regular  
35 session of the general assembly.~~

36 ~~b. A chapter title and number for each chapter or  
37 part of a chapter included.~~

38 ~~c. A comprehensive method to search and identify  
39 its contents, including the text of statutes and the  
40 Constitution of the State of Iowa.~~

41 ~~-(1) An electronic version may include search and  
42 retrieval programming and an index and a summary index.~~

43 ~~-(2) A print version may include an index and a  
44 summary index.~~

45 ~~8. 7.~~ The Iowa Code ~~or Code Supplement~~ may include  
46 appropriate tables showing the disposition of Acts of  
47 the general assembly, the corresponding sections from  
48 edition to edition of an Iowa Code ~~or Code Supplement~~,  
49 and other reference material as determined by the  
50 Iowa Code editor in accordance with policies of the

1 legislative council.

2 8. In lieu of or in addition to publishing an  
3 annual edition of the Iowa Code, the legislative  
4 services agency, in accordance with the policies of  
5 the legislative council, may publish a supplement to  
6 the Iowa Code, as necessary or desirable, in a manner  
7 similar to the publication of an annual edition of the  
8 Iowa Code.

9 Sec. 37. Section 2B.13, subsection 1, unnumbered  
10 paragraph 1, Code 2014, is amended to read as follows:

11 The Iowa Code editor in preparing the copy for an  
12 edition of the Iowa Code ~~or Code Supplement~~ shall not  
13 alter the sense, meaning, or effect of any Act of the  
14 general assembly, but may:

15 Sec. 38. Section 2B.13, subsection 1, paragraph f,  
16 Code 2014, is amended to read as follows:

17 f. Transfer, divide, or combine sections or parts  
18 of sections and add or ~~amend~~ revise headnotes to  
19 sections and ~~subsections~~ section subunits. Pursuant to  
20 section 3.3, the headnotes are not part of the law.

21 Sec. 39. Section 2B.13, subsection 3, paragraph a,  
22 Code 2014, is amended to read as follows:

23 a. The Iowa Code editor may, in preparing the copy  
24 for an edition of the Iowa Code ~~or Code Supplement~~,  
25 establish standards for and change capitalization,  
26 spelling, and punctuation in any provision for purposes  
27 of uniformity and consistency in language.

28 Sec. 40. Section 2B.13, subsection 4, paragraph a,  
29 Code 2014, is amended to read as follows:

30 a. The Iowa Code editor shall seek direction  
31 from the senate committee on judiciary and the house  
32 committee on judiciary when making Iowa Code ~~or Code~~  
33 ~~Supplement~~ changes.

34 Sec. 41. Section 2B.13, subsection 5, Code 2014, is  
35 amended to read as follows:

36 5. The Iowa Code editor may prepare and publish  
37 comments deemed necessary for a proper explanation  
38 of the manner of ~~printing~~ publishing a section or  
39 chapter of the Iowa Code ~~or Code Supplement~~. The Iowa  
40 Code editor shall maintain a record of all of the  
41 corrections made under subsection 1. The Iowa Code  
42 editor shall also maintain a separate record of the  
43 changes made under subsection 1, paragraphs "b" through  
44 "h". The records shall be available to the public.

45 Sec. 42. Section 2B.13, subsection 7, paragraph a,  
46 Code 2014, is amended to read as follows:

47 a. The effective date of an edition of the Iowa  
48 Code or of a supplement to the Iowa Code ~~Supplement~~  
49 or an edition of the Iowa administrative code is its  
50 publication date. A publication date is the date the

1 publication is conclusively presumed to be complete,  
2 incorporating all revisions or editorial changes.  
3 Sec. 43. Section 2B.13, subsection 7, paragraph  
4 b, subparagraph (1), Code 2014, is amended to read as  
5 follows:

6 (1) For the Iowa Code or a supplement to the  
7 Iowa Code Supplement, the publication date is the  
8 first day of the next regular session of the general  
9 assembly convened pursuant to Article III, section 2,  
10 of the Constitution of the State of Iowa. However,  
11 the legislative services agency may establish an  
12 alternative publication date, which may be the date  
13 that the publication is first available to the public  
14 accessing the general assembly's internet site. The  
15 legislative services agency shall provide notice of  
16 such an alternative publication date on the general  
17 assembly's internet site.

18 Sec. 44. Section 2B.17, subsection 2, paragraph b,  
19 Code 2014, is amended to read as follows:

20 b. For statutes, the official versions of  
21 publications shall be known as the Iowa Acts, the Iowa  
22 Code, and the Code Supplement for supplements for the  
23 years 1979 through 2011.

24 Sec. 45. Section 2B.17, subsection 4, paragraph c,  
25 Code 2014, is amended to read as follows:

26 c. The Iowa Code shall be cited as the Iowa  
27 Code. The Code Supplement Supplements to the Iowa  
28 Code published for the years 1979 through 2011 shall  
29 be cited as the Code Supplement. Subject to the  
30 legislative services agency style manual, the Iowa Code  
31 may be cited as the Code of Iowa or Code and the Code  
32 Supplement may be cited as the Iowa Code Supplement,  
33 with references identifying parts of the publication,  
34 including but not limited to title or chapter, section,  
35 or subunit of a section. If the citation refers to a  
36 past edition of the Iowa Code or Code Supplement, the  
37 citation shall identify the year of publication. The  
38 legislative services agency style manual shall provide  
39 for a citation form for any supplements to the Iowa  
40 Code published after the year 2013.

41 Sec. 46. Section 2B.18, subsection 1, Code 2014, is  
42 amended to read as follows:

43 1. The Iowa Code editor is the custodian of the  
44 official legal publications known as the Iowa Acts,  
45 Iowa Code, and Code Supplement for supplements to the  
46 Iowa Code for the years 1979 through 2011, and for any  
47 other supplements to the Iowa Code. The Iowa Code  
48 editor may attest to and authenticate any portion  
49 of such official legal publication for purposes of  
50 admitting a portion of the official legal publication

1 in any court or office of any state, territory,  
2 or possession of the United States or in a foreign  
3 jurisdiction.

4 Sec. 47. Section 3.1, subsection 1, paragraphs a  
5 and b, Code 2014, are amended to read as follows:

6 a. Shall refer to the numbers of the sections or  
7 chapters of the Code ~~or Code Supplement~~ to be amended  
8 or repealed, but it is not necessary to refer to the  
9 sections or chapters in the title.

10 b. Shall refer to the session of the general  
11 assembly and the sections and chapters of the Acts to  
12 be amended if the bill relates to a section or sections  
13 of an Act not appearing in the Code ~~or codified in a~~  
14 ~~supplement to the Code.~~

15 Sec. 48. Section 3.3, Code 2014, is amended to read  
16 as follows:

17 3.3 Headnotes and historical references.

18 1. Proper headnotes may be placed at the beginning  
19 of a section of a bill or at the beginning of a Code  
20 section, and at the end of a Code section there may  
21 be placed a reference to the section number of the  
22 Code, or any Iowa Act from which the matter of the Code  
23 section was taken or Code section subunit. However,  
24 except as provided for the uniform commercial code  
25 pursuant to section 554.1107, headnotes shall not be  
26 considered as part of the law as enacted.

27 2. At the end of a Code section there may be placed  
28 a reference to the section number of the Code, or any  
29 Iowa Act from which the matter of the Code section was  
30 taken. Historical references shall not be considered  
31 as a part of the law as enacted.

32 DIVISION VI  
33 SNOWMOBILES

34 Sec. 49. Section 321G.3, subsection 1, Code 2014,  
35 is amended to read as follows:

36 1. Each snowmobile used by a resident on public  
37 land, public ice, or a designated snowmobile trail  
38 of this state shall be currently registered in this  
39 state pursuant to section 321G.4. A ~~person~~ resident  
40 shall not operate, maintain, or give permission for  
41 the operation or maintenance of a snowmobile on public  
42 land, public ice, or a designated snowmobile trail  
43 unless the snowmobile is registered in accordance with  
44 this chapter ~~or applicable federal laws or in accordance~~  
45 ~~with an approved numbering system of another state~~  
46 ~~and the evidence of registration is in full force and~~  
47 ~~effect.~~ A The owner of a snowmobile must also be  
48 issued obtain a user permit in accordance with this  
49 chapter section 321G.4A.

50 Sec. 50. Section 321G.4, subsections 2 and 4, Code

1 2014, are amended to read as follows:

2 2. The owner of the snowmobile shall file an  
3 application for registration with the department  
4 through the county recorder of the county of residence,  
5 ~~or in the case of a nonresident owner, in the county~~  
6 ~~of primary use,~~ in the manner established by the  
7 commission. The application shall be completed by the  
8 owner and shall be accompanied by a fee of fifteen  
9 dollars and a writing fee as provided in section  
10 321G.27. A snowmobile shall not be registered by the  
11 county recorder until the county recorder is presented  
12 with receipts, bills of sale, or other satisfactory  
13 evidence that the sales or use tax has been paid for  
14 the purchase of the snowmobile or that the owner is  
15 exempt from paying the tax. A snowmobile that has an  
16 expired registration certificate from another state may  
17 be registered in this state upon proper application,  
18 payment of all applicable registration and writing  
19 fees, and payment of a penalty of five dollars.

20 4. Notwithstanding subsections 1 and 2, a  
21 snowmobile ~~that is more than thirty years old~~  
22 manufactured prior to 1984 may be registered as an  
23 antique snowmobile for a one-time fee of twenty-five  
24 dollars, which shall exempt the owner from annual  
25 registration and fee requirements for that snowmobile.  
26 However, if ownership of ~~such a~~ an antique snowmobile  
27 is transferred, the new owner shall register the  
28 snowmobile and pay the one-time fee as required under  
29 this subsection. A snowmobile may be registered  
30 under this section with only a signed bill of sale as  
31 evidence of ownership.

32 Sec. 51. NEW SECTION. 321G.4B Nonresident  
33 requirements ---- penalties.

34 1. A nonresident wishing to operate a snowmobile  
35 on public land, public ice, or a designated snowmobile  
36 trail of this state shall obtain a user permit in  
37 accordance with section 321G.4A. In addition to  
38 obtaining a user permit, a nonresident shall display  
39 a current registration decal or other evidence of  
40 registration or numbering required by the owner's state  
41 of residence unless the owner resides in a state that  
42 does not register or number snowmobiles.

43 2. A violation of subsection 1 is punishable as a  
44 scheduled violation under section 805.8B, subsection  
45 2, paragraph "a". When the scheduled fine is paid, the  
46 violator shall submit proof to the department that a  
47 user permit has been obtained and provide evidence of  
48 registration or numbering as required by the owner's  
49 state of residence, if applicable, to the department  
50 within thirty days of the date the fine is paid. A

1 person who violates this section is guilty of a simple  
2 misdemeanor.

3 Sec. 52. Section 321G.20, Code 2014, is amended by  
4 striking the section and inserting in lieu thereof the  
5 following:

6 321G.20 Operation by persons under sixteen.

7 A person under sixteen years of age shall not  
8 operate a snowmobile on a designated snowmobile  
9 trail, public land, or public ice unless the operation  
10 is under the direct supervision of a parent, legal  
11 guardian, or another person of at least eighteen years  
12 of age authorized by the parent or guardian, who is  
13 experienced in snowmobile operation and who possesses a  
14 valid driver's license, as defined in section 321.1, or  
15 an education certificate issued under this chapter.

16 Sec. 53. Section 321G.24, subsection 1, Code 2014,  
17 is amended to read as follows:

18 1. A person ~~under eighteen~~ twelve through seventeen  
19 years of age shall not operate a snowmobile on public  
20 land, public ice, a designated snowmobile trail, or  
21 land purchased with snowmobile registration funds  
22 in this state without obtaining ~~a valid~~ an education  
23 certificate approved by the department and having  
24 the certificate in the person's possession, unless  
25 the person is accompanied on the same snowmobile by  
26 a responsible person of at least eighteen years of  
27 age who is experienced in snowmobile operation and  
28 possesses a valid driver's license, as defined in  
29 section 321.1, or an education certificate issued under  
30 this chapter.

31 Sec. 54. Section 805.8B, subsection 2, paragraph a,  
32 Code 2014, is amended to read as follows:

33 a. For registration or user permit violations under  
34 section 321G.3, subsection 1, or section 321G.4B, the  
35 scheduled fine is fifty dollars.

36 DIVISION VII

37 STATEWIDE PRESCHOOL

38 Sec. 55. Section 256C.3, subsection 3, paragraph h,  
39 Code 2014, is amended to read as follows:

40 h. Provision for ensuring that children receiving  
41 care from other child care arrangements can participate  
42 in the preschool program with minimal disruption due to  
43 transportation and movement from one site to another.  
44 The children participating in the preschool program may  
45 be transported by the school district to activities  
46 associated with the program along with other children.

47 Sec. 56. Section 256C.4, subsection 1, paragraphs g  
48 and h, Code 2014, are amended to read as follows:

49 g. For the fiscal year beginning July 1, ~~2011~~  
50 2013, and each succeeding fiscal year, of the amount

1 of preschool foundation aid received by a school  
2 district for a fiscal year in accordance with section  
3 257.16, not more than five percent may be used by  
4 the school district for administering the district's  
5 approved local program. Outreach activities and rent  
6 for facilities not owned by the school district are  
7 permissive uses of the administrative funds.

8 h. For the fiscal year beginning July 1, ~~2012~~ 2013,  
9 and each succeeding fiscal year, of the amount of  
10 preschool foundation aid received by a school district  
11 for a fiscal year in accordance with section 257.16,  
12 not less than ninety-five percent of the per pupil  
13 amount shall be passed through to a community-based  
14 provider for each pupil enrolled in the district's  
15 approved local program. For the fiscal year beginning  
16 July 1, ~~2011~~ 2013, and each succeeding fiscal year, not  
17 more than ~~five~~ ten percent of the amount of preschool  
18 foundation aid passed through to a community-based  
19 provider may be used by the community-based provider  
20 for administrative costs. The costs of outreach  
21 activities and rent for facilities not owned by  
22 the school district are permissive administrative  
23 costs. The costs of transportation involving children  
24 participating in the preschool program and other  
25 children may be prorated.

26 Sec. 57. EFFECTIVE UPON ENACTMENT. This division  
27 of this Act, being deemed of immediate importance,  
28 takes effect upon enactment.

29 Sec. 58. RETROACTIVE APPLICABILITY. This division  
30 of this Act applies retroactively to July 1, 2013.

31 DIVISION VIII

32 APPROPRIATIONS ---- RELATED MATTERS

33 Sec. 59. REBUILD IOWA INFRASTRUCTURE FUND ----  
34 APPROPRIATIONS.

35 1. There is appropriated from the rebuild Iowa  
36 infrastructure fund to the following departments and  
37 agencies for the fiscal year beginning July 1, 2014,  
38 and ending June 30, 2015, the following amounts, or  
39 so much thereof as is necessary, to be used for the  
40 purposes designated:

41 a. OFFICE OF THE CHIEF INFORMATION OFFICER

42 For technology consolidation and technology  
43 improvement projects approved by the state chief  
44 information officer appointed pursuant to chapter 8B,  
45 notwithstanding section 8.57, subsection 5, paragraph  
46 "c":

47 ..... \$ 6,613,663

48 b. DEPARTMENT OF HUMAN SERVICES

49 To be used for medical contracts under the  
50 medical assistance program for technology upgrades

1 necessary to support Medicaid claims and other health  
2 operations, worldwide HIPAA claims transactions and  
3 coding requirements, and the Iowa automated benefits  
4 calculation system, notwithstanding section 8.57,  
5 subsection 5, paragraph "c":

6 ..... \$ 3,345,684

7 In seeking to contract with a private organization  
8 or organizations for the Medicaid management  
9 information system, the state's chief information  
10 officer shall oversee the procurement process. An  
11 advisory panel shall be established to review the final  
12 scoring of the evaluators and to make a recommendation  
13 to the director regarding the contract award for the  
14 Medicaid management information system. The advisory  
15 panel, which shall be appointed by the governor, shall  
16 consist of no less than three members. All members of  
17 the advisory panel shall be from the private sector and  
18 shall not have participated in any previous procurement  
19 for the Medicaid management information system or any  
20 procurement related to consulting or oversight of the  
21 Medicaid management information system. At least one  
22 member of the advisory panel shall have experience and  
23 knowledge in the area of management information systems  
24 and at least one member of the advisory panel shall be  
25 a provider of Medicaid services in the state of Iowa.

26 c. IOWA TELECOMMUNICATIONS AND TECHNOLOGY  
27 COMMISSION

28 For replacement of equipment for the Iowa  
29 communications network, notwithstanding section 8.57,  
30 subsection 5, paragraph "c":

31 ..... \$ 2,245,653

32 The commission may continue to enter into contracts  
33 pursuant to section 8D.13 for the replacement of  
34 equipment and for operations and maintenance costs of  
35 the network.

36 In addition to moneys appropriated in this  
37 subsection, the commission may use a financing  
38 agreement entered into by the treasurer of state in  
39 accordance with section 12.28 for the replacement  
40 of equipment for the network. For purposes of this  
41 subsection, the treasurer of state is not subject to  
42 the maximum principal limitation contained in section  
43 12.28, subsection 6. Repayment of any amounts financed  
44 shall be made from receipts associated with fees  
45 charged for use of the network.

46 2. For purposes of section 8.33, unless  
47 specifically provided otherwise, unencumbered or  
48 unobligated moneys made from an appropriation in  
49 subsection 1 shall not revert but shall remain  
50 available for expenditure for the purposes designated

1 until the close of the fiscal year that ends three  
2 years after the end of the fiscal year for which the  
3 appropriation is made. However, if the project or  
4 projects for which such appropriation was made are  
5 completed in an earlier fiscal year, unencumbered or  
6 unobligated moneys shall revert at the close of that  
7 same fiscal year.

8 Sec. 60. Section 8.57C, subsection 3, paragraph a,  
9 Code 2014, is amended to read as follows:

10 a. There is appropriated from the general fund of  
11 the state for the fiscal year beginning July 1, ~~2014~~  
12 2015, and for each subsequent fiscal year thereafter,  
13 the sum of seventeen million five hundred thousand  
14 dollars to the technology reinvestment fund.

15 Sec. 61. IOWA COMMUNICATIONS NETWORK ----  
16 AUTHORIZATION FOR CONTRACTS. Pursuant to section  
17 8D.11, subsection 1, paragraph "a", the general  
18 assembly authorizes the Iowa telecommunications  
19 and technology commission to enter into a contract  
20 or contracts in excess of the contract limitation  
21 amount established in section 8D.11, subsection  
22 1, paragraph "c", for purposes of the commission's  
23 network managed services request for proposals process.  
24 This authorization applies for the duration of the  
25 commission's project and to all affected contracts  
26 associated with the project, whether or not the award  
27 is made to a single vendor or multiple vendors.

28 DIVISION IX

29 CHANGES TO PRIOR APPROPRIATIONS

30 Sec. 62. 2010 Iowa Acts, chapter 1184, section 12,  
31 is amended to read as follows:

32 SEC. 12. REVERSION.

33 1. For Except as otherwise provided in subsection  
34 2, for purposes of section 8.33, unless specifically  
35 provided otherwise, unencumbered or unobligated moneys  
36 made from an appropriation in this division of this  
37 Act shall not revert but shall remain available for  
38 expenditure for the purposes designated until the close  
39 of the fiscal year that ends three years after the end  
40 of the fiscal year for which the appropriation was  
41 made. However, if the project or projects for which  
42 such appropriation was made are completed in an earlier  
43 fiscal year, unencumbered or unobligated moneys shall  
44 revert at the close of that same fiscal year.

45 2. For purposes of section 8.33, unencumbered or  
46 unobligated moneys from moneys appropriated in section  
47 10, subsection 7, paragraph "a", of this division  
48 of this 2010 Act shall not revert but shall remain  
49 available for the purposes designated until the close  
50 of the fiscal year that begins July 1, 2015, or until

1 the project for which the appropriation was made is  
2 completed, whichever is earlier.

3 Sec. 63. 2011 Iowa Acts, chapter 133, section 1,  
4 subsection 10, paragraphs c through f, as amended by  
5 2012 Iowa Acts, chapter 1140, section 15, are amended  
6 to read as follows:

7 c. For projects for immediate fire safety needs  
8 and for compliance with the federal Americans with  
9 Disabilities Act, at the regents institutions:

10	FY 2011-2012.....	\$	2,000,000
11	FY 2012-2013.....	\$	2,000,000

12 Of the amounts appropriated in this lettered  
13 paragraph, up to \$2,000,000 may be used to fund  
14 deductibles on property insurance and to provide  
15 the necessary match for funds which may be available  
16 from the federal emergency management agency for the  
17 cleanup, repair, and restoration of facilities at the  
18 state school for the deaf and the Iowa braille and  
19 sight saving school due to storm damage in the calendar  
20 year 2011, notwithstanding section 8.57, subsection 6,  
21 paragraph "c".

22 d. For construction, renovation, and related  
23 improvements for phase II of the agricultural and  
24 biosystems engineering complex, including classrooms,  
25 laboratories, and offices at Iowa state university of  
26 science and technology:

27	FY 2011-2012.....	\$	1,000,000
28	FY 2012-2013.....	\$	19,050,000
29	FY 2013-2014.....	\$	21,750,000
30	FY 2014-2015.....	\$	<del>18,600,000</del>

31 0  
32 e. For the renovation and related improvements to  
33 the dental science building at the state university  
34 of Iowa including but not limited to renovation of  
35 clinical spaces and development of a multidisciplinary  
36 clinical area:

37	FY 2011-2012.....	\$	1,000,000
38	FY 2012-2013.....	\$	10,250,000
39	FY 2013-2014.....	\$	9,750,000
40	FY 2014-2015.....	\$	<del>8,000,000</del>

41 0  
42 f. For renovation and related improvements for  
43 Bartlett hall at the university of northern Iowa  
44 including providing faculty offices, seminar rooms,  
45 and laboratories in the building and the associated  
46 demolition of Baker hall:

47	FY 2011-2012.....	\$	1,000,000
48	FY 2012-2013.....	\$	7,786,000
49	FY 2013-2014.....	\$	10,267,000
50	FY 2014-2015.....	\$	<del>1,947,000</del>

1  
2 Sec. 64. 2011 Iowa Acts, chapter 133, section <sup>0</sup>/<sub>3</sub>,  
3 subsection 5, paragraph a, as amended by 2012 Iowa  
4 Acts, chapter 1140, section 17, and 2013 Iowa Acts,  
5 chapter 142, section 47, is amended to read as follows:

6 a. To be used for medical contracts under the  
7 medical assistance program for technology upgrades  
8 necessary to support Medicaid claims and other health  
9 operations, worldwide HIPAA claims transactions and  
10 coding requirements, and the Iowa automated benefits  
11 calculation system:

12	FY 2011-2012.....	\$	3,494,176
13	FY 2012-2013.....	\$	4,120,037
14	FY 2013-2014.....	\$	3,415,163
15	FY 2014-2015.....	\$	<del>3,345,684</del>

16 0

17 Moneys appropriated in this lettered paragraph for  
18 FY 2013-2014 shall be used only for the purposes of the  
19 eligibility integrated application solution system, the  
20 HIPAA 5010/ICD-10 claims system, and the pharmacy point  
21 of sale replacement system.

22 In seeking to contract with a private organization  
23 or organizations for the Medicaid management  
24 information system, the state's chief information  
25 officer shall oversee the procurement process. An  
26 advisory panel shall be established to review the final  
27 scoring of the evaluators and to make a recommendation  
28 to the director regarding the contract award for the  
29 Medicaid management information system. The advisory  
30 panel, which shall be appointed by the governor, shall  
31 consist of no less than three members. All members of  
32 the advisory panel shall be from the private sector and  
33 shall not have participated in any previous procurement  
34 for the Medicaid management information system or any  
35 procurement related to consulting or oversight of the  
36 Medicaid management information system. At least one  
37 member of the advisory panel shall have experience and  
38 knowledge in the area of management information systems  
39 and at least one member of the advisory panel shall be  
40 a provider of Medicaid services in the state of Iowa.

41 Sec. 65. 2012 Iowa Acts, chapter 1138, section 89,  
42 is amended to read as follows:

43 SEC. 89. DEPARTMENT OF NATURAL RESOURCES ----  
44 ECONOMIC EMERGENCY FUND. There is appropriated from  
45 the Iowa economic emergency fund to the department of  
46 natural resources for the fiscal year beginning July 1,  
47 2011, and ending June 30, 2012, the following amount,  
48 or so much thereof as is necessary, to be used for the  
49 purposes designated, notwithstanding section 8.55,  
50 subsection 1:

1 For the repair of damages due to the flooding of the  
2 Missouri river during the calendar year 2011 in the  
3 Lewis and Clark, lake Manawa, and Wilson island state  
4 parks and recreation area:  
5 ..... \$ 2,865,743

6 For purposes of section 8.33, unless specifically  
7 provided otherwise, unencumbered or unobligated  
8 moneys remaining from the appropriation made in this  
9 section shall not revert but shall remain available for  
10 expenditure for the purposes designated until the close  
11 of the fiscal year that ends ~~two~~ three years after the  
12 end of the fiscal year for which the appropriation is  
13 made. However, if the project or projects for which  
14 the appropriation was made are completed in an earlier  
15 fiscal year, unencumbered or unobligated moneys shall  
16 revert at the close of that same fiscal year.

17 Sec. 66. 2013 Iowa Acts, chapter 142, section 3,  
18 subsection 1, is amended by striking the subsection.

19 Sec. 67. EFFECTIVE UPON ENACTMENT. This division  
20 of this Act, being deemed of immediate importance,  
21 takes effect upon enactment.>

22 2. Title page, by striking lines 1 through 3  
23 and inserting <An Act relating to state and local  
24 finances by making appropriations, providing for fees,  
25 providing for legal responsibilities, and providing for  
26 regulatory requirements, taxation, and other properly  
27 related matters, and including penalties and effective  
28 date and retroactive applicability provisions.>

**By** SODERBERG of Plymouth

HOUSE FILE 2473

H-8318

1 Amend the amendment, H-8315, to House File 2473 as  
2 follows:

3 1. Page 17, after line 30 by inserting:

4 <DIVISION \_\_\_\_\_  
5 UNCLAIMED LIFE INSURANCE DEATH BENEFITS  
6 Sec. \_\_\_\_\_. NEW SECTION. 507B.4C Unclaimed life  
7 insurance.

8 1. Purpose. The purpose of this section is to  
9 require complete and proper disclosure, transparency,  
10 and accountability relating to any method of payment  
11 for life insurance death benefits regulated by the  
12 commissioner.

13 2. Definitions. As used in this section, unless  
14 the context otherwise requires:

15 a. "Account owner" means the owner of a retained  
16 asset account who is a resident of this state.

17 b. "Annuity" means an annuity contract issued in  
18 this state. "Annuity" does not include any annuity  
19 contract used to fund an employment-based retirement  
20 plan or program where the insurer takes direction from  
21 the plan sponsor or plan administrator.

22 c. "Authorized person" means a policy owner,  
23 insured, annuity owner, annuitant, or account holder,  
24 as applicable under a policy, annuity, or retained  
25 asset account.

26 d. "Death master file" means the United States  
27 social security administration's death master file  
28 or any other database or service that is at least as  
29 comprehensive as the United States social security  
30 administration's death master file for determining that  
31 a person has died.

32 e. "Death master file match" means a search of  
33 the death master file that results in a match of an  
34 authorized person's name and social security number or  
35 an authorized person's name and date of birth.

36 f. "Insurer" means a life insurance company  
37 regulated under chapter 508.

38 g. "Policy" means any policy or certificate of life  
39 insurance issued in this state. "Policy" does not  
40 include any of the following:

41 (1) A policy or certificate of life insurance which  
42 provides a death benefit under an employee benefit  
43 plan subject to the federal Employee Retirement Income  
44 Security Act of 1974, Pub. L. No. 93-406, as codified  
45 at 29 U.S.C. {1002 et seq.

46 (2) A policy or certificate of life insurance which  
47 provides a death benefit under an employee benefit plan  
48 subject to a federal employee benefit program.

49 (3) A policy or certificate of life insurance  
50 which is used to fund a preneed plan for cemetery

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1 merchandise, funeral merchandise, funeral services, or  
2 a combination thereof.

3 (4) A policy or certificate of credit life or  
4 accidental death insurance.

5 (5) A policy issued to a group master policyowner  
6 for which the insurer does not provide recordkeeping  
7 services.

8 h. "Recordkeeping services" means services provided  
9 by an insurer who has entered into an agreement with a  
10 group policy customer to be responsible for obtaining,  
11 maintaining, and administering in the insurer's own  
12 recordkeeping systems at least all of the following  
13 information about each individual insured under  
14 the insured's group insurance contract or a line of  
15 coverage thereunder:

16 (1) Social security number or name and date of  
17 birth.

18 (2) Beneficiary designation information.

19 (3) Coverage eligibility.

20 (4) Benefit amount.

21 (5) Premium payment status.

22 i. "Retained asset account" means an  
23 interest-bearing account set up by an insurer in  
24 the name of the beneficiary of a policy or annuity upon  
25 the death of the insured.

26 3. Insurer duties.

27 a. For any in-force policy, annuity, or retained  
28 asset account issued for delivery in this state for  
29 which the insurer has not previously been notified of  
30 a claim, an insurer shall perform a comparison of such  
31 policy, annuity, or retained asset account against the  
32 death master file, on at least a semiannual basis, to  
33 identify potential death master file matches.

34 (1) An insurer may comply with the requirements of  
35 this subsection by using the full death master file for  
36 the initial comparison and thereafter using the death  
37 master file update files for subsequent comparisons.

38 (2) Nothing in this section shall be interpreted to  
39 limit the right of an insurer to request a valid death  
40 certificate as part of any claims validation process.

41 b. If an insurer learns of the possible death of an  
42 authorized person through a death master file match or  
43 otherwise, the insurer shall, within ninety days, do  
44 all of the following:

45 (1) Complete a good faith effort, which shall be  
46 documented by the insurer, to confirm the death of the  
47 authorized person against other available records and  
48 information.

49 (2) Review the insurer's records to determine  
50 whether the deceased authorized person had purchased

1 any other products from the insurer.

2 (3) Determine whether benefits may be due in  
3 accordance with the applicable policy, annuity, or  
4 retained asset account.

5 (4) If the beneficiary or an authorized person  
6 has not communicated with the insurer within the  
7 ninety-day period, take reasonable steps, which shall  
8 be documented by the insurer, to locate and contact any  
9 beneficiary or other authorized person on the policy,  
10 annuity, or retained asset account, including sending  
11 the beneficiary or other authorized person information  
12 regarding the insurer's claims process and regarding  
13 the need to provide an official death certificate, if  
14 applicable under the policy, annuity, or retained asset  
15 account.

16 c. Every insurer shall implement procedures to  
17 account for all of the following:

18 (1) Common nicknames, initials used in lieu of a  
19 first or middle name, use of a middle name, compound  
20 first and middle names, and interchanged first and  
21 middle names.

22 (2) Compound last names, maiden or married names,  
23 and hyphens, blank spaces, or apostrophes in last  
24 names.

25 (3) Transposition of the month and date portions of  
26 the date of birth.

27 (4) Incomplete social security numbers.

28 d. An insurer may disclose minimum necessary  
29 personal information about a beneficiary or authorized  
30 person to an individual or entity whom the insurer  
31 reasonably believes may be able to assist the insurer  
32 in locating the beneficiary or authorized person  
33 entitled to payment of the claims proceeds.

34 e. An insurer or its service provider shall not  
35 charge a beneficiary or authorized person any fees  
36 or costs associated with a death master file search  
37 conducted pursuant to this section.

38 f. The benefits from a policy, annuity, or retained  
39 asset account, plus any applicable accrued interest,  
40 shall first be payable to designated beneficiaries  
41 or authorized persons, and in the event that the  
42 beneficiaries or authorized persons cannot be found,  
43 shall be reported and remitted to the state as  
44 unclaimed property pursuant to chapters 556 and 633.

45 4. Rules. The commissioner shall adopt rules to  
46 administer the provisions of this section.

47 5. Orders. The commissioner may issue an order  
48 doing any of the following:

49 a. Limiting the death master file comparisons  
50 required under subsection 3, paragraph "a", to an

1 insurer's electronic searchable files or approving a  
2 plan and timeline for conversion of an insurer's files  
3 to electronic searchable files.

4 b. Exempting an insurer from the death master file  
5 comparisons required under subsection 3, paragraph "a",  
6 or permitting an insurer to perform such comparisons  
7 less frequently than semiannually upon a demonstration  
8 of financial hardship by the insurer.

9 c. Phasing in requirements for compliance with this  
10 section according to a plan and timeline approved by  
11 the commissioner.

12 6. Unfair trade practice. Failure to meet any  
13 requirement of this section with such frequency as to  
14 constitute a general business practice is an unfair  
15 method of competition and an unfair or deceptive act  
16 or practice in the business of insurance under this  
17 chapter.

18 7. Insurer unclaimed property reporting.

19 a. If an insurer identifies a person as deceased  
20 through a death master file match as described in  
21 subsection 3, paragraph "a", or other information  
22 source, and validates such information through a  
23 secondary information source, the insurer may report  
24 and remit the proceeds of the policy, annuity, or  
25 retained asset account due to the state prior to the  
26 dates required for such reporting and remittance under  
27 chapter 556, without further notice to or consent by  
28 the state, after attempting to contact any beneficiary  
29 under either of the following circumstances:

30 (1) The insurer is unable to locate a beneficiary  
31 who is located in this state under the policy, annuity  
32 contract, or retained asset account, after conducting  
33 reasonable search efforts of up to one year after the  
34 insurer's validation of the death master file match.

35 (2) No beneficiary or person, as applicable for  
36 unclaimed property reporting purposes under chapter  
37 556, has a last known address in this state.

38 b. Once the insurer has reported upon and remitted  
39 the proceeds of the policy, annuity, or retained  
40 asset account to the state pursuant to chapter 556,  
41 the insurer is relieved from any and all additional  
42 liability to any beneficiary or authorized person  
43 relating to the proceeds reported upon and remitted.

44 Sec. \_\_\_\_ . EFFECTIVE DATE. This division of this  
45 Act takes effect July 1, 2015.>

46 2. By renumbering as necessary.

By SODERBERG of Plymouth

Senate Amendment to  
House Amendment to  
SENATE FILE 303

H-8317

1 Amend the House amendment, S-5100, to Senate File  
2 303, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 12, after line 41 by inserting:

5 <Sec. \_\_\_\_\_. Section 261.9, subsection 1, unnumbered  
6 paragraph 1, Code 2014, is amended to read as follows:  
7 "Accredited private institution" means an institution  
8 of higher learning located in Iowa which is operated  
9 privately and not controlled or administered by any  
10 state agency or any subdivision of the state and which  
11 meets the criteria in paragraphs "a" and "b" and all  
12 of the criteria in paragraphs "d" through ~~"h"~~ "i",  
13 except that institutions defined in paragraph "c" of  
14 this subsection are exempt from the requirements of  
15 paragraphs "a" and "b":

16 Sec. \_\_\_\_\_. Section 261.9, subsection 1, Code 2014,  
17 is amended by adding the following new paragraph:

18 NEW PARAGRAPH. i. (1) Adopts a policy to require  
19 that the institution shall annually, beginning December  
20 15, 2015, file a report with the governor and the  
21 general assembly providing information and statistics  
22 for the previous five academic years on the number  
23 of students per year who are veterans who received  
24 education credit for military education, training, and  
25 service, that number as a percentage of veterans known  
26 to be enrolled at the institution, the average number  
27 of credits received by students, and the average number  
28 of credits applied towards the award or completion of a  
29 course of instruction, postsecondary diploma, degree,  
30 or other evidences of distinction.

31 (2) For purposes of this paragraph, "veteran" means  
32 a veteran as defined in section 35.1.>

33 2. Page 13, line 33, by striking <35.1, or the  
34 spouse of a veteran> and inserting <35.1>

35 3. Page 13, line 36, by striking <or veteran's  
36 spouse>

37 4. Page 13, line 39, by striking <or the veteran's  
38 spouse>

39 5. Page 13, line 43, by striking <or veteran's  
40 spouse>

41 6. Page 13, line 47, by striking <or veteran's  
42 spouse>

43 7. Page 13, line 50, by striking <or the veteran's>

44 8. Page 14, line 1, by striking <spouse>

45 9. Page 14, by striking lines 15 through 21 and  
46 inserting:

47 <Sec. \_\_\_\_\_. REPORTING. Each licensing board, as  
48 defined in section 272C.1, shall file>

49 10. Page 14, after line 25 by inserting:

50 <\_\_\_\_\_. REPORT. Each licensing board, as defined

1 in section 272C.1, shall file a report by January 1,  
2 2015, with the chairpersons and ranking members of  
3 the house and senate standing committees on veterans  
4 affairs making recommendations related to expanding the  
5 professional licensing provisions of section 272C.4,  
6 subsection 12, to include the spouses of veterans.>

7 11. Page 14, after line 27 by inserting:  
8 <Sec. \_\_\_\_\_. NEW SECTION. 35B.2 Administration.  
9 Unless otherwise provided, the county commission  
10 of veteran affairs shall be responsible for the  
11 administration of this chapter.

12 12. Page 15, line 7, after <to the> by inserting  
13 <annual>

14 13. Page 15, line 21, by striking <annual>

15 14. Page 15, line 22, after <administrator> by  
16 inserting <and all employees of the county veteran  
17 affairs office>

18 15. Page 15, line 25, by striking <annual>

19 16. Page 15, line 26, after <administrator> by  
20 inserting <and all employees of the county veteran  
21 affairs office>>

22 17. Page 16, by striking lines 18 through 24 and  
23 inserting:

24 <b. Neither a county board of supervisors nor a  
25 county commission of veteran affairs shall publish the  
26 names of the veterans or their families who receive  
27 benefits under the provisions of this chapter.>

28 18. Page 16, line 48, after <shall> by inserting  
29 <be sent to the board of supervisors with all  
30 personally identifying information redacted and shall>

31 19. Page 16, by striking line 49 and inserting  
32 <~~reviewed~~ subject to approval by the board of  
33 supervisors and. Upon the approval of the board of  
34 supervisors, the>

35 20. Page 18, line 23, after <and> by inserting  
36 <shall, as provided in this section,>

37 21. Page 18, line 35, by striking <the> and  
38 inserting <a>

39 22. Page 18, line 36, after <rate> by inserting  
40 <that does not exceed the rate>

41 23. Page 19, after line 37 by inserting:

42 <DIVISION \_\_\_\_  
43 HOMEOWNERSHIP PROGRAM

44 Sec. \_\_\_\_\_. Section 16.54, subsections 1 and 3, Code  
45 2014, are amended to read as follows:

46 1. For the purposes of this section, "eligible  
47 member of the armed forces of the United States" or  
48 "eligible service member" means a person who is or was,  
49 if discharged under honorable conditions, a member of  
50 the national guard, or a reserve, or regular component

1 of the armed forces of the United States, who has  
2 served at least ninety days of active duty service  
3 beginning on or after September 11, 2001, or during  
4 the period of the Persian Gulf Conflict, beginning  
5 August 2, 1990, and ending April 6, 1991. "Eligible  
6 member of the armed forces of the United States" or  
7 "eligible service member" also means a former member of  
8 the national guard, or a reserve, or regular component  
9 of the armed forces of the United States, who was  
10 honorably discharged due to injuries incurred while on  
11 federal active duty beginning on or after September  
12 11, 2001, or during the period of the Persian Gulf  
13 Conflict, beginning August 2, 1990, and ending April 6,  
14 1991, that precluded completion of a minimum aggregate  
15 of ninety days of federal active duty.

16 3. The program shall be administered by the  
17 authority and shall provide loans, grants, or other  
18 assistance to ~~persons who are or were eligible~~ service  
19 ~~members of the armed forces of the United States.~~ In  
20 the event an eligible service member is deceased,  
21 the surviving spouse of the eligible member shall be  
22 eligible for assistance under the program, subject to  
23 the surviving spouse meeting the program's eligibility  
24 requirements other than the military service  
25 requirement. In addition, a person eligible for the  
26 program under this section may participate in other  
27 loan and grant programs of the authority, provided the  
28 person meets the requirements of those programs.

29 Sec. \_\_\_\_ . Section 16.54, subsection 4, paragraphs a  
30 and b, Code 2014, are amended to read as follows:

31 a. The person eligible for the program shall, for  
32 financed home purchases that close on or after July 1,  
33 2008, use a lender that participates in the authority's  
34 ~~applicable~~ first mortgage financing programs for  
35 homebuyers or a lender approved by the authority under  
36 subsection 5.

37 b. (1) For financed home purchases that close  
38 on or after July 1, 2008, the eligible person shall  
39 participate, if eligible to participate, in one of the  
40 authority's ~~other applicable~~ first mortgage financing  
41 programs for homebuyers. ~~However, a person~~

42 (2) Notwithstanding subparagraph (1), an eligible  
43 service member who qualifies for one of the authority's  
44 ~~other applicable~~ first mortgage financing programs for  
45 homebuyers may use a lender that does not participate  
46 in the authority's first mortgage financing programs  
47 for homebuyers if such lender is approved by the  
48 authority under subsection 5. For financed home  
49 purchases that close on or after July 1, 2014, an  
50 eligible service member who qualifies for one of the

1 authority's first mortgage financing programs may  
2 accept financing other than that available under the  
3 authority's first mortgage financing programs for  
4 homebuyers if all of the following apply:

5 (a) The financing is offered by a lender that  
6 participates in one of the authority's first mortgage  
7 financing programs for homebuyers or by a lender  
8 approved pursuant to subsection 5.

9 (b) The authority determines that the offered  
10 financing would be economically feasible and  
11 financially advantageous for the eligible service  
12 member.

13 DIVISION \_\_\_\_\_

14 CIVIL SERVICE EXAMINATION ELIGIBILITY

15 Sec. \_\_\_\_\_. NEW SECTION. 341A.6A Veteran  
16 eligibility.

17 If a veteran has been honorably discharged between  
18 forty-five days before and sixty days after an  
19 examination or test is administered under section  
20 341A.6, the commission may allow the veteran to be  
21 subject to such examination or testing up to ninety  
22 days following the date that the original examination  
23 or testing was conducted and if appropriate shall add  
24 the veteran's name and address to the eligibility list  
25 for a vacant position pursuant to section 341A.13.

26 Sec. \_\_\_\_\_. Section 400.10, Code 2014, is amended to  
27 read as follows:

28 400.10 Preferences.

29 1. In all examinations and appointments under this  
30 chapter, other than promotions and appointments of  
31 chief of the police department and chief of the fire  
32 department, veterans who are citizens and residents of  
33 the United States, shall have five percentage points  
34 added to the veteran's grade or score attained in  
35 qualifying examinations for appointment to positions  
36 and five additional percentage points added to the  
37 grade or score if the veteran has a service-connected  
38 disability or is receiving compensation, disability  
39 benefits, or pension under laws administered by the  
40 United States department of veterans affairs. An  
41 honorably discharged veteran who has been awarded the  
42 Purple Heart incurred in action shall be considered  
43 to have a service-connected disability. However, the  
44 percentage points shall be given only upon passing  
45 the exam and shall not be the determining factor in  
46 passing. Veteran's preference percentage points  
47 shall be applied once to the final scores used to  
48 rank applicants for selection for an interview. For  
49 purposes of this section, "veteran" means as defined  
50 in section 35.1 except that the requirement that the

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1 person be a resident of this state shall not apply.  
2 2. If a veteran entitled to preference pursuant  
3 to this section has been honorably discharged between  
4 forty-five days before and sixty days after an  
5 examination is administered pursuant to section 400.8,  
6 the commission may allow the veteran to be subject  
7 to examination up to ninety days following the date  
8 the original examination was administered and if  
9 appropriate shall add the veteran's name to the list  
10 for original appointment pursuant to section 400.11,  
11 subsection 1.>  
12 24. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-8317 FILED APRIL 25, 2014

**Senate Amendment to  
House Amendment to  
SENATE FILE 2337**

H-8311

1 Amend the House amendment, S-5175, to Senate File  
2 2337, as passed by the Senate, as follows:  
3 1. Page 1, line 12, by striking <2016> and  
4 inserting <2015>  
5 2. Page 1, line 14, by striking <2016> and  
6 inserting <2015>

RECEIVED FROM THE SENATE

H-8311 FILED APRIL 25, 2014

SENATE FILE 2355

H-8314

1 Amend Senate File 2355, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 15, after line 33 by inserting:

4 <DIVISION \_\_\_\_\_

5 ROAD FUNDING ---- MOTOR FUEL EXCISE TAXES

6 Sec. \_\_\_\_\_. Section 452A.3, subsection 1, unnumbered  
7 paragraph 1, Code 2014, is amended to read as follows:

8 Except as otherwise provided in this section and in  
9 this division, until ~~June 30~~ December 31, 2014, this  
10 subsection shall apply to the excise tax imposed on  
11 each gallon of motor fuel used for any purpose for the  
12 privilege of operating motor vehicles in this state.

13 Sec. \_\_\_\_\_. Section 452A.3, subsection 1A, Code 2014,  
14 is amended by striking the subsection and inserting in  
15 lieu thereof the following:

16 1A. a. Except as otherwise provided in this  
17 section and in this division, beginning January 1,  
18 2015, this subsection shall apply to the excise taxes  
19 imposed on each gallon of motor fuel used for any  
20 purpose for the privilege of operating motor vehicles  
21 in this state.

22 b. An excise tax is imposed on each gallon of  
23 ethanol blended gasoline in an amount equal to the sum  
24 of sixteen cents per gallon plus five percent of the  
25 statewide average retail price of a gallon of ethanol  
26 blended gasoline. The portion of the excise tax that  
27 is based on the statewide average retail price shall  
28 be computed by the department and adjusted annually on  
29 January 1 by calculating five percent of the statewide  
30 average retail price of a gallon of ethanol blended  
31 gasoline, exclusive of federal and state excise taxes,  
32 for the twelve-month period beginning October 1 and  
33 ending September 30 immediately preceding the calendar  
34 year in which the adjusted tax rate will take effect,  
35 rounded to the nearest tenth of a cent.

36 c. An excise tax is imposed on each gallon of  
37 nonethanol blended gasoline in an amount equal to the  
38 sum of sixteen cents per gallon plus five percent of  
39 the statewide average retail price of a gallon of  
40 nonethanol blended gasoline. The portion of the excise  
41 tax that is based on the statewide average retail  
42 price shall be computed by the department and adjusted  
43 annually on January 1 by calculating five percent of  
44 the statewide average retail price of a gallon of  
45 nonethanol blended gasoline, exclusive of federal  
46 and state excise taxes, for the twelve-month period  
47 beginning October 1 and ending September 30 immediately  
48 preceding the calendar year in which the adjusted tax  
49 rate will take effect, rounded to the nearest tenth of  
50 a cent.

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1 d. The department shall adopt rules prescribing  
2 the process for computing the portion of the excise  
3 tax under paragraph "b" that is based on the statewide  
4 average retail price of a gallon of ethanol blended  
5 gasoline and the portion of the excise tax under  
6 paragraph "c" that is based on the statewide average  
7 retail price of a gallon of nonethanol blended  
8 gasoline.

9 Sec. \_\_\_\_\_. Section 452A.3, subsections 1B and 1C,  
10 Code 2014, are amended by striking the subsections.

11 Sec. \_\_\_\_\_. Section 452A.3, subsection 3, Code 2014,  
12 is amended to read as follows:

13 3. a. For the privilege of operating motor  
14 vehicles or aircraft in this state, there is imposed  
15 an excise tax on the use of special fuel in a motor  
16 vehicle or aircraft.

17 (1) (a) The tax Beginning January 1, 2015, the  
18 rate of the excise tax on special fuel for diesel  
19 engines of motor vehicles is twenty two and one-half an  
20 amount equal to the sum of eighteen cents per gallon  
21 plus five percent of the statewide average retail  
22 price of a gallon of special fuel for diesel engines  
23 of motor vehicles. The portion of the excise tax that  
24 is based on the statewide average retail price shall  
25 be computed by the department and adjusted annually on  
26 January 1 by calculating five percent of the statewide  
27 average retail price of a gallon of special fuel for  
28 diesel engines of motor vehicles, exclusive of federal  
29 and state excise taxes, for the twelve-month period  
30 beginning October 1 and ending September 30 immediately  
31 preceding the calendar year in which the adjusted tax  
32 rate will take effect, rounded to the nearest tenth of  
33 a cent.

34 (b) The department shall adopt rules prescribing  
35 the process for computing the portion of the excise tax  
36 that is based on the statewide average retail price of  
37 a gallon of special fuel for diesel engines of motor  
38 vehicles.

39 (2) The rate of tax on special fuel for aircraft is  
40 three cents per gallon.

41 (3) On all other special fuel, unless otherwise  
42 specified in this section, the per gallon rate is  
43 the same as the ~~motor fuel~~ tax on nonethanol blended  
44 gasoline.

45 b. Indelible dye meeting United States  
46 environmental protection agency and internal revenue  
47 service regulations must be added to fuel before or  
48 upon withdrawal at a terminal or refinery rack for that  
49 fuel to be exempt from tax and the dyed fuel may be  
50 used only for an exempt purpose.

1 Sec. \_\_\_\_\_. Section 452A.3, Code 2014, is amended by  
2 adding the following new subsection:  
3 NEW SUBSECTION. 6A. By December 15 of each year,  
4 the director shall cause an advisory notice to be  
5 published in the Iowa administrative bulletin and  
6 in a newspaper of general circulation in this state,  
7 stating the rate of excise taxes established pursuant  
8 to subsection 1A and subsection 3, paragraph "a",  
9 subparagraph (1), both as enacted in this Act, that  
10 will take effect the following January 1.

11 Sec. \_\_\_\_\_. Section 452A.3, subsection 4, as amended  
12 by 2014 Iowa Acts, [Senate File 2338](#), section 3, is  
13 amended to read as follows:

14 4. For compressed natural gas used as a special  
15 fuel, the rate of the excise tax is ~~twenty one cents~~  
16 ~~per gallon~~ the rate imposed for nonethanol blended  
17 gasoline under subsection 1A, paragraph "c".

18 Sec. \_\_\_\_\_. Section 452A.3, subsection 4A, as enacted  
19 by 2014 Iowa Acts, [Senate File 2338](#), section 4, is  
20 amended to read as follows:

21 4A. For liquefied natural gas used as a special  
22 fuel, the rate of the excise tax is ~~twenty two and~~  
23 ~~one half cents per gallon~~ the rate imposed for special  
24 fuel for diesel engines of motor vehicles under  
25 subsection 3, paragraph "a", subparagraph (1).

26 Sec. \_\_\_\_\_. 2005 Iowa Acts, chapter 178, section 41,  
27 subsection 3, is amended to read as follows:

28 3. REPEAL. This section is repealed effective July  
29 1, ~~2015~~ 2025.

30 Sec. \_\_\_\_\_. APPLICABILITY ---- INVENTORY TAX.  
31 Notwithstanding section 452A.85, persons who have title  
32 to motor fuel, ethanol blended gasoline, undyed special  
33 fuel, compressed natural gas, liquefied natural gas, or  
34 liquefied petroleum gas in storage and held for sale on  
35 the effective date of an increase in the rate of excise  
36 tax imposed on motor fuel, ethanol blended gasoline,  
37 undyed special fuel, compressed natural gas, liquefied  
38 natural gas, or liquefied petroleum gas pursuant to  
39 this Act shall not be subject to an inventory tax on  
40 the gallonage in storage as provided in section 452A.85  
41 as a result of any tax increase due to implementation  
42 of this Act.

43 Sec. \_\_\_\_\_. EFFECTIVE DATE.

44 1. Except as provided in subsection 2, this  
45 division of this Act, being deemed of immediate  
46 importance, takes effect upon enactment.

47 2. The following sections of this division of this  
48 Act take effect January 1, 2015:

49 a. The section amending section 452A.3, subsection  
50 3.

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1 b. The section amending section 452A.3, subsection  
2 4, as amended by 2014 Acts, [Senate File 2338](#), section  
3 3.

4 c. The section amending section 452A.3, subsection  
5 4A, as enacted by 2014 Acts, [Senate File 2338](#), section  
6 4.

7 d. The section relating to the applicability of the  
8 inventory tax.>

9 2. Title page, line 2, after <transportation,> by  
10 inserting <providing for certain road funding and motor  
11 fuel excise taxes,>

12 3. By renumbering as necessary.

**By** BYRNES of Mitchell

H-8314 FILED APRIL 25, 2014



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**SF 2344** – Renewable Fuels Incentives (LSB 5886SV.2)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – As amended and passed by the House

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### **Description**

**Senate File 2344**, as amended and passed by the House, relates to motor vehicle biofuel tax and production incentives. This Bill:

- Increases the tax credit rate for E-15 blended gasoline.
- Extends the existing Biodiesel Production Payment for three years.
- Defines biobutanol as a biofuel and biobutanol blended gasoline as a renewable fuel.

### **Background**

The amount of the E-15 Tax Credit equals a constant (cents per gallon sold) rate multiplied by the total number of gallons of ethanol blended gasoline, classified as at least E-15 but less than E-85, and sold and dispensed by the retail dealer during the tax year. Under current law, the designated rate is 3.0 cents per gallon for calendar year 2014 and 2.0 cents per gallon for calendar years 2015 through 2017.

This Bill modifies the designated rate to 3.0 cents per gallon sold in period 1 (January 1 through May 31), 10.0 cents per gallon in period 2 (June 1 through September 15), and 3.0 cents per gallon in period 3 (September 16 through December 31) (see Table A). This change is retroactive to January 1, 2014.

This Biodiesel Production Payment was created in **SF 531 (Motor Fuels Act of 2011)**. The payment was equal to 3.0 cents per gallon produced in 2012, 2.5 cents in 2013, and 2.0 cents in 2014. The production payment does not continue after 2014 under current law. This Bill extends the 2.0-cent production payment rate for three additional calendar years through 2017.

### **Assumptions**

#### **Retail E-15 Biofuel Tax Credit**

- This analysis uses data from the 2013 Retailers Motor Fuel Gallons Annual Report prepared by the Iowa Department of Revenue with results adjusted using fuel consumption growth forecasted by the federal Energy Information Administration.
- The Department of Revenue annual fuel report does not capture the month of sales; only calendar year sales are available. Therefore, this analysis uses an average designated rate for E-15 based on the historical distribution of Iowa monthly taxable gasohol between 2007 and 2013 in the three periods: 40.4%, 30.0%, and 29.7% for the three periods proposed in this Bill, respectively. The average designated rate in a tax year equals 5.1 cents per gallon by multiplying the three-period percentage distribution and the three proposed designated rates.
- The tax credits are forecasted on a tax year basis. When converting the fiscal impacts from tax year to fiscal year, the historical distribution of claims for tax year 2011 is applied.

## **Biodiesel Production Payment**

- This analysis is based on 2012 and 2013 Biodiesel Producer Refund quarterly claim data, that includes biodiesel produced by ten Iowa producers and the amount of refunds claimed. The Iowa Renewable Fuels Association (IRFA) on January 8, 2014, announced that Iowa biodiesel production increased 25.0% in 2013, setting a new record with production topping 230 million gallons of biodiesel. In addition, according to the Monthly Biodiesel Production Survey from the U.S. Energy Information Administration, B100 (the industry designation for pure biodiesel) production increased 2.4% from 2011 to 2012 and 35.2% from 2012 to 2013. The jump in 2013 is primarily explained by the expiration and subsequent extension of the Federal Biodiesel and Renewable Diesel Fuels Credit. The American Taxpayer Relief Act of 2012 (Pub. L. No. 112-240) retroactively extended through December 31, 2013, the federal biodiesel fuel tax credits that had expired on December 31, 2011. Renewal of the federal credit contributed to the sharp increase in biodiesel production in 2013.
- The federal biodiesel fuel tax credit has once again expired and the Environmental Protection Agency (EPA) is currently proposing to lower the national Renewable Fuel Standard (RFS). The lower the RFS, the less renewable fuels will be required to be used in the U.S. fuel market, an action that will potentially reduce demand for biodiesel fuel. Due to the federal biodiesel policy uncertainty, the increase in biodiesel is not expected to sustain after 2013. This analysis assumes that biodiesel production will decline slightly from 2013 to 2014. In 2015 and later, the annual growth rate for each biodiesel producer is assumed to be 3.5% each year. It is also assumed no new producers will emerge in the forecasted years.

## **Fiscal Impacts**

The changes to the E-15 Tax Credit and the Biodiesel Production Payment are projected to reduce net General Fund revenue by the amounts in the following table.

	<b>Retail E-15 Tax Credit and Biodiesel Production Payment Changes</b>		
	Net General Fund Impact, in Millions		
	E-15 Tax Credit	Biodiesel Production Payment	Total Fiscal Impact
FY 2015	\$ -0.1	\$ -2.6	\$ -2.7
FY 2016	-0.1	-4.4	-4.5
FY 2017	-0.2	-4.4	-4.6
FY 2018	-0.2	-1.6	-1.8
FY 2019	-0.2	0.0	-0.2
FY 2020	-0.1	0.0	-0.1
	<u>\$ -0.9</u>	<u>\$ -13.0</u>	<u>\$ -13.9</u>

## **Sources**

Department of Revenue  
U.S. Energy Information Administration

/s/ Holly M. Lyons

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April 25, 2014

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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.

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**SF 2337** – Child and Dependent Care Tax Credit (LSB 5581SV.2)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – Senate amendment to the House Amendment

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**Description**

**Senate File 2337**, including the Senate amendment to the House amendment, changes the existing Iowa Child and Dependent Care Tax Credit by modifying the requirement that the Iowa credit be calculated as a function of the federal tax credit. Under the federal calculation, the tax credit can be limited by a lack of federal tax liability for the taxpayer. This change will allow the taxpayer to benefit from the full Iowa tax credit even in instances where they were not allowed the full calculated federal credit due to insufficient federal tax liability.

The change is effective January 1, 2016 (tax year 2016), as passed the House, and effective January 1, 2015 (tax year 2015), with the Senate amendment to the House amendment.

**Assumptions**

The income tax reduction was estimated using the Department of Revenue individual income tax micro-model. The conversion of tax year impacts to State General Fund fiscal year impacts was completed using historical patterns of income tax withholding, estimates, final returns, and refunds.

**Fiscal Impact**

House amendment to the Senate File - The change to the Child and Dependent Care Tax Credit is projected to reduce annual net General Fund revenue by \$2.6 million beginning in FY 2017.

Senate amendment to the House amendment to the Senate File - The change to the Child and Dependent Care Tax Credit is projected to reduce annual net General Fund revenue by \$2.6 million beginning in FY 2016.

**Source**

Department of Revenue

/s/ Holly M. Lyons

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April 25, 2014

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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.

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**HF 2448** – Enterprise Zone Transition (LSB 5320HZ.1)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – As amended and passed by the Senate

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**Description**

**House File 2448** repeals the existing Economic Development Authority Enterprise Zone (EZ) and the related Housing Enterprise Zone (HEZ) Programs. The purpose of the EZ Program is transferred to the existing High Quality Jobs (HQJ) Program and the purpose of the HEZ Program is transferred to a new Workforce Housing Tax Incentive Program (WHTIP). As part of the transition, several changes to investment tax credits and tax refunds are made.

The new WHTIP is effective on enactment and applies retroactively to tax year 2014. A provision that makes existing HEZ tax credits that were not transferrable when originally issued into transferable tax credits is effective on enactment and applies to qualified nonrefundable HEZ investment tax credits issued prior to July 1, 2014. Holders of the impacted credits are required to notify the Authority of their intent to transfer tax credits. Any tax credits made transferable through the provisions of the Bill and subsequently transferred, may not be redeemed until January 1, 2016, or after.

**Background**

Only a portion of tax credits awarded by the Authority is eventually redeemed. The Department of Revenue tracks tax credit awards and tax credit redemptions and has determined a redemption pattern (the percentage of a year's worth of awards that is redeemed each year after the awards are made) for each Authority tax credit program. Tax credit redemption patterns vary significantly from program to program and the percentage of awards that are eventually redeemed also varies greatly.

Tax credits may be awarded but never redeemed for several reasons, including:

- Projects that are never started or never completed.
- Projects that fail to meet the requirements of the award.
- Lack of sufficient income tax liability for the holder of nonrefundable and nontransferable tax credits.

The EZ, HEZ, and HQJ Programs as well as the new housing incentive program are part of the Authority's \$170.0 million annual aggregate tax credit cap as established in [Iowa Code section 15.119](#). Since this Bill does not change the annual tax credit cap, this Bill does not alter the annual dollar value of tax credits available to the Authority for award. However, provisions of this Bill will change both the timing of credit redemption and the percentage of awarded credits that are ultimately redeemed.

This Bill also changes the transferability status of outstanding HEZ tax credits. Transferable tax credits are redeemed at a much quicker rate, and at a much higher ratio than nontransferable tax credits.

### **Assumptions**

The following table provides current law and proposed law assumptions concerning the redemptions of tax credits awarded under the Authority programs impacted by this Bill. The “# of Years” columns show the number of years a tax credit awarded in one year is assumed to impact. The “% Redeemed” columns show the percent of credits awarded in that one year that is ultimately redeemed on tax returns.

For example, \$1.0 million in HEZ Investment Tax Credits awarded in 2010 is assumed to be redeemed in varying percentages over the time frame of 2010 through 2018, and by the end of 2018, 50.1% (\$501,000) of the original credits is assumed to impact the State General Fund. The remaining \$499,000 is assumed to have no fiscal impact.

	<u>Current Law</u>		<u>Proposed Law</u>	
	<u># of Years</u>	<u>% Redeemed</u>	<u># of Years</u>	<u>% Redeemed</u>
HEZ Investment Tax Credit	9	50.1%	N/A	N/A
HEZ Sales/Use Tax Refunds	9	75.0%	N/A	N/A
WHTIP Investment Tax Credit	N/A	N/A	6	94.0%
WHTIP Sales/Use Tax Refund	N/A	N/A	9	75.0%
EZ Investment Tax Credit	13	37.8%	N/A	N/A
EZ Sales/Use Tax Refunds	5	29.8%	N/A	N/A
HQJ Investment Tax Credit	13	35.1%	13	35.1%
HQJ Sales/Use Tax Refunds	6	35.0%	6	35.0%

For the new WHITC, a greater percentage of tax credits awarded is assumed to be redeemed than under the existing HEZ Program due to the addition of complete transferability of tax credits under the new housing program.

For the EZ components transferred to the HQJ Program, the redemption patterns are assumed to be very similar to current law with 30.0% to 35.0% of awarded tax credits eventually redeemed.

Section 24 of this Bill, making existing HEZ tax credits that were not transferrable when originally issued into transferable tax credits will have a fiscal impact, as transferable tax credits are redeemed at a much higher rate than nontransferable tax credits.

### **Fiscal Impact**

While the provisions of this Bill do not increase the assumed dollar value of tax credits awarded by the Authority, this Bill does alter the redemption pattern for awarded credits. The following table provides the projected net General Fund revenue reduction associated with this Bill's tax credit redemption changes. The impacts include program revisions that lead to quicker

redemptions of awarded tax credits as well as changes that increase the percentage of awards that are eventually redeemed.

<b>General Fund Revenue Impact</b>	
In millions	
	<u>Revenue</u>
FY 2015	\$ 0.0
FY 2016	-5.1
FY 2017	-3.8
FY 2018	-0.9
FY 2019	-1.0
FY 2020	-3.7
FY 2021	-5.0
FY 2022	-6.3

**Sources**

Economic Development Authority  
Department of Revenue

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/s/ Holly M. Lyons

April 25, 2014

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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.

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