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**STATE OF IOWA**

**House Journal**

**FRIDAY, MAY 20, 2005**

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# JOURNAL OF THE HOUSE

One Hundred Thirty-first Calendar Day - Eighty-fourth Session Day

Hall of the House of Representatives  
Des Moines, Iowa, Friday, May 20, 2005

The House met pursuant to adjournment at 10:06 a.m., Speaker Rants in the chair.

Prayer was offered by the Honorable Danny Carroll, Speaker pro tempore of the House.

## PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Speaker Rants.

The Journal of Thursday, May 19, 2005 was approved.

## HOUSE REFUSED TO CONCUR

Greiner of Washington called up for consideration [Senate File 200](#), a bill for an act relating to the administration of the department of agriculture and land stewardship, by providing for its powers and duties, amended by the House, further amended by the Senate and moved that the House concur in the following Senate amendment [H-1630](#) to the House amendment:

### [H-1630](#)

- 1 Amend the House amendment, S-3208, to Senate File
- 2 200, as passed by the Senate, as follows:
- 3 1. By striking page 1, line 8, through page 4,
- 4 line 33, and inserting the following:
- 5 "Sec. NEW SECTION. 455B.118 WATERSHED
- 6 IMPROVEMENT FUND.
- 7 1. A watershed improvement fund is created in the
- 8 state treasury under the joint administrative control
- 9 of the department of natural resources and the
- 10 department of agriculture and land stewardship.
- 11 Moneys appropriated to the fund and any other moneys
- 12 available to and obtained or accepted by either
- 13 department for placement in the fund shall be
- 14 deposited in the fund. Additionally, payments of
- 15 interest, recaptures of awards, and other repayments
- 16 to the fund shall be deposited in the fund.

17 Notwithstanding section 12C.7, subsection 2, interest  
18 or earnings on moneys in the fund shall be credited to  
19 the fund. Notwithstanding section 8.33, moneys in the  
20 fund that remain unencumbered or unobligated at the  
21 end of the fiscal year shall not revert, but shall  
22 remain available for the same purpose in the  
23 succeeding fiscal year. Moneys appropriated to either  
24 department and deposited in the fund shall not be used  
25 for administrative purposes.

26 2. The purposes of the watershed improvement fund  
27 are the following:

28 a. Enhancement of water quality in the state  
29 through a variety of impairment-based, locally  
30 directed watershed improvement grant projects.

31 b. Positively affecting the management and use of  
32 water for the purposes of drinking, agriculture,  
33 recreation, sport, and economic development in the  
34 state.

35 c. Ensuring public participation in the process of  
36 determining priorities related to water quality  
37 including but not limited to all of the following:

38 (1) Agricultural runoff and drainage.

39 (2) Stream bank erosion.

40 (3) Municipal discharge.

41 (4) Stormwater runoff.

42 (5) Unsewered communities.

43 (6) Industrial discharge.

44 (7) Livestock runoff.

45 3. A watershed improvement review committee is  
46 established consisting of all of the following voting  
47 members, appointed by the named entity or entities and  
48 approved by the governor:

49 a. One member of the agribusiness association of  
50 Iowa.

Page 2

1 b. One member of the Iowa association of water  
2 agencies.

3 c. One member of the Iowa environmental council.

4 d. One member of the Iowa farm bureau federation.

5 e. One member of the Iowa pork producers  
6 association.

7 f. One member of the Iowa rural water association.

8 g. One member of the Iowa soybean association.

9 h. One member representing soil and water  
10 conservation districts of Iowa.

11 i. One member of the Iowa association of county  
12 conservation boards.

13 j. One person representing the department of  
14 agriculture and land stewardship.

15 k. One person representing the department of

16 natural resources.  
17 4. The watershed improvement review committee  
18 shall do all of the following:  
19 a. Award local watershed improvement grants and  
20 monitor the progress of local watershed improvement  
21 projects awarded grants. A local watershed  
22 improvement grant may be awarded for a period not to  
23 exceed three years. Each local watershed improvement  
24 grant awarded shall not exceed ten percent of the  
25 moneys appropriated for the grants during a fiscal  
26 year.  
27 b. Assist with the development of monitoring plans  
28 for local watershed improvement projects.  
29 c. Review monitoring results before, during, and  
30 after completion of a local watershed improvement  
31 project.  
32 d. Review costs and benefits of mitigation  
33 practices utilized by a project.  
34 e. By January 31, annually, submit an electronic  
35 report to the governor and the general assembly  
36 regarding the progress of the watershed improvement  
37 projects during the previous calendar year.  
38 f. Elicit the expertise of other organizations for  
39 technical assistance in the work of the review  
40 committee.  
41 g. Adopt administrative rules pursuant to chapter  
42 17A to administer this section.  
43 5. A watershed improvement review committee member  
44 who also serves on a local watershed improvement  
45 committee shall abstain from voting on a local  
46 watershed improvement grant application submitted by  
47 the same local watershed improvement committee of  
48 which the person is a member.  
49 6. a. A local watershed improvement committee  
50 shall be organized for the purposes of applying for a

Page 3

1 local watershed improvement grant and implementing a  
2 local watershed improvement project. Each local  
3 watershed improvement grant application shall include  
4 a methodology for attaining measurable, observable,  
5 and performance-based results. A majority of the  
6 members of the local watershed improvement committee  
7 shall represent a cause for the impairment of the  
8 watershed. The committee shall be authorized as a  
9 not-for-profit organization by the secretary of state.  
10 Soil and water conservation districts may also be  
11 eligible and apply for and receive local watershed  
12 improvement grants.  
13 b. A local watershed improvement committee shall  
14 be responsible for application for and implementation

15 of an approved local watershed improvement grant,  
16 including providing authorization for project bids and  
17 project expenditures under the grant. A portion of  
18 the grant moneys may be used to engage engineering  
19 expertise related to the project. The committee shall  
20 monitor local performance throughout the local  
21 watershed grant project and shall submit a report at  
22 six-month intervals regarding the progress and  
23 findings of the project as required by the watershed  
24 improvement review committee."  
25 \_\_\_\_\_. Title page, by striking lines 1 through 3  
26 and inserting the following: "An Act relating to  
27 agriculture by providing for the powers and duties of  
28 the department of agriculture and land stewardship and  
29 watershed improvement.""

The motion lost and the House refused to concur in the Senate amendment [H-1630](#), to the House amendment.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [Senate File 200](#) be immediately messaged to the Senate.

The House stood at ease at 10:16 a.m., until the fall of the gavel.

The House resumed session at 12:46 p.m., Speaker Rants in the chair.

#### QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed fifty-six members present, forty-four absent.

#### LEAVE OF ABSENCE

Leave of absence was granted as follows:

Chambers of O'Brien and Rayhons of Hancock, until their arrival, on request of Gipp of Winneshiek; Frevert of Palo Alto, Shomshor of Pottawattamie and R. Olson of Polk, until their arrival, on request of Bukta of Clinton.

## SENATE AMENDMENT CONSIDERED

Heaton of Henry called up for consideration [House File 825](#), a bill for an act relating to and making appropriations to the department of human services, the department of elder affairs, the Iowa department of public health, the commission of veterans affairs and the Iowa veterans home, and the department of inspections and appeals, providing for fee increases, and including other related provisions and appropriations, and providing effective dates, amended by the Senate amendment [H-1702](#) as follows:

[H-1702](#)

1 Amend [House File 825](#), as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 23, by striking the figure  
4 "2,791,522" and inserting the following: "2,792,116".  
5 2. By striking page 1, line 34, through page 2,  
6 line 1, and inserting the following:  
7 "2. Of the funds appropriated in this section,  
8 \$174,198 shall be".  
9 3. Page 2, by inserting after line 4, the  
10 following:  
11 "\_\_\_ Of the funds appropriated in this section,  
12 \$61,594 shall be used by the department of elder  
13 affairs for a statewide coordinator for the program of  
14 all-inclusive care for the elderly as defined in  
15 section 249H.3. The coordinator shall work in  
16 collaboration with the department of human services in  
17 carrying out the coordinator's duties."  
18 4. Page 2, line 17, by striking the figure  
19 "1,258,710" and inserting the following: "2,259,020".  
20 5. Page 2, by inserting after line 24, the  
21 following:  
22 "Of the moneys appropriated in this subsection,  
23 \$30,310 shall be used to continue to provide funding  
24 to local communities that have previously received  
25 funding from the centers for disease control and  
26 prevention of the United States department of health  
27 and human services for secondhand smoke education  
28 initiatives."  
29 6. Page 3, line 14, by striking the figure  
30 "1,264,299" and inserting the following: "1,274,299".  
31 7. Page 3, by inserting after line 19, the  
32 following:  
33 "Of the funds appropriated in this subsection,  
34 \$10,000 shall be used to continue the grant to a free  
35 clinic, as defined in section 135.24, operating in one  
36 county to continue the partnership and test program

37 for a buying cooperative approach for purchasing  
38 prescription drugs at a price less than retail. The  
39 prescription drugs purchased through the approach  
40 shall be provided to patients of the free clinic who  
41 are uninsured or underinsured."

42 8. By striking page 3, line 30, through page 4,  
43 line 1, and inserting the following:

44 "The amount appropriated in this subsection  
45 includes \$150,000 in additional funding for childhood  
46 lead poisoning prevention activities for counties not  
47 receiving federal funding for this purpose, and of  
48 this amount, \$50,000 is allocated for a pilot project  
49 to address lead poisoning prevention and remediation  
50 activities in a three-county program in north central

Page 2

1 Iowa with a combined population of at least 50,000."

2 9. Page 4, line 13, by striking the figure  
3 "1,044,151" and inserting the following: "1,379,258".

4 10. Page 4, line 16, by striking the figure  
5 "335,107" and inserting the following: "670,214".

6 11. Page 4, line 18, by inserting after the  
7 figure "135.106." the following: "The department  
8 shall transfer the funding allocated for the HOPES-HFI  
9 program to the Iowa empowerment board for distribution  
10 and shall assist the board in managing the contracting  
11 for the funding. The funding shall be distributed to  
12 renew the grants that were provided to the grantees  
13 that operated the program during the fiscal year  
14 ending June 30, 2005."

15 12. Page 4, line 26, by striking the figure  
16 "6,820,423" and inserting the following: "6,964,033".

17 13. Page 4, by inserting after line 27 the  
18 following:

19 "The office of the state medical examiner and the  
20 commissioner of public safety shall give consideration  
21 to a proposal offered by Polk county for the state  
22 criminalistics laboratory to share facilities with  
23 Polk county."

24 14. Page 4, line 32, by striking the figure  
25 "994,442" and inserting the following: "1,124,684".

26 15. Page 4, by inserting after line 33, the  
27 following:

28 "11B. SAFETY NET PROVIDERS

29 The purpose of this subsection is to create a  
30 formal network of providers to preserve and expand the  
31 health care safety net for vulnerable Iowans, to  
32 recognize that safety net providers are the means of  
33 access to health care for the uninsured in this state,  
34 and to provide a mechanism to identify the extent to  
35 which the uninsured in the state access health care

36 safety net providers. Of the amount appropriated in  
 37 this division of this Act for the medical assistance  
 38 program, \$1,100,000 is transferred to the  
 39 appropriation made in this subsection.  
 40 a. For provision of developmental support services  
 41 to safety net providers as provided in this  
 42 subsection:  
 43 ..... \$ 450,000  
 44 The Iowa department of public health shall contract  
 45 with the Iowa/Nebraska primary care association to  
 46 administer a network of community health centers  
 47 (CHCs), rural health clinics (RHCs), and free clinics,  
 48 with use of the free clinics as sources of referral to  
 49 the CHCs and RHCs, to provide developmental support  
 50 services including all of the following:

Page 3

1 (1) Promotion of the concept of quality, primary,  
 2 preventive, and ameliorative health care through a  
 3 comprehensive primary health care delivery system.  
 4 (2) Provision of a forum to allow primary care  
 5 practitioners, health care center and clinic  
 6 administrators, health department professionals, and  
 7 political and community leaders to interact and share  
 8 information.  
 9 (3) Partnering with existing relevant  
 10 organizations and associations to monitor federal and  
 11 state legislation to assure that the primary care  
 12 needs of Iowans are adequately reflected in public  
 13 policy.  
 14 (4) Partnering with existing relevant  
 15 organizations and associations to sponsor conferences,  
 16 training opportunities, and workshops on topics of  
 17 interest.  
 18 (5) Provision of a linkage between the safety net  
 19 providers and the expansion population under chapter  
 20 249J, if enacted by 2005 Iowa Acts, [House File 841](#).  
 21 b. For incubation grants to community health  
 22 centers that receive a total score of 85 based on the  
 23 evaluation criteria of the federal health resources  
 24 and services administration:  
 25 ..... \$ 650,000  
 26 A recipient of an incubation grant under this  
 27 paragraph "b" shall provide a local match of twenty-  
 28 five percent of the grant funds received."  
 29 16. Page 6, by striking line 28, and inserting  
 30 the following: "Iowa commission on volunteer service  
 31 created pursuant to chapter 15H to utilize local  
 32 veterans affairs".  
 33 17. Page 12, line 2, by striking the figure  
 34 "40,250,000" and inserting the following:

35 "40,556,413".  
36 18. Page 13, line 6, by striking the figure  
37 "524,800,000" and inserting the following:  
38 "506,916,519".  
39 19. Page 15, by striking lines 18 through 21.  
40 20. Page 15, by striking lines 22 through 34.  
41 21. By striking page 15, line 35, through page  
42 16, line 7.  
43 22. Page 16, by inserting after line 28, the  
44 following:  
45 "\_\_\_". The department shall expand coverage under  
46 the medical assistance program to cover smoking  
47 cessation drugs.  
48 \_\_\_". The department shall expand coverage under  
49 the medical assistance program to cover weight  
50 reduction treatments and drugs.

Page 4

1 \_\_\_". The department shall adopt rules to require  
2 that if a product is to be considered by the  
3 pharmaceutical and therapeutics committee established  
4 pursuant to section 249A.20A for inclusion on the  
5 preferred drug list, the pharmaceutical and  
6 therapeutics committee shall respond to all inquiries  
7 regarding the process at least 72 hours prior to a  
8 meeting of the committee to consider inclusion of the  
9 product. Additionally, the rules shall require that  
10 the committee provide a pharmaceutical manufacturer of  
11 a product with 20 days' prior written notice of  
12 consideration of the manufacturer's product for  
13 inclusion on the preferred drug list to allow adequate  
14 time for preparation of appropriate materials to be  
15 submitted to the committee for review. The rules  
16 shall also require that adequate time be provided for  
17 each interested individual to address the committee  
18 regarding a product to be considered for inclusion on  
19 the preferred drug list by the committee. A final  
20 decision regarding inclusion of a product on the  
21 preferred drug list shall not be made in an executive  
22 session of the committee."  
23 23. Page 18, line 29, by striking the figure  
24 "8,350,752" and inserting the following: "17,750,752".  
25 24. Page 18, line 31, by striking the figure  
26 "7,325,228" and inserting the following: "16,325,228".  
27 25. Page 19, line 6, by striking the figure  
28 "500,000" and inserting the following: "900,000".  
29 26. Page 20, line 31, by striking the figure  
30 "76,400,000" and inserting the following:  
31 "81,908,683".  
32 27. Page 22, line 25, by striking the figure  
33 "2,000,000" and inserting the following: "3,000,000".

34 28. Page 25, line 12, by striking the figure  
 35 "300,000" and inserting the following: "1,000,000".  
 36 29. Page 25, by inserting after line 26 the  
 37 following:  
 38 "\_\_\_ Of the amount appropriated in this section,  
 39 the following amounts are allocated for the indicated  
 40 child welfare system improvements:  
 41 a. For family team meetings and other family  
 42 engagement efforts:  
 43 ..... \$ 900,000  
 44 b. For recruiting, training, and development of  
 45 additional resource families, including but not  
 46 limited to families providing kinship, foster, and  
 47 adoptive care:  
 48 ..... \$ 325,000  
 49 c. For field staff working with families to have  
 50 flexible funding to purchase services and other

Page 5

1 support and to fill urgent family needs:  
 2 ..... \$ 750,000  
 3 d. For funding of shelter care so that 15  
 4 emergency beds are available statewide for the fiscal  
 5 year within the statewide average of 288 beds  
 6 addressed in the department's shelter care plan:  
 7 ..... \$ 200,000  
 8 e. For expansion of community partnerships to  
 9 prevent child abuse:  
 10 ..... \$ 100,000"

11 30. Page 25, by inserting after line 26, the  
 12 following:  
 13 "\_\_\_ The general assembly finds that it is  
 14 important for adequate, comprehensive mental health  
 15 services to be available to the children of this  
 16 state; that Iowa is seeking to develop a coordinated  
 17 system of mental health care for children through a  
 18 redesign of the children's mental health system; that  
 19 Iowa is one of only two states that have not  
 20 participated in the comprehensive community mental  
 21 health services program for children and their  
 22 families grant offered by the substance abuse and  
 23 mental health services administration (SAMHSA) of the  
 24 United States department of health and human services;  
 25 and that implementing such an initiative requires  
 26 long-term sustainability and support. The general  
 27 assembly expresses appreciation to the department for  
 28 applying to SAMHSA for the comprehensive services  
 29 program grant to implement a six-year project located  
 30 in northeast Iowa. The purpose of the project is to  
 31 create a family-driven, coordinated system of care for  
 32 children with mental illness to serve as a model for

33 developing a statewide approach based on family-  
34 provider partnerships and long-term sustainability.  
35 The general assembly strongly supports the grant  
36 application and implementation of the project as vital  
37 steps in redesigning the children's mental health  
38 system."  
39 31. Page 25, line 34, by striking the figure  
40 "32,250,000" and inserting the following:  
41 "32,275,732".  
42 32. Page 27, by inserting after line 6 the  
43 following:  
44 "\_\_\_ For continuation of the department's  
45 minority youth and family projects under the redesign  
46 of the child welfare system:  
47 .....\$ 375,000"  
48 33. Page 29, line 6, by striking the figure  
49 "12,600,000" and inserting the following:  
50 "12,650,344".

## Page 6

1 34. Page 29, line 9, by striking the figure  
2 "7,050,000" and inserting the following: "7,073,088".  
3 35. Page 30, line 10, by striking the figure "1."  
4 36. Page 30, line 19, by striking the figure  
5 "10,514,619" and inserting the following:  
6 "11,014,619".  
7 37. Page 30, by striking lines 20 through 31.  
8 38. Page 32, by inserting after line 16 the  
9 following:  
10 "\_\_\_ If the department has data indicating that a  
11 geographic area has a substantial number of persons  
12 with mental illness who are homeless and are not being  
13 served by an existing grantee for that area under the  
14 formula grant from the federal alcohol, drug abuse,  
15 and mental health administration to provide mental  
16 health services for the homeless and the existing  
17 grantee has expressed a desire to no longer provide  
18 services or the grantee's contract was terminated by  
19 the department for nonperformance, the department  
20 shall issue a request for proposals to replace the  
21 grantee. Otherwise, the department shall maximize  
22 available funding by continuing to contract to the  
23 extent possible with those persons who are grantees as  
24 of October 1, 2005. The department shall issue a  
25 request for proposals if additional funding becomes  
26 available for expansion to persons who are not being  
27 served and it is not possible to utilize existing  
28 grantees."  
29 39. Page 33, line 13, by striking the figure  
30 "53,505,000" and inserting the following:  
31 "53,924,358".

- 32 40. Page 33, line 25, by striking the figure  
33 "13,312,196" and inserting the following:  
34 "13,342,196".
- 35 41. Page 33, line 26, by striking the figure  
36 "292.00" and inserting the following: "293.00".
- 37 42. Page 33, by inserting after line 29, the  
38 following:  
39 "Of the funds appropriated in this section, \$30,000  
40 is allocated to the department of human services for a  
41 statewide coordinator for the program of all-inclusive  
42 care for the elderly as defined in section 249H.3.  
43 The coordinator shall work in collaboration with the  
44 department of elder affairs in carrying out the  
45 coordinator's duties."
- 46 43. Page 35, line 2, by striking the word "be"  
47 and inserting the following: "not be less than".
- 48 44. Page 36, line 16, by striking the figure "3"  
49 and inserting the following: "6".
- 50 45. Page 39, line 23, by striking the figure

Page 7

- 1 "1998" and inserting the following: "2002".
- 2 46. Page 40, by striking lines 2 through 6.
- 3 47. Page 40, by inserting after line 8, the  
4 following:  
5 "Sec. \_\_\_. SHELTER CARE REQUEST FOR PROPOSALS.  
6 The department of human services shall amend the  
7 request for proposals issued on April 15, 2005, for a  
8 program to provide for the statewide availability of  
9 emergency juvenile shelter care during the fiscal year  
10 beginning July 1, 2005, to increase the statewide  
11 daily average number of beds covered under the request  
12 to 288 beds in order to include 15 unallocated beds  
13 statewide for emergency placements. However, if the  
14 date of enactment of this Act does not allow  
15 sufficient time for the department to amend the  
16 request for proposals as otherwise required by this  
17 section, the department shall apply the requirement in  
18 the negotiations with the program awarded the contract  
19 and shall include the requirement in the final  
20 contract."
- 21 48. Page 41, by inserting after line 25, the  
22 following:  
23 "Sec. \_\_\_. 2003 Iowa Acts, chapter 178, section  
24 45, unnumbered paragraph 3, as enacted by 2004 Iowa  
25 Acts, chapter 1175, section 160, is amended to read as  
26 follows:  
27 Notwithstanding section 8.33, moneys appropriated  
28 in this section that remain unencumbered or  
29 unobligated at the close of the fiscal year shall not  
30 revert but shall remain available for expenditure for

31 the child and family services until the close of the  
32 ~~succeeding~~ fiscal year beginning July 1, 2005."  
33 49. Page 43, by inserting after line 29, the  
34 following:  
35 "\_\_\_ The provision directing the department of  
36 human services to amend the request for proposals  
37 issued on April 15, 2005, to provide for statewide  
38 emergency juvenile shelter care.  
39 \_\_\_ The provision amending 2003 Iowa Acts,  
40 chapter 178, section 45, unnumbered paragraph 3, as  
41 enacted by 2004 Iowa Acts, chapter 1175, section 160."  
42 50. Page 45, line 15, by striking the figure  
43 "50,200,000" and inserting the following:  
44 "77,753,926".  
45 51. Page 46, by striking lines 23 and 24, and  
46 inserting the following: "to only those persons who  
47 meet the nursing facility level of care for home and  
48 community-based services waiver services as  
49 established on or after July 1, 2005."  
50 52. Page 48, line 17, by striking the figure

Page 8

1 "14,507,362" and inserting the following:  
2 "19,167,111".  
3 53. Page 49, by inserting after line 32, the  
4 following:  
5 "Sec. NEW SECTION. 16.184 TRANSITIONAL  
6 HOUSING REVOLVING LOAN PROGRAM FUND.  
7 1. A transitional housing revolving loan program  
8 fund is created within the authority to further the  
9 availability of affordable housing for parents that  
10 are reuniting with their children while completing or  
11 participating in substance abuse treatment. The  
12 moneys in the fund are annually appropriated to the  
13 authority to be used for the development and operation  
14 of a revolving loan program to provide financing to  
15 construct affordable transitional housing, including  
16 through new construction or acquisition and  
17 rehabilitation of existing housing. The housing  
18 provided shall be geographically located in close  
19 proximity to licensed substance abuse treatment  
20 programs. Preference in funding shall be given to  
21 projects that reunite mothers with the mothers'  
22 children.  
23 2. Moneys transferred by the authority for deposit  
24 in the transitional housing revolving loan program  
25 fund, moneys appropriated to the transitional housing  
26 revolving loan program, and any other moneys available  
27 to and obtained or accepted by the authority for  
28 placement in the fund shall be deposited in the fund.  
29 Additionally, payment of interest, recaptures of

30 awards, and other repayments to the transitional  
 31 housing revolving loan program fund shall be credited  
 32 to the fund. Notwithstanding section 12C.7,  
 33 subsection 2, interest or earnings on moneys in the  
 34 transitional housing revolving loan program fund shall  
 35 be credited to the fund. Notwithstanding section  
 36 8.33, moneys that remain unencumbered or unobligated  
 37 at the close of the fiscal year shall not revert but  
 38 shall remain available for the same purpose in the  
 39 succeeding fiscal year.

40 3. The authority shall annually allocate moneys  
 41 available in the transitional housing revolving loan  
 42 program fund for the development of affordable  
 43 transitional housing for parents that are reuniting  
 44 with the parents' children while completing or  
 45 participating in substance abuse treatment. The  
 46 authority shall develop a joint application process  
 47 for the allocation of federal low-income housing tax  
 48 credits and the funds available under this section.  
 49 Moneys allocated to such projects may be in the form  
 50 of loans, grants, or a combination of loans and

Page 9

1 grants.

2 4. The authority shall adopt rules pursuant to  
 3 chapter 17A to administer this section."

4 54. Page 68, by inserting after line 32 the  
 5 following:

6 "Sec. \_\_\_\_ Section 154A.22, Code 2005, is amended  
 7 to read as follows:

8 154A.22 ~~DEPOSIT RECEIPT OF FEES.~~

9 1. The Except as otherwise provided in sub ion  
 10 2, the department shall deposit all fees collected  
 11 under the provisions of this chapter in the general  
 12 fund of the state. Compensation and travel expenses  
 13 of members and employees of the board, and other  
 14 expenses necessary for the board to administer and  
 15 carry out the provisions of this chapter shall be paid  
 16 from funds appropriated from the general fund of the  
 17 state.

18 2. The department may retain ninety percent of the  
 19 revenue generated from an increase in licensure and  
 20 permit fees established pursuant to section 154A.17  
 21 above the licensure and permit fees in effect as of  
 22 June 30, 2005. The moneys retained by the department  
 23 shall be used for any of the board's duties, including  
 24 but not limited to addition of full-time equivalent  
 25 positions for program services and investigations.  
 26 Revenues retained by the department pursuant to this  
 27 subsection shall be considered repayment receipts as  
 28 defined in section 8.2.

29 Sec. \_\_. Section 155.6, Code 2005, is amended to  
30 read as follows:  
31 155.6 ~~FUND CREATED RECEIPT OF FEES.~~  
32 1. ~~All~~ Except as otherwise provided in sub ion  
33 2. all fees collected under the provisions of this  
34 chapter shall be paid to the treasurer of state who  
35 shall deposit the fees in the general fund of the  
36 state. Funds shall be appropriated to the board to be  
37 used and expended by the board to pay the compensation  
38 and travel expenses of members and employees of the  
39 board, and other expenses necessary for the board to  
40 administer and carry out the provisions of this  
41 chapter.  
42 2. The board may retain ninety percent of the  
43 revenue generated from an increase in examination,  
44 licensure, and renewal of licensure fees established  
45 pursuant to section 155.15 above the examination,  
46 licensure, and renewal of licensure fees in effect as  
47 of June 30, 2005. The moneys retained by the board  
48 shall be used for any of the board's duties, including  
49 but not limited to addition of full-time equivalent  
50 positions for program services and investigations.

Page 10

1 Revenues retained by the department pursuant to this  
2 subsection shall be considered repayment receipts as  
3 defined in section 8.2."  
4 55. Page 73, by inserting after line 33 the  
5 following:  
6 "Sec. \_\_. Section 227.4, Code 2005, is amended to  
7 read as follows:  
8 227.4 STANDARDS FOR CARE OF PERSONS WITH MENTAL  
9 ILLNESS OR ~~DEVELOPMENTAL DISABILITIES~~ MENTAL  
10 RETARDATION IN COUNTY CARE FACILITIES.  
11 The administrator, in cooperation with the  
12 department of inspections and appeals, shall recommend  
13 and the mental health, mental retardation,  
14 developmental disabilities, and brain injury  
15 commission created in section 225C.5 shall adopt  
16 standards for the care of and services to persons with  
17 mental illness or ~~developmental disabilities~~ mental  
18 retardation residing in county care facilities. The  
19 standards shall be enforced by the department of  
20 inspections and appeals as a part of the licensure  
21 inspection conducted pursuant to chapter 135C. The  
22 objective of the standards is to ensure that persons  
23 with mental illness or ~~developmental disabilities~~  
24 mental retardation who are residents of county care  
25 facilities are not only adequately fed, clothed, and  
26 housed, but are also offered reasonable opportunities  
27 for productive work and recreational activities suited

28 to their physical and mental abilities and offering  
 29 both a constructive outlet for their energies and, if  
 30 possible, therapeutic benefit. When recommending  
 31 standards under this section, the administrator shall  
 32 designate an advisory committee representing  
 33 administrators of county care facilities, county  
 34 mental health and developmental disabilities regional  
 35 planning councils, and county care facility resident  
 36 advocate committees to assist in the establishment of  
 37 standards."

38 56. Page 74, by inserting after line 27 the  
 39 following:

40 "Sec. \_\_. NEW SECTION. 231E.1 TITLE.

41 This chapter shall be known and may be cited as the  
 42 "Iowa Substitute Decision Maker Act".

43 Sec. \_\_. NEW SECTION. 231E.2 OFFICE OF  
 44 SUBSTITUTE DECISION MAKER – FINDINGS AND INTENT.

45 1. a. The general assembly finds that many adults  
 46 in this state are unable to meet essential  
 47 requirements to maintain their physical health or to  
 48 manage essential aspects of their financial resources  
 49 and are in need of substitute decision-making  
 50 services. However, a willing and responsible person

Page 11

1 may not be available to serve as a private substitute  
 2 decision maker or the adult may not have adequate  
 3 income or resources to compensate a private substitute  
 4 decision maker.

5 b. The general assembly further finds that a  
 6 process should exist to assist individuals in finding  
 7 alternatives to substitute decision-making services  
 8 and less intrusive means of assistance before an  
 9 individual's independence or rights are limited.

10 c. The general assembly further finds that a  
 11 substitute decision maker may be necessary to finalize  
 12 a person's affairs after death when there is no  
 13 willing and appropriate person available to serve as  
 14 the person's personal representative.

15 2. a. It is, therefore, the intent of the general  
 16 assembly to establish a state office of substitute  
 17 decision maker and authorize the establishment of  
 18 local offices of substitute decision maker to provide  
 19 substitute decision-making services to adults and  
 20 their estates after their deaths, when no private  
 21 substitute decision maker is available.

22 b. It is also the intent of the general assembly  
 23 that the office of substitute decision maker provide  
 24 assistance to both public and private substitute  
 25 decision makers throughout the state in securing  
 26 necessary services for their wards, principals,

27 clients, and decedents and to assist substitute  
28 decision makers, wards, principals, clients, courts,  
29 and attorneys in the orderly and expeditious handling  
30 of substitute decision-making proceedings.

31 Sec. \_\_\_\_ NEW SECTION. 231E.3 DEFINITIONS.

32 As used in this chapter, unless the context  
33 otherwise requires:

- 34 1. "Client" means an individual for whom a  
35 representative payee is appointed.
- 36 2. "Commission" means the commission of elder  
37 affairs.
- 38 3. "Conservator" means conservator as defined in  
39 section 633.3.
- 40 4. "Court" means court as defined in section  
41 633.3.
- 42 5. "Decedent" means the individual for whom an  
43 estate is administered or executed.
- 44 6. "Department" means the department of elder  
45 affairs established in section 231.21.
- 46 7. "Director" means the director of the department  
47 of elder affairs.
- 48 8. "Estate" means estate as defined in section  
49 633.3.
- 50 9. "Guardian" means guardian as defined in section

Page 12

1 633.3.

2 10. "Incompetent" means incompetent as defined in  
3 section 633.3.

4 11. "Local office" means a local office of  
5 substitute decision maker.

6 12. "Local substitute decision maker" means an  
7 individual under contract with the department to act  
8 as a substitute decision maker.

9 13. "Personal representative" means personal  
10 representative as defined in section 633.3.

11 14. "Planning and service area" means a geographic  
12 area of the state designated by the commission for the  
13 purpose of planning, developing, delivering, and  
14 administering services for elders.

15 15. "Power of attorney" means a durable power of  
16 attorney for health care as defined in section 144B.1  
17 or a power of attorney that becomes effective upon the  
18 disability of the principal as described in section  
19 633.705.

20 16. "Principal" means an individual for whom a  
21 power of attorney is established.

22 17. "Representative payee" means an individual  
23 appointed by a government entity to receive funds on  
24 behalf of a client pursuant to federal regulation.

25 18. "State agency" means any executive department,

26 commission, board, institution, division, bureau,  
27 office, agency, or other executive entity of state  
28 government.

29 19. "State office" means the state office of  
30 substitute decision maker.

31 20. "State substitute decision maker" means the  
32 administrator of the state office of substitute  
33 decision maker.

34 21. "Substitute decision maker" means a guardian,  
35 conservator, representative payee, attorney in fact  
36 under a power of attorney, or personal representative.

37 22. "Substitute decision making" or "substitute  
38 decision-making services" means the provision of  
39 services of a guardian, conservator, representative  
40 payee, attorney in fact under a power of attorney, or  
41 personal representative.

42 23. "Ward" means the individual for whom a  
43 guardianship or conservatorship is established.

44 Sec. \_\_. NEW SECTION. 231E.4 STATE OFFICE OF  
45 SUBSTITUTE DECISION MAKER – ESTABLISHED – DUTIES –  
46 DEPARTMENT RULES.

47 1. A state office of substitute decision maker is  
48 established within the department to create and  
49 administer a statewide network of substitute decision  
50 makers who provide substitute decision-making services

Page 13

1 if other substitute decision makers are not available  
2 to provide the services.

3 2. The director shall appoint an administrator of  
4 the state office who shall serve as the state  
5 substitute decision maker. The state substitute  
6 decision maker shall be qualified for the position by  
7 training and expertise in substitute decision-making  
8 law. The state substitute decision maker shall also  
9 have knowledge of social services available to meet  
10 the needs of persons adjudicated incompetent or in  
11 need of substitute decision making.

12 3. The state office shall do all of the following:

13 a. Select persons through a request for proposals  
14 process to establish local offices of substitute  
15 decision maker in each of the planning and service  
16 areas. Local offices shall be established statewide  
17 on or before July 1, 2015.

18 b. Monitor and terminate contracts with local  
19 offices based on criteria established by rule of the  
20 department.

21 c. Retain oversight responsibilities for all local  
22 substitute decision makers.

23 d. Act as substitute decision maker if a local  
24 office is not available to so act.

25 e. Work with the department of human services, the  
26 Iowa department of public health, the governor's  
27 developmental disabilities council, and other agencies  
28 to establish a referral system for the provision of  
29 substitute decision-making services.

30 f. Develop and maintain a current listing of  
31 public and private services and programs available to  
32 assist wards, principals, clients, personal  
33 representatives, and their families and establish and  
34 maintain relationships with public and private  
35 entities to assure the availability of effective  
36 substitute decision-making services for wards,  
37 principals, clients, and estates.

38 g. Provide information and referrals to the public  
39 regarding substitute decision-making services.

40 h. Provide personal representatives for estates  
41 where a person is not available for that purpose.

42 i. Maintain statistical data on the local offices  
43 including various methods of funding, the types of  
44 services provided, and the demographics of the wards,  
45 principals, clients, and decedents and report to the  
46 general assembly on or before November 1, annually,  
47 regarding the local offices and recommend any  
48 appropriate legislative action.

49 j. Develop, in cooperation with the judicial  
50 council as established in section 602.1202, a

Page 14

1 substitute decision-maker education and training  
2 program. The program may be offered to both public  
3 and private substitute decision makers. The state  
4 office shall establish a curriculum committee, which  
5 includes but is not limited to probate judges, to  
6 develop the education and training program.

7 4. The state office may do any of the following:

8 a. Accept and receive gifts, grants, or donations  
9 from any public or private entity in support of the  
10 state office.

11 b. Accept the services of individual volunteers  
12 and volunteer organizations.

13 c. Employ staff necessary to administer the state  
14 office and enter into contracts as necessary.

15 5. The department shall provide administrative  
16 support to the state office.

17 6. The department shall adopt rules in accordance  
18 with chapter 17A necessary to create and administer  
19 the state and local offices, relating to but not  
20 limited to all of the following:

21 a. An application and intake process and standards  
22 for receipt of substitute decision-making services  
23 from the state or a local office.

24 b. A process for the removal or termination of the  
25 state or a local substitute decision maker.  
26 c. An ideal range of staff-to-client ratios for  
27 the state and local substitute decision makers.  
28 d. Minimum training and experience requirements  
29 for professional staff and volunteers.  
30 e. A fee schedule. The department may establish  
31 by rule a schedule of reasonable fees for the costs of  
32 substitute decision-making services provided under  
33 this chapter. The fee schedule established may be  
34 based upon the ability of the ward, principal, client,  
35 or estate to pay for the services but shall not exceed  
36 the actual cost of providing the services. The state  
37 office or a local office may waive collection of a fee  
38 upon a finding that collection is not economically  
39 feasible. The rules may provide that the state office  
40 or a local office may investigate the financial status  
41 of a ward, principal, or client who, or an estate that  
42 requests substitute decision-making services or for  
43 whom or which the state or a local substitute decision  
44 maker has been appointed for the purpose of  
45 determining the fee to be charged by requiring the  
46 ward, principal, client, or estate to provide any  
47 written authorizations necessary to provide access to  
48 records of public or private sources, otherwise  
49 confidential, needed to evaluate the individual's or  
50 estate's financial eligibility. The rules may also

Page 15

1 provide that the state or a local substitute decision  
2 maker may, upon request and without payment of fees  
3 otherwise required by law, obtain information  
4 necessary to evaluate the individual's or estate's  
5 financial eligibility from any office of the state or  
6 of a political subdivision or agency of the state that  
7 possesses public records. In estate proceedings, the  
8 state or local decision maker shall be compensated  
9 pursuant to chapter 633, division III, part 8.  
10 f. Standards and performance measures for  
11 evaluation of local offices.  
12 g. Recordkeeping and accounting procedures to  
13 ensure that the state office and local offices  
14 maintain confidential, accurate, and up-to-date  
15 financial, case, and statistical records. The rules  
16 shall require each local office to file with the state  
17 office, on an annual basis, an account of all public  
18 and private funds received and a report regarding the  
19 operations of the local office for the preceding  
20 fiscal year.  
21 h. Procedures for the sharing of records held by  
22 the court or a state agency with the state office,

23 which are necessary to evaluate the state office or  
24 local offices, to assess the need for additional  
25 substitute decision makers, or to develop required  
26 reports.

27 Sec.     . **NEW SECTION.** 231E.5 LOCAL OFFICE OF  
28 SUBSTITUTE DECISION MAKER.

29 1. The state substitute decision maker shall  
30 select persons to provide local substitute decision-  
31 making services in each of the planning and service  
32 areas, based upon a request for proposals process  
33 developed by the department.

34 2. The local office shall comply with all  
35 requirements established for the local office by the  
36 department and shall do all of the following:

37 a. Maintain a staff of professionally qualified  
38 individuals to carry out the substitute decision-  
39 making functions.

40 b. Identify client needs and local resources to  
41 provide necessary support services to recipients of  
42 substitute decision-making services.

43 c. Collect program data as required by the state  
44 office.

45 d. Meet standards established for the local  
46 office.

47 e. Comply with minimum staffing requirements and  
48 caseload restrictions.

49 f. Conduct background checks on employees and  
50 volunteers.

Page 16

1 g. With regard to a proposed ward, the local  
2 office shall do all of the following:

3 (1) Determine the most appropriate form of  
4 substitute decision making needed, if any, giving  
5 preference to the least restrictive alternative.

6 (2) Determine whether the needs of the proposed  
7 ward require the appointment of guardian or  
8 conservator.

9 (3) Assess the financial resources of the proposed  
10 ward based on the information supplied to the local  
11 office at the time of the determination.

12 (4) Inquire and, if appropriate, search to  
13 determine whether any other person may be willing and  
14 able to serve as the proposed ward's guardian or  
15 conservator.

16 (5) Determine the form of guardianship or  
17 conservatorship to request of a court, if any, giving  
18 preference to the least restrictive form.

19 (6) If determined necessary, file a petition for  
20 the appointment of a guardian or conservator pursuant  
21 to chapter 633.

22 h. With regard to an estate, the local office may  
 23 appoint a personal representative to file a petition  
 24 to open an estate who shall do all of the following:  
 25 (1) Retain legal counsel as described in section  
 26 231E.12 to be compensated from the proceeds of the  
 27 estate pursuant to chapter 633, division III, part 8.  
 28 (2) Liquidate all assets of the estate.  
 29 (3) Distribute the assets of the estate pursuant  
 30 to chapter 633, division VII, parts 7 and 8, and other  
 31 applicable provisions of law.  
 32 3. A local office may do any of the following:  
 33 a. Contract for or arrange for provision of  
 34 services necessary to carry out the duties of a local  
 35 substitute decision maker.  
 36 b. Accept the services of volunteers or  
 37 consultants and reimburse them for necessary expenses.  
 38 c. Employ staff and delegate to members of the  
 39 staff the powers and duties of the local substitute  
 40 decision maker. However, the local office shall  
 41 retain responsibility for the proper performance of  
 42 the delegated powers and duties. All delegations  
 43 shall be to persons who meet the eligibility  
 44 requirements of the specific type of substitute  
 45 decision maker.  
 46 4. An individual acting as the state or a local  
 47 substitute decision maker shall comply with applicable  
 48 requirements for guardians, conservators, or personal  
 49 representatives pursuant to chapter 633, attorneys in  
 50 fact under a power of attorney pursuant to chapter 633

Page 17

1 or a durable power of attorney for health care  
 2 pursuant to chapter 144B, or representative payees  
 3 pursuant to federal law and regulations.  
 4 5. Notwithstanding any provision to the contrary,  
 5 an individual acting as the state or a local  
 6 substitute decision maker shall not be subject to the  
 7 posting of a bond pursuant to chapter 633. An  
 8 individual acting as the state or a local substitute  
 9 decision maker shall complete at least eight hours of  
 10 training annually as certified by the department.  
 11 Sec. \_\_. NEW SECTION. 231E.6 COURT-INITIATED OR  
 12 PETITION-INITIATED APPOINTMENT OF STATE OR LOCAL  
 13 SUBSTITUTE DECISION MAKER – GUARDIANSHIP OR  
 14 CONSERVATORSHIP – DISCHARGE.  
 15 The court may appoint on its own motion or upon  
 16 petition of any person, the state office or local  
 17 office of substitute decision maker, to serve as  
 18 guardian or conservator for any proposed ward in cases  
 19 in which the court determines that the proceeding will  
 20 establish the least restrictive form of substitute

21 decision making suitable for the proposed ward and if  
22 the proposed ward meets all of the following criteria:  
23 1. Is a resident of the planning and service area  
24 in which the local office is located from which  
25 services would be provided or is a resident of the  
26 state, if the state office would provide the services.  
27 2. Is eighteen years of age or older.  
28 3. Does not have suitable family or another  
29 appropriate entity willing and able to serve as  
30 guardian or conservator.  
31 4. Is incompetent.  
32 5. Is an individual for whom guardianship or  
33 conservatorship services are the least restrictive  
34 means of meeting the individual's needs.  
35 Sec. \_\_. NEW SECTION. 231E.7 SUBSTITUTE  
36 DECISION MAKER-INITIATED APPOINTMENT.  
37 The state office or local office may on its own  
38 motion or at the request of the court intervene in a  
39 guardianship or conservatorship proceeding if the  
40 state office or local office or the court considers  
41 the intervention to be justified because of any of the  
42 following:  
43 1. An appointed guardian or conservator is not  
44 fulfilling prescribed duties or is subject to removal  
45 under section 633.65.  
46 2. A willing and qualified guardian or conservator  
47 is not available.  
48 3. The best interests of the ward require the  
49 intervention.  
50 Sec. \_\_. NEW SECTION. 231E.8 PROVISIONS

Page 18

1 APPLICABLE TO ALL APPOINTMENTS AND DESIGNATIONS –  
2 DISCHARGE.  
3 1. The court shall only appoint or intervene on  
4 its own motion or act upon the petition of any person  
5 under section 231E.6 or 231E.7 if such appointment or  
6 intervention would comply with staffing ratios  
7 established by the department and if sufficient  
8 resources are available to the state office or local  
9 office. Notice of the proposed appointment shall be  
10 provided to the state office or local office prior to  
11 the granting of such appointment.  
12 2. The state office or local office shall maintain  
13 reasonable personal contact with each ward, principal,  
14 or client for whom the state office or local office is  
15 appointed or designated in order to monitor the  
16 ward's, principal's, or client's care and progress.  
17 For any estates in which the state office or local  
18 office is involved, the state office or local office  
19 shall move estate proceedings forward in a reasonable

20 and expeditious manner and shall monitor the progress  
21 of any legal counsel retained on a regular basis.

22 3. Notwithstanding any provision of law to the  
23 contrary, the state office or local office appointed  
24 by the court or designated under a power of attorney  
25 document may access all confidential records  
26 concerning the ward or principal for whom the state  
27 office or local office is appointed or designated,  
28 including medical records and abuse reports.

29 4. In any proceeding in which the state or local  
30 office is appointed or is acting as guardian or  
31 conservator, the court shall waive court costs or  
32 filing fees, if the state office or local office  
33 certifies to the court that the state office or local  
34 office has waived its fees in their entirety based  
35 upon the ability of the ward to pay for the services  
36 of the state office or local office. In any estate  
37 proceeding, the court costs shall be paid in  
38 accordance with chapter 633, division VII, part 7.

39 5. The state or a local substitute decision maker  
40 shall be subject to discharge or removal, by the  
41 court, on the grounds and in the manner in which other  
42 guardians, conservators, or personal representatives  
43 are discharged or removed pursuant to chapter 633.

44 Sec. \_\_. NEW SECTION. 231E.9 FEES –  
45 APPROPRIATED.

46 Fees received by the state office and by local  
47 offices for services provided as state or local  
48 substitute decision maker shall be deposited in the  
49 general fund of the state and the amounts received are  
50 appropriated to the department for the purposes of

Page 19

1 administering this chapter.

2 Sec. \_\_. NEW SECTION. 231E.10 CONFLICTS OF  
3 INTEREST – LIMITATIONS.

4 Notwithstanding section 633.63 or any other  
5 provision to the contrary, a local substitute decision  
6 maker shall not provide direct services to or have an  
7 actual or the appearance of any conflict of interest  
8 relating to any individual for whom the local  
9 substitute decision maker acts in a substitute  
10 decision-making capacity unless such provision of  
11 direct services or the appearance of a conflict of  
12 interest is approved and monitored by the state office  
13 in accordance with rules adopted by the department.

14 Sec. \_\_. NEW SECTION. 231E.11 DUTY OF ATTORNEY  
15 GENERAL, COUNTY ATTORNEY, OR OTHER COUNSEL.

16 1. The attorney general shall advise the state  
17 office on legal matters and represent the state office  
18 in legal proceedings.

19 2. Upon the request of the attorney general, a  
20 county attorney may represent the state office or a  
21 local office in connection with the filing of a  
22 petition for appointment as guardian or conservator  
23 and with routine, subsequent appearances.

24 3. A local attorney experienced in probate matters  
25 may represent the personal representative for all  
26 routine matters associated with probating an estate.

27 Sec. \_\_. NEW SECTION. 231E.12 LIABILITY.

28 All employees and volunteers of the state office  
29 and local offices operating under this chapter and  
30 other applicable chapters and pursuant to rules  
31 adopted under this and other applicable chapters are  
32 considered employees of the state and state volunteers  
33 for the purposes of chapter 669 and shall be afforded  
34 protection under section 669.21 or 669.24, as  
35 applicable. This section does not relieve a guardian  
36 or conservator from performing duties prescribed under  
37 chapter 633.

38 Sec. \_\_. NEW SECTION. 231E.13 IMPLEMENTATION.

39 Implementation of this chapter is subject to  
40 availability of funding as determined by the  
41 department. The department shall notify the Code  
42 editor upon implementation of this chapter."

43 57. Page 74, by inserting after line 34 the  
44 following:

45 "Sec. \_\_. Section 232.107, Code 2005, is amended  
46 by adding the following new unnumbered paragraph:  
47 NEW UNNUMBERED PARAGRAPH. If a breastfeeding  
48 infant is removed from the child's home in accordance  
49 with an order entered under this division, unless the  
50 court finds that substantial evidence exists to

Page 20

1 believe that reasonable visitation or supervised  
2 visitation would cause an imminent risk to the  
3 infant's life or health, the order shall allow the  
4 infant's mother reasonable visitation or supervised  
5 visitation for purposes of breastfeeding the infant.  
6 The department or other person with custody of the  
7 infant shall make every reasonable effort to comply  
8 with the order."

9 58. Page 76, by inserting before line 3 the  
10 following:

11 "Sec. \_\_. Section 235B.6, subsection 2, paragraph  
12 e, Code 2005, is amended by adding the following new  
13 subparagraph:

14 NEW SUBPARAGRAPH. (11) The state office or a  
15 local office of substitute decision maker as defined  
16 in section 231E.3, appointed by the court as a  
17 guardian or conservator of the adult named in a report

18 as the victim of abuse or the person designated to be  
 19 responsible for performing or obtaining protective  
 20 services on behalf of a dependent adult pursuant to  
 21 section 235B.18."

22 59. Page 86, by inserting after line 3 the  
 23 following:

24 "Sec. \_\_\_. Section 633.63, subsection 3, Code  
 25 2005, is amended to read as follows:

26 3. A private nonprofit corporation organized under  
 27 chapter 504, Code 1989, or current chapter 504 or 504A  
 28 is qualified to act as a guardian, as defined in  
 29 section 633.3, ~~subsection 20~~, or a conservator, as  
 30 defined in section 633.3, ~~subsection 7~~, where the  
 31 ~~assets subject to the conservatorship at the time when~~  
 32 ~~such corporation is appointed conservator are less~~  
 33 ~~than or equal to seventy five thousand dollars and if~~  
 34 the corporation does not possess a proprietary or  
 35 legal interest in an organization which provides  
 36 direct services to the individual.

37 Sec. \_\_\_. Section 633.63, Code 2005, is amended by  
 38 adding the following new subsection:

39 NEW SUBSECTION. 4. The state or a local  
 40 substitute decision maker as defined in section 231E.3  
 41 is authorized to act in a fiduciary capacity in this  
 42 state in accordance with chapter 231E."

43 60. By renumbering, relettering, or redesignating  
 44 and correcting internal references as necessary.

Heaton of Henry offered the following amendment [H-1704](#), to the Senate amendment [H-1702](#), filed by him, Foege of Linn, Smith of Marshall and Upmeyer of Hancock from the floor and moved its adoption:

[H-1704](#)

1 Amend the Senate amendment, [H-1702](#), to House File  
 2 825, as amended, passed, and reprinted by the House,  
 3 as follows:

4 1. By striking page 1, line 3, through page 20,  
 5 line 44, and inserting the following:

6 " \_\_\_. Page 1, line 23, by striking the figure  
 7 "2,791,522" and inserting the following: "2,792,116".

8 \_\_\_. By striking page 1, line 34, through page 2,  
 9 line 1, and inserting the following:

10 "2. Of the funds appropriated in this section,  
 11 \$174,198 shall be".

12 \_\_\_. Page 2, line 17, by striking the figure  
 13 "1,258,710" and inserting the following: "1,759,020".

14 \_\_\_. Page 2, by inserting after line 24, the  
 15 following:

16 "Of the moneys appropriated in this subsection,  
 17 \$30,310 shall be used to continue to provide funding

18 to local communities that have previously received  
19 funding from the centers for disease control and  
20 prevention of the United States department of health  
21 and human services for secondhand smoke education  
22 initiatives."

23 \_\_\_\_\_. By striking page 3, line 30, through page 4,  
24 line 1, and inserting the following:

25 "The amount appropriated in this subsection  
26 includes \$150,000 in additional funding for childhood  
27 lead poisoning prevention activities for counties not  
28 receiving federal funding for this purpose, and of  
29 this amount, \$50,000 is allocated for a pilot project  
30 to address lead poisoning prevention and remediation  
31 activities in a three-county program in north central  
32 Iowa with a combined population of at least 50,000."

33 \_\_\_\_\_. Page 4, line 13, by striking the figure  
34 "1,044,151" and inserting the following: "1,379,258".

35 \_\_\_\_\_. Page 4, line 16, by striking the figure  
36 "335,107" and inserting the following: "670,214".

37 \_\_\_\_\_. Page 4, line 18, by inserting after the  
38 figure "135.106." the following: "The department  
39 shall transfer the funding allocated for the HOPES-HFI  
40 program to the Iowa empowerment board for distribution  
41 and shall assist the board in managing the contracting  
42 for the funding. The funding shall be distributed to  
43 renew the grants that were provided to the grantees  
44 that operated the program during the fiscal year  
45 ending June 30, 2005."

46 \_\_\_\_\_. Page 4, line 26, by striking the figure  
47 "6,820,423" and inserting the following: "6,964,033".

48 \_\_\_\_\_. Page 4, by inserting after line 27, the  
49 following:

50 "The office of the state medical examiner and the

Page 2

1 commissioner of public safety shall give consideration  
2 to a proposal offered by Polk county for the state  
3 criminalistics laboratory to share facilities with  
4 Polk county."

5 \_\_\_\_\_. Page 4, line 32, by striking the figure  
6 "994,442" and inserting the following: "1,073,884".

7 \_\_\_\_\_. Page 4, by inserting after line 33, the  
8 following:

9 "11B. IOWA COLLABORATIVE SAFETY NET PROVIDER  
10 NETWORK

11 The purpose of this subsection is to create a  
12 formal network of safety net providers to do all of  
13 the following: preserve and expand the health care  
14 safety net for vulnerable Iowans; emphasize preventive  
15 services and disease management, reduction of errors,  
16 continuity of care, and the medical home concept;

17 recognize that safety net providers are the primary  
 18 means of access to health care for the uninsured in  
 19 this state; and provide a mechanism to identify the  
 20 extent to which the uninsured in this state access  
 21 health care safety net providers. Of the amount  
 22 appropriated in this division of this Act for the  
 23 medical assistance program, \$1,100,000 is transferred  
 24 to the appropriations made in this subsection. The  
 25 amount transferred is allocated as follows:

26 a. To contract for a program to develop an Iowa  
 27 collaborative safety net provider network:  
 28 ..... \$ 450,000

29 (1) The Iowa department of public health shall  
 30 issue a request for proposals to select the most  
 31 qualified applicant to develop and administer an Iowa  
 32 collaborative safety net provider network that  
 33 includes community health centers, rural health  
 34 clinics, free clinics, and other safety net providers.  
 35 The department shall coordinate conditions of the  
 36 request for proposals with the data and information  
 37 requirements of the task force on indigent care  
 38 created pursuant to section 249J.14A, as enacted by  
 39 2005 Iowa Acts, [House File 841](#), section 16. The  
 40 request for proposals shall also require the person  
 41 awarded the contract to enroll as a member of the task  
 42 force on indigent care. The person awarded the  
 43 contract shall do all of the following:

44 (a) Establish an Iowa safety net provider advisory  
 45 group consisting of representatives of community  
 46 health centers, rural health clinics, free clinics,  
 47 other safety net providers, patients, and other  
 48 interested parties.

49 (b) Develop a planning process to logically and  
 50 systematically implement the Iowa collaborative safety

Page 3

1 net provider network.

2 (c) In cooperation with the free clinics of Iowa  
 3 and individual free clinics, the Iowa association of  
 4 rural health clinics, and the Iowa/Nebraska primary  
 5 care association, develop a database of all community  
 6 health centers, rural health clinics, free clinics,  
 7 and other safety net providers. The data collected  
 8 shall include the demographics and needs of the  
 9 vulnerable populations served, current provider  
 10 capacity, and the resources and needs of the  
 11 participating safety net providers.

12 (d) Develop network initiatives for collaboration  
 13 between community health centers, rural health  
 14 clinics, free clinics, other safety net providers, and  
 15 other health care providers to, at a minimum, improve

16 quality, improve efficiency, reduce errors, and  
 17 provide clinical communication between providers. The  
 18 network initiatives shall include, but are not limited  
 19 to, activities that address all of the following:  
 20 (i) Training.  
 21 (ii) Information technology.  
 22 (iii) Financial resource development.  
 23 (iv) A referral system for ambulatory care.  
 24 (v) A referral system for specialty care.  
 25 (vi) Pharmaceuticals.  
 26 (vii) Recruitment of health professionals.  
 27 (2) The Iowa department of public health shall  
 28 issue a request for proposals to provide for an  
 29 evaluation of the performance of the Iowa  
 30 collaborative safety net provider network and its  
 31 impact on the medically underserved.  
 32 b. For an incubation grant program to community  
 33 health centers that receive a total score of 85 based  
 34 on the evaluation criteria of the health resources and  
 35 services administration of the United States  
 36 department of health and human services:  
 37 ..... \$ 650,000  
 38 The Iowa department of public health shall select  
 39 qualified applicants eligible under this lettered  
 40 paragraph, and shall approve grants in prorated  
 41 amounts to all such selected qualified applicants  
 42 based on the total amount of funding appropriated. A  
 43 grantee shall meet all federal requirements for a  
 44 federally qualified health center, including  
 45 demonstrating a commitment to serve all populations in  
 46 the grantee's respective medically underserved  
 47 community and satisfying the administrative,  
 48 management, governance, service-related, utilization  
 49 of funding, and audit requirements unique to federally  
 50 qualified health centers as provided under section 330

Page 4

1 of the federal Public Health Service Act, as amended,  
 2 and as codified at 42 U.S.C. § 254(b). A grant may be  
 3 approved for a two-year period. However, if a grantee  
 4 is approved as a federally qualified health center  
 5 during the grant period, the grant and accompanying  
 6 funding shall be terminated for the remainder of the  
 7 grant period. If a grantee is not approved as a  
 8 federally qualified health center during the grant  
 9 period, the grantee may apply for a subsequent grant  
 10 under this lettered paragraph on a competitive basis.  
 11 A recipient of a grant under this lettered paragraph  
 12 shall provide a local match of 25 percent of the grant  
 13 funds received."  
 14 \_\_\_\_\_. Page 6, by striking line 28, and inserting

15 the following: "Iowa commission on volunteer service  
16 created pursuant to chapter 15H to utilize local  
17 veterans affairs".

18 \_\_\_\_ Page 12, line 2, by striking the figure  
19 "40,250,000" and inserting the following:  
20 "40,439,695".

21 \_\_\_\_ Page 12, line 3, by inserting before the  
22 word "Of" the following: "1."

23 \_\_\_\_ Page 12, by inserting after line 4 the  
24 following:

25 "2. Of the funds appropriated in this section,  
26 \$100,000 shall be used to provide a grant to an Iowa-  
27 based nonprofit organization with a history of  
28 providing tax preparation assistance to low-income  
29 Iowans in order to expand the usage of the earned  
30 income tax credit. The purpose of the grant is to  
31 supply this assistance to underserved areas of the  
32 state. The grant shall be provided to an organization  
33 that has existing national foundation support for  
34 supplying such assistance that can also secure local  
35 charitable match funding."

36 \_\_\_\_ Page 13, line 6, by striking the figure  
37 "524,800,000" and inserting the following:  
38 "519,040,317".

39 \_\_\_\_ Page 15, line 1, by striking the figure  
40 "3,270,082" and inserting the following: "3,050,082".

41 \_\_\_\_ Page 15, by striking lines 18 through 21.

42 \_\_\_\_ Page 15, by striking lines 22 through 34.

43 \_\_\_\_ By striking page 15, line 35, through page  
44 16, line 7.

45 \_\_\_\_ Page 16, by inserting after line 28, the  
46 following:

47 "\_\_\_\_. The department shall expand coverage under  
48 the medical assistance program to cover smoking  
49 cessation drugs.

50 \_\_\_\_ The department shall expand coverage under

Page 5

1 the medical assistance program to cover weight  
2 reduction treatments and drugs.

3 \_\_\_\_ The department shall adopt rules to require  
4 that if a product is to be considered by the  
5 pharmaceutical and therapeutics committee established  
6 pursuant to section 249A.20A for inclusion on the  
7 preferred drug list, the pharmaceutical and  
8 therapeutics committee shall respond to all inquiries  
9 regarding the process at least 72 hours prior to a  
10 meeting of the committee to consider inclusion of the  
11 product. Additionally, the rules shall require that  
12 the committee provide a pharmaceutical manufacturer of  
13 a product with 20 days' prior written notice of

14 consideration of the manufacturer's product for  
 15 inclusion on the preferred drug list to allow adequate  
 16 time for preparation of appropriate materials to be  
 17 submitted to the committee for review. The rules  
 18 shall also require that adequate time be provided for  
 19 each interested individual to address the committee  
 20 regarding a product to be considered for inclusion on  
 21 the preferred drug list by the committee. A final  
 22 decision regarding inclusion of a product on the  
 23 preferred drug list shall not be made in an executive  
 24 session of the committee."

25 \_\_\_\_\_. Page 18, line 29, by striking the figure  
 26 "8,350,752" and inserting the following:  
 27 "15,800,752".

28 \_\_\_\_\_. Page 18, line 31, by striking the figure  
 29 "7,325,228" and inserting the following:  
 30 "14,375,228".

31 \_\_\_\_\_. Page 19, line 4, by inserting after the word  
 32 "level." the following: "The poverty level changes  
 33 shall take effect September 1, 2005."

34 \_\_\_\_\_. Page 19, line 6, by striking the figure  
 35 "500,000" and inserting the following: "900,000".

36 \_\_\_\_\_. Page 20, line 12, by striking the figure  
 37 "6,201,283" and inserting the following: "6,226,283".

38 \_\_\_\_\_. Page 20, line 31, by striking the figure  
 39 "76,400,000" and inserting the following:  
 40 "75,200,000".

41 \_\_\_\_\_. Page 22, line 25, by striking the figure  
 42 "2,000,000" and inserting the following: "2,500,000".

43 \_\_\_\_\_. Page 25, line 12, by striking the figure  
 44 "300,000" and inserting the following: "1,000,000".

45 \_\_\_\_\_. Page 25, by inserting after line 26, the  
 46 following:

47 "\_\_\_\_. Of the amount appropriated in this section,  
 48 the following amounts are allocated for the indicated  
 49 child welfare system improvements:

50 a. For family team meetings and other family

Page 6

1	engagement efforts:	
2	.....	\$ 900,000
3	b. For recruiting, training, and development of	
4	additional resource families, including but not	
5	limited to families providing kinship, foster, and	
6	adoptive care:	
7	.....	\$ 325,000
8	c. For field staff working with families to have	
9	flexible funding to purchase services and other	
10	support and to fill urgent family needs:	
11	.....	\$ 250,000
12	d. For funding of shelter care so that 15	

13 emergency beds are available statewide for the fiscal  
 14 year within the statewide average of 288 beds  
 15 addressed in the department's shelter care plan:  
 16 ..... \$ 200,000  
 17 e. For expansion of community partnerships to  
 18 prevent child abuse:  
 19 ..... \$ 100,000"  
 20 \_\_\_\_ Page 25, by inserting after line 26, the  
 21 following:  
 22 "\_\_\_\_. The general assembly finds that it is  
 23 important for adequate, comprehensive mental health  
 24 services to be available to the children of this  
 25 state; that Iowa is seeking to develop a coordinated  
 26 system of mental health care for children through a  
 27 redesign of the children's mental health system; that  
 28 Iowa is one of only two states that have not  
 29 participated in the comprehensive community mental  
 30 health services program for children and their  
 31 families grant offered by the substance abuse and  
 32 mental health services administration (SAMHSA) of the  
 33 United States department of health and human services;  
 34 and that implementing such an initiative requires  
 35 long-term sustainability and support. The general  
 36 assembly expresses appreciation to the department for  
 37 applying to SAMHSA for the comprehensive services  
 38 program grant to implement a six-year project located  
 39 in northeast Iowa. The purpose of the project is to  
 40 create a family-driven, coordinated system of care for  
 41 children with mental illness to serve as a model for  
 42 developing a statewide approach based on family-  
 43 provider partnerships and long-term sustainability.  
 44 The general assembly strongly supports the grant  
 45 application and implementation of the project as vital  
 46 steps in redesigning the children's mental health  
 47 system.  
 48 \_\_\_\_ The department shall revise policies or  
 49 administrative rules applicable when a breastfeeding  
 50 infant is removed from the infant's home in accordance

Page 7

1 with chapter 232, to allow the infant's mother to  
 2 continue to breastfeed the infant when such contact  
 3 with the mother is in the best interest of the  
 4 infant."  
 5 \_\_\_\_ Page 27, by inserting after line 6, the  
 6 following:  
 7 "\_\_\_\_. For continuation of the department's  
 8 minority youth and family projects under the redesign  
 9 of the child welfare system:  
 10 ..... \$ 375,000"  
 11 \_\_\_\_ Page 28, line 13, by striking the figure

12 "13,074,889" and inserting the following:  
13 "13,079,889".  
14 \_\_\_\_ Page 28, line 25, by striking the figure  
15 "17,329,091" and inserting the following:  
16 "17,334,091".  
17 \_\_\_\_ Page 30, line 19, by striking the figure  
18 "10,514,619" and inserting the following:  
19 "10,914,619".  
20 \_\_\_\_ Page 30, line 21, by striking the figure  
21 "500,000" and inserting the following: "100,000".  
22 \_\_\_\_ Page 32, by inserting after line 16, the  
23 following:  
24 " \_\_\_\_ If the department has data indicating that a  
25 geographic area has a substantial number of persons  
26 with mental illness who are homeless and are not being  
27 served by an existing grantee for that area under the  
28 formula grant from the federal alcohol, drug abuse,  
29 and mental health administration to provide mental  
30 health services for the homeless and the existing  
31 grantee has expressed a desire to no longer provide  
32 services or the grantee's contract was terminated by  
33 the department for nonperformance, the department  
34 shall issue a request for proposals to replace the  
35 grantee. Otherwise, the department shall maximize  
36 available funding by continuing to contract to the  
37 extent possible with those persons who are grantees as  
38 of October 1, 2005. The department shall issue a  
39 request for proposals if additional funding becomes  
40 available for expansion to persons who are not being  
41 served and it is not possible to utilize existing  
42 grantees."  
43 \_\_\_\_ Page 33, line 13, by striking the figure  
44 "53,505,000" and inserting the following:  
45 "53,790,628".  
46 \_\_\_\_ Page 33, line 25, by striking the figure  
47 "13,312,196" and inserting the following:  
48 "13,342,196".  
49 \_\_\_\_ Page 33, line 26, by striking the figure  
50 "292.00" and inserting the following: "293.00".

Page 8

1 \_\_\_\_ Page 33, by inserting after line 29, the  
2 following:  
3 "Of the funds appropriated in this section, \$30,000  
4 is allocated to the department of human services for a  
5 statewide coordinator for the program of all-inclusive  
6 care for the elderly as defined in section 249H.3.  
7 The coordinator shall work in collaboration with the  
8 department of elder affairs in carrying out the  
9 coordinator's duties."  
10 \_\_\_\_ Page 35, line 2, by striking the word "be"

11 and inserting the following: "not be less than".  
12 \_\_\_\_ Page 36, by striking lines 16 and 17, and  
13 inserting the following: "children shall be \$156.03  
14 per day."  
15 \_\_\_\_ By striking page 36, line 33, through page  
16 37, line 5.  
17 \_\_\_\_ Page 39, by striking line 19, and inserting  
18 the following:  
19 "11. Beginning on September 1, 2005, for child".  
20 \_\_\_\_ Page 39, line 23, by striking the figure  
21 "1998" and inserting the following: "2002".  
22 \_\_\_\_ Page 40, by striking lines 2 through 6.  
23 \_\_\_\_ Page 40, by inserting after line 8, the  
24 following:  
25 "Sec.\_\_\_\_. SHELTER CARE REQUEST FOR PROPOSALS.  
26 The department of human services shall amend the  
27 request for proposals issued on April 15, 2005, for a  
28 program to provide for the statewide availability of  
29 emergency juvenile shelter care during the fiscal year  
30 beginning July 1, 2005, to increase the statewide  
31 daily average number of beds covered under the request  
32 to 288 beds in order to include 15 unallocated beds  
33 statewide for emergency placements. However, if the  
34 date of enactment of this Act does not allow  
35 sufficient time for the department to amend the  
36 request for proposals as otherwise required by this  
37 section, the department shall apply the requirement in  
38 the negotiations with the program awarded the contract  
39 and shall include the requirement in the final  
40 contract."  
41 \_\_\_\_ Page 41, by inserting after line 25, the  
42 following:  
43 "Sec.\_\_\_\_. 2003 Iowa Acts, chapter 178, section  
44 45, unnumbered paragraph 3, as enacted by 2004 Iowa  
45 Acts, chapter 1175, section 160, is amended to read as  
46 follows:  
47 Notwithstanding section 8.33, moneys appropriated  
48 in this section that remain unencumbered or  
49 unobligated at the close of the fiscal year shall not  
50 revert but shall remain available for expenditure for

Page 9

1 the child and family services until the close of the  
2 ~~succeeding~~ fiscal year beginning July 1, 2005."  
3 \_\_\_\_ Page 43, by inserting after line 17 the  
4 following:  
5 "Sec.\_\_\_\_. INDIGENT PATIENT PROGRAM. If the  
6 Eighty-first General Assembly, 2005 Regular Session,  
7 enacts legislation subsequent to the enactment of 2005  
8 Iowa Acts, [House File 841](#), relating to the medical and  
9 surgical treatment of indigent patients as provided in

10 chapter 255 that is in conflict with the provisions of  
11 2005 Iowa Acts, [House File 841](#), including provisions  
12 relating to the quota under chapter 255, the  
13 provisions of 2005 Iowa Acts, [House File 841](#), shall  
14 prevail."

15 \_\_\_\_ Page 43, by inserting after line 29, the  
16 following:

17 "\_\_\_\_. The provision directing the department of  
18 human services to amend the request for proposals  
19 issued on April 15, 2005, to provide for statewide  
20 emergency juvenile shelter care.

21 \_\_\_\_ The provision amending 2003 Iowa Acts,  
22 chapter 178, section 45, unnumbered paragraph 3, as  
23 enacted by 2004 Iowa Acts, chapter 1175, section 160."

24 \_\_\_\_ Page 45, line 15, by striking the figure  
25 "50,200,000" and inserting the following:  
26 "59,647,109".

27 \_\_\_\_ Page 46, by striking lines 23 and 24, and  
28 inserting the following: "to only those persons who  
29 meet the nursing facility level of care for home and  
30 community-based services waiver services as  
31 established on or after July 1, 2005."

32 \_\_\_\_ Page 47, by inserting after line 27, the  
33 following:

34 "Sec. \_\_\_\_ 2004 Iowa Acts, chapter 1175, section  
35 173, subsection 1, is amended by adding the following  
36 new unnumbered paragraph:

37 NEW UNNUMBERED PARAGRAPH. Notwithstanding section  
38 8.33 and section 426B.5, subsection 1, paragraph "d",  
39 moneys appropriated in this subsection that remain  
40 unencumbered or unobligated at the close of the fiscal  
41 year shall not revert but shall remain available for  
42 expenditure for the purposes designated until the  
43 close of the succeeding fiscal year."

44 \_\_\_\_ Page 48, line 17, by striking the figure  
45 "14,507,362" and inserting the following:  
46 "23,925,724".

47 \_\_\_\_ Page 49, by striking lines 4 through 16, and  
48 inserting the following:

49 "a. For an ending balance percentage of less than  
50 5 percent, a withholding factor of 0 percent. In

Page 10

1 addition, a county that is subject to this lettered  
2 paragraph shall receive an inflation adjustment equal  
3 to 3 percent of the gross expenditures reported for  
4 the county's services fund for the fiscal year.

5 b. For an ending balance percentage of 5 or more  
6 but less than 10 percent, a withholding factor of 0  
7 percent. In addition, a county that is subject to this  
8 lettered paragraph shall receive an inflation

9 adjustment equal to 2 percent of the gross  
 10 expenditures reported for the county's services fund  
 11 for the fiscal year.

12 c. For an ending balance percentage of 10 or more  
 13 but less than 25 percent, a withholding factor of 25  
 14 percent.

15 d. For an ending balance percentage of 25 percent  
 16 or more, a withholding percentage of 100 percent."

17 \_\_\_\_\_. Page 49, line 19, by striking the figure  
 18 "4,659,749" and inserting the following: "9,418,362".

19 \_\_\_\_\_. Page 49, by inserting after line 30, the  
 20 following:

21 "NEW SUBSECTION. 6. a. In addition to the amount  
 22 to be distributed under subsection 4, for the fiscal  
 23 year beginning July 1, 2005, a county with an ending  
 24 balance percentage under subsection 4 of less than  
 25 zero shall receive a distribution from the sum of the  
 26 following:

27 (1) The amounts appropriated in 2004 Iowa Acts,  
 28 chapter 1175, section 132 and section 173, subsection  
 29 1, that were not distributed and did not revert at the  
 30 close of the fiscal year beginning July 1, 2004.

31 (2) The amounts appropriated for the fiscal year  
 32 beginning July 1, 2005, for the mental health and  
 33 developmental disabilities community services fund and  
 34 in this section that were not distributed in  
 35 accordance with subsections 3, 4, and 5.

36 b. The amount of a county's distribution under  
 37 paragraph "a" shall be equal to the county's  
 38 proportion of the general population of the counties  
 39 eligible to receive a distribution under this  
 40 subsection.

41 c. The distribution amount determined under this  
 42 subsection shall be included in the county's allowed  
 43 growth payment determined in accordance with  
 44 subsections 3, 4, and 5.

45 Sec.\_\_\_\_. EFFECTIVE DATE. The section of this  
 46 division of this Act amending 2004 Iowa Acts, chapter  
 47 1175, section 173, subsection 1, being deemed of  
 48 immediate importance, takes effect upon enactment."

49 \_\_\_\_\_. Page 49, by inserting after line 32, the  
 50 following:

Page 11

1 "Sec.\_\_\_\_. Section 15H.3, subsection 5, as enacted  
 2 by 2005 Iowa Acts, [House File 478](#), section 3, is  
 3 amended to read as follows:

4 5. Members shall serve staggered terms of three  
 5 years beginning ~~and ending as provided by section~~  
 6 ~~69.19~~ July 1. Members of the commission shall serve  
 7 no more than two three-year terms. Any vacancy shall

8 be filled in the same manner as the original  
9 appointment.  
10 Sec.     . NEW SECTION. 16.184 TRANSITIONAL  
11 HOUSING REVOLVING LOAN PROGRAM FUND.  
12 1. A transitional housing revolving loan program  
13 fund is created within the authority to further the  
14 availability of affordable housing for parents that  
15 are reuniting with their children while completing or  
16 participating in substance abuse treatment. The  
17 moneys in the fund are annually appropriated to the  
18 authority to be used for the development and operation  
19 of a revolving loan program to provide financing to  
20 construct affordable transitional housing, including  
21 through new construction or acquisition and  
22 rehabilitation of existing housing. The housing  
23 provided shall be geographically located in close  
24 proximity to licensed substance abuse treatment  
25 programs. Preference in funding shall be given to  
26 projects that reunite mothers with the mothers'  
27 children.  
28 2. Moneys transferred by the authority for deposit  
29 in the transitional housing revolving loan program  
30 fund, moneys appropriated to the transitional housing  
31 revolving loan program, and any other moneys available  
32 to and obtained or accepted by the authority for  
33 placement in the fund shall be deposited in the fund.  
34 Additionally, payment of interest, recaptures of  
35 awards, and other repayments to the transitional  
36 housing revolving loan program fund shall be credited  
37 to the fund. Notwithstanding section 12C.7,  
38 subsection 2, interest or earnings on moneys in the  
39 transitional housing revolving loan program fund shall  
40 be credited to the fund. Notwithstanding section  
41 8.33, moneys that remain unencumbered or unobligated  
42 at the close of the fiscal year shall not revert but  
43 shall remain available for the same purpose in the  
44 succeeding fiscal year.  
45 3. The authority shall annually allocate moneys  
46 available in the transitional housing revolving loan  
47 program fund for the development of affordable  
48 transitional housing for parents that are reuniting  
49 with the parents' children while completing or  
50 participating in substance abuse treatment. The

Page 12

1 authority shall develop a joint application process  
2 for the allocation of federal low-income housing tax  
3 credits and the funds available under this section.  
4 Moneys allocated to such projects may be in the form  
5 of loans, grants, or a combination of loans and  
6 grants.

7 4. The authority shall adopt rules pursuant to  
8 chapter 17A to administer this section."

9 \_\_\_\_\_. Page 68, by inserting after line 32, the  
10 following:

11 "Sec. \_\_\_\_\_. Section 154A.22, Code 2005, is amended  
12 to read as follows:

13 154A.22 ~~DEPOSIT RECEIPT OF FEES.~~

14 1. The Except as otherwise provided in subsection  
15 2, the department shall deposit all fees collected  
16 under the provisions of this chapter in the general  
17 fund of the state. Compensation and travel expenses  
18 of members and employees of the board, and other  
19 expenses necessary for the board to administer and  
20 carry out the provisions of this chapter shall be paid  
21 from funds appropriated from the general fund of the  
22 state.

23 2. The department may retain ninety percent of the  
24 revenue generated from an increase in licensure and  
25 permit fees established pursuant to section 154A.17  
26 above the licensure and permit fees in effect as of  
27 June 30, 2005. The moneys retained by the department  
28 shall be used for any of the board's duties, including  
29 but not limited to addition of full-time equivalent  
30 positions for program services and investigations.  
31 Revenues retained by the department pursuant to this  
32 subsection shall be considered repayment receipts as  
33 defined in section 8.2.

34 Sec. \_\_\_\_\_. Section 155.6, Code 2005, is amended to  
35 read as follows:

36 155.6 ~~FUND-CREATED RECEIPT OF FEES.~~

37 1. All Except as otherwise provided in subsection  
38 2, all fees collected under the provisions of this  
39 chapter shall be paid to the treasurer of state who  
40 shall deposit the fees in the general fund of the  
41 state. Funds shall be appropriated to the board to be  
42 used and expended by the board to pay the compensation  
43 and travel expenses of members and employees of the  
44 board, and other expenses necessary for the board to  
45 administer and carry out the provisions of this  
46 chapter.

47 2. The board may retain ninety percent of the  
48 revenue generated from an increase in examination,  
49 licensure, and renewal of licensure fees established  
50 pursuant to section 155.15 above the examination.

Page 13

1 licensure, and renewal of licensure fees in effect as  
2 of June 30, 2005. The moneys retained by the board  
3 shall be used for any of the board's duties, including  
4 but not limited to addition of full-time equivalent  
5 positions for program services and investigations.

6 Revenues retained by the department pursuant to this  
7 subsection shall be considered repayment receipts as  
8 defined in section 8.2."

9 \_\_\_\_ Page 73, by inserting after line 33, the  
10 following:

11 "Sec. \_\_\_\_ Section 227.4, Code 2005, is amended to  
12 read as follows:

13 227.4 STANDARDS FOR CARE OF PERSONS WITH MENTAL  
14 ILLNESS OR ~~DEVELOPMENTAL DISABILITIES~~ MENTAL  
15 RETARDATION IN COUNTY CARE FACILITIES.

16 The administrator, in cooperation with the  
17 department of inspections and appeals, shall recommend  
18 and the mental health, mental retardation,  
19 developmental disabilities, and brain injury  
20 commission created in section 225C.5 shall adopt  
21 standards for the care of and services to persons with  
22 mental illness or ~~developmental disabilities~~ mental  
23 retardation residing in county care facilities. The  
24 standards shall be enforced by the department of  
25 inspections and appeals as a part of the licensure  
26 inspection conducted pursuant to chapter 135C. The  
27 objective of the standards is to ensure that persons  
28 with mental illness or ~~developmental disabilities~~  
29 mental retardation who are residents of county care  
30 facilities are not only adequately fed, clothed, and  
31 housed, but are also offered reasonable opportunities  
32 for productive work and recreational activities suited  
33 to their physical and mental abilities and offering  
34 both a constructive outlet for their energies and, if  
35 possible, therapeutic benefit. When recommending  
36 standards under this section, the administrator shall  
37 designate an advisory committee representing  
38 administrators of county care facilities, county  
39 mental health and developmental disabilities regional  
40 planning councils, and county care facility resident  
41 advocate committees to assist in the establishment of  
42 standards."

43 \_\_\_\_ Page 83, by inserting after line 2, the  
44 following:

45 "Sec. \_\_\_\_ Section 249J.8, subsection 4, as  
46 enacted by 2005 Iowa Acts, [House File 841](#), section 8,  
47 is amended to read as follows:

48 4. The department shall track the impact of the  
49 out-of-pocket expenditures on ~~patient expansion~~  
50 population enrollment and shall report the findings on

Page 14

1 at least a quarterly basis to the medical assistance  
2 projections and assessment council established  
3 pursuant to section 249J.19. The findings shall  
4 include estimates of the number of expansion

5 population members complying with payment of required  
 6 out-of-pocket expenditures, the number of expansion  
 7 population members not complying with payment of  
 8 required out-of-pocket expenditures and the reasons  
 9 for noncompliance, any impact as a result of the out-  
 10 of-pocket requirements on the provision of services to  
 11 the populations previously served, the administrative  
 12 time and cost associated with administering the  
 13 out-of-pocket requirements, and the benefit to the  
 14 state resulting from the out-of-pocket expenditures.  
 15 To the extent possible, the department shall track the  
 16 income level of the member, the health condition of  
 17 the member, and the family status of the member  
 18 relative to the out-of-pocket information."

19 \_\_\_\_ Page 86, by striking lines 11 and 12, and  
 20 inserting the following:

21 "Sec. \_\_\_\_ EFFECTIVE DATES.

22 1. The amendment in this division of this Act to".

23 \_\_\_\_ Page 86, by inserting after line 13, the  
 24 following:

25 "2. The amendment in this division of this Act to  
 26 section 15H.3, subsection 5, being deemed of immediate  
 27 importance, takes effect upon enactment and is  
 28 retroactively applicable to April 19, 2005."

29 \_\_\_\_ Page 86, by inserting after line 13, the  
 30 following:

31 "DIVISION

32 SUBSTITUTE DECISION MAKER ACT

33 Sec. \_\_\_\_ NEW SECTION. 231E.1 TITLE.

34 This chapter shall be known and may be cited as the  
 35 "Iowa Substitute Decision Maker Act".

36 Sec. \_\_\_\_ NEW SECTION. 231E.2 OFFICE OF  
 37 SUBSTITUTE DECISION MAKER – FINDINGS AND INTENT.

38 1. a. The general assembly finds that many adults  
 39 in this state are unable to meet essential  
 40 requirements to maintain their physical health or to  
 41 manage essential aspects of their financial resources  
 42 and are in need of substitute decision-making  
 43 services. However, a willing and responsible person  
 44 may not be available to serve as a private substitute  
 45 decision maker or the adult may not have adequate  
 46 income or resources to compensate a private substitute  
 47 decision maker.

48 b. The general assembly further finds that a  
 49 process should exist to assist individuals in finding  
 50 alternatives to substitute decision-making services

Page 15

1 and less intrusive means of assistance before an  
 2 individual's independence or rights are limited.  
 3 c. The general assembly further finds that a

4 substitute decision maker may be necessary to finalize  
5 a person's affairs after death when there is no  
6 willing and appropriate person available to serve as  
7 the person's personal representative.

8 2. a. It is, therefore, the intent of the general  
9 assembly to establish a state office of substitute  
10 decision maker and authorize the establishment of  
11 local offices of substitute decision maker to provide  
12 substitute decision-making services to adults and  
13 their estates after their deaths, when no private  
14 substitute decision maker is available.

15 b. It is also the intent of the general assembly  
16 that the office of substitute decision maker provide  
17 assistance to both public and private substitute  
18 decision makers throughout the state in securing  
19 necessary services for their wards, principals,  
20 clients, and decedents and to assist substitute  
21 decision makers, wards, principals, clients, courts,  
22 and attorneys in the orderly and expeditious handling  
23 of substitute decision-making proceedings.

24 Sec. \_\_. NEW SECTION. 231E.3 DEFINITIONS.

25 As used in this chapter, unless the context  
26 otherwise requires:

27 1. "Client" means an individual for whom a  
28 representative payee is appointed.

29 2. "Commission" means the commission of elder  
30 affairs.

31 3. "Conservator" means conservator as defined in  
32 section 633.3.

33 4. "Court" means court as defined in section  
34 633.3.

35 5. "Decedent" means the individual for whom an  
36 estate is administered or executed.

37 6. "Department" means the department of elder  
38 affairs established in section 231.21.

39 7. "Director" means the director of the department  
40 of elder affairs.

41 8. "Estate" means estate as defined in section  
42 633.3.

43 9. "Guardian" means guardian as defined in section  
44 633.3.

45 10. "Incompetent" means incompetent as defined in  
46 section 633.3.

47 11. "Local office" means a local office of  
48 substitute decision maker.

49 12. "Local substitute decision maker" means an  
50 individual under contract with the department to act

Page 16

1 as a substitute decision maker.

2 13. "Personal representative" means personal

3 representative as defined in section 633.3.

4 14. "Planning and service area" means a geographic  
5 area of the state designated by the commission for the  
6 purpose of planning, developing, delivering, and  
7 administering services for elders.

8 15. "Power of attorney" means a durable power of  
9 attorney for health care as defined in section 144B.1  
10 or a power of attorney that becomes effective upon the  
11 disability of the principal as described in section  
12 633.705.

13 16. "Principal" means an individual for whom a  
14 power of attorney is established.

15 17. "Representative payee" means an individual  
16 appointed by a government entity to receive funds on  
17 behalf of a client pursuant to federal regulation.

18 18. "State agency" means any executive department,  
19 commission, board, institution, division, bureau,  
20 office, agency, or other executive entity of state  
21 government.

22 19. "State office" means the state office of  
23 substitute decision maker.

24 20. "State substitute decision maker" means the  
25 administrator of the state office of substitute  
26 decision maker.

27 21. "Substitute decision maker" means a guardian,  
28 conservator, representative payee, attorney in fact  
29 under a power of attorney, or personal representative.

30 22. "Substitute decision making" or "substitute  
31 decision-making services" means the provision of  
32 services of a guardian, conservator, representative  
33 payee, attorney in fact under a power of attorney, or  
34 personal representative.

35 23. "Ward" means the individual for whom a  
36 guardianship or conservatorship is established.

37 Sec. \_\_. NEW SECTION. 231E.4 STATE OFFICE OF  
38 SUBSTITUTE DECISION MAKER – ESTABLISHED – DUTIES –  
39 DEPARTMENT RULES.

40 1. A state office of substitute decision maker is  
41 established within the department to create and  
42 administer a statewide network of substitute decision  
43 makers who provide substitute decision-making services  
44 if other substitute decision makers are not available  
45 to provide the services.

46 2. The director shall appoint an administrator of  
47 the state office who shall serve as the state  
48 substitute decision maker. The state substitute  
49 decision maker shall be qualified for the position by  
50 training and expertise in substitute decision-making

Page 17

1 law. The state substitute decision maker shall also

2 have knowledge of social services available to meet  
3 the needs of persons adjudicated incompetent or in  
4 need of substitute decision making.

5 3. The state office shall do all of the following:

6 a. Select persons through a request for proposals  
7 process to establish local offices of substitute  
8 decision maker in each of the planning and service  
9 areas. Local offices shall be established statewide  
10 on or before July 1, 2015.

11 b. Monitor and terminate contracts with local  
12 offices based on criteria established by rule of the  
13 department.

14 c. Retain oversight responsibilities for all local  
15 substitute decision makers.

16 d. Act as substitute decision maker if a local  
17 office is not available to so act.

18 e. Work with the department of human services, the  
19 Iowa department of public health, the governor's  
20 developmental disabilities council, and other agencies  
21 to establish a referral system for the provision of  
22 substitute decision-making services.

23 f. Develop and maintain a current listing of  
24 public and private services and programs available to  
25 assist wards, principals, clients, personal  
26 representatives, and their families and establish and  
27 maintain relationships with public and private  
28 entities to assure the availability of effective  
29 substitute decision-making services for wards,  
30 principals, clients, and estates.

31 g. Provide information and referrals to the public  
32 regarding substitute decision-making services.

33 h. Provide personal representatives for estates  
34 where a person is not available for that purpose.

35 i. Maintain statistical data on the local offices  
36 including various methods of funding, the types of  
37 services provided, and the demographics of the wards,  
38 principals, clients, and decedents and report to the  
39 general assembly on or before November 1, annually,  
40 regarding the local offices and recommend any  
41 appropriate legislative action.

42 j. Develop, in cooperation with the judicial  
43 council as established in section 602.1202, a  
44 substitute decision-maker education and training  
45 program. The program may be offered to both public  
46 and private substitute decision makers. The state  
47 office shall establish a curriculum committee, which  
48 includes but is not limited to probate judges, to  
49 develop the education and training program.

50 4. The state office may do any of the following:

Page 18

1 a. Accept and receive gifts, grants, or donations  
2 from any public or private entity in support of the  
3 state office.  
4 b. Accept the services of individual volunteers  
5 and volunteer organizations.  
6 c. Employ staff necessary to administer the state  
7 office and enter into contracts as necessary.  
8 5. The department shall provide administrative  
9 support to the state office.  
10 6. The department shall adopt rules in accordance  
11 with chapter 17A necessary to create and administer  
12 the state and local offices, relating to but not  
13 limited to all of the following:  
14 a. An application and intake process and standards  
15 for receipt of substitute decision-making services  
16 from the state or a local office.  
17 b. A process for the removal or termination of the  
18 state or a local substitute decision maker.  
19 c. An ideal range of staff-to-client ratios for  
20 the state and local substitute decision makers.  
21 d. Minimum training and experience requirements  
22 for professional staff and volunteers.  
23 e. A fee schedule. The department may establish  
24 by rule a schedule of reasonable fees for the costs of  
25 substitute decision-making services provided under  
26 this chapter. The fee schedule established may be  
27 based upon the ability of the ward, principal, client,  
28 or estate to pay for the services but shall not exceed  
29 the actual cost of providing the services. The state  
30 office or a local office may waive collection of a fee  
31 upon a finding that collection is not economically  
32 feasible. The rules may provide that the state office  
33 or a local office may investigate the financial status  
34 of a ward, principal, or client who, or an estate that  
35 requests substitute decision-making services or for  
36 whom or which the state or a local substitute decision  
37 maker has been appointed for the purpose of  
38 determining the fee to be charged by requiring the  
39 ward, principal, client, or estate to provide any  
40 written authorizations necessary to provide access to  
41 records of public or private sources, otherwise  
42 confidential, needed to evaluate the individual's or  
43 estate's financial eligibility. The rules may also  
44 provide that the state or a local substitute decision  
45 maker may, upon request and without payment of fees  
46 otherwise required by law, obtain information  
47 necessary to evaluate the individual's or estate's  
48 financial eligibility from any office of the state or  
49 of a political subdivision or agency of the state that  
50 possesses public records. In estate proceedings, the

Page 19

1 state or local decision maker shall be compensated  
2 pursuant to chapter 633, division III, part 8.

3 f. Standards and performance measures for  
4 evaluation of local offices.

5 g. Recordkeeping and accounting procedures to  
6 ensure that the state office and local offices  
7 maintain confidential, accurate, and up-to-date  
8 financial, case, and statistical records. The rules  
9 shall require each local office to file with the state  
10 office, on an annual basis, an account of all public  
11 and private funds received and a report regarding the  
12 operations of the local office for the preceding  
13 fiscal year.

14 h. Procedures for the sharing of records held by  
15 the court or a state agency with the state office,  
16 which are necessary to evaluate the state office or  
17 local offices, to assess the need for additional  
18 substitute decision makers, or to develop required  
19 reports.

20 Sec. \_\_. **NEW SECTION. 231E.5 LOCAL OFFICE OF**  
21 **SUBSTITUTE DECISION MAKER.**

22 1. The state substitute decision maker shall  
23 select persons to provide local substitute decision-  
24 making services in each of the planning and service  
25 areas, based upon a request for proposals process  
26 developed by the department.

27 2. The local office shall comply with all  
28 requirements established for the local office by the  
29 department and shall do all of the following:

30 a. Maintain a staff of professionally qualified  
31 individuals to carry out the substitute decision-  
32 making functions.

33 b. Identify client needs and local resources to  
34 provide necessary support services to recipients of  
35 substitute decision-making services.

36 c. Collect program data as required by the state  
37 office.

38 d. Meet standards established for the local  
39 office.

40 e. Comply with minimum staffing requirements and  
41 caseload restrictions.

42 f. Conduct background checks on employees and  
43 volunteers.

44 g. With regard to a proposed ward, the local  
45 office shall do all of the following:

46 (1) Determine the most appropriate form of  
47 substitute decision making needed, if any, giving  
48 preference to the least restrictive alternative.

49 (2) Determine whether the needs of the proposed  
50 ward require the appointment of guardian or

Page 20

1 conservator.

2 (3) Assess the financial resources of the proposed  
3 ward based on the information supplied to the local  
4 office at the time of the determination.

5 (4) Inquire and, if appropriate, search to  
6 determine whether any other person may be willing and  
7 able to serve as the proposed ward's guardian or  
8 conservator.

9 (5) Determine the form of guardianship or  
10 conservatorship to request of a court, if any, giving  
11 preference to the least restrictive form.

12 (6) If determined necessary, file a petition for  
13 the appointment of a guardian or conservator pursuant  
14 to chapter 633.

15 h. With regard to an estate, the local office may  
16 appoint a personal representative to file a petition  
17 to open an estate who shall do all of the following:

18 (1) Retain legal counsel as described in section  
19 231E.11 to be compensated from the proceeds of the  
20 estate pursuant to chapter 633, division III, part 8.

21 (2) Liquidate all assets of the estate.

22 (3) Distribute the assets of the estate pursuant  
23 to chapter 633, division VII, parts 7 and 8, and other  
24 applicable provisions of law.

25 3. A local office may do any of the following:

26 a. Contract for or arrange for provision of  
27 services necessary to carry out the duties of a local  
28 substitute decision maker.

29 b. Accept the services of volunteers or  
30 consultants and reimburse them for necessary expenses.

31 c. Employ staff and delegate to members of the  
32 staff the powers and duties of the local substitute  
33 decision maker. However, the local office shall  
34 retain responsibility for the proper performance of  
35 the delegated powers and duties. All delegations  
36 shall be to persons who meet the eligibility  
37 requirements of the specific type of substitute  
38 decision maker.

39 4. An individual acting as the state or a local  
40 substitute decision maker shall comply with applicable  
41 requirements for guardians, conservators, or personal  
42 representatives pursuant to chapter 633, attorneys in  
43 fact under a power of attorney pursuant to chapter 633  
44 or a durable power of attorney for health care  
45 pursuant to chapter 144B, or representative payees  
46 pursuant to federal law and regulations.

47 5. Notwithstanding any provision to the contrary,  
48 an individual acting as the state or a local  
49 substitute decision maker shall not be subject to the  
50 posting of a bond pursuant to chapter 633. An

Page 21

1 individual acting as the state or a local substitute  
2 decision maker shall complete at least eight hours of  
3 training annually as certified by the department.  
4 Sec. \_\_. NEW SECTION. 231E.6 COURT-INITIATED OR  
5 PETITION-INITIATED APPOINTMENT OF STATE OR LOCAL  
6 SUBSTITUTE DECISION MAKER – GUARDIANSHIP OR  
7 CONSERVATORSHIP – DISCHARGE.

8 The court may appoint on its own motion or upon  
9 petition of any person, the state office or local  
10 office of substitute decision maker, to serve as  
11 guardian or conservator for any proposed ward in cases  
12 in which the court determines that the proceeding will  
13 establish the least restrictive form of substitute  
14 decision making suitable for the proposed ward and if  
15 the proposed ward meets all of the following criteria:

- 16 1. Is a resident of the planning and service area  
17 in which the local office is located from which  
18 services would be provided or is a resident of the  
19 state, if the state office would provide the services.
- 20 2. Is eighteen years of age or older.
- 21 3. Does not have suitable family or another  
22 appropriate entity willing and able to serve as  
23 guardian or conservator.
- 24 4. Is incompetent.
- 25 5. Is an individual for whom guardianship or  
26 conservatorship services are the least restrictive  
27 means of meeting the individual's needs.

28 Sec. \_\_. NEW SECTION. 231E.7 SUBSTITUTE  
29 DECISION MAKER-INITIATED APPOINTMENT.

30 The state office or local office may on its own  
31 motion or at the request of the court intervene in a  
32 guardianship or conservatorship proceeding if the  
33 state office or local office or the court considers  
34 the intervention to be justified because of any of the  
35 following:

- 36 1. An appointed guardian or conservator is not  
37 fulfilling prescribed duties or is subject to removal  
38 under section 633.65.
- 39 2. A willing and qualified guardian or conservator  
40 is not available.
- 41 3. The best interests of the ward require the  
42 intervention.

43 Sec. \_\_. NEW SECTION. 231E.8 PROVISIONS  
44 APPLICABLE TO ALL APPOINTMENTS AND DESIGNATIONS –  
45 DISCHARGE.

- 46 1. The court shall only appoint or intervene on  
47 its own motion or act upon the petition of any person  
48 under section 231E.6 or 231E.7 if such appointment or  
49 intervention would comply with staffing ratios  
50 established by the department and if sufficient

Page 22

1 resources are available to the state office or local  
2 office. Notice of the proposed appointment shall be  
3 provided to the state office or local office prior to  
4 the granting of such appointment.

5 2. The state office or local office shall maintain  
6 reasonable personal contact with each ward, principal,  
7 or client for whom the state office or local office is  
8 appointed or designated in order to monitor the  
9 ward's, principal's, or client's care and progress.  
10 For any estates in which the state office or local  
11 office is involved, the state office or local office  
12 shall move estate proceedings forward in a reasonable  
13 and expeditious manner and shall monitor the progress  
14 of any legal counsel retained on a regular basis.

15 3. Notwithstanding any provision of law to the  
16 contrary, the state office or local office appointed  
17 by the court or designated under a power of attorney  
18 document may access all confidential records  
19 concerning the ward or principal for whom the state  
20 office or local office is appointed or designated,  
21 including medical records and abuse reports.

22 4. In any proceeding in which the state or local  
23 office is appointed or is acting as guardian or  
24 conservator, the court shall waive court costs or  
25 filing fees, if the state office or local office  
26 certifies to the court that the state office or local  
27 office has waived its fees in their entirety based  
28 upon the ability of the ward to pay for the services  
29 of the state office or local office. In any estate  
30 proceeding, the court costs shall be paid in  
31 accordance with chapter 633, division VII, part 7.

32 5. The state or a local substitute decision maker  
33 shall be subject to discharge or removal, by the  
34 court, on the grounds and in the manner in which other  
35 guardians, conservators, or personal representatives  
36 are discharged or removed pursuant to chapter 633.

37 Sec. \_\_. NEW SECTION. 231E.9 FEES –  
38 APPROPRIATED.

39 Fees received by the state office and by local  
40 offices for services provided as state or local  
41 substitute decision maker shall be deposited in the  
42 general fund of the state and the amounts received are  
43 appropriated to the department for the purposes of  
44 administering this chapter.

45 Sec. \_\_. NEW SECTION. 231E.10 CONFLICTS OF  
46 INTEREST – LIMITATIONS.

47 Notwithstanding section 633.63 or any other  
48 provision to the contrary, a local substitute decision  
49 maker shall not provide direct services to or have an  
50 actual or the appearance of any conflict of interest

Page 23

1 relating to any individual for whom the local  
2 substitute decision maker acts in a substitute  
3 decision-making capacity unless such provision of  
4 direct services or the appearance of a conflict of  
5 interest is approved and monitored by the state office  
6 in accordance with rules adopted by the department.  
7 Sec. \_\_. NEW SECTION. 231E.11 DUTY OF ATTORNEY  
8 GENERAL, COUNTY ATTORNEY, OR OTHER COUNSEL.  
9 1. The attorney general shall advise the state  
10 office on legal matters and represent the state office  
11 in legal proceedings.  
12 2. Upon the request of the attorney general, a  
13 county attorney may represent the state office or a  
14 local office in connection with the filing of a  
15 petition for appointment as guardian or conservator  
16 and with routine, subsequent appearances.  
17 3. A local attorney experienced in probate matters  
18 may represent the personal representative for all  
19 routine matters associated with probating an estate.  
20 Sec. \_\_. NEW SECTION. 231E.12 LIABILITY.  
21 All employees and volunteers of the state office  
22 and local offices operating under this chapter and  
23 other applicable chapters and pursuant to rules  
24 adopted under this and other applicable chapters are  
25 considered employees of the state and state volunteers  
26 for the purposes of chapter 669 and shall be afforded  
27 protection under section 669.21 or 669.24, as  
28 applicable. This section does not relieve a guardian  
29 or conservator from performing duties prescribed under  
30 chapter 633.  
31 Sec. \_\_. NEW SECTION. 231E.13 IMPLEMENTATION.  
32 Implementation of this chapter is subject to  
33 availability of funding as determined by the  
34 department. The department shall notify the Code  
35 editor upon implementation of this chapter.  
36 Sec. \_\_. Section 235B.6, subsection 2, paragraph  
37 e, Code 2005, is amended by adding the following new  
38 subparagraph:  
39 NEW SUBPARAGRAPH. (11) The state office or a  
40 local office of substitute decision maker as defined  
41 in section 231E.3, appointed by the court as a  
42 guardian or conservator of the adult named in a report  
43 as the victim of abuse or the person designated to be  
44 responsible for performing or obtaining protective  
45 services on behalf of a dependent adult pursuant to  
46 section 235B.18.  
47 Sec. \_\_. Section 633.63, subsection 3, Code 2005,  
48 is amended to read as follows:  
49 3. A private nonprofit corporation organized under  
50 chapter 504, Code 1989, or current chapter 504 or 504A

Page 24

1 is qualified to act as a guardian, as defined in  
2 section 633.3, ~~subsection 20~~, or a conservator, as  
3 defined in section 633.3, ~~subsection 7~~, where the  
4 ~~assets subject to the conservatorship at the time when~~  
5 ~~such corporation is appointed conservator are less~~  
6 ~~than or equal to seventy-five thousand dollars and if~~  
7 the corporation does not possess a proprietary or  
8 legal interest in an organization which provides  
9 direct services to the individual.

10 Sec. \_\_. Section 633.63, Code 2005, is amended by  
11 adding the following new subsection:

12 NEW SUBSECTION. 4. The state or a local  
13 substitute decision maker as defined in section 231E.3  
14 is authorized to act in a fiduciary capacity in this  
15 state in accordance with chapter 231E."

16 \_\_. Page 86, by inserting before line 14, the  
17 following:

18 "DIVISION

19 LONG-TERM LIVING SYSTEM

20 Sec. \_\_. NEW SECTION. 231F.1 INTENT FOR IOWA'S  
21 LONG-TERM LIVING SYSTEM.

22 1. The general assembly finds and declares that  
23 the intent for Iowa's long-term living system is to  
24 ensure all Iowans access to an extensive range of  
25 high-quality, affordable, and cost-effective long-  
26 term living options that maximize independence,  
27 choice, and dignity for consumers.

28 2. The long-term living system should be  
29 comprehensive, offering multiple services and support  
30 in home, community-based, and facility-based settings;  
31 should utilize a uniform assessment process to ensure  
32 that such services and support are delivered in the  
33 most integrated and life-enhancing setting; and should  
34 ensure that such services and support are provided by  
35 a well-trained, motivated workforce.

36 3. The long-term living system should exist in a  
37 regulatory climate that appropriately ensures the  
38 health, safety, and welfare of consumers, while not  
39 being overly restrictive or inflexible.

40 4. The long-term living system should sustain  
41 existing informal care systems including family,  
42 friends, volunteers, and community resources; should  
43 encourage innovation through the use of technology and  
44 new delivery and financing models, including housing;  
45 should provide incentives to consumers for private  
46 financing of long-term living services and support;  
47 and should allow Iowans to live independently as long  
48 as they desire.

49 5. Information regarding all components of the  
50 long-term living system should be effectively

Page 25

1 communicated to all persons potentially impacted by  
 2 the need for long-term living services and support in  
 3 order to empower consumers to plan, evaluate, and make  
 4 decisions about how best to meet their own long-term  
 5 living needs."  
 6 \_\_\_\_\_. By striking page 86, line 14, through page  
 7 88, line 12."  
 8 2. By renumbering, relettering, or redesignating  
 9 and correcting internal references as necessary.

Amendment [H-1704](#) was adopted.

On motion by Heaton of Henry the House concurred in the Senate amendment [H-1702](#), as amended.

Heaton of Henry moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 825](#))

The ayes were, 95:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Foege	Ford
Freeman	Gaskill	Gipp	Granzow
Greiner	Heaton	Heddens	Hoffman
Hogg	Horbach	Hunter	Huseman
Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Kaufmann	Kressig
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Mascher
May	McCarthy	Mertz	Miller
Murphy	Oldson	Olson, D.	Olson, R.
Olson, S.	Paulsen	Petersen	Pettengill
Quirk	Raecker	Rasmussen	Rayhons
Reasoner	Reichert	Roberts	Sands
Schickel	Schueller	Shoultz	Smith
Soderberg	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tomenga
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Wessel-Kroeschell
Whitaker	Whitead	Wilderdyke	Winckler



MOTION TO RECONSIDER WITHDRAWN  
([House File 875](#))

Gipp of Winneshiek asked and received unanimous consent to withdraw the motion to reconsider [House File 875](#), a bill for an act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, environment first fund, tobacco settlement trust fund, vertical infrastructure fund, general fund of the state, and related matters, and including effective and retroactive applicability date provisions, filed by him on May 11, 2005.

MOTION TO RECONSIDER PREVAILED

Huseman of Cherokee asked and received unanimous consent to reconsider the vote by which the Senate amendment [H-1679](#) and [House File 875](#), a bill for an act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, environment first fund, tobacco settlement trust fund, vertical infrastructure fund, general fund of the state, and related matters, and including effective and retroactive applicability date provisions, passed the House and was placed on its last reading on May 11, 2005 and found on pages 1867 through 1888 of the House Journal.

Huseman of Cherokee offered the following amendment [H-1705](#) to the Senate amendment [H-1679](#) filed by him from the floor and moved its adoption:

[H-1705](#)

- 1 Amend the Senate amendment, [H-1679](#), to House File
- 2 875, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, by striking lines 3 through 7, and
- 5 inserting the following:
- 6 "\_\_\_ Page 1, by striking lines 8 through 21."
- 7 2. Page 1, by inserting after line 42, the
- 8 following:
- 9 "\_\_\_ Page 3, by inserting after line 11, the
- 10 following:
- 11 "d. For maintenance costs of the department of
- 12 corrections and board of parole associated with the
- 13 department of administrative services, notwithstanding

14 section 8.57, subsection 6, paragraph "c":  
 15 ..... \$ 105,300  
 16 e. For rent payments for the community-based  
 17 corrections facility located in Davenport and the  
 18 department of corrections training center,  
 19 notwithstanding section 8.57, subsection 6, paragraph  
 20 "c":  
 21 ..... \$ 122,000  
 22 2A. DEPARTMENT OF CULTURAL AFFAIRS  
 23 For continuation of the project recommended by the  
 24 Iowa battle flag advisory committee to stabilize the  
 25 condition of the battle flag collection,  
 26 notwithstanding section 8.57, subsection 6, paragraph  
 27 "c":  
 28 ..... \$ 220,000""  
 29 3. Page 2, by inserting after line 9, the  
 30 following:  
 31 "\_\_\_ Page 4, by inserting after line 2 the  
 32 following:  
 33 "d. For major renovation and major repair needs,  
 34 including health, life, and fire safety needs, and for  
 35 compliance with the federal Americans With  
 36 Disabilities Act, for state buildings and facilities  
 37 under the purview of the community colleges:  
 38 ..... \$ 2,000,000  
 39 The moneys appropriated in this lettered paragraph  
 40 shall be allocated to the community colleges based  
 41 upon the distribution formula established in section  
 42 260C.18C, if enacted by 2005 Iowa Acts, House File  
 43 816.  
 44 e. For implementation of the provisions of Code  
 45 chapter 280A, as amended by 2005 Iowa Acts, House File  
 46 739, if enacted, notwithstanding section 8.57,  
 47 subsection 6, paragraph "c":  
 48 \$ 500,000"  
 49 \_\_\_ Page 4, by inserting after line 8 the  
 50 following:

Page 2

1 "5A. IOWA FINANCE AUTHORITY  
 2 For deposit into the transitional housing revolving  
 3 loan program fund created in section 16.184, if  
 4 enacted by 2005 Iowa Acts, [House File 825](#):  
 5 ..... \$ 1,400,00""  
 6 4. Page 2, by striking lines 13 and 14.  
 7 5. Page 2, line 44, by inserting after the word  
 8 "fire" the following: "regional".  
 9 6. Page 3, line 4, by inserting after the word  
 10 "fire" the following: "regional".

11 7. Page 3, by striking lines 13 and 14, and  
 12 inserting the following:  
 13 "\_\_\_ . Page 6, line 4, by striking the word "For"  
 14 and inserting the following: "a. For major".  
 15 \_\_\_ . Page 6, by inserting after line 6, the  
 16 following:  
 17 "b. For major renovation and major repair needs,  
 18 including health, life, and fire safety needs, and for  
 19 compliance with the federal Americans With  
 20 Disabilities Act, for state buildings and facilities  
 21 under the purview of the state board of regents  
 22 institutions:  
 23 ..... \$ 6,250,000"  
 24 8. Page 3, by inserting after line 17, the  
 25 following:  
 26 "\_\_\_ . Page 6, line 13, by striking the figure  
 27 "500,000" and inserting the following: "564,792".  
 28 9. Page 3, by inserting after line 23, the  
 29 following:  
 30 "\_\_\_ . Page 6, by inserting after line 27, the  
 31 following:  
 32 "d. For the rail assistance program and to provide  
 33 economic development project funding:  
 34 ..... \$ 35,959"  
 35 10. Page 3, by inserting after line 41, the  
 36 following:  
 37 "\_\_\_ . Page 10, by inserting after line 4, the  
 38 following:  
 39 "Sec. \_\_\_ . 2005 Iowa Acts, [House File 466](#), section  
 40 3, is repealed."  
 41 11. Page 11, line 49, by inserting after the word  
 42 "courses." the following: "The treasurer of state is  
 43 authorized to establish separate and distinct accounts  
 44 within the honey creek premier destination park bond  
 45 fund in connection with the issuance of the  
 46 authority's bonds in accordance with the trust  
 47 indenture or resolution authorizing the bonds and the  
 48 authority is authorized to determine which revenues  
 49 and accounts shall be pledged as security for the  
 50 bonds. Amounts deposited in the honey creek premier

Page 3

1 destination park bond fund shall be deposited in the  
 2 separate and distinct accounts as set forth in the  
 3 trust indenture or resolution authorizing the bonds.  
 4 The authority is authorized to pledge and use the  
 5 gross revenues from the honey creek premier  
 6 destination park to and for payment of the bonds.  
 7 Revenues may also be used for the payment of  
 8 insurance, other credit enhancements, and other  
 9 financing arrangements. Operating expenses of the

10 honey creek premier destination park may be paid from  
 11 the revenues to the extent the revenues exceed the  
 12 amount determined by the authority to be necessary for  
 13 debt service on the bonds."

14 12. Page 15, line 49, by striking the word "July"  
 15 and inserting the following: "January".

16 13. Page 16, line 6, by striking the word "may"  
 17 and inserting the following: "shall".

18 14. Page 17, line 49, by inserting after the  
 19 figure "12.30." the following: "However, the  
 20 exemption from competitive bid laws in this section  
 21 shall not be construed to apply to contracts for the  
 22 development of the park or the development or  
 23 construction of facilities in the park, including, but  
 24 not limited to, lodges, campgrounds, cabins, and golf  
 25 courses."

Amendment [H-1705](#) was adopted.

On motion by Huseman of Cherokee the House concurred in the Senate amendment [H-1679](#), as amended.

Huseman of Cherokee moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 875](#))

The ayes were, 94:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Foege	Ford
Freeman	Gaskill	Gipp	Granzow
Greiner	Heaton	Heddens	Hoffman
Hogg	Horbach	Hunter	Huseman
Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Kaufmann	Kressig
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Mascher	May
McCarthy	Mertz	Miller	Murphy
Oldson	Olson, D.	Olson, R.	Olson, S.
Paulsen	Petersen	Pettengill	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.

Thomas	Tjepkes	Tomenga	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Zirkelbach	Mr. Speaker		
	Rants		

The nays were, 1:

Fallon

Absent or not voting, 5:

Chambers	Frevort	Huser	Maddox
Shomshor			

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 875](#) be immediately messaged to the Senate.

#### HOUSE RECEDES

Horbach of Tama called up for consideration [House File 807](#), a bill for an act relating to and making appropriations to the judicial branch, and providing an effective date, amended by the House and moved that the House recede from its amendment [H-1637](#) to the Senate amendment [H-1629](#), found on page 1760 of the House Journal.

The motion prevailed and the House recedes.

Horbach of Tama moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 807](#))

The ayes were, 96:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Cohoon	Dandekar	Davitt

De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Gaskill	Gipp
Granzow	Greiner	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Hutter	Jacobs	Jacoby
Jenkins	Jochum	Jones	Kaufmann
Kressig	Kuhn	Kurtenbach	Lalk
Lensing	Lukan	Lykam	Maddox
Mascher	May	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, D.
Olson, R.	Olson, S.	Paulsen	Petersen
Pettengill	Quirk	Raecker	Rasmussen
Rayhons	Reasoner	Reichert	Roberts
Sands	Schickel	Schueller	Shoultz
Smith	Soderberg	Struyk	Swaim
Taylor, D.	Taylor, T.	Thomas	Tjepkes
Tomenga	Tymeson	Upmeyer	Van Engelenhoven
Van Fossen, J.K.	Van Fossen, J.R.	Watts	Wendt
Wessel-Kroeschell	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Zirkelbach	Mr. Speaker Rants

The nays were, none.

Absent or not voting, 4:

Chambers	Frevert	Huser	Shomshor
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The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 807](#) be immediately messaged to the Senate.

The House stood at ease at 1:15 p.m., until the fall of the gavel.

The House resumed session at 1:44 p.m., Speaker Rants in the chair.

#### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: am directed to inform your honorable body that the Senate has on May 20, 2005, insisted on the Senate amendment to [House File 834](#), a bill for an act relating to persons commercially cleaning toilet units and private sewage disposal facilities by providing regulations, fees, and civil penalties, and making appropriations, and the members of the conference committee on the part of the Senate are: the senator from Black Hawk, Senator Danielson, Co-chair; the senator from Polk, Senator Ward, Co-chair; the senator from Polk, Senator Dearden; the senator from Warren, Senator Shull; the senator from Scott, Senator Seng; and the senator from Allamakee, Senator Zieman.

Also: That the Senate has on May 20, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 858](#), a bill for an act establishing a statewide work-based learning intermediary network program and creating a fund.

Also: That the Senate has on May 20, 2005, insisted on the Senate amendment to the House amendment to [Senate File 200](#), a bill for an act relating to the administration of the department of agriculture and land stewardship, by providing for its powers and duties, and the members of the conference committee on the part of the Senate are: the senator from Sac, Senator Kettering, Co-chair; the senator from Jasper, Senator Black, Co-chair; the senator from Pottawattamie, Senator Houser; the senator from Fayette, Senator Schoenjahn; the senator from Osceola, Senator Johnson; and the senator from Cerro Gordo, Senator Ragan.

MICHAEL E. MARSHALL, Secretary

CONFERENCE COMMITTEE APPOINTED  
([Senate File 200](#))

The Speaker announced the appointment of the conference committee to consider the differences between the House and Senate concerning [Senate File 200](#): Greiner of Washington, Chair; Kurtenbach of Story, Rasmussen of Buchanan, Mertz of Kossuth and Hogg of Linn.

CONFERENCE COMMITTEE APPOINTED  
([House File 834](#))

The Speaker announced the appointment of the conference committee to consider the differences between the House and Senate concerning [House File 834](#): Struyk of Pottawattamie, Chair; Greiner of Washington, Tymeson of Madison, Shoultz of Black Hawk and Huser of Polk.

SENATE AMENDMENT CONSIDERED

Horbach of Tama called up for consideration [House File 811](#), a bill for an act relating to and making appropriations to the justice system and providing an effective date, amended by the Senate amendment [H-1701](#) as follows:

[H-1701](#)

1 Amend [House File 811](#), as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. By striking everything after the enacting  
4 clause and inserting the following:  
5 "DIVISION I  
6 FY 2005-2006 APPROPRIATIONS  
7 JUSTICE SYSTEM  
8 Section 1. DEPARTMENT OF JUSTICE.  
9 1. There is appropriated from the general fund of  
10 the state to the department of justice for the fiscal  
11 year beginning July 1, 2005, and ending June 30, 2006,  
12 the following amounts, or so much thereof as is  
13 necessary, to be used for the purposes designated:  
14 a. For the general office of attorney general for  
15 salaries, support, maintenance, miscellaneous purposes  
16 including the prosecuting attorneys training program,  
17 victim assistance grants, office of drug control  
18 policy (ODCP) prosecuting attorney program, legal  
19 services for persons in poverty grants as provided in  
20 section 13.34, odometer fraud enforcement, and for not  
21 more than the following full-time equivalent  
22 positions:  
23 ..... \$ 8,024,280  
24 ..... FTEs 214.50  
25 It is the intent of the general assembly that as a  
26 condition of receiving the appropriation provided in  
27 this lettered paragraph, the department of justice  
28 shall maintain a record of the estimated time incurred  
29 representing each agency or department.  
30 b. For victim assistance grants:  
31 ..... \$ 305,000  
32 The funds appropriated in this lettered paragraph  
33 shall be used to provide grants to care providers  
34 providing services to crime victims of domestic abuse  
35 or to crime victims of rape and sexual assault.  
36 c. For legal services for persons in poverty  
37 grants as provided in section 13.34:  
38 ..... \$ 750,000  
39 2. In addition to the funds appropriated in  
40 subsection 1, there is appropriated from the general

41 fund of the state to the department of justice for the  
42 fiscal year beginning July 1, 2005, and ending June  
43 30, 2006, an amount not exceeding \$200,000 to be used  
44 for the enforcement of the Iowa competition law. The  
45 funds appropriated in this subsection are contingent  
46 upon receipt by the general fund of the state of an  
47 amount at least equal to the expenditure amount from  
48 either damages awarded to the state or a political  
49 subdivision of the state by a civil judgment under  
50 chapter 553, if the judgment authorizes the use of the

Page 2

1 award for enforcement purposes or costs or attorneys  
2 fees awarded the state in state or federal antitrust  
3 actions. However, if the amounts received as a result  
4 of these judgments are in excess of \$200,000, the  
5 excess amounts shall not be appropriated to the  
6 department of justice pursuant to this subsection.  
7 The department of justice shall report the  
8 department's actual costs and an estimate of the time  
9 incurred enforcing the competition law, to the co-  
10 chairpersons and ranking members of the joint  
11 appropriations subcommittee on the justice system, and  
12 to the legislative services agency by November 15,  
13 2005.

14 3. In addition to the funds appropriated in  
15 subsection 1, there is appropriated from the general  
16 fund of the state to the department of justice for the  
17 fiscal year beginning July 1, 2005, and ending June  
18 30, 2006, an amount not exceeding \$1,125,000 to be  
19 used for public education relating to consumer fraud  
20 and for enforcement of section 714.16, and an amount  
21 not exceeding \$75,000 for investigation, prosecution,  
22 and consumer education relating to consumer and  
23 criminal fraud against older Iowans. The funds  
24 appropriated in this subsection are contingent upon  
25 receipt by the general fund of the state of an amount  
26 at least equal to the expenditure amount from damages  
27 awarded to the state or a political subdivision of the  
28 state by a civil consumer fraud judgment or  
29 settlement, if the judgment or settlement authorizes  
30 the use of the award for public education on consumer  
31 fraud. However, if the funds received as a result of  
32 these judgments and settlements are in excess of  
33 \$1,200,000, the excess funds shall not be appropriated  
34 to the department of justice pursuant to this  
35 subsection. The department of justice shall report to  
36 the co-chairpersons and ranking members of the joint  
37 appropriations subcommittee on the justice system, and  
38 to the legislative services agency by November 15,  
39 2005, the department's actual costs and an estimate of

40 the time incurred in providing education pursuant to  
41 and enforcing this subsection.

42 4. The balance of the victim compensation fund  
43 established in section 915.94 may be used to provide  
44 salary and support of not more than 22 FTEs and to  
45 provide maintenance for the victim compensation  
46 functions of the department of justice.

47 5. a. The department of justice, in submitting  
48 budget estimates for the fiscal year commencing July  
49 1, 2006, pursuant to section 8.23, shall include a  
50 report of funding from sources other than amounts

Page 3

1 appropriated directly from the general fund of the  
2 state to the department of justice or to the office of  
3 consumer advocate. These funding sources shall  
4 include, but are not limited to, reimbursements from  
5 other state agencies, commissions, boards, or similar  
6 entities, and reimbursements from special funds or  
7 internal accounts within the department of justice.  
8 The department of justice shall report actual  
9 reimbursements for the fiscal year commencing July 1,  
10 2004, and actual and expected reimbursements for the  
11 fiscal year commencing July 1, 2005.

12 b. The department of justice shall include the  
13 report required under paragraph "a", as well as  
14 information regarding any revisions occurring as a  
15 result of reimbursements actually received or expected  
16 at a later date, in a report to the co-chairpersons  
17 and ranking members of the joint appropriations  
18 subcommittee on the justice system and the legislative  
19 services agency. The department of justice shall  
20 submit the report on or before January 15, 2006.

21 6. In addition to the funds appropriated in  
22 subsection 1, there is appropriated from the general  
23 fund of the state to the department of justice for the  
24 fiscal year beginning July 1, 2005, and ending June  
25 30, 2006, an amount not exceeding \$150,000 to be used  
26 for legal services for persons in poverty grants as  
27 provided in section 13.34, and an amount not exceeding  
28 \$95,000 for legal services related to the department  
29 of elder affairs legal hotline. The funds  
30 appropriated in this subsection are contingent upon  
31 receipt by the general fund of the state of an amount  
32 at least equal to the expenditure amount from costs or  
33 attorney fees awarded the state in settlement of its  
34 antitrust action against Microsoft brought under  
35 chapter 553. However, if the amounts received as a  
36 result of this settlement are in excess of \$245,000,  
37 the excess amounts shall not be appropriated to the  
38 department of justice pursuant to this paragraph.

39 Sec. 2. DEPARTMENT OF JUSTICE – ENVIRONMENTAL  
 40 CRIMES INVESTIGATION AND PROSECUTION – FUNDING.  
 41 There is appropriated from the environmental crime  
 42 fund of the department of justice, consisting of  
 43 court-ordered fines and penalties awarded to the  
 44 department arising out of the prosecution of  
 45 environmental crimes, to the department of justice for  
 46 the fiscal year beginning July 1, 2005, and ending  
 47 June 30, 2006, an amount not exceeding \$20,000 to be  
 48 used by the department, at the discretion of the  
 49 attorney general, for the investigation and  
 50 prosecution of environmental crimes, including the

Page 4

1 reimbursement of expenses incurred by county,  
 2 municipal, and other local governmental agencies  
 3 cooperating with the department in the investigation  
 4 and prosecution of environmental crimes.  
 5 The funds appropriated in this section are  
 6 contingent upon receipt by the environmental crime  
 7 fund of the department of justice of an amount at  
 8 least equal to the appropriations made in this section  
 9 and received from contributions, court-ordered  
 10 restitution as part of judgments in criminal cases,  
 11 and consent decrees entered into as part of civil or  
 12 regulatory enforcement actions. However, if the funds  
 13 received during the fiscal year are in excess of  
 14 \$20,000, the excess funds shall be deposited in the  
 15 general fund of the state.

16 Notwithstanding section 8.33, moneys appropriated  
 17 in this section that remain unencumbered or  
 18 unobligated at the close of the fiscal year shall not  
 19 revert but shall remain available for expenditure for  
 20 the purpose designated until the close of the  
 21 succeeding fiscal year.

22 Sec. 3. OFFICE OF CONSUMER ADVOCATE. There is  
 23 appropriated from the general fund of the state to the  
 24 office of consumer advocate of the department of  
 25 justice for the fiscal year beginning July 1, 2005,  
 26 and ending June 30, 2006, the following amount, or so  
 27 much thereof as is necessary, to be used for the  
 28 purposes designated:

29 For salaries, support, maintenance, miscellaneous  
 30 purposes, and for not more than the following full-  
 31 time equivalent positions:  
 32 ..... \$ 2,810,442  
 33 ..... FTEs 27.00

34 Sec. 4. DEPARTMENT OF CORRECTIONS -- FACILITIES.

35 1. There is appropriated from the general fund of  
 36 the state to the department of corrections for the  
 37 fiscal year beginning July 1, 2005, and ending June

38 30, 2006, the following amounts, or so much thereof as  
 39 is necessary, to be used for the purposes designated:  
 40 For the operation of adult correctional  
 41 institutions, reimbursement of counties for certain  
 42 confinement costs, and federal prison reimbursement,  
 43 to be allocated as follows:  
 44 a. For the operation of the Fort Madison  
 45 correctional facility, including salaries, support,  
 46 maintenance, and miscellaneous purposes:  
 47 ..... \$ 38,923,261  
 48 b. For the operation of the Anamosa correctional  
 49 facility, including salaries, support, maintenance,  
 50 and miscellaneous purposes:

Page 5

1 ..... \$ 27,257,452  
 2 Moneys are provided within this appropriation for  
 3 one full-time substance abuse counselor for the Luster  
 4 Heights facility, for the purpose of certification of  
 5 a substance abuse program at that facility.  
 6 c. For the operation of the Oakdale correctional  
 7 facility, including salaries, support, maintenance,  
 8 and miscellaneous purposes:  
 9 ..... \$ 25,730,278  
 10 d. For the operation of the Newton correctional  
 11 facility, including salaries, support, maintenance,  
 12 and miscellaneous purposes:  
 13 ..... \$ 25,073,632  
 14 e. For the operation of the Mt. Pleasant  
 15 correctional facility, including salaries, support,  
 16 maintenance, and miscellaneous purposes:  
 17 ..... \$ 23,753,340  
 18 f. For the operation of the Rockwell City  
 19 correctional facility, including salaries, support,  
 20 maintenance, and miscellaneous purposes:  
 21 ..... \$ 8,096,378  
 22 g. For the operation of the Clarinda correctional  
 23 facility, including salaries, support, maintenance,  
 24 and miscellaneous purposes:  
 25 ..... \$ 22,904,497  
 26 Moneys received by the department of corrections as  
 27 reimbursement for services provided to the Clarinda  
 28 youth corporation are appropriated to the department  
 29 and shall be used for the purpose of operating the  
 30 Clarinda correctional facility.  
 31 h. For the operation of the Mitchellville  
 32 correctional facility, including salaries, support,  
 33 maintenance, and miscellaneous purposes:  
 34 ..... \$ 14,002,603  
 35 i. For the operation of the Fort Dodge  
 36 correctional facility, including salaries, support,

37 maintenance, and miscellaneous purposes:  
 38 ..... \$ 26,315,943  
 39 j. For reimbursement of counties for temporary  
 40 confinement of work release and parole violators, as  
 41 provided in sections 901.7, 904.908, and 906.17 and  
 42 for offenders confined pursuant to section 904.513:  
 43 ..... \$ 674,954  
 44 k. For federal prison reimbursement,  
 45 reimbursements for out-of-state placements, and  
 46 miscellaneous contracts:  
 47 ..... \$ 241,293  
 48 2. The department of corrections shall use funds  
 49 appropriated in subsection 1 to continue to contract  
 50 for the services of a Muslim imam.

Page 6

1 Sec. 5. DEPARTMENT OF CORRECTIONS –  
 2 ADMINISTRATION.

3 1. There is appropriated from the general fund of  
 4 the state to the department of corrections for the  
 5 fiscal year beginning July 1, 2005, and ending June  
 6 30, 2006, the following amounts, or so much thereof as  
 7 is necessary, to be used for the purposes designated:

8 a. For general administration, including salaries,  
 9 support, maintenance, employment of an education  
 10 director to administer a centralized education program  
 11 for the correctional system, and miscellaneous  
 12 purposes:  
 13 ..... \$ 2,829,708

14 (1) It is the intent of the general assembly that  
 15 as a condition of receiving the appropriation provided  
 16 in this lettered paragraph, the department of  
 17 corrections shall not, except as otherwise provided in  
 18 subparagraph (3), enter into a new contract, unless  
 19 the contract is a renewal of an existing contract, for  
 20 the expenditure of moneys in excess of \$100,000 during  
 21 the fiscal year beginning July 1, 2005, for the  
 22 privatization of services performed by the department  
 23 using state employees as of July 1, 2005, or for the  
 24 privatization of new services by the department,  
 25 without prior consultation with any applicable state  
 26 employee organization affected by the proposed new  
 27 contract and prior notification of the co-  
 28 chairpersons and ranking members of the joint  
 29 appropriations subcommittee on the justice system.

30 (2) It is the intent of the general assembly that  
 31 each lease negotiated by the department of corrections  
 32 with a private corporation for the purpose of  
 33 providing private industry employment of inmates in a  
 34 correctional institution shall prohibit the private  
 35 corporation from utilizing inmate labor for partisan

36 political purposes for any person seeking election to  
37 public office in this state and that a violation of  
38 this requirement shall result in a termination of the  
39 lease agreement.

40 (3) It is the intent of the general assembly that  
41 as a condition of receiving the appropriation provided  
42 in this lettered paragraph, the department of  
43 corrections shall not enter into a lease or  
44 contractual agreement pursuant to section 904.809 with  
45 a private corporation for the use of building space  
46 for the purpose of providing inmate employment without  
47 providing that the terms of the lease or contract  
48 establish safeguards to restrict, to the greatest  
49 extent feasible, access by inmates working for the  
50 private corporation to personal identifying

Page 7

1 information of citizens.

2 b. For educational programs for inmates at state  
3 penal institutions:  
4 ..... \$ 1,008,358

5 It is the intent of the general assembly that  
6 moneys appropriated in this lettered paragraph shall  
7 be used solely for the purpose indicated and that the  
8 moneys shall not be transferred for any other purpose.  
9 In addition, it is the intent of the general assembly  
10 that the department shall consult with the community  
11 colleges in the areas in which the institutions are  
12 located to utilize moneys appropriated in this  
13 lettered paragraph to fund the high school completion,  
14 high school equivalency diploma, adult literacy, and  
15 adult basic education programs in a manner so as to  
16 maintain these programs at the institutions.

17 To maximize the funding for educational programs,  
18 the department shall establish guidelines and  
19 procedures to prioritize the availability of  
20 educational and vocational training for inmates based  
21 upon the goal of facilitating an inmate's successful  
22 release from the correctional institution.

23 The director of the department of corrections may  
24 transfer moneys from Iowa prison industries for use in  
25 educational programs for inmates.

26 Notwithstanding section 8.33, moneys appropriated  
27 in this lettered paragraph that remain unobligated or  
28 unexpended at the close of the fiscal year shall not  
29 revert but shall remain available for expenditure only  
30 for the purpose designated in this lettered paragraph  
31 until the close of the succeeding fiscal year.

32 c. For the development of the Iowa corrections  
33 offender network (ICON) data system:  
34 ..... \$ 427,700

35 2. It is the intent of the general assembly that  
36 the department of corrections shall continue to  
37 operate the correctional farms under the control of  
38 the department at the same or greater level of  
39 participation and involvement as existed as of January  
40 1, 2005, shall not enter into any rental agreement or  
41 contract concerning any farmland under the control of  
42 the department that is not subject to a rental  
43 agreement or contract as of January 1, 2005, without  
44 prior legislative approval, and shall further attempt  
45 to provide job opportunities at the farms for inmates.  
46 The department shall attempt to provide job  
47 opportunities at the farms for inmates by encouraging  
48 labor-intensive farming or gardening where  
49 appropriate, using inmates to grow produce and meat  
50 for institutional consumption, researching the

Page 8

1 possibility of instituting food canning and cook-and-  
2 chill operations, and exploring opportunities for  
3 organic farming and gardening, livestock ventures,  
4 horticulture, and specialized crops.  
5 3. The department shall work to increase produce  
6 gardening by inmates under the control of the  
7 correctional institutions, and, if appropriate, may  
8 use the central distribution network at the Woodward  
9 state resource center. The department shall file a  
10 report with the co-chairpersons and ranking members of  
11 the joint appropriations subcommittee on the justice  
12 system by December 1, 2005, regarding the feasibility  
13 of expanding the number of acres devoted to organic  
14 gardening and to the growing of organic produce for  
15 sale.  
16 4. The department of corrections shall submit a  
17 report to the general assembly by January 1, 2006,  
18 concerning moneys recouped from inmate earnings for  
19 the reimbursement of operational expenses of the  
20 applicable facility during the fiscal year beginning  
21 July 1, 2004, for each correctional institution and  
22 judicial district department of correctional services.  
23 In addition, each correctional institution and  
24 judicial district department of correctional services  
25 shall continue to submit a report to the legislative  
26 services agency on a monthly basis concerning moneys  
27 recouped from inmate earnings pursuant to sections  
28 904.702, 904.809, and 905.14.  
29 5. It is the intent of the general assembly that  
30 as a condition of receiving the appropriation provided  
31 in this lettered paragraph, the department shall not  
32 enter into any agreement with a private sector  
33 nongovernmental entity for the purpose of housing

34 inmates committed to the custody of the director of  
 35 the department, without express authorization of the  
 36 general assembly to do so.  
 37 Sec. 6. JUDICIAL DISTRICT DEPARTMENTS OF  
 38 CORRECTIONAL SERVICES.  
 39 1. There is appropriated from the general fund of  
 40 the state to the department of corrections for the  
 41 fiscal year beginning July 1, 2005, and ending June  
 42 30, 2006, the following amounts, or so much thereof as  
 43 is necessary, to be allocated as follows:  
 44 a. For the first judicial district department of  
 45 correctional services, including the treatment and  
 46 supervision of probation and parole violators who have  
 47 been released from the department of corrections  
 48 violator program, the following amount, or so much  
 49 thereof as is necessary:  
 50 ..... \$ 10,718,695

Page 9

1 b. For the second judicial district department of  
 2 correctional services, including the treatment and  
 3 supervision of probation and parole violators who have  
 4 been released from the department of corrections  
 5 violator program, the following amount, or so much  
 6 thereof as is necessary:  
 7 ..... \$ 8,308,209  
 8 c. For the third judicial district department of  
 9 correctional services, including the treatment and  
 10 supervision of probation and parole violators who have  
 11 been released from the department of corrections  
 12 violator program, the following amount, or so much  
 13 thereof as is necessary:  
 14 ..... \$ 4,983,792  
 15 d. For the fourth judicial district department of  
 16 correctional services, including the treatment and  
 17 supervision of probation and parole violators who have  
 18 been released from the department of corrections  
 19 violator program, the following amount, or so much  
 20 thereof as is necessary:  
 21 ..... \$ 4,443,392  
 22 e. For the fifth judicial district department of  
 23 correctional services, including the treatment and  
 24 supervision of probation and parole violators who have  
 25 been released from the department of corrections  
 26 violator program, the following amount, or so much  
 27 thereof as is necessary:  
 28 ..... \$ 14,678,288  
 29 f. For the sixth judicial district department of  
 30 correctional services, including the treatment and  
 31 supervision of probation and parole violators who have  
 32 been released from the department of corrections

33 violator program, the following amount, or so much  
 34 thereof as is necessary:  
 35 ..... \$ 10,598,160  
 36 g. For the seventh judicial district department of  
 37 correctional services, including the treatment and  
 38 supervision of probation and parole violators who have  
 39 been released from the department of corrections  
 40 violator program, the following amount, or so much  
 41 thereof as is necessary:  
 42 ..... \$ 6,010,963  
 43 h. For the eighth judicial district department of  
 44 correctional services, including the treatment and  
 45 supervision of probation and parole violators who have  
 46 been released from the department of corrections  
 47 violator program, the following amount, or so much  
 48 thereof as is necessary:  
 49 ..... \$ 6,164,249  
 50 As a condition of the funds appropriated in this

Page 10

1 paragraph, the eighth judicial district department of  
 2 correctional services shall establish a drug court  
 3 that uses the community-panel model.  
 4 2. Each judicial district department of  
 5 correctional services, within the funding available,  
 6 shall continue programs and plans established within  
 7 that district to provide for intensive supervision,  
 8 sex offender treatment, diversion of low-risk  
 9 offenders to the least restrictive sanction available,  
 10 job development, and expanded use of intermediate  
 11 criminal sanctions.  
 12 3. Each judicial district department of  
 13 correctional services shall provide alternatives to  
 14 prison consistent with chapter 901B. The alternatives  
 15 to prison shall ensure public safety while providing  
 16 maximum rehabilitation to the offender. A judicial  
 17 district department may also establish a day program.  
 18 4. The governor's office of drug control policy  
 19 shall consider federal grants made to the department  
 20 of corrections for the benefit of each of the eight  
 21 judicial district departments of correctional services  
 22 as local government grants, as defined pursuant to  
 23 federal regulations.  
 24 5. The department of corrections shall continue to  
 25 contract with a judicial district department of  
 26 correctional services to provide for the rental of  
 27 electronic monitoring equipment which shall be  
 28 available statewide.  
 29 Sec. 7. INTENT – REPORTS.  
 30 1. The department of corrections shall submit a  
 31 report on inmate labor to the general assembly, to the

32 co-chairpersons and the ranking members of the joint  
33 appropriations subcommittee on the justice system, and  
34 to the legislative services agency by January 15,  
35 2006. The report shall specifically address the  
36 progress the department has made in implementing the  
37 requirements of section 904.701, inmate labor on  
38 capital improvement projects, community work crews,  
39 inmate produce gardening, and private-sector  
40 employment.

41 2. The department in cooperation with townships,  
42 the Iowa cemetery associations, and other nonprofit or  
43 governmental entities may use inmate labor to restore  
44 or preserve rural cemeteries and historical landmarks.  
45 The department in cooperation with the counties may  
46 also use inmate labor to clean up roads, major water  
47 sources, and other water sources around the state.

48 3. Each month the department shall provide a  
49 status report regarding private-sector employment to  
50 the legislative services agency beginning on July 1,

Page 11

1 2005. The report shall include the number of  
2 offenders employed in the private sector, the combined  
3 number of hours worked by the offenders, and the total  
4 amount of allowances, and the distribution of  
5 allowances pursuant to section 904.702, including any  
6 moneys deposited in the general fund of the state.

7 Sec. 8. ELECTRONIC MONITORING REPORT. The  
8 department of corrections shall submit a report on  
9 electronic monitoring to the general assembly, to the  
10 co-chairpersons and the ranking members of the joint  
11 appropriations subcommittee on the justice system, and  
12 to the legislative services agency by January 15,  
13 2006. The report shall specifically address the  
14 number of persons being electronically monitored and  
15 break down the number of persons being electronically  
16 monitored by offense committed. The report shall also  
17 include a comparison of any data from the prior fiscal  
18 year with the current year.

19 Sec. 9. STATE AGENCY PURCHASES FROM PRISON  
20 INDUSTRIES.

21 1. As used in this section, unless the context  
22 otherwise requires, "state agency" means the  
23 government of the state of Iowa, including but not  
24 limited to all executive branch departments, agencies,  
25 boards, bureaus, and commissions, the judicial branch,  
26 the general assembly and all legislative agencies,  
27 institutions within the purview of the state board of  
28 regents, and any corporation whose primary function is  
29 to act as an instrumentality of the state.

30 2. State agencies are hereby encouraged to

31 purchase products from Iowa state industries, as  
 32 defined in section 904.802, when purchases are  
 33 required and the products are available from Iowa  
 34 state industries. State agencies shall obtain bids  
 35 from Iowa state industries for purchases of office  
 36 furniture exceeding \$5,000 or in accordance with  
 37 applicable administrative rules related to purchases  
 38 for the agency.

39 Sec. 10. STATE PUBLIC DEFENDER. There is  
 40 appropriated from the general fund of the state to the  
 41 office of the state public defender of the department  
 42 of inspections and appeals for the fiscal year  
 43 beginning July 1, 2005, and ending June 30, 2006, the  
 44 following amounts, or so much thereof as is necessary,  
 45 to be allocated as follows for the purposes  
 46 designated:

- 47 1. For salaries, support, maintenance, and
- 48 miscellaneous purposes, and for not more than the
- 49 following full-time equivalent positions:
- 50 ..... \$ 18,444,964

Page 12

- 1 ..... FTEs 202.00
- 2 2. For the fees of court-appointed attorneys for
- 3 indigent adults and juveniles, in accordance with
- 4 section 232.141 and chapter 815:
- 5 ..... \$ 21,163,082

6 Sec. 11. IOWA LAW ENFORCEMENT ACADEMY.

7 1. There is appropriated from the general fund of  
 8 the state to the Iowa law enforcement academy for the  
 9 fiscal year beginning July 1, 2005, and ending June  
 10 30, 2006, the following amount, or so much thereof as  
 11 is necessary, to be used for the purposes designated:

- 12 For salaries, support, maintenance, miscellaneous
- 13 purposes, including jailer training and technical
- 14 assistance, and for not more than the following full-
- 15 time equivalent positions:
- 16 ..... \$ 1,075,138
- 17 ..... FTEs 30.05

18 It is the intent of the general assembly that the  
 19 Iowa law enforcement academy may provide training of  
 20 state and local law enforcement personnel concerning  
 21 the recognition of and response to persons with  
 22 Alzheimer's disease.

23 The Iowa law enforcement academy may temporarily  
 24 exceed and draw more than the amount appropriated and  
 25 incur a negative cash balance as long as there are  
 26 receivables equal to or greater than the negative  
 27 balance and the amount appropriated in this subsection  
 28 is not exceeded at the close of the fiscal year.

29 2. The Iowa law enforcement academy may select at

30 least five automobiles of the department of public  
 31 safety, division of the Iowa state patrol, prior to  
 32 turning over the automobiles to the department of  
 33 administrative services to be disposed of by public  
 34 auction and the Iowa law enforcement academy may  
 35 exchange any automobile owned by the academy for each  
 36 automobile selected if the selected automobile is used  
 37 in training law enforcement officers at the academy.  
 38 However, any automobile exchanged by the academy shall  
 39 be substituted for the selected vehicle of the  
 40 department of public safety and sold by public auction  
 41 with the receipts being deposited in the depreciation  
 42 fund to the credit of the department of public safety,  
 43 division of the Iowa state patrol.  
 44 Sec. 12. BOARD OF PAROLE. There is appropriated  
 45 from the general fund of the state to the board of  
 46 parole for the fiscal year beginning July 1, 2005, and  
 47 ending June 30, 2006, the following amount, or so much  
 48 thereof as is necessary, to be used for the purposes  
 49 designated:  
 50 For salaries, support, maintenance, miscellaneous

Page 13

1 purposes, and for not more than the following full-  
 2 time equivalent positions:  
 3 ..... \$ 1,121,044  
 4 ..... FTEs 17.50

5 Sec. 13. DEPARTMENT OF PUBLIC DEFENSE. There is  
 6 appropriated from the general fund of the state to the  
 7 department of public defense for the fiscal year  
 8 beginning July 1, 2005, and ending June 30, 2006, the  
 9 following amounts, or so much thereof as is necessary,  
 10 to be used for the purposes designated:

11 1. MILITARY DIVISION  
 12 For salaries, support, maintenance, miscellaneous  
 13 purposes, and for not more than the following full-  
 14 time equivalent positions:  
 15 ..... \$ 5,130,040  
 16 ..... FTEs 312.55

17 The military division may temporarily exceed and  
 18 draw more than the amount appropriated and incur a  
 19 negative cash balance as long as there are receivables  
 20 of federal funds equal to or greater than the negative  
 21 balance and the amount appropriated in this subsection  
 22 is not exceeded at the close of the fiscal year.

23 2. HOMELAND SECURITY AND EMERGENCY MANAGEMENT  
 24 DIVISION

25 For salaries, support, maintenance, miscellaneous  
 26 purposes, and for not more than the following full-  
 27 time equivalent positions:  
 28 ..... \$ 1,172,230

29 ..... FTEs 24.75  
 30 Sec. 14. DEPARTMENT OF PUBLIC SAFETY. There is  
 31 appropriated from the general fund of the state to the  
 32 department of public safety for the fiscal year  
 33 beginning July 1, 2005, and ending June 30, 2006, the  
 34 following amounts, or so much thereof as is necessary,  
 35 to be used for the purposes designated:  
 36 1. For the department's administrative functions,  
 37 including the criminal justice information system, and  
 38 for not more than the following full-time equivalent  
 39 positions:  
 40 ..... \$ 3,370,033  
 41 ..... FTEs 38.00  
 42 2. For the division of criminal investigation and  
 43 bureau of identification, including the state's  
 44 contribution to the peace officers' retirement,  
 45 accident, and disability system provided in chapter  
 46 97A in the amount of 17 percent of the salaries for  
 47 which the funds are appropriated, to meet federal fund  
 48 matching requirements, and for not more than the  
 49 following full-time equivalent positions:  
 50 ..... \$ 15,682,052

Page 14

1 ..... FTEs 225.50  
 2 In addition to the funds appropriated in this  
 3 subsection, there is appropriated from the general  
 4 fund of the state to the department of public safety,  
 5 division of criminal investigation and bureau of  
 6 identification for the fiscal year beginning July 1,  
 7 2005, and ending June 30, 2006, an amount not  
 8 exceeding \$304,206 to be used for the purchase of DNA  
 9 profiling equipment. The funds appropriated in this  
 10 paragraph are contingent upon receipt by the general  
 11 fund of the state of an amount at least equal to the  
 12 expenditure amount from costs or attorney fees awarded  
 13 the state in settlement of its antitrust action  
 14 against Microsoft brought under chapter 553. However,  
 15 if the amounts received as a result of this settlement  
 16 are in excess of \$304,206, the excess amounts shall  
 17 not be appropriated to the department pursuant to this  
 18 paragraph.  
 19 3. For the criminalistics laboratory fund, if  
 20 created in section 602.8108:  
 21 ..... \$ 342,000  
 22 In addition to the funds appropriated in this  
 23 subsection, there is appropriated from the general  
 24 fund of the state to the department of public safety  
 25 for the fiscal year beginning July 1, 2005, and ending  
 26 June 30, 2006, an amount not exceeding \$390,000 to be  
 27 used for the purchase of crime laboratory equipment.

28 The funds appropriated in this paragraph are  
 29 contingent upon receipt by the general fund of the  
 30 state of an amount at least equal to the expenditure  
 31 amount from costs or attorney fees awarded the state  
 32 in settlement of its antitrust action against  
 33 Microsoft brought under chapter 553. However, if the  
 34 amounts received as a result of this settlement are in  
 35 excess of \$390,000, the excess amounts shall not be  
 36 appropriated to the department pursuant to this  
 37 paragraph.

38 The department of public safety, with the approval  
 39 of the department of management, may employ no more  
 40 than two special agents and four gaming enforcement  
 41 officers for each additional riverboat regulated after  
 42 July 1, 2005, and one special agent for each racing  
 43 facility which becomes operational during the fiscal  
 44 year which begins July 1, 2005. One additional gaming  
 45 enforcement officer, up to a total of four per  
 46 riverboat, may be employed for each riverboat that has  
 47 extended operations to 24 hours and has not previously  
 48 operated with a 24-hour schedule. Positions  
 49 authorized in this paragraph are in addition to the  
 50 full-time equivalent positions otherwise authorized in

Page 15

1 this subsection.

2 4. a. For the division of narcotics enforcement,  
 3 including the state's contribution to the peace  
 4 officers' retirement, accident, and disability system  
 5 provided in chapter 97A in the amount of 17 percent of  
 6 the salaries for which the funds are appropriated, to  
 7 meet federal fund matching requirements, and for not  
 8 more than the following full-time equivalent  
 9 positions:

10 ..... \$ 4,701,141  
 11 ..... FTEs 75.00

12 b. For the division of narcotics enforcement for  
 13 undercover purchases:

14 ..... \$ 123,343

15 5. a. For the state fire marshal's office,  
 16 including the state's contribution to the peace  
 17 officers' retirement, accident, and disability system  
 18 provided in chapter 97A in the amount of 17 percent of  
 19 the salaries for which the funds are appropriated, and  
 20 for not more than the following full-time equivalent  
 21 positions:

22 ..... \$ 2,181,998  
 23 ..... FTEs 39.00

24 b. For the state fire marshal's office, for fire  
 25 protection services as provided through the state fire  
 26 service and emergency response council as created in

27 the department, and for not more than the following  
 28 full-time equivalent positions:  
 29 ..... \$ 638,021  
 30 ..... FTEs 10.00

31 Of the amount appropriated in this paragraph, the  
 32 state fire marshal shall allocate \$200 for the mailing  
 33 of a notice to all affected agencies or emergency  
 34 services providers informing the agencies or providers  
 35 about the requirement of an autopsy under section  
 36 144.56A.

37 6. For the division of the Iowa state patrol of  
 38 the department of public safety, for salaries,  
 39 support, maintenance, workers' compensation costs, and  
 40 miscellaneous purposes, including the state's  
 41 contribution to the peace officers' retirement,  
 42 accident, and disability system provided in chapter  
 43 97A in the amount of 17 percent of the salaries for  
 44 which the funds are appropriated, and for not more  
 45 than the following full-time equivalent positions:  
 46 ..... \$ 43,747,973  
 47 ..... FTEs 531.00

48 In addition to the funds appropriated in this  
 49 subsection, there is appropriated from the general  
 50 fund of the state to the division of the Iowa state

Page 16

1 patrol for the fiscal year beginning July 1, 2005, and  
 2 ending June 30, 2006, an amount not exceeding \$700,000  
 3 to be used for motor vehicle depreciation, and an  
 4 amount not exceeding \$75,000 for the purchase of  
 5 weapons. The funds appropriated in this paragraph are  
 6 contingent upon receipt by the general fund of the  
 7 state of an amount at least equal to the expenditure  
 8 amount from costs or attorney fees awarded the state  
 9 in settlement of its antitrust action against  
 10 Microsoft brought under chapter 553. However, if the  
 11 amounts received as a result of this settlement are in  
 12 excess of \$775,000, the excess amounts shall not be  
 13 appropriated to the division of the Iowa state patrol  
 14 pursuant to this paragraph.

15 It is the intent of the general assembly that  
 16 members of the Iowa state patrol be assigned to patrol  
 17 the highways and roads in lieu of assignments for  
 18 inspecting school buses for the school districts.

19 7. For deposit in the public safety law  
 20 enforcement sick leave benefits fund established under  
 21 section 80.42, for all departmental employees eligible  
 22 to receive benefits for accrued sick leave under the  
 23 collective bargaining agreement:  
 24 ..... \$ 316,179  
 25 An employee of the department of public safety who

26 retires after July 1, 2005, but prior to June 30,  
 27 2006, is eligible for payment of life or health  
 28 insurance premiums as provided for in the collective  
 29 bargaining agreement covering the public safety  
 30 bargaining unit at the time of retirement if that  
 31 employee previously served in a position which would  
 32 have been covered by the agreement. The employee  
 33 shall be given credit for the service in that prior  
 34 position as though it were covered by that agreement.  
 35 The provisions of this subsection shall not operate to  
 36 reduce any retirement benefits an employee may have  
 37 earned under other collective bargaining agreements or  
 38 retirement programs.

39 8. For costs associated with the training and  
 40 equipment needs of volunteer fire fighters and for not  
 41 more than the following full-time equivalent position:  
 42 ..... \$ 699,587  
 43 ..... FTEs 1.00

44 Notwithstanding section 8.33, moneys appropriated  
 45 in this subsection that remain unobligated or  
 46 unexpended at the close of the fiscal year shall not  
 47 revert but shall remain available for expenditure only  
 48 for the purpose designated in this subsection until  
 49 the close of the succeeding fiscal year.

50 Sec. 15. CIVIL RIGHTS COMMISSION. There is

Page 17

1 appropriated from the general fund of the state to the  
 2 Iowa state civil rights commission for the fiscal year  
 3 beginning July 1, 2005, and ending June 30, 2006, the  
 4 following amount, or so much thereof as is necessary,  
 5 to be used for the purposes designated:

6 For salaries, support, maintenance, miscellaneous  
 7 purposes, and for not more than the following full-  
 8 time equivalent positions:  
 9 ..... \$ 1,000,788  
 10 ..... FTEs 27.50

11 The Iowa state civil rights commission may enter  
 12 into a contract with a nonprofit organization to  
 13 provide legal assistance to resolve civil rights  
 14 complaints.

15 Sec. 16. DIVISION OF CRIMINAL AND JUVENILE JUSTICE  
 16 PLANNING. In addition to any other funds appropriated  
 17 to the division of criminal and juvenile justice  
 18 planning of the department of human rights, there is  
 19 appropriated from the general fund of the state to the  
 20 division of criminal and juvenile justice planning for  
 21 the fiscal year beginning July 1, 2005, and ending  
 22 June 30, 2006, the following amount, or so much  
 23 thereof as is necessary, to be used for the purposes  
 24 designated:

25 For the establishment and administration of the sex  
 26 offender treatment and supervision task force:  
 27 ..... \$ 75,000  
 28 Sec. 17. HOMELAND SECURITY AND EMERGENCY  
 29 MANAGEMENT DIVISION. There is appropriated from the  
 30 wireless E911 emergency communications fund to the  
 31 administrator of the homeland security and emergency  
 32 management division of the department of public  
 33 defense for the fiscal year beginning July 1, 2005,  
 34 and ending June 30, 2006, an amount not exceeding two  
 35 hundred thousand dollars to be used for  
 36 implementation, support, and maintenance of the  
 37 functions of the administrator and program manager  
 38 under chapter 34A and to employ the auditor of the  
 39 state to perform an annual audit of the wireless E911  
 40 emergency communications fund.  
 41 Sec. 18. IOWA LAW ENFORCEMENT ACADEMY – FEES.  
 42 Notwithstanding section 80B.11B, the Iowa law  
 43 enforcement academy may charge more than one-half the  
 44 cost of providing the basic training course if a  
 45 majority of the Iowa law enforcement academy council  
 46 authorizes charging more than one-half of the cost of  
 47 providing basic training. This section is repealed on  
 48 June 30, 2006.  
 49 Sec. 19. NEW SECTION. 144.56A PUBLIC SAFETY  
 50 OFFICER DEATH – REQUIRED NOTICE – AUTOPSY.

Page 18

1 A person who is authorized to pronounce individuals  
 2 dead is required to inform one of the persons  
 3 authorized to request an autopsy, as provided in  
 4 section 144.56, that an autopsy will be required if  
 5 the individual who died was a public safety officer  
 6 who may have died in the line of duty and an eligible  
 7 beneficiary of the deceased seeks to claim a federal  
 8 public safety officer death benefit.

9 Sec. 20. Section 158.2, Code 2005, is amended by  
 10 adding the following new subsection:

11 NEW SUBSECTION. 7. Offenders committed to the  
 12 custody of the director of the department of  
 13 corrections who cut the hair, or trim or shave the  
 14 beard of any other offender within a correctional  
 15 facility, without receiving direct compensation from  
 16 the person receiving the service.

17 DIVISION II

18 SUPPLEMENTAL APPROPRIATIONS  
 19 DEPARTMENT OF CORRECTIONS – FACILITIES

20 Sec. 21. Section 804.21, subsection 1, Code 2005,  
 21 as amended by 2005 Iowa Acts, [Senate File 169](#), section  
 22 7, is amended to read as follows:

23 1. A person arrested in obedience to a warrant

24 shall be taken without unnecessary delay before the  
25 nearest or most accessible magistrate. The officer  
26 shall at the same time deliver to the magistrate the  
27 warrant with the officer's return endorsed on it and  
28 subscribed by the officer with the officer's official  
29 title. However, this section, and sections 804.22 and  
30 804.23, do not preclude the release of an arrested  
31 person within the period of time the person would  
32 otherwise remain incarcerated while waiting to be  
33 taken before a magistrate if the release is pursuant  
34 to pretrial release guidelines or a bond schedule  
35 promulgated by the judicial council, unless the person  
36 is charged with manufacture, ~~delivery, or possession~~  
37 with intent to ~~deliver, or distribution of~~ manufacture  
38 methamphetamine. If, however, a person is released  
39 pursuant to pretrial release guidelines, a magistrate  
40 must, within twenty-four hours of the release, or as  
41 soon as practicable on the next subsequent working day  
42 of the court, either approve in writing of the  
43 release, or disapprove of the release and issue a  
44 warrant for the person's arrest.

45 Sec. 22. Section 804.22, unnumbered paragraph 2,  
46 Code 2005, as amended by 2005 Iowa Acts, Senate File  
47 169, section 8, is amended to read as follows:

48 This section and the rules of criminal procedure do  
49 not affect the provisions of chapter 805 authorizing  
50 the release of a person on citation or bail prior to

Page 19

1 initial appearance, unless the person is charged with  
2 manufacture, ~~delivery, or possession~~ with intent to  
3 ~~deliver, or distribution of~~ manufacture  
4 methamphetamine. The initial appearance of a person  
5 so released shall be scheduled for a time not more  
6 than thirty days after the date of release.

7 Sec. 23. Section 811.2, subsection 1, unnumbered  
8 paragraph 2, Code 2005, as amended by 2005 Iowa Acts,  
9 [Senate File 169](#), section 10, is amended to read as  
10 follows:

11 Any bailable defendant who is charged with unlawful  
12 possession, manufacture, delivery, or distribution of  
13 a controlled substance or other drug under chapter 124  
14 and is ordered released shall be required, as a  
15 condition of that release, to submit to a substance  
16 abuse evaluation and follow any recommendations  
17 proposed in the evaluation for appropriate substance  
18 abuse treatment. However, if a bailable defendant is  
19 charged with manufacture, ~~delivery, or possession~~ with  
20 the intent to ~~deliver, or distribution of~~ manufacture  
21 methamphetamine, its salts, optical isomers, and salts  
22 of its optical isomers, the defendant shall, in

23 addition to a substance abuse evaluation, remain under  
24 supervision and be required to undergo random drug  
25 tests as a condition of release.

26 Sec. 24. Section 811.2, subsection 3, Code 2005,  
27 as amended by 2005 Iowa Acts, [Senate File 169](#), section  
28 11, is amended to read as follows:

29 3. RELEASE AT INITIAL APPEARANCE. This chapter  
30 does not preclude the release of an arrested person as  
31 authorized by section 804.21, unless the arrested  
32 person is charged with manufacture, ~~delivery, or~~  
33 possession with the intent to ~~deliver, or distribution~~  
34 ~~of manufacture~~ methamphetamine.

35 Sec. 25. 2004 Iowa Acts, chapter 1175, section  
36 183, subsection 1, paragraph c, is amended to read as  
37 follows:

38 c. For the operation of the Oakdale correctional  
39 facility, including salaries, support, maintenance,  
40 and miscellaneous purposes:

41 ..... \$ ~~23,536,936~~  
42 23,636,936

43 Of the funds allocated in this paragraph "c",  
44 \$100,000 is allocated for the costs of remodeling and  
45 construction to establish a specialized 24-bed mental  
46 health unit for offenders who are not ordered to  
47 inpatient mental health treatment. The unit shall  
48 operate as an adjunct to the licensed hospital program  
49 within the Oakdale correctional facility.

50 DEPARTMENT OF CORRECTIONS – ADMINISTRATION

Page 20

1 Sec. 26. 2004 Iowa Acts, chapter 1175, section  
2 184, subsection 1, paragraph a, unnumbered paragraph  
3 1, is amended to read as follows:

4 For general administration, including salaries,  
5 support, maintenance, employment of an education  
6 director to administer a centralized education program  
7 for the correctional system, and miscellaneous  
8 purposes:

9 ..... \$ ~~2,784,809~~  
10 3,198,809

11 JUDICIAL DISTRICT DEPARTMENTS OF CORRECTIONAL  
12 SERVICES

13 Sec. 27. 2004 Iowa Acts, chapter 1175, section  
14 185, subsection 1, is amended to read as follows:

15 1. There is appropriated from the general fund of  
16 the state to the department of corrections for the  
17 fiscal year beginning July 1, 2004, and ending June  
18 30, 2005, the following amounts, or so much thereof as  
19 is necessary, to be allocated as follows:

20 a. For the first judicial district department of  
21 correctional services, including the treatment and

22 supervision of probation and parole violators who have  
 23 been released from the department of corrections  
 24 violator program, the following amount, or so much  
 25 thereof as is necessary:

26 ..... \$ ~~10,000,207~~  
 27 ..... 10,142,332

28 b. For the second judicial district department of  
 29 correctional services, including the treatment and  
 30 supervision of probation and parole violators who have  
 31 been released from the department of corrections  
 32 violator program, the following amount, or so much  
 33 thereof as is necessary:

34 ..... \$ ~~7,755,402~~  
 35 ..... 7,803,027

36 c. For the third judicial district department of  
 37 correctional services, including the treatment and  
 38 supervision of probation and parole violators who have  
 39 been released from the department of corrections  
 40 violator program, the following amount, or so much  
 41 thereof as is necessary:

42 ..... \$ ~~4,631,423~~  
 43 ..... 4,668,548

44 d. For the fourth judicial district department of  
 45 correctional services, including the treatment and  
 46 supervision of probation and parole violators who have  
 47 been released from the department of corrections  
 48 violator program, the following amount, or so much  
 49 thereof as is necessary:

50 ..... \$ ~~4,248,965~~

Page 21

1 ..... 4,268,465  
 2 e. For the fifth judicial district department of  
 3 correctional services, including the treatment and  
 4 supervision of probation and parole violators who have  
 5 been released from the department of corrections  
 6 violator program, the following amount, or so much  
 7 thereof as is necessary:

8 ..... \$ ~~12,982,837~~  
 9 ..... 13,105,462

10 f. For the sixth judicial district department of  
 11 correctional services, including the treatment and  
 12 supervision of probation and parole violators who have  
 13 been released from the department of corrections  
 14 violator program, the following amount, or so much  
 15 thereof as is necessary:

16 ..... \$ ~~10,064,717~~  
 17 ..... 10,105,217

18 g. For the seventh judicial district department of  
 19 correctional services, including the treatment and  
 20 supervision of probation and parole violators who have

21 been released from the department of corrections  
 22 violator program, the following amount, or so much  
 23 thereof as is necessary:  
 24 ..... \$ ~~5,677,314~~  
 25 5,700,939

26 h. For the eighth judicial district department of  
 27 correctional services, including the treatment and  
 28 supervision of probation and parole violators who have  
 29 been released from the department of corrections  
 30 violator program, the following amount, or so much  
 31 thereof as is necessary:  
 32 ..... \$ ~~5,574,865~~  
 33 5,606,740

34 The appropriations made in this subsection include  
 35 additional funding for costs to address additional  
 36 methamphetamine drug offenders under supervision.

37 MILITARY DIVISION

38 Sec. 28. 2004 Iowa Acts, chapter 1175, section  
 39 191, subsection 1, unnumbered paragraph 1, is amended  
 40 to read as follows:

41 For salaries, support, maintenance, miscellaneous  
 42 purposes, and for not more than the following full-  
 43 time equivalent positions:  
 44 ..... \$ ~~5,084,143~~  
 45 10,837,143  
 46 ..... FTEs 310.80

47 Of the amount appropriated in this section  
 48 \$5,753,000 is allocated for repayment of grant funding  
 49 and accrued interest to the federal government.

50 Sec. 29. 2004 Iowa Acts, chapter 1175, section

Page 22

1 188, is amended to read as follows:  
 2 SEC. 188. STATE PUBLIC DEFENDER. There is  
 3 appropriated from the general fund of the state to the  
 4 office of the state public defender of the department  
 5 of inspections and appeals for the fiscal year  
 6 beginning July 1, 2004, and ending June 30, 2005, the  
 7 following amounts, or so much thereof as is necessary,  
 8 to be allocated as follows for the purposes  
 9 designated:

10 1. For salaries, support, maintenance, and  
 11 miscellaneous purposes, and for not more than the  
 12 following full-time equivalent positions:  
 13 ..... \$ ~~16,663,446~~  
 14 18,247,561  
 15 ..... FTEs 202.00

16 2. For the fees of court-appointed attorneys for  
 17 indigent adults and juveniles, in accordance with  
 18 section 232.141 and chapter 815:  
 19 ..... \$ ~~19,355,297~~

20 25,251,339

21 Sec. 30. 2004 Iowa Acts, chapter 1175, section  
22 192, subsection 2, unnumbered paragraph 1, is amended  
23 to read as follows:

24 For the division of criminal investigation and  
 25 bureau of identification, including the state's  
 26 contribution to the peace officers' retirement,  
 27 accident, and disability system provided in chapter  
 28 97A in the amount of 17 percent of the salaries for  
 29 which the funds are appropriated, to meet federal fund  
 30 matching requirements, and for not more than the  
 31 following full-time equivalent positions:

32 .....	\$ 14,058,510
33 .....	<u>14,208,510</u>
34 .....	FTEs 221.50

35 Sec. 31. 2004 Iowa Acts, chapter 1175, section  
36 193, is amended to read as follows:

37 SEC. 193. CIVIL RIGHTS COMMISSION. There is  
 38 appropriated from the general fund of the state to the  
 39 Iowa state civil rights commission for the fiscal year  
 40 beginning July 1, 2004, and ending June 30, 2005, the  
 41 following amount, or so much thereof as is necessary,  
 42 to be used for the purposes designated:

43 For salaries, support, maintenance, miscellaneous	
44 purposes, and for not more than the following full-	
45 time equivalent positions:	
46 .....	\$ <del>825,752</del>
47 .....	<u>911,752</u>
48 .....	FTEs 28.00

49 The Iowa state civil rights commission may enter  
50 into a contract with a nonprofit organization to

Page 23

1 provide legal assistance to resolve civil rights  
 2 complaints.  
 3 Sec. 32. EFFECTIVE DATE. This division of this  
 4 Act, being deemed of immediate importance, takes  
 5 effect upon enactment."  
 6 2. Title page, line 2, by inserting after the  
 7 word "system" the following: ", revising pretrial  
 8 release requirements for certain criminal offenses,".

Horbach of Tama offered the following amendment [H-1706](#), to the Senate amendment [H-1701](#), filed by him from the floor and moved its adoption:

[H-1706](#)

1 Amend the Senate amendment, [H-1701](#), to House File  
2 811, as amended, passed, and reprinted by the House,

3 as follows:

4 1. Page 1, line 31, by striking the figure  
5 "305,000" and inserting the following: "5,000".

6 2. Page 1, line 38, by striking the figure  
7 "750,000" and inserting the following: "900,000".

8 3. Page 2, by inserting after line 46 the  
9 following:  
10 "4A. As a condition of receiving the appropriation  
11 in subsection 1, the department of justice shall  
12 transfer at least \$2,450,000 from the victim  
13 compensation fund established in section 915.94 to the  
14 victim assistance grant program."

15 4. Page 3, by striking lines 21 through 38.

16 5. Page 4, line 47, by striking the figure  
17 "38,923,261" and inserting the following:  
18 "38,840,761".

19 6. Page 5, line 1, by striking the figure  
20 "27,257,452" and inserting the following:  
21 "27,199,702".

22 7. Page 5, line 9, by striking the figure  
23 "25,730,278" and inserting the following:  
24 "25,650,778".

25 8. Page 5, line 13, by striking the figure  
26 "25,073,632" and inserting the following:  
27 "24,916,132".

28 9. Page 5, line 17, by striking the figure  
29 "23,753,340" and inserting the following:  
30 "23,694,840".

31 10. Page 5, line 21, by striking the figure  
32 "8,096,378" and inserting the following: "8,039,378".

33 11. Page 5, line 25, by striking the figure  
34 "22,904,497" and inserting the following:  
35 "22,853,497".

36 12. Page 5, line 34, by striking the figure  
37 "14,002,603" and inserting the following:  
38 "13,867,603".

39 13. Page 5, line 38, by striking the figure  
40 "26,315,943" and inserting the following:  
41 "26,244,693".

42 14. Page 7, line 4, by striking the figure  
43 "1,008,358" and inserting the following: "1,058,358".

44 15. Page 7, by inserting after line 34 the  
45 following:  
46 "d. For offender mental health and substance abuse  
47 treatment:  
48 ..... \$ 125,000"

49 16. Page 8, line 50, by striking the figure  
50 "10,718,695" and inserting the following:

Page 2

1 "10,501,186".

2 17. Page 9, line 7, by striking the figure  
3 "8,308,209" and inserting the following: "8,230,603".  
4 18. Page 9, line 14, by striking the figure  
5 "4,983,792" and inserting the following: "4,805,458".  
6 19. Page 9, line 21, by striking the figure  
7 "4,443,392" and inserting the following: "4,427,796".  
8 20. Page 9, line 26, by inserting after the word  
9 "program," the following: "and funding for electronic  
10 monitoring devices for use on a statewide basis,".  
11 21. Page 9, line 28, by striking the figure  
12 "14,678,288" and inserting the following:  
13 "14,167,169".  
14 22. Page 9, line 35, by striking the figure  
15 "10,598,160" and inserting the following:  
16 "10,378,668".  
17 23. Page 9, line 42, by striking the figure  
18 "6,010,963" and inserting the following: "5,870,653".  
19 24. Page 9, line 49, by striking the figure  
20 "6,164,249" and inserting the following: "5,970,648".  
21 25. Page 13, line 40, by striking the figure  
22 "3,370,033" and inserting the following: "3,073,274".  
23 26. Page 13, line 50, by striking the figure  
24 "15,682,052" and inserting the following:  
25 "14,760,898".  
26 27. Page 14, line 1, by striking the figure  
27 "225.50" and inserting the following: "228.50".  
28 28. Page 14, by striking lines 2 through 18.  
29 29. Page 14, by striking lines 22 through 37.  
30 30. Page 15, line 22, by striking the figure  
31 "2,181,998" and inserting the following: "2,256,998".  
32 31. Page 15, line 23, by striking the figure "39.00" and  
33 inserting the following: "42.00".  
34 32. Page 15, line 46, by striking the figure  
35 "43,747,973" and inserting the following:  
36 "43,076,973".  
37 33. By striking page 15, line 48, through page  
38 16, line 14.  
39 34. Page 17, line 9, by striking the figure  
40 "1,000,788" and inserting the following: "950,788".  
41 35. By striking page 18, line 18 through page 19,  
42 line 34 and inserting the following:  
43 "METHAMPHETAMINE BAIL  
44 PROVISIONS  
45 Sec. \_\_\_. Section 804.21, subsection 1, Code 2005,  
46 as amended by 2005 Iowa Acts, [Senate File 169](#), section  
47 7, is amended to read as follows:  
48 1. A person arrested in obedience to a warrant  
49 shall be taken without unnecessary delay before the  
50 nearest or most accessible magistrate. The officer

Page 3

1 shall at the same time deliver to the magistrate the  
2 warrant with the officer's return endorsed on it and  
3 subscribed by the officer with the officer's official  
4 title. However, this section, and sections 804.22 and  
5 804.23, do not preclude the release of an arrested  
6 person within the period of time the person would  
7 otherwise remain incarcerated while waiting to be  
8 taken before a magistrate if the release is pursuant  
9 to pretrial release guidelines or a bond schedule  
10 promulgated by the judicial council, unless the person  
11 is charged with manufacture, delivery, possession with  
12 intent to manufacture or deliver, or distribution of  
13 methamphetamine. If, however, a person is released  
14 pursuant to pretrial release guidelines, a magistrate  
15 must, within twenty-four hours of the release, or as  
16 soon as practicable on the next subsequent working day  
17 of the court, either approve in writing of the  
18 release, or disapprove of the release and issue a  
19 warrant for the person's arrest.

20 Sec. \_\_. Section 804.22, unnumbered paragraph 2,  
21 Code 2005, as amended by 2005 Iowa Acts, Senate File  
22 169, section 8, is amended to read as follows:

23 This section and the rules of criminal procedure do  
24 not affect the provisions of chapter 805 authorizing  
25 the release of a person on citation or bail prior to  
26 initial appearance, unless the person is charged with  
27 manufacture, delivery, possession with intent to  
28 manufacture or deliver, or distribution of  
29 methamphetamine. The initial appearance of a person  
30 so released shall be scheduled for a time not more  
31 than thirty days after the date of release.

32 Sec. \_\_. Section 811.2, subsection 1, unnumbered  
33 paragraph 2, Code 2005, as amended by 2005 Iowa Acts,  
34 [Senate File 169](#), section 10, is amended to read as  
35 follows:

36 Any bailable defendant who is charged with unlawful  
37 possession, manufacture, delivery, or distribution of  
38 a controlled substance or other drug under chapter 124  
39 and is ordered released shall be required, as a  
40 condition of that release, to submit to a substance  
41 abuse evaluation and follow any recommendations  
42 proposed in the evaluation for appropriate substance  
43 abuse treatment. However, if a bailable defendant is  
44 charged with manufacture, delivery, possession with  
45 the intent to manufacture or deliver, or distribution  
46 of methamphetamine, its salts, optical isomers, and  
47 salts of its optical isomers, the defendant shall, in  
48 addition to a substance abuse evaluation, remain under  
49 supervision and be required to undergo random drug  
50 tests as a condition of release.

Page 4

1 Sec. \_\_\_. Section 811.2, subsection 3, Code 2005,  
 2 as amended by 2005 Iowa Acts, [Senate File 169](#), section  
 3 11, is amended to read as follows:  
 4 3. RELEASE AT INITIAL APPEARANCE. This chapter  
 5 does not preclude the release of an arrested person as  
 6 authorized by section 804.21, unless the arrested  
 7 person is charged with manufacture, delivery,  
 8 possession with the intent to manufacture or deliver,  
 9 or distribution of methamphetamine.

10 Sec. \_\_\_. EFFECTIVE DATE. This division of this  
 11 Act, being deemed of immediate importance, takes  
 12 effect upon enactment."

13 36. Page 19, by inserting before line 35 the  
 14 following:

15 "DIVISION III  
 16 SUPPLEMENTAL APPROPRIATIONS".

17 37. Page 21, by striking lines 37 through 49.

18 38. Page 22, line 20, by striking the figure  
 19 "25,251,339" and inserting the following:  
 20 "22,251,339".

21 39. Page 22, by inserting after line 34 the  
 22 following:

23 "Sec. \_\_\_. 2004 Iowa Acts, chapter 1175, section  
 24 192, subsection 4, paragraph a, is amended to read as  
 25 follows:

26 a. For the state fire marshal's office, including  
 27 the state's contribution to the peace officers'  
 28 retirement, accident, and disability system provided  
 29 in chapter 97A in the amount of 17 percent of the  
 30 salaries for which the funds are appropriated, and for  
 31 not more than the following full-time equivalent  
 32 positions:

33 .....	\$ <del>2,181,998</del>
34 .....	<u>2,281,998</u>
35 .....	FTEs 39.00

36 Notwithstanding section 8.33, moneys appropriated  
 37 in this lettered paragraph that remain unencumbered or  
 38 unobligated at the close of the fiscal year shall not  
 39 revert but shall remain available for expenditure for  
 40 the purposes designated until the close of the  
 41 succeeding fiscal year."

42 40. Page 23, by inserting after line 5 the  
 43 following:

44 "DIVISION IV  
 45 APPROPRIATIONS FROM HEALTHY IOWANS TOBACCO TRUST"

46 Sec. \_\_\_. In addition to any other funds  
 47 appropriated from the healthy Iowans tobacco trust  
 48 created in section 12.65 to the department of  
 49 corrections for the fiscal year beginning July 1,  
 50 2005, and ending June 30, 2006, there is appropriated

Page 5

1 from the healthy Iowans tobacco trust to the  
 2 department of corrections for the fiscal year  
 3 beginning July 1, 2005, and ending June 30, 2006, the  
 4 following amount, or so much thereof as is necessary,  
 5 to be used for the purpose designated:  
 6 For the judicial district departments of  
 7 correctional services:  
 8 ..... \$ 800,000

9 Of the funds appropriated in this division,  
 10 \$100,000 shall be allocated to each judicial district  
 11 department of correctional services.

12 DIVISION V  
 13 CONTINGENT APPROPRIATIONS FROM  
 14 MICROSOFT SETTLEMENT

15 Sec. \_\_. DIVISION OF THE IOWA STATE PATROL. In  
 16 addition to any other funds appropriated from the  
 17 general fund of the state to the division of the Iowa  
 18 state patrol, there is appropriated from the general  
 19 fund of the state to the division of the Iowa state  
 20 patrol for the fiscal year beginning July 1, 2005, and  
 21 ending June 30, 2006, an amount not exceeding \$785,000  
 22 to be used for motor vehicle depreciation. The funds  
 23 appropriated in this section are contingent upon  
 24 receipt by the general fund of the state of an amount  
 25 at least equal to the expenditure amount from costs or  
 26 attorney fees awarded the state in settlement of its  
 27 antitrust action against Microsoft brought under  
 28 chapter 553. However, if the amounts received as a  
 29 result of this settlement are in excess of \$785,000,  
 30 the excess amounts shall not be appropriated to the  
 31 division of the Iowa state patrol pursuant to this  
 32 section.

33 Sec. \_\_. DIVISION OF CRIMINAL INVESTIGATION AND  
 34 BUREAU OF IDENTIFICATION. In addition to any other  
 35 funds appropriated from the general fund of the state  
 36 to the division of criminal investigation and bureau  
 37 of identification, there is appropriated from the  
 38 general fund of the state to the division of criminal  
 39 investigation and bureau of identification for the  
 40 fiscal year beginning July 1, 2005, and ending June  
 41 30, 2006, an amount not exceeding \$929,206. The funds  
 42 appropriated in this section are contingent upon  
 43 receipt by the general fund of the state of an amount  
 44 at least equal to the expenditure amount from costs or  
 45 attorney fees awarded the state in settlement of its  
 46 antitrust action against Microsoft brought under  
 47 chapter 553. However, if the amounts received as a  
 48 result of this settlement are in excess of \$929,206,  
 49 the excess amounts shall not be appropriated to the  
 50 division of criminal investigation and bureau of

Page 6

- 1 identification pursuant to this section."  
 2 41. By renumbering as necessary.

Amendment [H-1706](#) was adopted.

On motion by Horbach of Tama the House concurred in the Senate amendment [H-1701](#), as amended.

Horbach of Tama moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 811](#))

The ayes were, 95:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Gaskill	Gipp
Granzow	Greiner	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Hutter	Jacobs	Jacoby
Jenkins	Jochum	Jones	Kaufmann
Kressig	Kuhn	Kurtenbach	Lalk
Lensing	Lukan	Lykam	Maddox
Mascher	May	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, D.
Olson, S.	Paulsen	Petersen	Pettengill
Quirk	Raecker	Rasmussen	Rayhons
Reasoner	Reichert	Roberts	Sands
Schickel	Schueller	Shoultz	Smith
Soderberg	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tomenga
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Wessel-Kroeschell
Whitaker	Whitead	Wilderdyke	Winckler
Wise	Zirkelbach	Mr. Speaker	
		Rants	

The nays were, none.

Absent or not voting, 5:

Chambers            Frevert            Huser            Olson, R.  
Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 811](#) be immediately messaged to the Senate.

The House stood at ease at 1:53 p.m., until the fall of the gavel.

The House resumed session at 5:00 p.m., Speaker Rants in the chair.

#### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 619](#), a bill for an act relating to persons convicted of criminal offenses requiring registration on the sex offender registry or requiring an additional indeterminate sentence, establishing a sex offender registry database task force, and providing penalties.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 811](#), a bill for an act relating to and making appropriations to the justice system.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 825](#), a bill for an act relating to and making appropriations to the department of human services, the department of elder affairs, the Iowa department of public health, the commission of veterans affairs and the Iowa veterans home, and the department of inspections and appeals, providing for fee increases, and including other related provisions and appropriations, and providing effective dates.

Also: That the Senate has on May 20, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 831](#), a bill for an act relating to tax credits for equity investments in qualifying businesses or community-based seed capital funds.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 875](#), a bill for an act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, environment first fund, tobacco settlement trust fund, vertical infrastructure fund, general fund of the state, and related matters, and including effective and retroactive applicability date provisions.

MICHAEL E. MARSHALL, Secretary

### SENATE AMENDMENT CONSIDERED

Hoffman of Crawford called up for consideration [House File 868](#), a bill for an act relating to economic development, business, workforce, and regulatory assistance and tax credits, and to state developmental, research, and regulatory oversight, and including effective date and retroactive applicability provisions, amended by the Senate amendment [H-1633](#):

#### [H-1633](#)

1 Amend [House File 868](#), as amended, passed, and  
 2 reprinted by the House, as follows:  
 3 1. Page 1, line 4, by striking the words "A grow"  
 4 and inserting the following: "1. A grow".  
 5 2. Page 1, by inserting after line 16 the  
 6 following:  
 7 "2. In awarding financial assistance in a fiscal  
 8 year from moneys appropriated to the grow Iowa values  
 9 fund, the department shall commit, obligate, or  
 10 promise not more than fifty percent of the moneys  
 11 appropriated from the grow Iowa values fund pursuant  
 12 to section 15G.111, subsection 1, if enacted, for use  
 13 during the first fiscal year following the fiscal year  
 14 in which the financial assistance is awarded and not  
 15 more than twenty-five percent of the moneys  
 16 appropriated from the grow Iowa values fund pursuant  
 17 to section 15G.111, subsection 1, if enacted, for use  
 18 during the second fiscal year following the fiscal  
 19 year in which the financial assistance is awarded.  
 20 Sec. \_\_. Section 15G.111, subsection 2, if  
 21 enacted by 2005 Iowa Acts, [House File 809](#), is amended  
 22 by adding the following new unnumbered paragraph after  
 23 unnumbered paragraph 2:  
 24 NEW UNNUMBERED PARAGRAPH. The department may

25 expend additional moneys that may become available for  
26 purposes of financial assistance to a single  
27 bioscience development organization determined by the  
28 department to possess expertise in the promotion and  
29 commercialization of biotechnology entrepreneurship as  
30 described in and for the purposes set forth in  
31 unnumbered paragraph 2."

32 3. Page 2, line 3, by striking the word "eleven"  
33 and inserting the following: "eleven fifteen".

34 4. Page 2, line 22, by striking the word "six"  
35 and inserting the following: "six eight".

36 5. Page 2, line 23, by inserting after the word  
37 "party." the following: "Beginning with the first  
38 appointment to the board made after the effective date  
39 of this Act, at least one voting member shall have  
40 been less than thirty years of age at the time of  
41 appointment."

42 6. Page 3, line 19, by striking the word "six"  
43 and inserting the following: "six eight".

44 7. Page 4, by striking line 33, and inserting the  
45 following:

46 "a. The number of net new jobs created as of the  
47 time of reporting. For purposes of this paragraph,  
48 "net new jobs" means the number of jobs that have been  
49 created pursuant to the new or retained positions  
50 identified in the contract."

Page 2

1 8. Page 5, by inserting after line 8 the  
2 following:

3 "g. The number of jobs retained as of the time of  
4 reporting."

5 9. Page 5, line 17, by inserting after the word  
6 "businesses." the following: "This subsection is  
7 repealed June 30, 2007."

8 10. Page 5, line 26, by inserting after the word  
9 "businesses." the following: "This subsection is  
10 repealed June 30, 2007."

11 11. Page 12, line 12, by striking the word "two"  
12 and inserting the following: "three".

13 12. Page 18, by striking lines 29 through 31 and  
14 inserting the following: "for a fiscal year under  
15 this chapter shall not exceed two million four hundred  
16 thousand".

17 13. Page 19, by striking lines 2 through 9 and  
18 inserting the following: "section 303.3B. Any of the  
19 additional".

20 14. Page 19, by striking lines 12 and 13 and  
21 inserting the following: "during a fiscal year ~~may be~~  
22 ~~carried over to the succeeding fiscal year~~ shall be  
23 applied to reserved tax credits issued in accordance

24 with section 404A.3 in order of original reservation.

25 The department of cultural affairs shall".

26 15. Page 19, line 20, by inserting after the word  
27 "available." the following: "With the exception of  
28 tax credits issued pursuant to contracts entered into  
29 prior to July 1, 2005, tax credits shall not be  
30 reserved for more than five years."

31 16. Page 21, line 19, by inserting after the word  
32 "energy." the following: "At least one member of the  
33 technology commercialization committee shall be a  
34 member of the economic development board."

35 17. Page 24, by inserting after line 18, the  
36 following:

37 "3. Each January 15, the state board of regents  
38 shall submit a written report to the general assembly  
39 detailing the patents and licenses held by each  
40 institution of higher learning under the control of  
41 the state board of regents and by nonprofit  
42 foundations acting solely for the support of  
43 institutions governed by the state board of regents."

44 18. Page 49, by striking line 1.

45 19. Page 51, line 33, by inserting after the word  
46 "section." the following: "Preference in issuing  
47 these tax credit certificates shall be given to  
48 businesses applying for the credit for retained  
49 qualified new jobs."

50 20. Page 52, line 34, by inserting after the word

Page 3

1 and figure "part 13" the following: "or moneys from  
2 the grow Iowa values fund".

3 21. Page 59, by inserting after line 35 the  
4 following:

5 "Sec. \_\_\_. Section 452A.3, Code 2005, is amended  
6 by adding the following new subsection:  
7 NEW SUBSECTION. 1B. An excise tax of seventeen  
8 cents is imposed on each gallon of E-85 gasoline,  
9 which contains at least eighty-five percent denatured  
10 alcohol by volume from the first day of April until  
11 the last day of October or seventy percent denatured  
12 alcohol from the first day of November until the last  
13 day of March, used for the privilege of operating  
14 motor vehicles in this state."

15 22. Page 59, by inserting after line 35 the  
16 following:

17 "DIVISION  
18 IOWA GREAT PLACES  
19 Sec. \_\_\_. NEW SECTION. 303.3C IOWA GREAT PLACES  
20 PROGRAM.

21 1. a. The department of cultural affairs shall  
22 establish and administer an Iowa great places program

23 for purposes of combining resources of state  
24 government in an effort to showcase the unique and  
25 authentic qualities of communities, regions,  
26 neighborhoods, and districts that make such places  
27 exceptional places to work and live. The department  
28 of cultural affairs shall provide administrative  
29 assistance to the Iowa great places board. The  
30 department of cultural affairs shall coordinate the  
31 efforts of the Iowa great places board with the  
32 efforts of state agencies participating in the program  
33 which shall include, but not be limited to, the  
34 department of economic development, the Iowa finance  
35 authority, the department of human rights, the  
36 department of natural resources, the department of  
37 transportation, and the department of workforce  
38 development.

39 b. The program shall combine resources from state  
40 government to capitalize on all of the following  
41 aspects of the chosen Iowa great places:

- 42 (1) Arts and culture.
- 43 (2) Historic fabric.
- 44 (3) Architecture.
- 45 (4) Natural environment.
- 46 (5) Housing options.
- 47 (6) Amenities.
- 48 (7) Entrepreneurial incentive for business  
49 development.
- 50 (8) Diversity.

Page 4

1 c. Initially, three Iowa great places projects  
2 shall be identified by the Iowa great places board.  
3 Two years after the third project is identified by the  
4 board, the board may identify additional Iowa great  
5 places for participation under the program.

6 2. a. The Iowa great places board is established  
7 consisting of twelve members. The board shall be  
8 located for administrative purposes within the  
9 department of cultural affairs and the director shall  
10 provide office space, staff assistance, and necessary  
11 supplies and equipment for the board. The director  
12 shall budget moneys to pay the compensation and  
13 expenses of the board. In performing its functions,  
14 the board is performing a public function on behalf of  
15 the state and is a public instrumentality of the  
16 state.

17 b. The members of the board shall be appointed by  
18 the governor, subject to confirmation by the senate.  
19 At least one member shall be less than thirty years  
20 old on the date the member is appointed by the  
21 governor. The board shall include representatives of

22 cities and counties, local government officials,  
 23 cultural leaders, housing developers, business owners,  
 24 and parks officials.

25 c. The chairperson and vice chairperson shall be  
 26 elected by the board members from the membership of  
 27 the board. In the case of the absence or disability  
 28 of the chairperson and vice chairperson, the members  
 29 of the board shall elect a temporary chairperson by a  
 30 majority vote of those members who are present and  
 31 voting, provided a quorum is present.

32 d. Members of the board shall be appointed to  
 33 three-year staggered terms and the terms shall  
 34 commence and end as provided in section 69.19. If a  
 35 vacancy occurs, a successor shall be appointed in the  
 36 same manner and subject to the same qualifications as  
 37 the original appointment to serve the unexpired term.

38 e. A majority of the members of the board  
 39 constitutes a quorum.

40 f. A member of the board shall abstain from voting  
 41 on the provision of financial assistance to a project  
 42 which is located in the county in which the member of  
 43 the board resides.

44 g. The members of the board are entitled to  
 45 receive reimbursement for actual expenses incurred  
 46 while engaged in the performance of official duties. A  
 47 board member may also be eligible to receive  
 48 compensation as provided in section 7E.6.

49 3. The board shall do all of the following:

50 a. Organize.

Page 5

1 b. Identify three Iowa great places for purposes  
 2 of receiving a package of resources under the program.

3 c. Identify a combination of state resources which  
 4 can be provided to Iowa great places."

5 23. Title page, line 2, by inserting after the  
 6 word "credits," the following: "to excise taxes on E-  
 7 85 gasoline,".

8 24. By renumbering, relettering, or redesignating  
 9 and correcting internal references as necessary.

Hoffman of Crawford asked and received unanimous consent to  
 withdraw amendment [H-1707](#) to the Senate amendment [H-1633](#)  
 filed by him from the floor.

Hoffman of Crawford offered the following amendment [H-1710](#), to  
 the Senate amendment [H-1633](#), filed by him from the floor and  
 moved its adoption:

[H-1710](#)

1 Amend the Senate amendment, [H-1633](#), to House File  
2 868, as amended, passed, and reprinted by the House,  
3 as follows:  
4 1. Page 2, by inserting after line 43, the  
5 following:  
6 "\_\_\_ Page 25, by inserting after line 18, the  
7 following:  
8 "Sec. \_\_\_. OPERATIONAL EXPENSES. Moneys that are  
9 appropriated to the department of economic development  
10 pursuant to section 15G.111, if enacted, for deposit  
11 in workforce training and economic development funds  
12 of community colleges may be used by community  
13 colleges for operational expenses associated with  
14 vocational technical training."  
15 2. Page 3, by inserting after line 2 the  
16 following:  
17 "\_\_\_ Page 57, by inserting after line 16 the  
18 following:  
19 "Sec. \_\_\_. Section 15E.305, subsection 2, Code  
20 2005, is amended to read as follows:  
21 2. The aggregate amount of tax credits authorized  
22 pursuant to this section shall not exceed a total of  
23 two million dollars annually. The maximum amount of  
24 tax credits granted to a taxpayer shall not exceed  
25 five percent of the aggregate amount of tax credits  
26 authorized."  
27 \_\_\_ Page 59, line 14, by inserting after the  
28 word "issued" the following: "each calendar year."  
29 3. Page 3, line 14, by striking the word  
30 "state." and inserting the following: "state."  
31 4. Page 3, by inserting after line 14 the  
32 following:  
33 "Sec. \_\_\_. Section 452A.3, Code 2005, is amended  
34 by adding the following new subsection:  
35 NEW SUBSECTION. 1C. The rate of the excise tax on  
36 E-85 gasoline imposed in subsection 1B shall be  
37 determined based on the number of gallons of E-85  
38 gasoline that is distributed in this state during the  
39 previous calendar year. The department shall  
40 determine the actual tax paid for E-85 gasoline for  
41 each period beginning January 1 and ending December  
42 31. The amount of the tax paid on E-85 gasoline  
43 during the past calendar year shall be compared to the  
44 amount of tax on E-85 gasoline that would have been  
45 paid using the tax rate for gasoline imposed in  
46 subsection 1 or 1A and a difference shall be  
47 established. If this difference is equal to or  
48 greater than twenty-five thousand dollars, the tax  
49 rate for E-85 gasoline for the period beginning July 1  
50 following the end of the determination period shall be

Page 2

1 the rate in effect as stated in subsection 1 or 1A.  
2 Sec. \_\_. STUDY. The state department of  
3 transportation shall review the current revenue levels  
4 of the road use tax fund and its sufficiency for the  
5 projected construction and maintenance needs of city,  
6 county, and state governments in the future. The  
7 department shall submit a written report to the  
8 general assembly regarding its findings on or before  
9 December 31, 2006. The report may include  
10 recommendations concerning funding levels needed to  
11 support the future mobility and accessibility for  
12 users of Iowa's public road system.

13 Sec. \_\_. EFFECTIVE DATE. The sections of this  
14 division of this Act amending chapter 452A take effect  
15 January 1, 2006."

16 5. Page 5, by inserting after line 4, the  
17 following:

18 " \_\_. Page 59, by inserting after line 35, the  
19 following:

20 "DIVISION  
21 PORT AUTHORITIES

22 Sec. \_\_. Section 12.30, subsection 1, paragraph  
23 a, Code 2005, is amended to read as follows:

24 a. "Authority" means a department, or public or  
25 quasi-public instrumentality of the state including,  
26 but not limited to, the authority created under  
27 chapter 12E, 16, 16A, 175, 257C, 261A, or 327I, which  
28 has the power to issue obligations, except that  
29 "authority" does not include the state board of  
30 regents or the Iowa finance authority to the extent it  
31 acts pursuant to chapter 260C. "Authority" also  
32 includes a port authority created under chapter 28J.

33 Sec. \_\_. NEW SECTION. 28J.1 DEFINITIONS.

34 As used in this chapter, unless the context  
35 otherwise requires:

- 36 1. "Authorized purposes" means an activity that  
37 enhances, fosters, aids, provides, or promotes  
38 transportation, economic development, housing,  
39 recreation, education, governmental operations,  
40 culture, or research within the jurisdiction of a port  
41 authority.
- 42 2. "Board" means the board of directors of a port  
43 authority established pursuant to section 28J.2.
- 44 3. "City" means the same as defined in section  
45 362.2.
- 46 4. "Construction" means alteration, creation,  
47 development, enlargement, erection, improvement,  
48 installation, reconstruction, remodeling, and  
49 renovation.
- 50 5. "Contracting governmental agency" means any

Page 3

1 governmental agency or taxing district of the state  
2 that, by action of its legislative authority, enters  
3 into an agreement with a port authority pursuant to  
4 section 28J.17.

5 6. "Cost" as applied to a port authority facility  
6 means any of the following:

7 a. The cost of construction contracts, land,  
8 rights-of-way, property rights, easements, franchise  
9 rights, and interests required for acquisition or  
10 construction.

11 b. The cost of demolishing or removing any  
12 buildings or structures on land, including the cost of  
13 acquiring any lands to which those buildings or  
14 structures may be moved.

15 c. The cost of diverting a highway, interchange of  
16 a highway, and access roads to private property,  
17 including the cost of land or easements, and  
18 relocation of a facility of a utility company or  
19 common carrier.

20 d. The cost of machinery, furnishings, equipment,  
21 financing charges, interest prior to and during  
22 construction and for no more than twelve months after  
23 completion of construction, engineering, and expenses  
24 of research and development with respect to a  
25 facility.

26 e. Legal and administrative expenses, plans,  
27 specifications, surveys, studies, estimates of cost  
28 and revenues, engineering services, and other expenses  
29 necessary or incident to determining the feasibility  
30 or practicability of acquiring or constructing a  
31 facility.

32 f. The interest upon the revenue bonds and pledge  
33 orders during the period or estimated period of  
34 construction and for twelve months thereafter, or for  
35 twelve months after the acquisition date, reserve  
36 funds as the port authority deems advisable in  
37 connection with a facility and the issuance of port  
38 authority revenue bonds and pledge orders.

39 g. The costs of issuance of port authority revenue  
40 bonds and pledge orders.

41 h. The cost of diverting a rail line, rail spur  
42 track, or rail spur track switch, including the cost  
43 of land or easements, and relocation of a facility of  
44 a utility company or common carrier.

45 i. The cost of relocating an airport's runways,  
46 terminals, and related facilities including the cost  
47 of land or easements, and relocation of a facility of  
48 a utility company or common carrier.

49 7. "Facility" or "port authority facility" means  
50 real or personal property owned, leased, or otherwise

Page 4

1 controlled or financed by a port authority and related  
2 to or in furtherance of one or more authorized  
3 purposes.

4 8. "Governmental agency" means a department,  
5 division, or other unit of state government of this  
6 state or any other state, city, county, township, or  
7 other governmental subdivision, or any other public  
8 corporation or agency created under the laws of this  
9 state, any other state, the United States, or any  
10 department or agency thereof, or any agency,  
11 commission, or authority established pursuant to an  
12 interstate compact or agreement or combination  
13 thereof.

14 9. "Person" means the same as defined in section  
15 4.1.

16 10. "Pledge order" means a promise to pay out of  
17 the net revenues of a port authority, which is  
18 delivered to a contractor or other person in payment  
19 of all or part of the cost of a facility.

20 11. "Political subdivision" means a city, county,  
21 city-county consolidation, or multicounty  
22 consolidation, or combination thereof.

23 12. "Political subdivisions comprising the port  
24 authority" means the political subdivisions which  
25 created or participated in the creation of the port  
26 authority under section 28J.2, or which joined an  
27 existing port authority under section 28J.4.

28 13. "Port authority" means an entity created  
29 pursuant to section 28J.2.

30 14. "Port authority revenue bonds" means revenue  
31 bonds and revenue refunding bonds issued pursuant to  
32 section 28J.21.

33 15. "Public roads" means all public highways,  
34 roads, and streets in this state, whether maintained  
35 by the state or by a county or city.

36 16. "Revenues" means rental fees and other charges  
37 received by a port authority for the use or services  
38 of a facility, a gift or grant received with respect  
39 to a facility, moneys received with respect to the  
40 lease, sublease, sale, including installment sale or  
41 conditional sale, or other disposition of a facility,  
42 moneys received in repayment of and for interest on  
43 any loans made by the port authority to a person or  
44 governmental agency, proceeds of port authority  
45 revenue bonds for payment of principal, premium, or  
46 interest on the bonds authorized by the port  
47 authority, proceeds from any insurance, condemnation,  
48 or guarantee pertaining to the financing of the  
49 facility, and income and profit from the investment of  
50 the proceeds of port authority revenue bonds or of any

Page 5

1 revenues.

2 Sec. \_\_. NEW SECTION. 28J.2 CREATION AND POWERS  
3 OF PORT AUTHORITY.

4 1. Two or more political subdivisions may create a  
5 port authority under this chapter by resolution. If a  
6 proposal to create a port authority receives a  
7 favorable majority of the members of the elected  
8 legislative body of the political subdivision, the  
9 port authority is created at the time provided in the  
10 resolution. The jurisdiction of a port authority  
11 includes the territory described in section 28J.8.

12 2. A port authority created pursuant to this  
13 section may sue and be sued, complain, and defend in  
14 its name and has the powers and jurisdiction  
15 enumerated in this chapter.

16 3. At the time a port authority is created  
17 pursuant to this section, the political subdivisions  
18 comprising the port authority may restrict the powers  
19 granted the port authority pursuant to this chapter by  
20 specifically adopting such restrictions in the  
21 resolution creating the port authority.

22 4. The political subdivisions comprising the port  
23 authority whose powers have been restricted pursuant  
24 to subsection 3 may at any time adopt a resolution to  
25 grant additional powers to the port authority, so long  
26 as the additional powers do not exceed the powers  
27 permitted under this chapter.

28 Sec. \_\_. NEW SECTION. 28J.3 APPROPRIATION AND  
29 EXPENDITURE OF PUBLIC FUNDS – DISSOLUTION.

30 1. The political subdivisions comprising a port  
31 authority may appropriate and expend public funds to  
32 finance or subsidize the operation and authorized  
33 purposes of the port authority. A port authority  
34 shall control tax revenues allocated to the facilities  
35 the port authority administers and all revenues  
36 derived from the operation of the port authority, the  
37 sale of its property, interest on investments, or from  
38 any other source related to the port authority.

39 2. All revenues received by the port authority  
40 shall be held in a separate fund in a manner agreed to  
41 by the political subdivisions comprising the port  
42 authority. Revenues may be paid out only at the  
43 direction of the board of directors of the port  
44 authority.

45 3. A port authority shall comply with section  
46 331.341, subsections 1, 2, 4, and 5, and section  
47 331.342, when contracting for public improvements.

48 4. Subject to making due provisions for payment  
49 and performance of any outstanding obligations, the  
50 political subdivisions comprising the port authority

Page 6

1 may dissolve the port authority, and transfer the  
2 property of the port authority to the political  
3 subdivisions comprising the port authority in a manner  
4 agreed upon between the political subdivisions  
5 comprising the port authority prior to the dissolution  
6 of the port authority.  
7 Sec. \_\_. NEW SECTION. 28J.4 JOINING AN EXISTING  
8 PORT AUTHORITY.  
9 1. A political subdivision which is contiguous to  
10 either a political subdivision which participated in  
11 the creation of the port authority or a political  
12 subdivision which proposes to join the port authority  
13 at the same time which is contiguous to a political  
14 subdivision which participated in the creation of the  
15 port authority may join the port authority by  
16 resolution.  
17 2. If more than one such political subdivision  
18 proposes to join the port authority at the same time,  
19 the resolution of each such political subdivision  
20 shall designate the political subdivisions which are  
21 to be so joined.  
22 3. Any territory or city not included in a port  
23 authority which is annexed to a city included within  
24 the jurisdiction of a port authority shall, on such  
25 annexation and without further proceedings, be annexed  
26 to and be included in the jurisdiction of the port  
27 authority.  
28 4. Before a political subdivision is joined to a  
29 port authority, other than by annexation to a city,  
30 the political subdivisions comprising the port  
31 authority shall agree upon the terms and conditions  
32 pursuant to which such political subdivision is to be  
33 joined.  
34 5. For the purpose of this chapter, such political  
35 subdivision shall be considered to have participated  
36 in the creation of the port authority, except that the  
37 initial term of any director of the port authority  
38 appointed by a joining political subdivision shall be  
39 four years.  
40 6. After each resolution proposing a political  
41 subdivision to join a port authority has become  
42 effective and the terms and conditions of joining the  
43 port authority have been agreed to, the board of  
44 directors of the port authority shall by resolution  
45 either accept or reject the proposal. Such proposal  
46 to join a port authority shall be effective upon  
47 adoption of the resolution by the board of directors  
48 of the port authority and thereupon the jurisdiction  
49 of the port authority includes the joining political  
50 subdivision.

Page 7

1 Sec. \_\_. NEW SECTION. 28J.5 MEMBERSHIP OF BOARD  
2 OF DIRECTORS.

3 1. A port authority created pursuant to section  
4 28J.2 shall be governed by a board of directors.  
5 Members of a board of directors of a port authority  
6 shall be divided among the political subdivisions  
7 comprising the port authority in such proportions as  
8 the political subdivisions may agree and shall be  
9 appointed by the respective political subdivision's  
10 elected legislative body.

11 2. The number of directors comprising the board  
12 shall be determined by agreement between the political  
13 subdivisions comprising the port authority, and which  
14 number may be changed by resolution of the political  
15 subdivisions comprising the port authority.

16 3. A majority of the directors shall have been  
17 qualified electors of, or owned a business or been  
18 employed in, one or more political subdivisions within  
19 the area of the jurisdiction of the port authority for  
20 a period of at least three years preceding  
21 appointment.

22 4. The directors of a port authority first  
23 appointed shall serve staggered terms. Thereafter  
24 each successor director shall serve for a term of four  
25 years, except that any person appointed to fill a  
26 vacancy shall be appointed to only the unexpired term.  
27 A director is eligible for reappointment.

28 5. The board may provide procedures for the  
29 removal of a director who fails to attend three  
30 consecutive regular meetings of the board. If a  
31 director is so removed, a successor shall be appointed  
32 for the remaining term of the removed director in the  
33 same manner provided for the original appointment.  
34 The appointing body may at any time remove a director  
35 appointed by it for misfeasance, nonfeasance, or  
36 malfeasance in office.

37 6. The board may adopt bylaws and shall elect one  
38 director as chairperson and one director as vice  
39 chairperson, designate terms of office, and appoint a  
40 secretary who need not be a director.

41 7. A majority of the board of directors shall  
42 constitute a quorum for the purpose of holding a  
43 meeting of the board. The affirmative vote of a  
44 majority of a quorum shall be necessary for any action  
45 taken by the port authority unless the board  
46 determines that a greater number of affirmative votes  
47 is necessary for particular actions to be taken by the  
48 port authority. A vacancy in the membership of the  
49 board shall not impair the rights of a quorum to  
50 exercise all the rights and perform all the duties of

Page 8

1 the port authority.

2 8. Each director shall be entitled to receive from  
3 the port authority such sum of money as the board may  
4 determine as compensation for services as a director  
5 and reimbursement for reasonable expenses in the  
6 performance of official duties.

7 Sec. \_\_. NEW SECTION. 28J.6 CIVIL IMMUNITY OF  
8 DIRECTORS.

9 A director of a port authority shall not be  
10 personally liable for any monetary damages that arise  
11 from actions taken in the performance of the  
12 director's official duties, except for acts or  
13 omissions that are not in good faith or that involve  
14 intentional misconduct, a knowing violation of law, or  
15 any transaction from which the director derived an  
16 improper personal benefit.

17 Sec. \_\_. NEW SECTION. 28J.7 EMPLOYEES, ADVISORY  
18 BOARD, PEACE OFFICERS.

19 1. A port authority shall employ and fix the  
20 qualifications, duties, and compensation of any  
21 employees and enter into contracts for any services  
22 that may be required to conduct the business of the  
23 port authority, and may appoint an advisory board,  
24 which shall serve without compensation.

25 2. An employee of a port authority is a public  
26 employee for the purposes of collective bargaining  
27 under chapter 20.

28 3. a. A port authority may provide for the  
29 administration and enforcement of the laws of the  
30 state by employing peace officers who shall have all  
31 the powers conferred by law on peace officers of this  
32 state with regard to the apprehension of violators  
33 upon all property under its control within and without  
34 the port authority. The peace officers may seek the  
35 assistance of other appropriate law enforcement  
36 officers to enforce its rules and maintain order.

37 b. Peace officers employed by a port authority  
38 shall meet all requirements as police officers  
39 appointed under the civil service law of chapter 400  
40 and shall participate in the retirement system  
41 established by chapter 411.

42 c. Peace officers employed by a port authority  
43 shall serve as a peace officer force with respect to  
44 the property, grounds, buildings, equipment, and  
45 facilities under the control of the port authority, to  
46 prevent hijacking of aircraft or watercraft, protect  
47 the property of the authority and the property of  
48 others located thereon, suppress nuisances and  
49 disturbances and breaches of the peace, and enforce  
50 laws and the rules of the port authority for the

Page 9

1 preservation of good order. Peace officers are vested  
2 with the same powers of arrest as peace officers under  
3 section 804.7.

4 4. If an employee of a political subdivision  
5 comprising the port authority is transferred to a  
6 comparable position with the port authority, the  
7 employee is entitled to suffer no loss in pay,  
8 pension, fringe benefits, or other benefits and shall  
9 be entitled to a comparable rank and grade as the  
10 employee's prior position. Sick leave, longevity, and  
11 vacation time accrued to such employees shall be  
12 credited to them as employees of the port authority.  
13 All rights and accruals of such employees as members  
14 of the Iowa public employees' retirement system  
15 pursuant to chapter 97B and the retirement system for  
16 police officers pursuant to chapter 411 shall remain  
17 in force and shall be automatically transferred to the  
18 port authority.

19 Sec. \_\_. NEW SECTION. 28J.8 AREA OF  
20 JURISDICTION.

21 1. The area of jurisdiction of a port authority  
22 shall include all of the territory of the political  
23 subdivisions comprising the port authority and, if the  
24 port authority owns or leases a railroad line or  
25 airport, the territory on which the railroad's line,  
26 terminals, and related facilities or the airport's  
27 runways, terminals, and related facilities are  
28 located, regardless of whether the territory is  
29 located in the political subdivisions comprising the  
30 port authority.

31 2. A political subdivision that has created a port  
32 authority or joined an existing port authority shall  
33 not be included in any other port authority.

34 Sec. \_\_. NEW SECTION. 28J.9 POWERS OF PORT  
35 AUTHORITY.

36 A port authority may exercise all of the following  
37 powers:

38 1. Adopt bylaws for the regulation of the port  
39 authority's affairs and the conduct of the port  
40 authority's business.

41 2. Adopt an official seal.

42 3. Maintain a principal office and branch offices  
43 within the port authority's jurisdiction.

44 4. Acquire, construct, furnish, equip, maintain,  
45 repair, sell, exchange, lease, lease with an option to  
46 purchase, convey interests in real or personal  
47 property, and operate any property of the port  
48 authority in connection with transportation,  
49 recreational, governmental operations, or cultural  
50 activities in furtherance of an authorized purpose.

Page 10

1 5. Straighten, deepen, and improve any channel,  
2 river, stream, or other watercourse or way which may  
3 be necessary or proper in the development of the  
4 facilities of the port authority.

5 6. Make available the use or services of any  
6 facility of the port authority to any person or  
7 governmental agency.

8 7. Issue bonds or pledge orders pursuant to the  
9 requirements and limitations in section 28J.21.

10 8. Issue port authority revenue bonds beyond the  
11 limit of bonded indebtedness provided by law, payable  
12 solely from revenues as provided in section 28J.21,  
13 for the purpose of providing funds to pay the costs of  
14 any facility or facilities of the port authority or  
15 parts thereof.

16 9. Apply to the proper authorities of the United  
17 States for the right to establish, operate, and  
18 maintain foreign trade zones and establish, operate,  
19 and maintain foreign trade zones and to acquire,  
20 exchange, sell, lease to or from, lease with an option  
21 to purchase, or operate facilities, land, or property  
22 in accordance with the federal Foreign Trade Zones  
23 Act, 19 U.S.C. § 81a-81u.

24 10. Enjoy and possess the same legislative and  
25 executive rights, privileges, and powers granted  
26 cities under chapter 364 and counties under chapter  
27 331, including the exercise of police power but  
28 excluding the power to levy taxes.

29 11. Maintain such funds as it considers necessary  
30 and adhere to the public funds investment standards of  
31 chapter 12B, as applicable.

32 12. Direct port authority agents or employees,  
33 after at least five days' written notice, to enter  
34 upon lands within the port authority's jurisdiction to  
35 make surveys and examinations preliminary to location  
36 and construction of works for the port authority,  
37 without liability of the port authority or its agents  
38 or employees except for actual damages.

39 13. Promote, advertise, and publicize the port  
40 authority and its facilities, and provide information  
41 to shippers and other commercial interests.

42 14. Adopt bylaws, not in conflict with state or  
43 federal law, necessary or incidental to the  
44 performance of the duties of and the execution of the  
45 powers of the port authority under this chapter.

46 15. Do any of the following in regard to interests  
47 in real or personal property, including machinery,  
48 equipment, plants, factories, offices, and other  
49 structures and facilities related to or in furtherance  
50 of any authorized purpose as the board in its sole

Page 11

1 discretion may determine:  
2 a. Loan money to any person or governmental agency  
3 for the acquisition, construction, furnishing, or  
4 equipping of the property.  
5 b. Acquire, construct, maintain, repair, furnish,  
6 or equip the property.  
7 c. Sell to, exchange with, lease, convey other  
8 interests in, or lease with an option to purchase the  
9 same or any lesser interest in the property to the  
10 same or any other person or governmental agency.  
11 d. Guarantee the obligations of any person or  
12 governmental agency.  
13 e. Accept and hold as consideration for the  
14 conveyance of property or any interest therein such  
15 property or interests therein as the board may  
16 determine, notwithstanding any restrictions that apply  
17 to the investment of funds by a port authority.  
18 16. Sell, lease, or convey other interests in real  
19 and personal property, and grant easements or rights-  
20 of-way over property of the port authority. The board  
21 shall specify the consideration and terms for the  
22 sale, lease, or conveyance of other interests in real  
23 and personal property. A determination made by the  
24 board under this subsection shall be conclusive. The  
25 sale, lease, or conveyance may be made without  
26 advertising and the receipt of bids.  
27 17. Enter into an agreement with a political  
28 subdivision comprising the port authority for the  
29 political subdivision to exercise its right of eminent  
30 domain pursuant to chapters 6A and 6B on behalf of the  
31 port authority. However, a condemnation exercised on  
32 behalf of a port authority pursuant to this subsection  
33 shall not take or disturb property or a facility  
34 belonging to a governmental agency, utility company,  
35 or common carrier, which property or facility is  
36 necessary and convenient in the operation of the  
37 governmental agency, utility company, or common  
38 carrier, unless provision is made for the restoration,  
39 relocation, or duplication of such property or  
40 facility, or upon the election of the governmental  
41 agency, utility company, or common carrier, for the  
42 payment of compensation, if any, at the sole cost of  
43 the port authority, provided that both of the  
44 following apply:  
45 a. If a restoration or duplication proposed to be  
46 made under this subsection involves a relocation of  
47 the property or facility, the new facility and  
48 location shall be of at least comparable utilitarian  
49 value and effectiveness and shall not impair the  
50 ability of the utility company or common carrier to

Page 12

1 compete in its original area of operation.  
2 b. If a restoration or duplication made under this  
3 subsection involves a relocation of the property or  
4 facility, the port authority shall acquire no interest  
5 or right in or to the appropriated property or  
6 facility, until the relocated property or facility is  
7 available for use and until marketable title thereto  
8 has been transferred to the utility company or common  
9 carrier.

10 18. a. Make and enter into all contracts and  
11 agreements and execute all instruments necessary or  
12 incidental to the performance of the duties of and the  
13 execution of powers of the port authority under this  
14 chapter.

15 b. Except as provided in paragraph "c", when the  
16 cost of a contract for the construction of a building,  
17 structure, or other improvement undertaken by a port  
18 authority involves an expenditure exceeding twenty-  
19 five thousand dollars, and the port authority is the  
20 contracting entity, the port authority shall make a  
21 written contract after notice calling for bids for the  
22 award of the contract has been given by publication  
23 twice, with at least seven days between publications,  
24 in a newspaper of general circulation in the area of  
25 the port authority. Each such contract shall be let  
26 to the lowest responsive and responsible bidder.  
27 Every contract shall be accompanied by or shall refer  
28 to plans and specifications for the work to be done,  
29 prepared for and approved by the port authority, and  
30 signed by an authorized officer of the port authority  
31 and by the contractor.

32 c. The board of directors may provide criteria for  
33 the negotiation and award without competitive bidding  
34 of any contract as to which the port authority is the  
35 contracting entity for the construction of any  
36 building or structure or other improvement under any  
37 of the following circumstances:

38 (1) A real and present emergency exists that  
39 threatens damage or injury to persons or property of  
40 the port authority or other persons, provided that a  
41 statement specifying the nature of the emergency that  
42 is the basis for the negotiation and award of a  
43 contract without competitive bidding shall be signed  
44 by the officer of the port authority that executes  
45 that contract at the time of the contract's execution  
46 and shall be attached to the contract.

47 (2) A commonly recognized industry or other  
48 standard or specification does not exist and cannot  
49 objectively be articulated for the improvement.

50 (3) The contract is for any energy conservation

Page 13

1 measure as defined in section 7D.34.

2 (4) With respect to material to be incorporated  
3 into the improvement, only a single source or supplier  
4 exists for the material.

5 (5) A single bid is received by the port authority  
6 after complying with the provisions of paragraph "b".

7 d. (1) If a contract is to be negotiated and  
8 awarded without competitive bidding for the reason set  
9 forth in paragraph "c", subparagraph (2), the port  
10 authority shall publish a notice calling for technical  
11 proposals at least twice, with at least seven days  
12 between publications, in a newspaper of general  
13 circulation in the area of the port authority. After  
14 receipt of the technical proposals, the port authority  
15 may negotiate with and award a contract for the  
16 improvement to the person making the proposal  
17 considered to be the most advantageous to the port  
18 authority.

19 (2) If a contract is to be negotiated and awarded  
20 without competitive bidding for the reason set forth  
21 in paragraph "c", subparagraph (4), construction  
22 activities related to the incorporation of the  
23 material into the improvement also may be provided  
24 without competitive bidding by the source or supplier  
25 of that material.

26 e. A purchase, exchange, sale, lease, lease with  
27 an option to purchase, conveyance of other interests  
28 in, or other contract with a person or governmental  
29 agency that pertains to the acquisition, construction,  
30 maintenance, repair, furnishing, equipping, or  
31 operation of any real or personal property, related to  
32 or in furtherance of economic development and the  
33 provision of adequate housing, shall be made in such  
34 manner and subject to such terms and conditions as may  
35 be determined in the board's discretion. This  
36 paragraph applies to all contracts that are subject to  
37 this section, notwithstanding any other provision of  
38 law that might otherwise apply, including a  
39 requirement of notice, competitive bidding or  
40 selection, or for the provision of security. However,  
41 this paragraph shall not apply to a contract secured  
42 exclusively by or to be paid exclusively from the  
43 general revenues of the port authority. For the  
44 purposes of this paragraph, any revenues derived by  
45 the port authority under a lease or other agreement  
46 that, by its terms, contemplates the use of amounts  
47 payable under the agreement either to pay the costs of  
48 the improvement that is the subject of the contract or  
49 to secure obligations of the port authority issued to  
50 finance costs of such improvement, are excluded from

Page 14

1 general revenues.

2 19. Employ managers, superintendents, and other  
3 employees and retain or contract with consulting  
4 engineers, financial consultants, accounting experts,  
5 architects, attorneys, and any other consultants and  
6 independent contractors as are necessary in the port  
7 authority's judgment to carry out this chapter, and  
8 fix the compensation thereof. All expenses thereof  
9 shall be payable from any available funds of the port  
10 authority or from funds appropriated for that purpose  
11 by the political subdivisions comprising the port  
12 authority.

13 20. Receive and accept from a governmental agency  
14 grants and loans for the construction of a port  
15 authority facility, for research and development with  
16 respect to a port authority facility, or any other  
17 authorized purpose, and receive and accept aid or  
18 contributions from any source of moneys, property,  
19 labor, or other things of value, to be held, used, and  
20 applied only for the purposes for which the grants,  
21 loans, aid, or contributions are made.

22 21. Engage in research and development with  
23 respect to a port authority facility.

24 22. Purchase fire and extended coverage and  
25 liability insurance for a port authority facility and  
26 for the principal office and branch offices of the  
27 port authority, insurance protecting the port  
28 authority and its officers and employees against  
29 liability for damage to property or injury to or death  
30 of persons arising from its operations, and any other  
31 insurance the port authority may agree to provide  
32 under a resolution authorizing port authority revenue  
33 bonds, pledge orders, or in any trust agreement  
34 securing the same.

35 23. Charge, alter, and collect rental fees and  
36 other charges for the use or services of a port  
37 authority facility as provided in section 28J.16.

38 24. Perform all acts necessary or proper to carry  
39 out the powers expressly granted in this chapter.

40 Sec. \_\_. NEW SECTION. 28J.10 PARTICIPATION OF  
41 PRIVATE ENTERPRISE.

42 The port authority shall foster and encourage the  
43 participation of private enterprise in the development  
44 of the port authority facilities to the fullest extent  
45 practicable in the interest of limiting the necessity  
46 of construction and operation of the facilities by the  
47 port authority.

48 Sec. \_\_. NEW SECTION. 28J.11 PROVISIONS DO NOT  
49 AFFECT OTHER LAWS OR POWERS.

50 This chapter shall not do any of the following:

Page 15

1 1. Impair a provision of law directing the payment  
2 of revenues derived from public property into sinking  
3 funds or dedicating those revenues to specific  
4 purposes.

5 2. Impair the powers of a political subdivision to  
6 develop or improve a port and terminal facility except  
7 as restricted by section 28J.15.

8 3. Enlarge, alter, diminish, or affect in any way,  
9 a lease or conveyance made, or action taken prior to  
10 the creation of a port authority under section 28J.2  
11 by a city or a county.

12 4. Impair or interfere with the exercise of a  
13 permit for the removal of sand or gravel, or other  
14 similar permits issued by a governmental agency.

15 5. Impair or contravene applicable federal  
16 regulations.

17 Sec. \_\_. NEW SECTION. 28J.12 CONVEYANCE, LEASE,  
18 OR EXCHANGE OF PUBLIC PROPERTY.

19 A port authority may convey or lease, lease with an  
20 option to purchase, or exchange with any governmental  
21 agency or other port authority without competitive  
22 bidding and on mutually agreeable terms, any personal  
23 or real property, or any interest therein.

24 Sec. \_\_. NEW SECTION. 28J.13 ANNUAL BUDGET –  
25 USE OF RENTS AND CHARGES.

26 The board shall annually prepare a budget for the  
27 port authority. Revenues received by the port  
28 authority shall be used for the general expenses of  
29 the port authority and to pay interest, amortization,  
30 and retirement charges on money borrowed. Except as  
31 provided in section 28J.26, if there remains, at the  
32 end of any fiscal year, a surplus of such funds after  
33 providing for the above uses, the board shall pay such  
34 surplus into the general funds of the political  
35 subdivisions comprising the port authority as agreed  
36 to by the subdivisions.

37 Sec. \_\_. NEW SECTION. 28J.14 SECRETARY TO  
38 FURNISH BOND – DEPOSIT AND DISBURSEMENT OF FUNDS.

39 Before receiving any revenues, the secretary of a  
40 port authority shall furnish a bond in such amount as  
41 shall be determined by the port authority with  
42 sureties satisfactory to the port authority, and all  
43 funds coming into the hands of the secretary shall be  
44 deposited by the secretary to the account of the port  
45 authority in one or more such depositories as shall be  
46 qualified to receive deposits of county funds, which  
47 deposits shall be secured in the same manner as county  
48 funds are required to be secured. A disbursement  
49 shall not be made from such funds except in accordance  
50 with policies and procedures adopted by the port

Page 16

1 authority.

2 Sec. \_\_. NEW SECTION. 28J.15 LIMITATION ON  
3 CERTAIN POWERS OF POLITICAL SUBDIVISIONS.

4 A political subdivision creating or participating  
5 in the creation of a port authority in accordance with  
6 section 28J.2 shall not, during the time the port  
7 authority is in existence, exercise the rights and  
8 powers provided in chapters 28A, 28K, and 384 relating  
9 to the political subdivision's authority over a port,  
10 wharf, dock, harbor or other facility substantially  
11 similar to that political subdivision's authority  
12 under a port authority granted under this chapter.

13 Sec. \_\_. NEW SECTION. 28J.16 RENTALS OR CHARGES  
14 FOR USE OR SERVICES OF FACILITIES – AGREEMENTS WITH  
15 GOVERNMENTAL AGENCIES.

16 1. a. A port authority may charge, alter, and  
17 collect rental fees or other charges for the use or  
18 services of any port authority facility and contract  
19 for the use or services of a facility, and fix the  
20 terms, conditions, rental fees, or other charges for  
21 the use or services.

22 b. If the services are furnished in the  
23 jurisdiction of the port authority by a utility  
24 company or a common carrier, the port authority's  
25 charges for the services shall not be less than the  
26 charges established for the same services furnished by  
27 a utility company or common carrier in the port  
28 authority jurisdiction.

29 c. The rental fees or other charges shall not be  
30 subject to supervision or regulation by any other  
31 authority, commission, board, bureau, or governmental  
32 agency of the state and the contract may provide for  
33 acquisition of all or any part of the port authority  
34 facility for such consideration payable over the  
35 period of the contract or otherwise as the port  
36 authority determines to be appropriate, but subject to  
37 the provisions of any resolution authorizing the  
38 issuance of port authority revenue bonds or any trust  
39 agreement securing the bonds.

40 d. A governmental agency that has power to  
41 construct, operate, and maintain a port authority  
42 facility may enter into a contract or lease with a  
43 port authority for the use or services of a port  
44 authority facility as may be agreed to by the port  
45 authority and the governmental agency.

46 2. a. A governmental agency may cooperate with  
47 the port authority in the acquisition or construction  
48 of a port authority facility and shall enter into such  
49 agreements with the port authority as may be  
50 appropriate, which shall provide for contributions by

Page 17

1 the parties in a proportion as may be agreed upon and  
2 other terms as may be mutually satisfactory to the  
3 parties including the authorization of the  
4 construction of the facility by one of the parties  
5 acting as agent for all of the parties and the  
6 ownership and control of the facility by the port  
7 authority to the extent necessary or appropriate.

8 b. A governmental agency may provide funds for the  
9 payment of any contribution required under such  
10 agreements by the levy of taxes or assessments if  
11 otherwise authorized by the laws governing the  
12 governmental agency in the construction of the type of  
13 port authority facility provided for in the  
14 agreements, and may pay the proceeds from the  
15 collection of the taxes or assessments; or the  
16 governmental agency may issue bonds or notes, if  
17 authorized by law, in anticipation of the collection  
18 of the taxes or assessments, and may pay the proceeds  
19 of the bonds or notes to the port authority pursuant  
20 to such agreements.

21 c. A governmental agency may provide the funds for  
22 the payment of a contribution by the appropriation of  
23 moneys or, if otherwise authorized by law, by the  
24 issuance of bonds or notes and may pay the  
25 appropriated moneys or the proceeds of the bonds or  
26 notes to the port authority pursuant to such  
27 agreements.

28 3. When the contribution of any governmental  
29 agency is to be made over a period of time from the  
30 proceeds of the collection of special assessments, the  
31 interest accrued and to accrue before the first  
32 installment of the assessments is collected, which is  
33 payable by the governmental agency on the contribution  
34 under the terms and provisions of the agreements,  
35 shall be treated as part of the cost of the  
36 improvement for which the assessments are levied, and  
37 that portion of the assessments that is collected in  
38 installments shall bear interest at the same rate as  
39 the governmental agency is obligated to pay on the  
40 contribution under the terms and provisions of the  
41 agreements and for the same period of time as the  
42 contribution is to be made under the agreements. If  
43 the assessment or any installment thereof is not paid  
44 when due, it shall bear interest until the payment  
45 thereof at the same rate as the contribution and the  
46 county auditor shall annually place on the tax list  
47 and duplicate the interest applicable to the  
48 assessment and the penalty thereon as otherwise  
49 authorized by law.

50 4. A governmental agency, pursuant to a favorable

Page 18

1 vote in an election regarding issuing bonds to provide  
2 funds to acquire, construct, or equip, or provide real  
3 estate and interests in real estate for a port  
4 authority facility, whether or not the governmental  
5 agency at the time of the election had the authority  
6 to pay the proceeds from the bonds or notes issued in  
7 anticipation of the bonds to the port authority as  
8 provided in this section, may issue such bonds or  
9 notes in anticipation of the issuance of the bonds and  
10 pay the proceeds of the bonds or notes to the port  
11 authority in accordance with an agreement with the  
12 port authority; provided, that the legislative  
13 authority of the governmental agency finds and  
14 determines that the port authority facility to be  
15 acquired or constructed in cooperation with the  
16 governmental agency will serve the same public purpose  
17 and meet substantially the same public need as the  
18 facility otherwise proposed to be acquired or  
19 constructed by the governmental agency with the  
20 proceeds of the bonds and notes.

21 Sec.     . NEW SECTION. 28J.17 CONTRACTS,  
22 ARRANGEMENTS, AND AGREEMENTS.

23 1. a. A port authority may enter into a contract  
24 or other arrangement with a person, railroad, utility  
25 company, corporation, governmental agency including  
26 sewerage, drainage, conservation, conservancy, or  
27 other improvement districts in this or other states,  
28 or the governments or agencies of foreign countries as  
29 may be necessary or convenient for the exercise of the  
30 powers granted by this chapter. The port authority  
31 may purchase, lease, or acquire land or other property  
32 in any county of this state and in adjoining states  
33 for the accomplishment of authorized purposes of the  
34 port authority, or for the improvement of the harbor  
35 and port facilities over which the port authority may  
36 have jurisdiction including development of port  
37 facilities in adjoining states. The authority granted  
38 in this section to enter into contracts or other  
39 arrangements with the federal government includes the  
40 power to enter into any contracts, arrangements, or  
41 agreements that may be necessary to hold and save  
42 harmless the United States from damages due to the  
43 construction and maintenance by the United States of  
44 work the United States undertakes.

45 b. A political subdivision that has participated  
46 in the creation of a port authority, or is within, or  
47 adjacent to a political subdivision that is within the  
48 jurisdiction of a port authority, may enter into an  
49 agreement with the port authority to accomplish any of  
50 the authorized purposes of the port authority. The

Page 19

1 agreement may set forth the extent to which the port  
2 authority shall act as the agent of the political  
3 subdivision.

4 2. A port authority may enter into an agreement  
5 with a contracting governmental agency, whereby the  
6 port authority or the contracting governmental agency  
7 undertakes, and is authorized by the port authority or  
8 a contracting governmental agency, to exercise any  
9 power, perform any function, or render any service, on  
10 behalf of the port authority or a contracting  
11 governmental agency, which the port authority or the  
12 contracting governmental agency is authorized to  
13 exercise, perform, or render.

14 Sec. \_\_. NEW SECTION. 28J.18 REVENUE BONDS ARE  
15 LAWFUL INVESTMENTS.

16 Port authority revenue bonds issued pursuant to  
17 this chapter are lawful investments of banks, credit  
18 unions, trust companies, savings and loan  
19 associations, deposit guaranty associations, insurance  
20 companies, trustees, fiduciaries, trustees or other  
21 officers having charge of the bond retirement funds or  
22 sinking funds of port authorities and governmental  
23 agencies, and taxing districts of this state, the  
24 pension and annuity retirement system, the Iowa public  
25 employees' retirement system, the police and fire  
26 retirement systems under chapters 410 and 411, a  
27 revolving fund of a governmental agency of this state,  
28 and are acceptable as security for the deposit of  
29 public funds under chapter 12C.

30 Sec. \_\_. NEW SECTION. 28J.19 PROPERTY TAX  
31 EXEMPTION.

32 A port authority shall be exempt from and shall not  
33 be required to pay taxes on real property belonging to  
34 a port authority that is used exclusively for an  
35 authorized purpose as provided in section 427.1,  
36 subsection 34.

37 Sec. \_\_. NEW SECTION. 28J.20 LOANS FOR  
38 ACQUISITION OR CONSTRUCTION OF FACILITY – SALE OF  
39 FACILITY – POWER TO ENCUMBER PROPERTY.

40 1. With respect to the financing of a facility for  
41 an authorized purpose, under an agreement whereby the  
42 person to whom the facility is to be leased,  
43 subleased, or sold, or to whom a loan is to be made  
44 for the facility, is to make payments sufficient to  
45 pay all of the principal of, premium, and interest on  
46 the port authority revenue bonds issued for the  
47 facility, the port authority, in addition to other  
48 powers under this chapter, may do any of the  
49 following:

50 a. Make loans for the acquisition or construction

Page 20

1 of the facility to such person upon such terms as the  
2 port authority may determine or authorize including  
3 secured or unsecured loans, and enter into loan  
4 agreements and other agreements, accept notes and  
5 other forms of obligation to evidence such  
6 indebtedness and mortgages, liens, pledges,  
7 assignments, or other security interests to secure  
8 such indebtedness, which may be prior or subordinate  
9 to or on a parity with other indebtedness,  
10 obligations, mortgages, pledges, assignments, other  
11 security interests, or liens or encumbrances, and take  
12 actions considered appropriate to protect such  
13 security and safeguard against losses, including,  
14 without limitation, foreclosure and the bidding upon  
15 and purchase of property upon foreclosure or other  
16 sale.

17 b. Sell the facility under terms as the port  
18 authority may determine, including sale by conditional  
19 sale or installment sale, under which title may pass  
20 prior to or after completion of the facility or  
21 payment or provisions for payment of all principal of,  
22 premium, and interest on the revenue bonds, or at any  
23 other time provided in the agreement pertaining to the  
24 sale, and including sale under an option to purchase  
25 at a price which may be a nominal amount or less than  
26 true value at the time of purchase.

27 c. Grant a mortgage, lien, or other encumbrance  
28 on, or pledge or assignment of, or other security  
29 interest with respect to, all or any part of the  
30 facility, revenues, reserve funds, or other funds  
31 established in connection with the bonds or with  
32 respect to a lease, sublease, sale, conditional sale  
33 or installment sale agreement, loan agreement, or  
34 other agreement pertaining to the lease, sublease,  
35 sale, or other disposition of a facility or pertaining  
36 to a loan made for a facility, or a guaranty or  
37 insurance agreement made with respect thereto, or an  
38 interest of the port authority therein, or any other  
39 interest granted, assigned, or released to secure  
40 payments of the principal of, premium, or interest on  
41 the bonds or to secure any other payments to be made  
42 by the port authority, which mortgage, lien,  
43 encumbrance, pledge, assignment, or other security  
44 interest may be prior or subordinate to or on a parity  
45 with any other mortgage, assignment, or other security  
46 interest, or lien or encumbrance.

47 d. Contract for the acquisition or construction of  
48 the facility or any part thereof and for the leasing,  
49 subleasing, sale, or other disposition of the facility  
50 in a manner determined by the port authority in its

Page 21

1 sole discretion, without necessity for competitive  
2 bidding or performance bonds.

3 e. Make appropriate provision for adequate  
4 maintenance of the facility.

5 2. With respect to a facility referred to in this  
6 section, the authority granted by this section is  
7 cumulative and supplementary to all other authority  
8 granted in this chapter. The authority granted by  
9 this section does not alter or impair a similar  
10 authority granted elsewhere in this chapter for or  
11 with respect to other facilities.

12 Sec. \_\_. NEW SECTION. 28J.21 ISSUANCE OF  
13 REVENUE AND REFUNDING BONDS.

14 1. A port authority may issue revenue bonds and  
15 pledge orders payable solely from the net revenues of  
16 the port authority including the revenues generated  
17 from a facility pursuant to section 28J.20. The  
18 revenue bonds may be issued in such principal amounts  
19 as, in the opinion of the port authority, are  
20 necessary for the purpose of paying the cost of one or  
21 more port authority facilities or parts thereof.

22 2. a. The resolution to issue the bonds must be  
23 adopted at a regular or special meeting of the board  
24 called for that purpose by a majority of the total  
25 number of members of the board. The board shall fix a  
26 date, time, and place of meeting at which it proposes  
27 to take action, and give notice by publication in the  
28 manner directed in section 331.305. The notice must  
29 include a statement of the date, time, and place of  
30 the meeting, the maximum amount of the proposed  
31 revenue bonds, the purpose for which the revenue bonds  
32 will be issued, and the net revenues to be used to pay  
33 the principal and interest on the revenue bonds.

34 b. At the meeting the board shall receive oral or  
35 written objections from any resident or property owner  
36 within the jurisdiction of the port authority. After  
37 all objections have been received and considered, the  
38 board, at the meeting or a date to which it is  
39 adjourned, may take additional action for the issuance  
40 of the bonds or abandon the proposal to issue bonds.  
41 Any resident or property owner within the jurisdiction  
42 of the port authority may appeal a decision of the  
43 board to take additional action in district court  
44 within fifteen days after the additional action is  
45 taken, but the additional action of the board is final  
46 and conclusive unless the court finds that the board  
47 exceeded its authority.

48 3. The board may sell revenue bonds or pledge  
49 orders at public or private sale and may deliver  
50 revenue bonds and pledge orders to the contractors,

Page 22

1 sellers, and other persons furnishing materials and  
2 services constituting a part of the cost of the port  
3 authority facility in payment therefor. The pledge of  
4 any net revenues of a port authority is valid and  
5 effective as to all persons including but not limited  
6 to other governmental bodies when it becomes valid and  
7 effective between the port authority and the holders  
8 of the revenue bonds or pledge orders.

9 4. A revenue bond is valid and binding for all  
10 purposes if it bears the signatures or a facsimile of  
11 the signature of the officer designated by the port  
12 authority. Port authority revenue bonds may bear  
13 dates, bear interest at rates not exceeding those  
14 permitted by chapter 74A, bear interest at a variable  
15 rate or rates changing from time to time in accordance  
16 with a base or formula, mature in one or more  
17 installments, be in registered form, carry  
18 registration and conversion privileges, be payable as  
19 to principal and interest at times and places, be  
20 subject to terms of redemption prior to maturity with  
21 or without premium, and be in one or more  
22 denominations, all as provided by the resolution of  
23 the board authorizing their issuance. The resolution  
24 may also prescribe additional provisions, terms,  
25 conditions, and covenants which the port authority  
26 deems advisable, consistent with this chapter,  
27 including provisions for creating and maintaining  
28 reserve funds, the issuance of additional revenue  
29 bonds ranking on a parity with such revenue bonds and  
30 additional revenue bonds junior and subordinate to  
31 such revenue bonds, and that such revenue bonds shall  
32 rank on a parity with or be junior and subordinate to  
33 any revenue bonds which may be then outstanding. Port  
34 authority revenue bonds are a contract between the  
35 port authority and holders and the resolution is a  
36 part of the contract.

37 5. The port authority may issue revenue bonds to  
38 refund revenue bonds, pledge orders, and other  
39 obligations which are by their terms payable from the  
40 net revenues of the same port authority, at lower, the  
41 same, or higher rates of interest. A port authority  
42 may sell refunding revenue bonds at public or private  
43 sale and apply the proceeds to the payment of the  
44 obligations being refunded, and may exchange refunding  
45 revenue bonds in payment and discharge of the  
46 obligations being refunded. The principal amount of  
47 refunding revenue bonds may exceed the principal  
48 amount of the obligations being refunded to the extent  
49 necessary to pay any premium due on the call of the  
50 obligations being refunded and to fund interest

Page 23

1 accrued and to accrue on the obligations being  
2 refunded.

3 6. The final maturity of any original issue of  
4 port authority revenue bonds shall not exceed forty  
5 years from the date of issue, and the final maturity  
6 of port authority revenue bonds that refund  
7 outstanding port authority revenue bonds shall not be  
8 later than the later of forty years from the date of  
9 issue of the original issue of bonds or the date by  
10 which it is expected, at the time of issuance of the  
11 refunding bonds, that the useful life of all of the  
12 property refinanced with the proceeds of the bonds,  
13 other than interests in land, will have expired. Such  
14 bonds or notes shall be executed in a manner as the  
15 resolution may provide.

16 7. The port authority may contract to pay an  
17 amount not to exceed ninety-five percent of the  
18 engineer's estimated value of the acceptable work  
19 completed during the month to the contractor at the  
20 end of each month for work, material, or services.  
21 Payment may be made in warrants drawn on any fund from  
22 which payment for the work may be made. If such funds  
23 are depleted, anticipatory warrants may be issued  
24 bearing a rate of interest not exceeding that  
25 permitted by chapter 74A even if income from the sale  
26 of bonds which have been authorized and are applicable  
27 to the public improvement takes place after the fiscal  
28 year in which the warrants are issued. If the port  
29 authority arranges for the private sale of  
30 anticipatory warrants, the warrants may be sold and  
31 the proceeds used to pay the contractor. The warrants  
32 may also be used to pay other persons furnishing  
33 services constituting a part of the cost of the public  
34 improvement.

35 8. Port authority revenue bonds, pledge orders,  
36 and warrants issued under this section are negotiable  
37 instruments.

38 9. The board may issue pledge orders pursuant to a  
39 resolution adopted by a majority of the total number  
40 of supervisors, at a regular or special meeting,  
41 ordering their issuance and delivery in payment for  
42 all or part of the cost of a project. Pledge orders  
43 may bear interest at rates not exceeding those  
44 permitted by chapter 74A.

45 10. Except as provided in section 28J.20, the  
46 physical properties of the port authority shall not be  
47 pledged or mortgaged to secure the payment of revenue  
48 bonds, pledge orders, or refunding bonds, or the  
49 interest thereon.

50 11. The members of the board of the port authority

Page 24

1 and any person executing the bonds or pledge orders  
2 shall not be personally liable on the bonds or pledge  
3 orders or be subject to any personal liability or  
4 accountability by reason of the issuance thereof.

5 Sec. \_\_. NEW SECTION. 28J.22 BONDS MAY BE  
6 SECURED BY TRUST AGREEMENT.

7 1. In the discretion of the port authority, a port  
8 authority revenue bond issued under this chapter may  
9 be secured by a trust agreement between the port  
10 authority and a corporate trustee that may be any  
11 trust company or bank having the powers of a trust  
12 company within this or any other state.

13 2. The trust agreement may pledge or assign  
14 revenues of the port authority to be received for  
15 payment of the revenue bonds. The trust agreement or  
16 any resolution providing for the issuance of revenue  
17 bonds may contain provisions for protecting and  
18 enforcing the rights and remedies of the bondholders  
19 as are reasonable and proper and not in violation of  
20 law, including covenants setting forth the duties of  
21 the port authority in relation to the acquisition of  
22 property, the construction, improvement, maintenance,  
23 repair, operation, and insurance of the port authority  
24 facility in connection with which the bonds are  
25 authorized, the rentals or other charges to be imposed  
26 for the use or services of any port authority  
27 facility, the custody, safeguarding, and application  
28 of all moneys, and provisions for the employment of  
29 consulting engineers in connection with the  
30 construction or operation of any port authority  
31 facility.

32 3. A bank or trust company incorporated under the  
33 laws of this state, that may act as the depository of  
34 the proceeds of bonds or of revenues, shall furnish  
35 any indemnifying bonds or may pledge any securities  
36 that are required by the port authority. The trust  
37 agreement may set forth the rights and remedies of the  
38 bondholders and of the trustee, and may restrict the  
39 individual right of action by bondholders as is  
40 customary in trust agreements or trust indentures  
41 securing similar bonds. The trust agreement may  
42 contain any other provisions that the port authority  
43 determines reasonable and proper for the security of  
44 the bondholders. All expenses incurred in carrying  
45 out the provisions of the trust agreement may be  
46 treated as a part of the cost of the operation of the  
47 port authority facility.

48 Sec. \_\_. NEW SECTION. 28J.23 REMEDY OF HOLDER  
49 OF BOND OR COUPON – STATUTE OF LIMITATIONS.

50 1. The sole remedy for a breach or default of a

Page 25

1 term of a port authority revenue bond or pledge order  
2 is a proceeding in law or in equity by suit, action,  
3 or mandamus to enforce and compel performance of the  
4 duties required by this chapter and of the terms of  
5 the resolution authorizing the issuance of the revenue  
6 bonds or pledge orders, or to obtain the appointment  
7 of a receiver to take possession of and operate the  
8 port authority, and to perform the duties required by  
9 this chapter and the terms of the resolution  
10 authorizing the issuance of the port authority revenue  
11 bonds or pledge orders.

12 2. An action shall not be brought which questions  
13 the legality of port authority revenue bonds or pledge  
14 orders, the power of a port authority to issue revenue  
15 bonds or pledge orders, or the effectiveness of any  
16 proceedings relating to the authorization and issuance  
17 of revenue bonds or pledge orders, from and after  
18 fifteen days from the time the bonds or pledge orders  
19 are ordered issued by the port authority.

20 Sec. \_\_. NEW SECTION. 28J.24 BONDS ARE PAYABLE  
21 SOLELY FROM REVENUES AND FUNDS PLEDGED FOR PAYMENT.

22 Port authority revenue bonds and pledge orders  
23 issued under this chapter do not constitute a debt, or  
24 a pledge of the faith and credit, of the state or a  
25 political subdivision of the state, and the holders or  
26 owners of the bonds or pledge orders shall not have  
27 taxes levied by the state or by a taxing authority of  
28 a governmental agency of the state for the payment of  
29 the principal of or interest on the bonds or pledge  
30 orders, but the bonds and pledge orders are payable  
31 solely from the revenues and funds pledged for their  
32 payment as authorized by this chapter, unless the  
33 notes are issued in anticipation of the issuance of  
34 bonds or pledge orders or the bonds and pledge orders  
35 are refunded by refunding bonds issued under this  
36 chapter, which bonds, pledge orders, or refunding  
37 bonds shall be payable solely from revenues and funds  
38 pledged for their payment as authorized by those  
39 sections. All of the bonds or pledge orders shall  
40 contain a statement to the effect that the bonds or  
41 pledge orders, as to both principal and interest, are  
42 not debts of the state or a political subdivision of  
43 the state, but are payable solely from revenues and  
44 funds pledged for their payment.

45 Sec. \_\_. NEW SECTION. 28J.25 FUNDS AND PROPERTY  
46 HELD IN TRUST – USE AND DEPOSIT OF FUNDS.

47 All revenues, funds, properties, and assets  
48 acquired by the port authority under this chapter,  
49 whether as proceeds from the sale of port authority  
50 revenue bonds, pledge orders, or as revenues, shall be

Page 26

1 held in trust for the purposes of carrying out the  
2 port authority's powers and duties, shall be used and  
3 reused as provided in this chapter, and shall at no  
4 time be part of other public funds. Such funds,  
5 except as otherwise provided in a resolution  
6 authorizing port authority revenue bonds or in a trust  
7 agreement securing the same, or except when invested  
8 pursuant to section 28J.26, shall be kept in  
9 depositories selected by the port authority in the  
10 manner provided in chapter 12C, and the deposits shall  
11 be secured as provided in that chapter. The  
12 resolution authorizing the issuance of revenue bonds  
13 or pledge orders, or the trust agreement securing such  
14 bonds or pledge orders shall provide that any officer  
15 to whom, or any bank or trust company to which, such  
16 moneys are paid shall act as trustee of such moneys  
17 and hold and apply them for the purposes hereof,  
18 subject to such conditions as this chapter and such  
19 resolution or trust agreement provide.

20 Sec. \_\_. NEW SECTION. 28J.26 INVESTMENT OF  
21 EXCESS FUNDS.

22 1. If a port authority has surplus funds after  
23 making all deposits into all funds required by the  
24 terms, covenants, conditions, and provisions of  
25 outstanding revenue bonds, pledge orders, and  
26 refunding bonds which are payable from the revenues of  
27 the port authority and after complying with all of the  
28 requirements, terms, covenants, conditions, and  
29 provisions of the proceedings and resolutions pursuant  
30 to which revenue bonds, pledge orders, and refunding  
31 bonds are issued, the board may transfer the surplus  
32 funds to any other fund of the port authority in  
33 accordance with this chapter and chapter 12C, provided  
34 that a transfer shall not be made if it conflicts with  
35 any of the requirements, terms, covenants, conditions,  
36 or provisions of a resolution authorizing the issuance  
37 of revenue bonds, pledge orders, or other obligations  
38 which are payable from the revenues of the port  
39 authority which are then outstanding.

40 2. This section does not prohibit or prevent the  
41 board from using funds derived from any other source  
42 which may be properly used for such purpose, to pay a  
43 part of the cost of a facility.

44 Sec. \_\_. NEW SECTION. 28J.27 CHANGE IN LOCATION  
45 OF PUBLIC WAY, RAILROAD, OR UTILITY FACILITY –  
46 VACATION OF HIGHWAY.

47 1. When a port authority changes the location of  
48 any portion of any public road, railroad, or utility  
49 facility in connection with the construction of a port  
50 authority facility, the port authority shall

Page 27

1 reconstruct at such location as the governmental  
2 agency having jurisdiction over such road, railroad,  
3 or utility facility finds most favorable. The  
4 construction of such road, railroad, or utility  
5 facility shall be of substantially the same type and  
6 in as good condition as the original road, railroad,  
7 or utility facility. The cost of such reconstruction,  
8 relocation, or removal and any damage incurred in  
9 changing the location of any such road, railroad, or  
10 utility facility shall be paid by the port authority  
11 as a part of the cost of the port authority facility.

12 2. When the port authority finds it necessary that  
13 a public highway or portion of a public highway be  
14 vacated by reason of the acquisition or construction  
15 of a port authority facility, the port authority may  
16 request the director of the department of  
17 transportation to vacate such highway or portion in  
18 accordance with chapter 306 if the highway or portion  
19 to be vacated is on the state highway system, or, if  
20 the highway or portion to be vacated is under the  
21 jurisdiction of a county, the port authority shall  
22 petition the board of supervisors of that county, in  
23 the manner provided in chapter 306, to vacate such  
24 highway or portion. The port authority shall pay to  
25 the county, as a part of the cost of such port  
26 authority facility, any amounts required to be  
27 deposited with a court in connection with proceedings  
28 for the determination of compensation and damages and  
29 all amounts of compensation and damages finally  
30 determined to be payable as a result of such vacation.

31 3. The port authority may adopt bylaws for the  
32 installation, construction, maintenance, repair,  
33 renewal, relocation, and removal of railroad or  
34 utility facilities in, on, over, or under any port  
35 authority facility. Whenever the port authority  
36 determines that it is necessary that any such facility  
37 installed or constructed in, on, over, or under  
38 property of the port authority pursuant to such bylaws  
39 be relocated, the utility company owning or operating  
40 such facility shall relocate or remove them in  
41 accordance with the order of the port authority. The  
42 cost and expenses of such relocation or removal,  
43 including the cost of installing such facility in a  
44 new location, the cost of any lands, or any rights or  
45 interests in lands, and any other rights, acquired to  
46 accomplish such relocation or removal, shall be paid  
47 by the port authority as a part of the cost of the  
48 port authority facility. In case of any such  
49 relocation or removal of such facilities, the railroad  
50 or utility company owning or operating them, its

Page 28

1 successors, or assigns may maintain and operate such  
2 facilities, with the necessary appurtenances, in the  
3 new location in, on, over, or under the property of  
4 the port authority for as long a period and upon the  
5 same terms as the railroad or utility company had the  
6 right to maintain and operate such facilities in their  
7 former location.

8 Sec. \_\_. NEW SECTION. 28J.28 FINAL ACTIONS TO  
9 BE RECORDED – ANNUAL REPORT – CONFIDENTIALITY OF  
10 INFORMATION.

11 1. All final actions of the port authority shall  
12 be recorded and the records of the port authority  
13 shall be open to public examination and copying  
14 pursuant to chapter 22. Not later than the first day  
15 of April every year, a port authority shall submit a  
16 report to the director of the department of economic  
17 development detailing the projects and activities of  
18 the port authority during the previous calendar year.  
19 The report shall include, but not be limited to, all  
20 aspects of those projects and activities, including  
21 the progress and status of the projects and their  
22 costs, and any other information the director  
23 determines should be included in the report.

24 2. Financial and proprietary information,  
25 including trade secrets, submitted to a port authority  
26 or the agents of a port authority, in connection with  
27 the relocation, location, expansion, improvement, or  
28 preservation of a business or nonprofit corporation is  
29 not a public record subject to chapter 22. Any other  
30 information submitted under those circumstances is not  
31 a public record subject to chapter 22 until there is a  
32 commitment in writing to proceed with the relocation,  
33 location, expansion, improvement, or preservation.

34 3. Notwithstanding chapter 21, the board of  
35 directors of a port authority, when considering  
36 information that is not a public record under this  
37 section, may close a meeting during the consideration  
38 of that information pursuant to a vote of the majority  
39 of the directors present on a motion stating that such  
40 information is to be considered. Other matters shall  
41 not be considered during the closed session.

42 Sec. \_\_. NEW SECTION. 28J.29 PROVISIONS TO BE  
43 LIBERALLY CONSTRUED.

44 This chapter shall be liberally construed to effect  
45 the chapter's purposes.

46 Sec. \_\_. Section 427.1, Code 2005, is amended by  
47 adding the following new subsection:

48 NEW SUBSECTION. 34. PORT AUTHORITY PROPERTY. The  
49 property of a port authority created pursuant to  
50 section 28J.2, when devoted to public use and not held

Page 29

1 for pecuniary profit.

2 DIVISION

3 PROPERTY ASSESSMENT

4 Sec. \_\_\_\_. Section 7E.6, subsection 5, Code 2005,  
5 is amended to read as follows:

6 5. Any position of membership on the board of  
7 parole, the public employment relations board, the  
8 utilities board, ~~and~~ the employment appeal board, and  
9 the property assessment appeal board shall be  
10 compensated as otherwise provided in law.

11 Sec. \_\_\_\_. Section 13.7, Code 2005, is amended to  
12 read as follows:

13 13.7 SPECIAL COUNSEL.

14 Compensation shall not be allowed to any person for  
15 services as an attorney or counselor to an executive  
16 department of the state government, or the head  
17 thereof, or to a state board or commission. However,  
18 the executive council may employ legal assistance, at  
19 a reasonable compensation, in a pending action or  
20 proceeding to protect the interests of the state, but  
21 only upon a sufficient showing, in writing, made by  
22 the attorney general, that the department of justice  
23 cannot for reasons stated by the attorney general  
24 perform the service, which reasons and action of the  
25 council shall be entered upon its records. When the  
26 attorney general determines that the department of  
27 justice cannot perform legal service in an action or  
28 proceeding, the executive council shall request the  
29 department involved in the action or proceeding to  
30 recommend legal counsel to represent the department.  
31 If the attorney general concurs with the department  
32 that the person recommended is qualified and suitable  
33 to represent the department, the person recommended  
34 shall be employed. If the attorney general does not  
35 concur in the recommendation, the department shall  
36 submit a new recommendation. This section does not  
37 affect the general counsel for the utilities board of  
38 the department of commerce, ~~or~~ the legal counsel of  
39 the department of workforce development, or the  
40 general counsel for the property assessment appeal  
41 board.

42 Sec. \_\_\_\_. NEW SECTION. 421.1A PROPERTY  
43 ASSESSMENT APPEAL BOARD.

44 1. A statewide property assessment appeal board is  
45 created for the purpose of establishing a consistent,  
46 fair, and equitable property assessment appeal  
47 process. The statewide property assessment appeal  
48 board is established within the department of revenue  
49 for administrative and budgetary purposes. The  
50 board's principal office shall be in the office of the

Page 30

1 department of revenue in the capital of the state.

2 2. a. The property assessment appeal board shall  
3 consist of three members appointed to staggered six-  
4 year terms, beginning and ending as provided in  
5 section 69.19, by the governor and subject to  
6 confirmation by the senate. Subject to confirmation  
7 by the senate, the governor shall appoint from the  
8 members a chairperson of the board to a two-year term.  
9 Vacancies on the board shall be filled for the  
10 unexpired portion of the term in the same manner as  
11 regular appointments are made. The term of office for  
12 the initial board shall begin January 1, 2007.

13 b. Each member of the property assessment appeal  
14 board shall be qualified by virtue of at least two  
15 years' experience in the area of government,  
16 corporate, or private practice relating to property  
17 appraisal and property tax administration. One member  
18 of the board shall be a certified real estate  
19 appraiser or hold a professional appraisal  
20 designation, one member shall be an attorney  
21 practicing in the area of state and local taxation or  
22 property tax appraisals, and one member shall be a  
23 professional with experience in the field of  
24 accounting or finance and with experience in state and  
25 local taxation matters. No more than two members of  
26 the board may be from the same political party as that  
27 term is defined in section 43.2.

28 c. The property assessment appeal board shall  
29 organize by appointing a secretary who shall take the  
30 same oath of office as the members of the board. The  
31 board may employ additional personnel as it finds  
32 necessary. All personnel employed by the board shall  
33 be considered state employees and are subject to the  
34 merit system provisions of chapter 8A, subchapter IV.

35 3. At the election of a property owner or  
36 aggrieved taxpayer or an appellant described in  
37 section 441.42, the property assessment appeal board  
38 shall review any final decision, finding, ruling,  
39 determination, or order of a local board of review  
40 relating to protests of an assessment, valuation, or  
41 application of an equalization order.

42 4. The property assessment appeal board may do all  
43 of the following:

44 a. Affirm, reverse, or modify a final decision,  
45 finding, ruling, determination, or order of a local  
46 board of review.

47 b. Order the payment or refund of property taxes  
48 in a matter over which the board has jurisdiction.

49 c. Grant other relief or issue writs, orders, or  
50 directives that the board deems necessary or

Page 31

1 appropriate in the process of disposing of a matter  
2 over which the board has jurisdiction.

3 d. Subpoena documents and witnesses and administer  
4 oaths.

5 e. Adopt administrative rules pursuant to chapter  
6 17A for the administration and implementation of its  
7 powers, including rules for practice and procedure for  
8 protests filed with the board, the manner in which  
9 hearings on appeals of assessments shall be conducted,  
10 filing fees to be imposed by the board, and for the  
11 determination of the correct assessment of property  
12 which is the subject of an appeal.

13 f. Adopt administrative rules pursuant to chapter  
14 17A necessary for the preservation of order and the  
15 regulation of proceedings before the board, including  
16 forms or notice and the service thereof, which rules  
17 shall conform as nearly as possible to those in use in  
18 the courts of this state.

19 5. The property assessment appeal board shall  
20 employ a competent attorney to serve as its general  
21 counsel, and assistants to the general counsel as it  
22 finds necessary for the full and efficient discharge  
23 of its duties. The general counsel is the attorney  
24 for, and legal advisor of, the board. The general  
25 counsel or an assistant to the general counsel shall  
26 provide the necessary legal advice to the board in all  
27 matters and shall represent the board in all actions  
28 instituted in a court challenging the validity of a  
29 rule or order of the board. The general counsel shall  
30 devote full time to the duties of the office. During  
31 employment as general counsel to the board, the  
32 counsel shall not be a member of a political  
33 committee, contribute to a political campaign,  
34 participate in a political campaign, or be a candidate  
35 for partisan political office. The general counsel  
36 and assistants to the general counsel shall be  
37 considered state employees and are subject to the  
38 merit system provisions of chapter 8A, subchapter IV.

39 6. The members of the property assessment appeal  
40 board shall receive compensation from the state  
41 commensurate with the salary of a district judge. The  
42 members of the board shall not be considered state  
43 employees for purposes of salary and benefits. The  
44 members of the board and any employees of the board,  
45 when required to travel in the discharge of official  
46 duties, shall be paid their actual and necessary  
47 expenses incurred in the performance of duties.

48 7. a. Effective January 1, 2012, a property  
49 assessment appeal board review committee is  
50 established. Staffing assistance to the committee

Page 32

1 shall be provided by the department of revenue. The  
2 committee shall consist of six members of the general  
3 assembly, two appointed by the majority leader of the  
4 senate, one appointed by the minority leader of the  
5 senate, two appointed by the speaker of the house of  
6 representatives, and one appointed by the minority  
7 leader of the house of representatives; the director  
8 of revenue or the director's designee; a county  
9 assessor appointed by the Iowa state association of  
10 counties; and a city assessor appointed by the Iowa  
11 league of cities.

12 b. The property assessment appeal board review  
13 committee shall review the activities of the property  
14 assessment appeal board since its inception. The  
15 review committee may recommend the revision of any  
16 rules, regulations, directives, or forms relating to  
17 the activities of the property assessment appeal  
18 board.

19 c. The review committee shall report to the  
20 general assembly by January 15, 2013. The report  
21 shall include any recommended changes in laws relating  
22 to the property assessment appeal board, the reasons  
23 for the committee's recommendations, and any other  
24 information the committee deems advisable.

25 Sec. \_\_. Section 428.4, unnumbered paragraph 1,  
26 Code 2005, is amended to read as follows:

27 Property shall be assessed for taxation each year.  
28 Real estate shall be listed and assessed in 1981 and  
29 every two years thereafter. The assessment of real  
30 estate shall be the value of the real estate as of  
31 January 1 of the year of the assessment. The year  
32 1981 and each odd-numbered year thereafter shall be a  
33 reassessment year. In any year, after the year in  
34 which an assessment has been made of all the real  
35 estate in an assessing jurisdiction, the assessor  
36 shall value and assess or revalue and reassess, as the  
37 case may require, any real estate that the assessor  
38 finds was incorrectly valued or assessed, or was not  
39 listed, valued, and assessed, in the assessment year  
40 immediately preceding, also any real estate the  
41 assessor finds has changed in value subsequent to  
42 January 1 of the preceding real estate assessment  
43 year. However, a percentage increase on a class of  
44 property shall not be made in a year not subject to an  
45 equalization order unless ordered by the department of  
46 revenue. The assessor shall determine the actual  
47 value and compute the taxable value thereof as of  
48 January 1 of the year of the revaluation and  
49 reassessment. The assessment shall be completed as  
50 specified in section 441.28, but no reduction or

Page 33

1 increase in actual value shall be made for prior  
2 years. If an assessor makes a change in the valuation  
3 of the real estate as provided for, sections 441.23,  
4 441.37, 441.37A, 441.38 and 441.39 apply.

5 Sec. \_\_. Section 441.19, subsection 4, Code 2005,  
6 is amended to read as follows:

7 4. The supplemental returns ~~herein~~ provided for in  
8 this section shall be preserved in the same manner as  
9 assessment rolls, but shall be confidential to the  
10 assessor, board of review, property assessment appeal  
11 board, or director of revenue, and shall not be open  
12 to public inspection, but any final assessment roll as  
13 made out by the assessor shall be a public record,  
14 provided that such supplemental return shall be  
15 available to counsel of either the person making the  
16 return or of the public, in case any appeal is taken  
17 to the board of review, to the property assessment  
18 appeal board, or to the court.

19 Sec. \_\_. Section 441.21, subsection 1, Code 2005,  
20 is amended by adding the following new paragraphs:

21 NEW PARAGRAPH. h. The assessor shall determine  
22 the value of real property in accordance with rules  
23 adopted by the department of revenue and in accordance  
24 with forms and guidelines contained in the real  
25 property appraisal manual prepared by the department  
26 as updated from time to time. Such rules, forms, and  
27 guidelines shall not be inconsistent with or change  
28 the means, as provided in this section, of determining  
29 the actual, market, taxable, and assessed values.

30 NEW PARAGRAPH. i. If the department finds that a  
31 city or county assessor is not in compliance with the  
32 rules of the department relating to valuation of  
33 property or has disregarded the forms and guidelines  
34 contained in the real property appraisal manual, the  
35 department shall notify the assessor and each member  
36 of the conference board for the appropriate assessing  
37 jurisdiction. The notice shall be mailed by  
38 restricted certified mail. The notice shall specify  
39 the areas of noncompliance and the steps necessary to  
40 achieve compliance. The notice shall also inform the  
41 assessor and conference board that if compliance is  
42 not achieved, a penalty may be imposed.

43 The conference board shall respond to the  
44 department within thirty days of receipt of the notice  
45 of noncompliance. The conference board may respond to  
46 the notice by asserting that the assessor is in  
47 compliance with the rules, guidelines, and forms of  
48 the department or by informing the department that the  
49 conference board intends to submit a plan of action to  
50 achieve compliance. If the conference board responds

Page 34

1 to the notification by asserting that the assessor is  
2 in compliance, a hearing before the director of  
3 revenue shall be scheduled on the matter.

4 A plan of action shall be submitted within sixty  
5 days of receipt of the notice of noncompliance. The  
6 plan shall contain a time frame under which compliance  
7 shall be achieved which shall be no later than January  
8 1 of the following assessment year. The plan of  
9 action shall contain the signature of the assessor and  
10 of the chairperson of the conference board. The  
11 department shall review the plan to determine whether  
12 the plan is sufficient to achieve compliance. Within  
13 thirty days of receipt of the plan, the department  
14 shall notify the assessor and the chairperson of the  
15 conference board that it has accepted the plan or that  
16 it is necessary to submit an amended plan of action.

17 By January 1 of the assessment year following the  
18 calendar year in which the plan was submitted to the  
19 department, the conference board shall submit a report  
20 to the department indicating that the plan of action  
21 was followed and compliance has been achieved. The  
22 department may conduct a field inspection to ensure  
23 that the assessor is in compliance. By January 31,  
24 the department shall notify the assessor and the  
25 conference board, by restricted certified mail, either  
26 that compliance has been achieved or that the assessor  
27 remains in noncompliance. If the department  
28 determines that the assessor remains in noncompliance,  
29 the department shall take steps to withhold up to five  
30 percent of the reimbursement payment authorized in  
31 section 425.1 until the director of revenue determines  
32 that the assessor is in compliance.

33 If the conference board disputes the determination  
34 of the department, the chairperson of the conference  
35 board may appeal the determination to the state board  
36 of tax review.

37 The department shall adopt rules relating to the  
38 administration of this paragraph "1".

39 Sec. \_\_\_. Section 441.21, subsection 2, Code 2005,  
40 is amended to read as follows:

41 2. In the event market value of the property being  
42 assessed cannot be readily established in the  
43 foregoing manner, then the assessor may determine the  
44 value of the property using the other uniform and  
45 recognized appraisal methods including its productive  
46 and earning capacity, if any, industrial conditions,  
47 its cost, physical and functional depreciation and  
48 obsolescence and replacement cost, and all other  
49 factors which would assist in determining the fair and  
50 reasonable market value of the property but the actual

Page 35

1 value shall not be determined by use of only one such  
2 factor. The following shall not be taken into  
3 consideration: Special value or use value of the  
4 property to its present owner, and the good will or  
5 value of a business which uses the property as  
6 distinguished from the value of the property as  
7 property. However, in assessing property that is  
8 rented or leased to low-income individuals and  
9 families as authorized by section 42 of the Internal  
10 Revenue Code, as amended, and which section limits the  
11 amount that the individual or family pays for the  
12 rental or lease of units in the property, the assessor  
13 shall use the productive and earning capacity from the  
14 actual rents received as a method of appraisal and  
15 shall take into account the extent to which that use  
16 and limitation reduces the market value of the  
17 property. The assessor shall not consider any tax  
18 credit equity or other subsidized financing as income  
19 provided to the property in determining the assessed  
20 value. The property owner shall notify the assessor  
21 when property is withdrawn from section 42 eligibility  
22 under the Internal Revenue Code. The property shall  
23 not be subject to section 42 assessment procedures for  
24 the assessment year for which section 42 eligibility  
25 is withdrawn. This notification must be provided to  
26 the assessor no later than March 1 of the assessment  
27 year or the owner will be subject to a penalty of five  
28 hundred dollars for that assessment year. The penalty  
29 shall be collected at the same time and in the same  
30 manner as regular property taxes. Upon adoption of  
31 uniform rules by the ~~revenue~~ department of revenue or  
32 succeeding authority covering assessments and  
33 valuations of such properties, ~~said~~ the valuation on  
34 such properties shall be determined in accordance  
35 ~~therewith~~ with such rules and in accordance with forms  
36 and guidelines contained in the real property  
37 appraisal manual prepared by the department as updated  
38 from time to time for assessment purposes to assure  
39 uniformity, but such rules, forms, and guidelines  
40 shall not be inconsistent with or change the foregoing  
41 means of determining the actual, market, taxable and  
42 assessed values.

43 Sec.     . Section 441.28, Code 2005, is amended to  
44 read as follows:

45 441.28 ASSESSMENT ROLLS – CHANGE – NOTICE TO  
46 TAXPAYER.

47 The assessment shall be completed not later than  
48 April 15 each year. If the assessor makes any change  
49 in an assessment after it has been entered on the  
50 assessor's rolls, the assessor shall note on ~~said~~ the

Page 36

1 roll, together with the original assessment, the new  
2 assessment and the reason for the change, together  
3 with the assessor's signature and the date of the  
4 change. Provided, however, in the event the assessor  
5 increases any assessment the assessor shall give  
6 notice of the increase in writing ~~thereof~~ to the  
7 taxpayer by mail ~~prior to the meeting of the board of~~  
8 ~~review postmarked no later than April 15.~~ No changes  
9 shall be made on the assessment rolls after April 15  
10 except by order of the board of review or of the  
11 property assessment appeal board, or by decree of  
12 court.

13 Sec. \_\_. Section 441.35, unnumbered paragraph 2,  
14 Code 2005, is amended to read as follows:

15 In any year after the year in which an assessment  
16 has been made of all of the real estate in any taxing  
17 district, ~~it shall be the duty of~~ the board of review  
18 ~~to shall~~ meet as provided in section 441.33, and where  
19 ~~the board~~ finds the same has changed in value, ~~to~~  
20 the board shall revalue and reassess any part or all  
21 of the real estate contained in such taxing district,  
22 and in such case, ~~the board~~ shall determine the  
23 actual value as of January 1 of the year of the  
24 revaluation and reassessment and compute the taxable  
25 value thereof, ~~and any.~~ Any aggrieved taxpayer may  
26 petition for a revaluation of the taxpayer's property,  
27 but no reduction or increase shall be made for prior  
28 years. If the assessment of any such property is  
29 raised, or any property is added to the tax list by  
30 the board, the clerk shall give notice in the manner  
31 provided in section 441.36, ~~provided, however, that~~  
32 However, if the assessment of all property in any  
33 taxing district is raised, the board may instruct the  
34 clerk to give immediate notice by one publication in  
35 one of the official newspapers located in the taxing  
36 district, and such published notice shall take the  
37 place of the mailed notice provided for in section  
38 441.36, but all other provisions of ~~said that~~ section  
39 shall apply. The decision of the board as to the  
40 foregoing matters shall be subject to appeal to the  
41 property assessment appeal board within the same time  
42 and in the same manner as provided in section 441.37A  
43 and to the district court within the same time and in  
44 the same manner as provided in section 441.38.

45 Sec. \_\_. NEW SECTION. 441.37A APPEAL OF PROTEST  
46 TO PROPERTY ASSESSMENT APPEAL BOARD.

47 1. For the assessment year beginning January 1,  
48 2007, and all subsequent assessment years, appeals may  
49 be taken from the action of the board of review with  
50 reference to protests of assessment, valuation, or

Page 37

1 application of an equalization order to the property  
2 assessment appeal board created in section 421.1A.  
3 However, a property owner or aggrieved taxpayer or an  
4 appellant described in section 441.42 may bypass the  
5 property assessment appeal board and appeal the  
6 decision of the local board of review to the district  
7 court pursuant to section 441.38. For an appeal to  
8 the property assessment appeal board to be valid,  
9 written notice must be filed by the party appealing  
10 the decision with the secretary of the property  
11 assessment appeal board within twenty days after the  
12 date the board of review's letter of disposition of  
13 the appeal is postmarked to the party making the  
14 protest. The written notice of appeal shall include a  
15 petition setting forth the basis of the appeal and the  
16 relief sought. No new grounds in addition to those  
17 set out in the protest to the local board of review as  
18 provided in section 441.37 can be pleaded, but  
19 additional evidence to sustain those grounds may be  
20 introduced. The assessor shall have the same right to  
21 appeal to the assessment appeal board as an individual  
22 taxpayer, public body, or other public officer as  
23 provided in section 441.42.

24 Filing of the written notice of appeal and petition  
25 with the secretary of the property assessment appeal  
26 board shall preserve all rights of appeal of the  
27 appellant, except as otherwise provided in subsection  
28 2. A copy of the appellant's written notice of appeal  
29 and petition shall be mailed by the secretary of the  
30 property assessment appeal board to the local board of  
31 review whose decision is being appealed. In all cases  
32 where a change in assessed valuation of one hundred  
33 thousand dollars or more is petitioned for, the local  
34 board of review shall mail a copy of the written  
35 notice of appeal and petition to all affected taxing  
36 districts as shown on the last available tax list.  
37 2. A party to the appeal may request a hearing or  
38 the appeal may proceed without a hearing. If a  
39 hearing is requested, the appellant and the local  
40 board of review from which the appeal is taken shall  
41 be given at least thirty days' written notice by the  
42 property assessment appeal board of the date the  
43 appeal shall be heard and the local board of review  
44 may be present and participate at such hearing.  
45 Notice to all affected taxing districts shall be  
46 deemed to have been given when written notice is  
47 provided to the local board of review. Failure by the  
48 appellant to appear at the property assessment appeal  
49 board hearing shall be grounds for dismissal of the  
50 appeal unless a continuance is granted to the

Page 38

1 appellant. If an appeal is dismissed for failure to  
2 appear, the property assessment appeal board shall  
3 have no jurisdiction to consider any subsequent appeal  
4 on the appellant's protest.

5 An appeal may be considered by less than a majority  
6 of the members of the board, and the chairperson of  
7 the board may assign members to consider appeals. If  
8 a hearing is requested, it shall be open to the public  
9 and shall be conducted in accordance with the rules of  
10 practice and procedure adopted by the board. However,  
11 any deliberation of a board member considering the  
12 appeal in reaching a decision on any appeal shall be  
13 confidential. The property assessment appeal board or  
14 any member of the board may require the production of  
15 any books, records, papers, or documents as evidence  
16 in any matter pending before the board that may be  
17 material, relevant, or necessary for the making of a  
18 just decision. Any books, records, papers, or  
19 documents produced as evidence shall become part of  
20 the record of the appeal. Any testimony given  
21 relating to the appeal shall be transcribed and made a  
22 part of the record of the appeal.

23 3. a. The board member considering the appeal  
24 shall determine anew all questions arising before the  
25 local board of review which relate to the liability of  
26 the property to assessment or the amount thereof. All  
27 of the evidence shall be considered and there shall be  
28 no presumption as to the correctness of the valuation  
29 of assessment appealed from. The property assessment  
30 appeal board shall make a decision in each appeal  
31 filed with the board. If the appeal is considered by  
32 less than a majority of the board, the determination  
33 made by that member shall be forwarded to the full  
34 board for approval, rejection, or modification. If  
35 the initial determination is rejected by the board, it  
36 shall be returned for reconsideration to the board  
37 member making the initial determination. Any  
38 deliberation of the board regarding an initial  
39 determination shall be confidential.

40 b. The decision of the board shall be considered  
41 the final agency action for purposes of further  
42 appeal, except as otherwise provided in section  
43 441.49. The decision shall be final unless appealed  
44 to district court as provided in section 441.38. The  
45 levy of taxes on any assessment appealed to the board  
46 shall not be delayed by any proceeding before the  
47 board, and if the assessment appealed from is reduced  
48 by the decision of the board, any taxes levied upon  
49 that portion of the assessment reduced shall be abated  
50 or, if already paid, shall be refunded. If the

Page 39

1 subject of an appeal is the application of an  
2 equalization order, the property assessment appeal  
3 board shall not order a reduction in assessment  
4 greater than the amount that the assessment was  
5 increased due to application of the equalization  
6 order. Each party to the appeal shall be responsible  
7 for the costs of the appeal incurred by that party.

8 Sec. \_\_. Section 441.38, Code 2005, is amended to  
9 read as follows:

10 441.38 APPEAL TO DISTRICT COURT.

11 1. Appeals may be taken from the action of the  
12 local board of review with reference to protests of  
13 assessment, to the district court of the county in  
14 which the board holds its sessions within twenty days  
15 after its adjournment or May 31, whichever date is  
16 later. Appeals may be taken from the action of the  
17 property assessment appeal board to the district court  
18 of the county where the property which is the subject  
19 of the appeal is located within twenty days after the  
20 letter of disposition of the appeal by the property  
21 assessment appeal board is postmarked to the  
22 appellant. No new grounds in addition to those set  
23 out in the protest to the local board of review as  
24 provided in section 441.37, or in addition to those  
25 set out in the appeal to the property assessment  
26 appeal board, if applicable, can be pleaded, but  
27 additional evidence to sustain those grounds may be  
28 introduced. The assessor shall have the same right to  
29 appeal and in the same manner as an individual  
30 taxpayer, public body or other public officer as  
31 provided in section 441.42. Appeals shall be taken by  
32 filing a written notice of appeal with the clerk of  
33 district court. Filing of the written notice of  
34 appeal shall preserve all rights of appeal of the  
35 appellant.

36 2. Notice of appeal shall be served as an original  
37 notice on the chairperson, presiding officer, or clerk  
38 of the board of review, and on the secretary of the  
39 property assessment appeal board, if applicable, after  
40 the filing of notice under subsection 1 with the clerk  
41 of district court.

42 Sec. \_\_. Section 441.39, Code 2005, is amended to  
43 read as follows:

44 441.39 TRIAL ON APPEAL.

45 ~~The~~ If the appeal is from a decision of the local  
46 board of review, the court shall hear the appeal in  
47 equity and determine anew all questions arising before  
48 the board which relate to the liability of the  
49 property to assessment or the amount thereof. The  
50 court shall consider all of the evidence and there

Page 40

1 shall be no presumption as to the correctness of the  
2 valuation of assessment appealed from. If the appeal  
3 is from a decision of the property assessment appeal  
4 board, the court's review shall be limited to the  
5 correction of errors at law. Its decision shall be  
6 certified by the clerk of the court to the county  
7 auditor, and the assessor, who shall correct the  
8 assessment books accordingly.

9 Sec. \_\_\_. Section 441.43, Code 2005, is amended to  
10 read as follows:

11 441.43 POWER OF COURT.

12 Upon trial of any appeal from the action of the  
13 board of review or of the property assessment appeal  
14 board fixing the amount of assessment upon any  
15 property concerning which complaint is made, the court  
16 may increase, decrease, or affirm the amount of the  
17 assessment appealed from.

18 Sec. \_\_\_. Section 441.49, unnumbered paragraph 5,  
19 Code 2005, is amended to read as follows:

20 The local board of review shall reconvene in  
21 special session from October 15 to November 15 for the  
22 purpose of hearing the protests of affected property  
23 owners or taxpayers within the jurisdiction of the  
24 board whose valuation of property if adjusted pursuant  
25 to the equalization order issued by the director of  
26 revenue will result in a greater value than permitted  
27 under section 441.21. The board of review shall  
28 accept protests only during the first ten days  
29 following the date the local board of review  
30 reconvenes. The board of review shall limit its  
31 review to only the timely filed protests. The board  
32 of review may adjust all or a part of the percentage  
33 increase ordered by the director of revenue by  
34 adjusting the actual value of the property under  
35 protest to one hundred percent of actual value. Any  
36 adjustment so determined by the board of review shall  
37 not exceed the percentage increase provided for in the  
38 director's equalization order. The determination of  
39 the board of review on filed protests is final,  
40 subject to appeal to the property assessment appeal  
41 board. A final decision by the local board of review,  
42 or the property assessment appeal board, if the local  
43 board's decision is appealed, is subject to review by  
44 the director of revenue for the purpose of determining  
45 whether the board's actions substantially altered the  
46 equalization order. In making the review, the  
47 director has all the powers provided in chapter 421,  
48 and in exercising the powers the director is not  
49 subject to chapter 17A. Not later than fifteen days  
50 following the adjournment of the board, the board of

Page 41

1 review shall submit to the director of revenue, on  
2 forms prescribed by the director, a report of all  
3 actions taken by the board of review during this  
4 session.  
5 Sec. \_\_\_. Section 445.60, Code 2005, is amended to  
6 read as follows:  
7 445.60 REFUNDING ERRONEOUS TAX.  
8 The board of supervisors shall direct the county  
9 treasurer to refund to the taxpayer any tax or portion  
10 of a tax found to have been erroneously or illegally  
11 paid, with all interest, fees, and costs actually  
12 paid. A refund shall not be ordered or made unless a  
13 claim for refund is presented to the board within two  
14 years of the date the tax was due, or if appealed to  
15 the board of review, the property assessment appeal  
16 board, the state board of tax review, or district  
17 court, within two years of the final decision.  
18 Sec. \_\_\_. FUTURE REPEAL.  
19 1. The sections of this division of this Act  
20 amending sections 7E.6, 13.7, 428.4, 441.19, 441.35,  
21 441.38, 441.39, 441.43, 441.49, and 445.60, and  
22 enacting sections 421.1A and 441.37A, are repealed  
23 effective July 1, 2013.  
24 2. The portion of the section of this division of  
25 this Act amending section 441.28 relating only to the  
26 property assessment appeal board is repealed effective  
27 July 1, 2013."  
28 6. Page 5, line 6, by striking the word "to" and  
29 inserting the following: "property tax assessment,  
30 to".  
31 7. Page 5, line 7, by inserting after the word  
32 "gasoline," the following: "to issuance of revenue  
33 bonds,".  
34 8. By renumbering as necessary.

Amendment [H-1710](#) was adopted.

On motion by Hoffman of Crawford the House concurred in the Senate amendment [H-1633](#), as amended.

Hoffman of Crawford moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 868](#))

The ayes were, 89:

Alons	Anderson	Arnold	Bell
Boal	Bukta	Carroll	Cohoon
Dandekar	Davitt	Dix	Dolecheck
Drake	Elgin	Foege	Freeman
Gaskill	Gipp	Granzow	Greiner
Heaton	Heddens	Hoffman	Hogg
Horbach	Hunter	Huseman	Huser
Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Kaufmann	Kressig
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Mascher
May	McCarthy	Mertz	Miller
Murphy	Oldson	Olson, D.	Olson, R.
Olson, S.	Paulsen	Petersen	Pettengill
Quirk	Raecker	Rasmussen	Rayhons
Reasoner	Reichert	Roberts	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tomenga	Tymeson
Upmeyer	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wendt	Wessel-Kroeschell	Whitaker	Whitead
Wilderdyke	Winckler	Wise	Zirkelbach
Mr. Speaker			
Rants			

The nays were, 6:

Baudler	De Boef	Eichhorn	Fallon
Sands	Van Engelenhoven		

Absent or not voting, 5:

Berry	Chambers	Ford	Frevert
Shomshor			

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 868](#) be immediately messaged to the Senate.

The House stood at ease at 5:12 p.m., until the fall of the gavel.

The House resumed session at 7:00 p.m., Speaker pro tempore Carroll in the chair.

## QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed seventy-eight members present, twenty-two absent.

## SENATE AMENDMENT CONSIDERED

Dix of Butler called up for consideration [House File 882](#), a bill for an act making, reducing, and transferring appropriations, providing for fees, and providing for properly related matters and including effective and retroactive applicability date provisions, amended by the Senate amendment [H-1703](#) as follows:

[H-1703](#)

1 Amend [House File 882](#), as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 4, by inserting after line 22, the  
4 following:  
5 "Sec. \_\_\_. Section 8.8, Code 2005, is amended to  
6 read as follows:  
7 8.8 SPECIAL OLYMPICS FUND – APPROPRIATION.  
8 A special olympics fund is created in the office of  
9 the treasurer of state under the control of the  
10 department of management. There is appropriated  
11 annually from the general fund of the state to the  
12 special olympics fund ~~thirty~~ fifty thousand dollars  
13 for distribution to one or more organizations which  
14 administer special olympics programs benefiting the  
15 citizens of Iowa with disabilities."  
16 2. Page 5, by inserting after line 11 the  
17 following:  
18 "Sec. \_\_\_. DEPARTMENT OF CULTURAL AFFAIRS –  
19 NONPROFIT MUSIC ENTITIES. There is appropriated from  
20 the general fund of the state to the department of  
21 cultural affairs for the fiscal year beginning July 1,  
22 2005, and ending June 30, 2006, fifty thousand dollars  
23 for purposes of providing two twenty-five thousand  
24 dollar grants to nonprofit music entities. A  
25 recipient of a grant shall be a nonprofit entity that  
26 is formed with members including local musicians,  
27 music promoters, representatives of music venues and  
28 businesses, community leaders, and live music  
29 enthusiasts who discuss, assess, and expedite the  
30 implementation of a unified music agenda for a local  
31 community and aggressively advocates, sponsors, and  
32 develops an independent, progressive live music

33 economy in a local community."  
 34 3. Page 5, line 20, by striking the figure  
 35 "100,000" and inserting the following: "160,000".  
 36 4. Page 5, by striking lines 21 through 29.  
 37 5. Page 5, lines 31 and 32, by striking the words  
 38 "state department of transportation" and inserting the  
 39 following: "homeland security and emergency  
 40 management division of the department of public  
 41 safety".  
 42 6. Page 6, by striking lines 2 through 19.  
 43 7. Page 6, by inserting before line 20, the  
 44 following:  
 45 "Sec.\_\_\_\_. TRANSITIONAL HOUSING REVOLVING LOAN  
 46 PROGRAM FUND – TRANSFER. Of the amount appropriated  
 47 from the general fund of the state to the department  
 48 of human services for the fiscal year beginning July  
 49 1, 2005, and ending June 30, 2006, for purposes of  
 50 child and family services in 2005 Iowa Acts, House

Page 2

1 File 825, if enacted, \$1,400,000 is transferred to the  
 2 transitional housing revolving loan program fund  
 3 created in section 16.184, if enacted by 2005 Iowa  
 4 Acts, [House File 825](#), to be used for purposes of that  
 5 fund. The transfer shall be completed on or before  
 6 August 1, 2005.  
 7 Sec.\_\_\_\_. HEALTHY IOWANS TOBACCO TRUST – AIDS  
 8 DRUG ASSISTANCE PROGRAM. There is appropriated from  
 9 the healthy Iowans tobacco trust created in section  
 10 12.65 to the Iowa department of public health for the  
 11 fiscal year beginning July 1, 2005, and ending June  
 12 30, 2006, the following amount, or so much thereof as  
 13 is necessary, to be used for the purpose designated:  
 14 For additional funding to leverage federal funding  
 15 through the federal Ryan White Care Act, Title II,  
 16 AIDS drug assistance program supplemental drug  
 17 treatment grants:  
 18 ..... \$ 275,000  
 19 Sec.\_\_\_\_. GREAT PLACES. There is appropriated  
 20 from the general fund of the state to the department  
 21 of cultural affairs for the fiscal year beginning July  
 22 1, 2004, and ending June 30, 2005, the following  
 23 amount, or so much thereof as is necessary, to be used  
 24 for the purposes designated:  
 25 GREAT PLACES. For salaries, support, maintenance,  
 26 and miscellaneous purposes:  
 27 ..... \$ 100,000  
 28 Notwithstanding section 8.33, any moneys  
 29 appropriated in this section that remain unencumbered  
 30 or unobligated at the close of the fiscal year shall  
 31 not revert but shall remain available for expenditure

32 for the purposes designated until the close of the  
 33 succeeding fiscal year.  
 34 Sec. \_\_\_. IOWA LEARNING TECHNOLOGY. There is  
 35 appropriated from the general fund of the state to the  
 36 department of education for the fiscal year beginning  
 37 July 1, 2005, and ending June 30, 2006, the following  
 38 amount, or so much thereof as is necessary, to be used  
 39 for the purpose designated:  
 40 For implementation of the provisions of Code  
 41 chapter 280A, as amended by 2005 Iowa Acts, House File  
 42 739, if enacted:  
 43 ..... \$ 500,000  
 44 Sec. \_\_\_. UNDERGROUND STORAGE TANK FUND – GENERAL  
 45 FUND. Notwithstanding section 455G.3, subsection 1,  
 46 there is transferred from the Iowa comprehensive  
 47 petroleum underground storage tank fund created in  
 48 section 455G.3, subsection 1, to the general fund of  
 49 the state during the fiscal year beginning July 1,  
 50 2005, and ending June 30, 2006, the following amount:

Page 3

1 ..... \$ 500,000  
 2 Sec. \_\_\_. UNDERGROUND STORAGE TANK FUND –  
 3 WATERSHED IMPROVEMENT FUND – FY 2005-2006.  
 4 Notwithstanding section 455G.3, subsection 1, there is  
 5 appropriated from the Iowa comprehensive petroleum  
 6 underground storage tank fund created in section  
 7 455G.3, subsection 1, to the Iowa finance authority  
 8 during the fiscal year beginning July 1, 2005, and  
 9 ending June 30, 2006, the following amount, or so much  
 10 thereof as is necessary, to be used for the purpose  
 11 designated:  
 12 For deposit in the watershed improvement fund  
 13 created in 2005 Iowa Acts, [Senate File 200](#), if  
 14 enacted:  
 15 ..... \$ 4,500,000  
 16 The moneys deposited in the watershed improvement  
 17 fund pursuant to this section are appropriated to the  
 18 Iowa finance authority for the fiscal year beginning  
 19 July 1, 2005, and ending June 30, 2006, to be used as  
 20 provided in section 16.185, if enacted by 2005 Iowa  
 21 Acts, [Senate File 200](#). The appropriations made in this  
 22 section are contingent upon the enactment of 2005 Iowa  
 23 Acts, [Senate File 200](#), and the creation of the  
 24 watershed improvement fund in accordance with section  
 25 16.185, if enacted by 2005 Iowa Acts, [Senate File 200](#).  
 26 Sec. \_\_\_. UNDERGROUND STORAGE TANK FUND –  
 27 WATERSHED IMPROVEMENT FUND – FY 2006-2007.  
 28 Notwithstanding section 455G.3, subsection 1, there is  
 29 appropriated from the Iowa comprehensive petroleum  
 30 underground storage tank fund created in section

31 455G.3, subsection 1, to the Iowa finance authority  
 32 during the fiscal year beginning July 1, 2006, and  
 33 ending June 30, 2007, the following amount, or so much  
 34 thereof as is necessary, to be used for the purpose  
 35 designated:  
 36 For deposit in the watershed improvement fund  
 37 created in 2005 Iowa Acts, [Senate File 200](#), if  
 38 enacted:  
 39 ..... \$ 5,000,000  
 40 The moneys deposited in the watershed improvement  
 41 fund pursuant to this section are appropriated to the  
 42 Iowa finance authority for the fiscal year beginning  
 43 July 1, 2006, and ending June 30, 2007, to be used as  
 44 provided in section 16.185, if enacted by 2005 Iowa  
 45 Acts, [Senate File 200](#). The appropriations made in  
 46 this section are contingent upon the enactment of 2005  
 47 Iowa Acts, [Senate File 200](#), and the creation of the  
 48 watershed improvement fund in accordance with section  
 49 16.185, if enacted by 2005 Iowa Acts, [Senate File 200](#).  
 50 Sec. \_\_. GROW IOWA VALUES FUND – FY 2004-2005.

Page 4

1 There is appropriated from the general fund of the  
 2 state to the department of economic development for  
 3 the fiscal year beginning July 1, 2004, and ending  
 4 June 30, 2005, the following amount, or so much  
 5 thereof as is necessary, to be used for the purpose  
 6 designated:  
 7 To be credited to the grow Iowa values fund created  
 8 in section 15G.108, if enacted by 2005 Iowa Acts,  
 9 [House File 868](#):  
 10 ..... \$ 25,000,000  
 11 Notwithstanding section 8.33, moneys appropriated  
 12 in this section that remain unencumbered or  
 13 unobligated at the close of the fiscal year shall not  
 14 revert but shall remain available for expenditure for  
 15 the purpose designated until the close of the  
 16 succeeding fiscal year. The appropriation made in  
 17 this section shall be distributed and credited to the  
 18 grow Iowa values fund on July 1, 2005.  
 19 Sec. \_\_. GROW IOWA VALUES FUND – FY 2005-2006.  
 20 There is appropriated from the general fund of the  
 21 state for the fiscal year beginning July 1, 2005, and  
 22 ending June 30, 2006, to the department of economic  
 23 development in lieu of the appropriation made from the  
 24 general fund of the state in section 15G.110, if  
 25 enacted by 2005 Iowa Acts, [House File 809](#), for the  
 26 fiscal year beginning July 1, 2005, and ending June  
 27 30, 2006, to be used for the purpose designated:  
 28 For deposit in the grow Iowa values fund created in  
 29 section 15G.108, if enacted by 2005 Iowa Acts, House

30 File 868:  
 31 ..... \$ 25,000,000"  
 32 8. Page 6, by striking lines 20 through 30.  
 33 9. Page 7, by striking lines 1 through 20.  
 34 10. By striking page 7, line 21, through page 9,  
 35 line 32.  
 36 11. By striking page 9, line 33, through page 11,  
 37 line 16.  
 38 12. Page 11, by inserting before line 17, the  
 39 following:  
 40 "Sec. \_\_\_. NATIONAL GOVERNORS ASSOCIATION MEETING.  
 41 2004 Iowa Acts, chapter 1175, section 12, subsection  
 42 4, AS AMENDED BY 2005 Iowa Acts, [House File 810](#), if  
 43 enacted, is amended to read as follows:  
 44 4. NATIONAL GOVERNORS ASSOCIATION  
 45 For payment of Iowa's membership in the national  
 46 governors association:  
 47 ..... \$ ~~364,393~~  
 48 264,393  
 49 Of the funds appropriated in this subsection,  
 50 ~~\$300,000~~ \$200,000 is allocated for security-related

Page 5

1 costs and other expenses associated with the national  
 2 governors association national meeting.  
 3 Notwithstanding section 8.33, the moneys allocated for  
 4 the meeting that remain unencumbered or unobligated at  
 5 the close of the fiscal year shall not revert but  
 6 shall remain available for expenditure for the  
 7 purposes designated until the close of the succeeding  
 8 fiscal year.  
 9 Sec. \_\_\_. 2005 Iowa Acts, [House File 881](#), section  
 10 5, unnumbered paragraphs 1 and 2, if enacted, are  
 11 amended to read as follows:  
 12 There is appropriated from the general fund of the  
 13 state to the salary adjustment fund for distribution  
 14 by the department of management to the various state  
 15 departments, boards, commissions, councils, and  
 16 agencies, excluding the state board of regents, for  
 17 the fiscal year beginning July 1, 2005, and ending  
 18 June 30, 2006, the amount of ~~\$38,500,000~~ 43,300,000,  
 19 or so much thereof as may be necessary, to fully fund  
 20 annual pay adjustments, expense reimbursements, and  
 21 related benefits implemented pursuant to the  
 22 following:  
 23 Of the amount appropriated in this section,  
 24 ~~\$4,880,000~~ 5,488,000 shall be allocated to the  
 25 judicial branch for the purpose of funding annual pay  
 26 adjustments, expense reimbursements, and related  
 27 benefits implemented for judicial branch employees."  
 28 13. By striking page 12, line 18, through page

29 13, line 4.  
 30 14. Page 13, by inserting after line 21, the  
 31 following:  
 32 "Sec. \_\_\_. MEDICAL ASSISTANCE APPROPRIATION. If  
 33 2005 Iowa Acts, [House File 825](#), is enacted and  
 34 provides for an appropriation from the general fund of  
 35 the state to the department of human services for the  
 36 fiscal year beginning July 1, 2005, and ending June  
 37 30, 2006, for the medical assistance program, there is  
 38 appropriated from the general fund of the state, in  
 39 lieu of such appropriation in 2005 Iowa Acts, House  
 40 File 825, the following amount, or so much thereof as  
 41 is necessary:  
 42 For purposes of the medical assistance program in  
 43 accordance with the provisions of 2005 Iowa Acts,  
 44 [House File 825](#), as enacted:  
 45 ..... \$509,416,519  
 46 Sec. \_\_\_. SENIOR LIVING TRUST FUND APPROPRIATION.  
 47 If 2005 Iowa Acts, [House File 825](#), is enacted and  
 48 provides for an appropriation from the senior living  
 49 trust fund to the department of human services for the  
 50 fiscal year beginning July 1, 2005, and ending June

Page 6

1 30, 2006, to supplement the medical assistance  
 2 appropriation, there is appropriated from the senior  
 3 living trust fund, in lieu of such appropriation in  
 4 2005 Iowa Acts, [House File 825](#), the following amount,  
 5 or so much thereof as is necessary:  
 6 For purposes of supplementation of the medical  
 7 assistance appropriation in accordance with the  
 8 provisions of 2005 Iowa Acts, [House File 825](#), as  
 9 enacted:  
 10 ..... \$ 75,253,926  
 11 Sec. \_\_\_. JUVENILE HOME AT TOLEDO. If 2005 Iowa  
 12 Acts, [House File 875](#), is enacted and provides for an  
 13 appropriation from the rebuild Iowa infrastructure  
 14 fund to the department of administrative services for  
 15 the fiscal year beginning July 1, 2005, and ending  
 16 June 30, 2006, for powerhouse facilities at the  
 17 juvenile home at Toledo, there is appropriated from  
 18 the rebuild Iowa infrastructure fund in lieu of such  
 19 appropriation in 2005 Iowa Acts, [House File 875](#), the  
 20 following amount, or so much thereof as is necessary:  
 21 For the costs associated with the replacement of  
 22 the powerhouse facilities at the juvenile home at  
 23 Toledo:  
 24 ..... \$ 861,045  
 25 Sec. \_\_\_. ENRICH IOWA LIBRARIES PROGRAM. If 2005  
 26 Iowa Acts, [House File 875](#), is enacted and provides for  
 27 an appropriation from the rebuild Iowa infrastructure

28 fund to the department of education for the fiscal  
 29 year beginning July 1, 2005, and ending June 30, 2006,  
 30 for resources for local libraries and the enrich Iowa  
 31 program, there is appropriated from the rebuild Iowa  
 32 infrastructure fund in lieu of such appropriation in  
 33 2005 Iowa Acts, [House File 875](#), the following amount,  
 34 or so much thereof as is necessary:  
 35 To provide resources for structural and  
 36 technological improvements to local libraries and for  
 37 the enrich Iowa program, notwithstanding section 8.57,  
 38 subsection 6, paragraph "c":  
 39 ..... \$ 900,000  
 40 Sec. \_\_\_. NATIONAL PROGRAM FOR PLAYGROUND SAFETY.  
 41 If 2005 Iowa Acts, [House File 875](#), is enacted and  
 42 provides for an appropriation from the rebuild Iowa  
 43 infrastructure fund to the university of northern Iowa  
 44 for the fiscal year beginning July 1, 2005, and ending  
 45 June 30, 2006, for the national program for playground  
 46 safety, there is appropriated from the rebuild Iowa  
 47 infrastructure fund in lieu of such appropriation in  
 48 2005 Iowa Acts, [House File 875](#), the following amount,  
 49 or so much thereof as is necessary:  
 50 For the Iowa safe surfacing initiative,

Page 7

1 notwithstanding section 8.57, subsection 6, paragraph  
 2 "c":  
 3 ..... \$ 500,000  
 4 Sec. \_\_\_. JUVENILE HOME AT TOLEDO. If 2005 Iowa  
 5 Acts, [House File 875](#), is enacted and provides for an  
 6 appropriation from the rebuild Iowa infrastructure  
 7 fund to the department of administrative services for  
 8 the fiscal year beginning July 1, 2006, and ending  
 9 June 30, 2007, for powerhouse facilities at the  
 10 juvenile home at Toledo, there is appropriated from  
 11 the rebuild Iowa infrastructure fund in lieu of such  
 12 appropriation in 2005 Iowa Acts, [House File 875](#), the  
 13 following amount, or so much thereof as is necessary:  
 14 For the costs associated with the replacement of  
 15 the powerhouse facilities at the juvenile home at  
 16 Toledo:  
 17 ..... \$ 1,821,045"  
 18 15. Page 13, line 23, by striking the figure "1".  
 19 16. Page 13, by striking lines 27 through 33.  
 20 17. Page 13, by inserting before line 34, the  
 21 following:  
 22 " \_\_\_. The section of this division of this Act  
 23 providing an appropriation from the general fund of  
 24 the state to the department of economic development  
 25 for the fiscal year beginning July 1, 2004, for  
 26 deposit in the grow Iowa values fund, is contingent

27 upon enactment of the provisions of 2005 Iowa Acts,  
28 [House File 809](#), enacting section 15G.110, and 2005  
29 Iowa Acts, [House File 868](#), enacting section 15G.108,  
30 and being deemed of immediate importance, takes effect  
31 upon enactment.

32 \_\_\_\_\_. The sections of this division of this Act  
33 appropriating moneys to the department of cultural  
34 affairs for great places and amending 2004 Iowa Acts,  
35 chapter 1175, section 12, subsection 4, being deemed  
36 of immediate importance, take effect upon enactment."

37 18. Page 13, by inserting after line 35 the  
38 following:

39 "Sec.\_\_\_\_. Section 8D.2, subsection 5, paragraph  
40 b, Code 2005, is amended to read as follows:

41 b. For the purposes of this chapter, "public  
42 agency" also includes any homeland security or defense  
43 facility or disaster response agency established by  
44 the administrator of the homeland security and  
45 emergency management division of the department of  
46 public defense or the governor or any facility  
47 connected with a security or defense system or  
48 disaster response as required by the administrator of  
49 the homeland security and emergency management  
50 division of the department of public defense or the

Page 8

1 governor.

2 Sec.\_\_\_\_. Section 8D.9, subsection 3, Code 2005,  
3 is amended to read as follows:

4 3. A facility that is considered a public agency  
5 pursuant to section 8D.2, subsection 5, paragraph "b",  
6 shall be authorized to access the Iowa communications  
7 network strictly for homeland security communication  
8 purposes and disaster communication purposes. Any  
9 utilization of the network that is not related to  
10 communications concerning homeland security or a  
11 disaster, as defined in section 29C.2, is expressly  
12 prohibited. Access under this subsection shall be  
13 available only if a state of disaster emergency is  
14 proclaimed by the governor pursuant to section 29C.6  
15 or a homeland security or disaster event occurs  
16 requiring connection of disparate communications  
17 systems between public agencies to provide for a  
18 multi-agency or multi-jurisdictional response. Access  
19 shall continue only for the period of time the  
20 homeland security or disaster event exists. For  
21 purposes of this subsection, disaster communication  
22 purposes includes training and exercising for a  
23 disaster if public notice of the training and  
24 exercising session is posted on the website of the  
25 homeland security and emergency management division of

26 the department of public defense. A scheduled and  
27 noticed training and exercising session shall not  
28 exceed five days. Interpretation and application of  
29 the provisions of this subsection shall be strictly  
30 construed."

31 19. By striking page 14, line 1, through page 15,  
32 line 17.

33 20. Page 18, by inserting after line 11, the  
34 following:

35 "Sec.     NEW SECTION. 16.191 NEW GROWTH  
36 PROGRAM.

37 1. The authority shall establish and administer a  
38 new growth program for purposes of providing financial  
39 assistance to encourage entrepreneurial activity in  
40 rural and urban areas in the state.

41 2. The authority shall identify twenty communities  
42 in the state to serve as new growth program  
43 communities. A community may consist of a city or  
44 county, or a portion of a city or county. Not more  
45 than five of the new growth program communities shall  
46 be located in cities with a population of fifty  
47 thousand or greater.

48 3. The authority shall identify a facilitator.  
49 The facilitator shall be a statewide, faith-based  
50 organization for purposes of facilitating the

Page 9

1 activities in each new growth program community. The  
2 activities shall be structured around fifteen meetings  
3 designed to bring local entrepreneurs and business  
4 development entities together to exchange information  
5 on product and service research, business planning,  
6 finance and credit, licensing and regulations, use of  
7 technology, business practices, product development  
8 and testing, and marketing.

9 4. The authority may provide financial assistance  
10 to the facilitator for each new growth program  
11 community. The authority shall not provide more than  
12 ten thousand dollars in financial assistance to the  
13 facilitator for each new growth program community. In  
14 order to receive the maximum amount of financial  
15 assistance, the facilitator must secure ten thousand  
16 dollars in local financial assistance and ten thousand  
17 dollars worth of in-kind contributions."

18 21. Page 18, by inserting after line 30, the  
19 following:

20 "Sec.     Section 331.439, Code 2005, is amended  
21 by adding the following new subsection:  
22     NEW SUBSECTION. 9. The county management plan  
23 shall designate at least one hospital licensed under  
24 chapter 135B that the county has contracted with to

25 provide services covered under the plan. If the  
26 designated hospital does not have a bed available to  
27 provide the services, the county is responsible for  
28 the cost of covered services provided at an alternate  
29 hospital licensed under chapter 135B.  
30 Sec. \_\_\_. Section 364.17, subsection 3, paragraph  
31 a, Code 2005, is amended to read as follows:  
32 a. A schedule of civil penalties or criminal fines  
33 for violations. A city may charge the owner of  
34 housing a late payment fee of twenty-five dollars and  
35 may add interest of up to one and one-half percent per  
36 month if a penalty or fine imposed under this  
37 paragraph is not paid within thirty days of the date  
38 that the penalty or fine is due. The city shall send  
39 a notice of the late payment fee to such owner by  
40 first class mail to the owner's personal or business  
41 mailing address. The late payment fee and the  
42 interest shall not accrue if such owner files an  
43 appeal with either the city, if the city has  
44 established an appeals procedure, or the district  
45 court. Any unpaid penalty, fine, fee, or interest  
46 shall constitute a lien on the real property and may  
47 be collected in the same manner as a property tax.  
48 However, before a lien is filed, the city shall send a  
49 notice of intent to file a lien to the owner of the  
50 housing by first class mail to such owner's personal

Page 10

1 or business mailing address.  
2 Sec. \_\_\_. Section 364.17, subsection 5, Code 2005,  
3 is amended to read as follows:  
4 5. Cities may establish reasonable fees for  
5 inspection and enforcement procedures. A city may  
6 charge the owner of housing a late payment penalty of  
7 twenty-five dollars and may add interest of up to one  
8 and one-half percent per month if a fee imposed under  
9 this subsection is not paid within thirty days of the  
10 date that the fee is due. The city shall send a  
11 notice of the late payment penalty to such owner by  
12 first class mail to the owner's personal or business  
13 mailing address. The late payment penalty and the  
14 interest shall not accrue if such owner files an  
15 appeal with either the city, if the city has  
16 established an appeals procedure, or the district  
17 court. Any unpaid fee, penalty, or interest shall  
18 constitute a lien on the real property and may be  
19 collected in the same manner as a property tax.  
20 However, before a lien is filed, the city shall send a  
21 notice of intent to file a lien to the owner of the  
22 housing by first class mail to such owner's personal  
23 or business mailing address.

24 Sec. \_\_\_. Section 384.16, subsection 1, unnumbered  
25 paragraph 2, Code 2005, is amended to read as follows:  
26 A budget must show comparisons between the  
27 estimated expenditures in each program in the  
28 following year ~~and the actual expenditures in each~~  
29 ~~program during the two preceding years, the latest~~  
30 estimated expenditures in each program in the current  
31 year, and the actual expenditures in each program from  
32 the annual report as provided in section 384.22, or as  
33 corrected by a subsequent audit report. Wherever  
34 practicable, as provided in rules of the committee, a  
35 budget must show comparisons between the levels of  
36 service provided by each program as estimated for the  
37 following year, and actual levels of service provided  
38 by each program during the two preceding years.  
39 Sec. \_\_\_. Section 384.16, Code 2005, is amended by  
40 adding the following new subsection:  
41 NEW SUBSECTION. 7. A city that does not submit a  
42 budget in compliance with this section shall have all  
43 state funds withheld until a budget that is in  
44 compliance with this section is filed with the county  
45 auditor and subsequently received by the department of  
46 management. The department of management shall send  
47 notice to state agencies responsible for disbursement  
48 of state funds and that notice is sufficient  
49 authorization for those funds to be withheld until  
50 later notice is given by the department of management

Page 11

1 to release those funds."  
2 22. Page 20, by inserting after line 34, the  
3 following:  
4 "Sec. \_\_\_. Section 427.1, subsection 21, Code  
5 2005, is amended to read as follows:  
6 21. LOW-RENT HOUSING. The property owned and  
7 operated or controlled by a nonprofit organization, as  
8 recognized by the internal revenue service, providing  
9 low-rent housing for persons who are elderly and  
10 persons with physical and mental disabilities. The  
11 exemption granted under the provisions of this  
12 subsection shall apply only until the ~~terms~~ final  
13 payment due date of the borrower's original low-rent  
14 housing development mortgage or until the borrower's  
15 original low-rent housing development mortgage is paid  
16 in full or expires, whichever is sooner, subject to  
17 the provisions of subsection 14. However, if the  
18 borrower's original low-rent housing development  
19 mortgage is refinanced, the exemption shall apply only  
20 until the date that would have been the final payment  
21 due date under the terms of the borrower's original  
22 low-rent housing development mortgage or until the

23 refinanced mortgage is paid in full or expires,  
 24 whichever is sooner, subject to the provisions of  
 25 subsection 14."

26 23. Page 21, by inserting after line 8, the  
 27 following:

28 Sec. \_\_\_. Section 427.1, subsection 30, Code 2005,  
 29 is amended to read as follows:

30 30. MANUFACTURED HOME COMMUNITY OR MOBILE HOME  
 31 PARK STORM SHELTER. A structure constructed as a  
 32 storm shelter at a manufactured home community or  
 33 mobile home park as defined in section 435.1. An  
 34 application for this exemption shall be filed with the  
 35 assessing authority not later than February 1 of the  
 36 first year for which the exemption is requested, on  
 37 forms provided by the department of revenue. The  
 38 application shall describe and locate the storm  
 39 shelter to be exempted. If the storm shelter  
 40 structure is used exclusively as a storm shelter, all  
 41 of the structure's assessed value shall be exempt from  
 42 taxation. If the storm shelter structure is not used  
 43 exclusively as a storm shelter, the storm shelter  
 44 structure shall be assessed for taxation at ~~seventy-~~  
 45 ~~five~~ fifty percent of its value as commercial  
 46 property."

47 24. Page 21, by inserting after line 31 the  
 48 following:

49 "Sec. \_\_\_. Section 459.301, Code 2005, is amended  
 50 by adding the following new subsection:

Page 12

1 NEW SUBSECTION. 3A. For purposes of complying  
 2 with requirements relating to submitting a manure  
 3 management plan as required in section 459.312, a  
 4 confinement feeding operation housing poultry which  
 5 was regulated as a small animal feeding operation  
 6 prior to April 29, 2002, shall be deemed to be a small  
 7 animal feeding operation as provided in section  
 8 459.312, if the animal weight capacity of the  
 9 confinement feeding operation has not increased since  
 10 April 29, 2002.

11 Sec. \_\_\_. Section 463C.11, subsection 1, if  
 12 enacted by 2005 Iowa Acts, [House File 875](#), is amended  
 13 to read as follows:

14 1. The honey creek premier destination park bond  
 15 fund is established as a separate and distinct fund in  
 16 the state treasury consisting of honey creek premier  
 17 destination park revenues, any moneys appropriated by  
 18 the general assembly to the fund, and any other moneys  
 19 available to and obtained or accepted by the authority  
 20 for placement in the fund. The moneys in the fund  
 21 shall be used to develop the honey creek premier

22 destination park in the state by funding the  
23 development and construction of facilities in the park  
24 including but not limited to lodges, campgrounds,  
25 cabins, and golf courses. The treasurer of state is  
26 authorized to establish separate and distinct accounts  
27 within the honey creek premier destination park bond  
28 fund in connection with the issuance of the  
29 authority's bonds in accordance with the trust  
30 indenture or resolution authorizing the bonds and the  
31 authority is authorized to determine which revenues  
32 and accounts shall be pledged as security for the  
33 bonds. Amounts deposited in the honey creek premier  
34 destination park bond fund shall be deposited in the  
35 separate and distinct accounts as set forth in the  
36 trust indenture or resolution authorizing the bonds.  
37 The authority is authorized to pledge and use the  
38 gross revenues from the honey creek premier  
39 destination park to and for payment of the bonds.  
40 Revenues may also be used for the payment of  
41 insurance, other credit enhancements, and other  
42 financing arrangements. Operating expenses of the  
43 honey creek premier destination park may be paid from  
44 the revenues to the extent the revenues exceed the  
45 amount determined by the authority to be necessary for  
46 debt service on the bonds.

47 Sec. \_\_. Section 463C.13, subsection 4, if  
48 enacted by 2005 Iowa Acts, [House File 875](#), is amended  
49 to read as follows:

50 4. To assure the continued operation and solvency

Page 13

1 of the authority for the carrying out of its corporate  
2 purposes, provision is made in subsection 1 for the  
3 accumulation in each bond reserve fund of an amount  
4 equal to the bond reserve fund requirement for the  
5 fund. In order further to assure maintenance of the  
6 bond reserve funds, the chairperson of the authority  
7 shall, on or before ~~July~~ January 1 of each calendar  
8 year, make and deliver to the governor the  
9 chairperson's certificate stating the sum, if any,  
10 required to restore each bond reserve fund to the bond  
11 reserve fund requirement for that fund. Within thirty  
12 days after the beginning of the session of the general  
13 assembly next following the delivery of the  
14 certificate, the governor ~~may~~ shall submit to both  
15 houses printed copies of a budget including the sum,  
16 if any, required to restore each bond reserve fund to  
17 the bond reserve fund requirement for that fund. Any  
18 sums appropriated by the general assembly and paid to  
19 the authority pursuant to this section shall be  
20 deposited by the authority in the applicable bond

21 reserve fund.

22 Sec. \_\_. Section 476C.1, subsection 6, paragraph  
23 b, if enacted by 2005 Iowa Acts, [Senate File 390](#),  
24 section 7, is amended by adding the following new  
25 subparagraph:

26 (8) A community college as defined in section  
27 260C.2.

28 Sec. \_\_. Section 476C.1, subsection 6, paragraph  
29 d, if enacted by 2005 Iowa Acts, [Senate File 390](#),  
30 section 7, is amended to read as follows:

31 d. Was initially placed into service on or after  
32 ~~July~~ January 1, 2005, and before January 1, 2011.

33 Sec. \_\_. Section 537.2401, subsection 1, Code  
34 2005, is amended to read as follows:

35 1. Except as provided with respect to a finance  
36 charge for loans pursuant to open end credit under  
37 section 537.2402 and loans secured by a certificate of  
38 title of a motor vehicle under section 537.2403, a  
39 lender may contract for and receive a finance charge  
40 not exceeding the maximum charge permitted by the laws  
41 of this state or of the United States for similar  
42 lenders, and, in addition, with respect to a consumer  
43 loan, a supervised financial organization or a  
44 mortgage lender may contract for and receive a finance  
45 charge, calculated according to the actuarial method,  
46 not exceeding twenty-one percent per year on the  
47 unpaid balance of the amount financed. ~~This~~ Except as  
48 provided in section 537.2403, this subsection does not  
49 prohibit a lender from contracting for and receiving a  
50 finance charge exceeding twenty-one percent per year

Page 14

1 on the unpaid balance of the amount financed on  
2 consumer loans if authorized by other provisions of  
3 the law.

4 Sec. \_\_. Section 537.2402, subsection 1, Code  
5 2005, is amended to read as follows:

6 1. If authorized to make supervised loans, a  
7 creditor may contract for and receive a finance charge  
8 without limitation as to amount or rate with respect  
9 to a loan pursuant to open-end credit as permitted in  
10 this section except as provided in section 537.2403.

11 Sec. \_\_. NEW SECTION. 537.2403 FINANCE CHARGE  
12 FOR CONSUMER LOANS SECURED BY A MOTOR VEHICLE.

13 1. A lender shall not contract for or receive a  
14 finance charge exceeding twenty-one percent per year  
15 on the unpaid balance of the amount financed for a  
16 loan of money secured by a certificate of title to a  
17 motor vehicle used for personal, family, or household  
18 purpose except as authorized under chapter 536 or  
19 536A. A consumer who is charged a finance charge in

20 excess of the limitation in this section may seek any  
21 remedies available pursuant to this chapter for an  
22 excess charge.

23 2. It shall be a violation of this section and an  
24 unlawful practice under section 714.16 to attempt to  
25 avoid application of this section by structuring a  
26 loan of money secured by certificate of title to a  
27 motor vehicle as a sale, sale and repurchase, sale and  
28 lease, pawn, rental purchase, lease, or other type of  
29 transaction with the intent to avoid application of  
30 this section or any other applicable provision of this  
31 chapter."

32 25. Page 23, by inserting after line 35, the  
33 following:

34 "Sec. \_\_\_. Section 602.10110, Code 2005, is  
35 amended to read as follows:

36 602.10110 OATH.

37 All persons on being admitted to the bar shall take  
38 an oath or affirmation, ~~as promulgated by the supreme~~  
39 ~~court, declaring~~ to support the Constitutions of the  
40 United States and of the state of Iowa, and to  
41 faithfully discharge, ~~according to the best of their~~  
42 ~~ability,~~ the duties of an attorney ~~and counselor of~~  
43 ~~this state according to the best of their ability.~~

44 Sec. \_\_\_. Section 602.10112, Code 2005, is  
45 repealed.

46 Sec. \_\_\_. 2005 Iowa Acts, [House File 825](#), section  
47 29, subsection 1, paragraph 1, if enacted, relating to  
48 reimbursement under the medical assistance program to  
49 physicians who administer injectable drugs, is amended  
50 by striking the paragraph.

Page 15

1 Sec. \_\_\_. NEW GROWTH PROGRAM. There is  
2 appropriated from the general fund of the state to the  
3 Iowa finance authority, for the fiscal year beginning  
4 July 1, 2005, and ending June 30, 2006, two hundred  
5 thousand dollars, or so much thereof as is necessary,  
6 to be used for the new growth program established in  
7 section 16.191, if enacted in this division of this  
8 Act."

9 26. Page 24, by inserting before line 1, the  
10 following:

11 "Sec. \_\_\_. VEHICLE DEALERSHIP STUDY. The  
12 legislative council is requested to appoint an interim  
13 study committee that will study the motor vehicle  
14 licensing law as it pertains to motor vehicle  
15 dealerships' moves from one facility and location to  
16 another facility and location in the state. A report  
17 should be provided to the general assembly by January  
18 15, 2006."

19 27. Page 24, line 18, by striking the word  
 20 "section" and inserting the following: "sections".  
 21 28. Page 24, line 19, by inserting after the word  
 22 "Act" the following: "amending section 427.1,  
 23 subsection 21, and".  
 24 29. Page 24, line 20, by striking the words "a  
 25 property tax exemption" and inserting the following:  
 26 "property tax exemptions".  
 27 30. Page 24, by inserting after line 21, the  
 28 following:  
 29 "Sec.\_\_\_\_. RETROACTIVE APPLICABILITY DATE. The  
 30 section of this division of this Act amending section  
 31 423E.5, being deemed of immediate importance, takes  
 32 effect upon enactment and applies retroactively to  
 33 July 1, 2004.  
 34 Sec.\_\_\_\_. EFFECTIVE AND APPLICABILITY DATES. The  
 35 sections of this division of this Act amending section  
 36 427.1, subsection 21, and enacting new subsection 21A  
 37 to section 427.1, being deemed of immediate  
 38 importance, take effect upon enactment and apply  
 39 retroactively to January 1, 2005, for assessment years  
 40 beginning on or after that date.  
 41 Sec.\_\_\_\_. APPLICABILITY. Section 25B.7 does not  
 42 apply to the amendment to section 427.1, subsection  
 43 30, in this division of this Act.  
 44 Sec.\_\_\_\_. EFFECTIVE DATE. The sections of this  
 45 division of this Act amending section 476C.1, if  
 46 enacted, being deemed of immediate importance, take  
 47 effect upon enactment and are applicable beginning on  
 48 the enactment date of 2005 Iowa Acts, [Senate File 390](#),  
 49 if enacted."  
 50 31. Page 24, by inserting after line 27, the

Page 16

1 following:  
 2 "Sec.\_\_\_\_. EFFECTIVE DATE. The sections of this  
 3 division of this Act amending section 602.10110 and  
 4 repealing section 602.10112, being deemed of immediate  
 5 importance, take effect upon enactment."  
 6 32. Page 24, by inserting after line 29, the  
 7 following:  
 8 "Sec.\_\_\_\_. CRIMINAL CODE REVISIONS INTERIM STUDY  
 9 COMMITTEE. There is appropriated from the general  
 10 fund of the state to the legislative council for the  
 11 fiscal year beginning July 1, 2005, and ending June  
 12 30, 2006, the following amount, or so much thereof as  
 13 is necessary, to be used for the purpose designated:  
 14 For a criminal code revisions interim study  
 15 committee:  
 16 ..... \$ 75,000  
 17 The funds appropriated in this section are

18 contingent upon receipt by the general fund of the  
 19 state of an amount not exceeding \$75,000 from costs or  
 20 attorney fees awarded the state in settlement of its  
 21 antitrust action against Microsoft brought under  
 22 chapter 553. However, if the amounts received as a  
 23 result of this settlement are in excess of \$75,000,  
 24 the excess amounts shall not be appropriated to the  
 25 legislative council pursuant to this section. If the  
 26 appropriation made in this section occurs, the amount  
 27 appropriated from the same source to the department of  
 28 public safety for the same fiscal year to be used for  
 29 vehicle depreciation, in accordance with 2005 Iowa  
 30 Acts, [House File 811](#), is reduced by \$75,000."

31 33. By striking page 24, line 30, through page  
 32 28, line 30, and inserting the following:

33 "Sec.\_\_\_\_. 2005 Iowa Acts, [House File 881](#), section  
 34 1, subsection 2, if enacted, is amended to read as  
 35 follows:

36 2. The following annual salary rates shall be paid  
 37 to the persons holding the judicial positions  
 38 indicated during the fiscal year beginning July 1,  
 39 2005, effective with the pay period beginning July 1,  
 40 2005, and for subsequent pay periods.

- 41 a. Chief justice of the supreme court:
- 42 ..... \$ ~~132,720~~
- 43 ..... 146,000
- 44 b. Each justice of the supreme court:
- 45 ..... \$ ~~128,000~~
- 46 ..... 138,500
- 47 c. Chief judge of the court of appeals:
- 48 ..... \$ ~~127,920~~
- 49 ..... 134,600
- 50 d. Each associate judge of the court of appeals:

Page 17

- 1 ..... \$ ~~123,120~~
- 2 ..... 129,600
- 3 e. Each chief judge of a judicial district:
- 4 ..... \$ ~~122,000~~
- 5 ..... 126,000
- 6 f. Each district judge except the chief judge of a
- 7 judicial district:
- 8 ..... \$ ~~117,040~~
- 9 ..... 121,000
- 10 g. Each district associate judge:
- 11 ..... \$ ~~102,000~~
- 12 ..... 105,500
- 13 h. Each associate juvenile judge:
- 14 ..... \$ ~~102,000~~
- 15 ..... 105,500
- 16 i. Each associate probate judge:

17 ..... \$ 102,000  
 18 105,500  
 19 j. Each judicial magistrate:  
 20 ..... \$ ~~30,400~~  
 21 31,500  
 22 k. Each senior judge:  
 23 ..... \$ ~~6,800~~  
 24 7,020  
 25 Sec. \_\_. YOUTH LEADERSHIP PROGRAM. There is  
 26 appropriated from the general fund of the state to the  
 27 department of corrections for the fiscal year  
 28 beginning July 1, 2005, and ending June 30, 2006, the  
 29 following amount, or so much thereof as is necessary,  
 30 to be used for the purpose designated:  
 31 For the sixth judicial district department of  
 32 correctional services:  
 33 ..... \$ 100,000  
 34 The appropriation made in this section shall be  
 35 used by the judicial district department of  
 36 correctional services to establish or maintain a youth  
 37 leadership model program to help at-risk youth in the  
 38 judicial district department of correctional services.  
 39 As a part of the program, the judicial district  
 40 department of correctional services may recruit  
 41 college or high school students in the judicial  
 42 district to work with at-risk youth. The student  
 43 workers shall be recruited regardless of gender, be  
 44 recommended by their respective schools as good role  
 45 models, including, but not limited to, students who  
 46 possess capabilities in one or more of the following  
 47 areas of ability: intellectual capacity, athletic,  
 48 visual arts, or performing arts.  
 49 Sec. \_\_. FULL-TIME EQUIVALENT POSITIONS FOR THE  
 50 DIVISION OF CRIMINAL INVESTIGATION AND BUREAU OF

Page 18

1 IDENTIFICATION. Notwithstanding the full-time  
 2 equivalent positions authorization in the  
 3 appropriation made for the fiscal year beginning July  
 4 1, 2005, to the department of public safety for the  
 5 division of criminal investigation and bureau of  
 6 identification in 2005 Iowa Acts, [House File 811](#), if  
 7 enacted, the number of full-time equivalent positions  
 8 is increased from 225.50 positions to 228.50  
 9 positions."  
 10 34. By striking page 35, line 25, through page  
 11 36, line 25 and inserting the following:  
 12 "Sec. \_\_. COUNTY REAL ESTATE ELECTRONIC  
 13 GOVERNMENT ADVISORY COMMITTEE.  
 14 1. A county real estate electronic government  
 15 advisory committee is created. Staffing services for

16 the advisory committee shall be provided by the  
17 auditor of state. The advisory committee membership  
18 shall consist of the following:  
19 a. Two members selected by the Iowa state  
20 association of county auditors.  
21 b. Two members selected by the Iowa state county  
22 treasurers association.  
23 c. Two members selected by the Iowa county  
24 recorders association.  
25 d. Two members selected by the Iowa state  
26 association of assessors.  
27 e. One member selected by each of the following  
28 organizations:  
29 (1) Iowa state association of counties.  
30 (2) Iowa land title association.  
31 (3) Iowa bankers association.  
32 (4) Iowa credit union league.  
33 (5) Iowa state bar association.  
34 (6) Iowa association of realtors.  
35 2. The county real estate electronic government  
36 advisory committee shall facilitate discussion to  
37 integrate the county land record information system  
38 created pursuant to section 331.605C with the  
39 electronic government internet applications of county  
40 treasurers, county recorders, county auditors, and  
41 county assessors. The advisory committee shall file  
42 an integration plan with the governor and the general  
43 assembly on or before November 1, 2005."  
44 35. By striking page 36, line 34, through page  
45 37, line 2, and inserting the following: "of the  
46 county land record information system. The Iowa  
47 county recorders".  
48 36. Page 37, by striking line 21, and inserting  
49 the following: "documents in the county land record  
50 information system until authorized by the".

Page 19

1 37. Page 37, line 22, by inserting after the word  
2 "assembly." the following: "However, county recorders  
3 may collect actual third-party fees associated with  
4 accepting and processing statutorily authorized fees  
5 including credit card fees, treasury management fees,  
6 and other transaction fees required to enable  
7 electronic payment. For the purposes of this  
8 subsection, the term "third-party" does not include  
9 the county land record information system, the Iowa  
10 state association of counties, or any of the  
11 association's affiliates."  
12 38. Page 37, lines 24 and 25, by striking the  
13 words "and the department of administrative services".  
14 39. Page 37, by inserting after line 33, the

15 following:

16 "Sec.\_\_\_\_. DATA SECURITY AUDIT.

17 1. The Iowa county recorders association shall  
18 select a vendor to conduct a data security audit of  
19 the county land record information system created  
20 pursuant to section 331.605C. The review and  
21 assessment utilized in the audit shall include, but  
22 are not limited to, a review of the functional and  
23 system requirements, design documentation, software  
24 code developed to support the business requirements,  
25 operational procedures, financial flows including a  
26 financial forecast, requests for proposals, and all  
27 contracts.

28 2. The costs of the data security audit conducted  
29 pursuant to subsection 1 shall be paid from moneys  
30 appropriated to the treasurer of state pursuant to  
31 section 331.605C.

32 3. The Iowa county recorders association shall  
33 forward the complete results of the data security  
34 audit to the government oversight committees of the  
35 senate and the house of representatives and the  
36 general assembly on or before December 1, 2005, and  
37 the government oversight committees may request  
38 additional updates."

39 40. Page 48, by inserting after line 23 the  
40 following:

41 "Sec.\_\_\_\_. Section 805.8C, subsection 6, as  
42 amended by 2005 Iowa Acts, [Senate File 169](#), section 9,  
43 is amended to read as follows:

44 6. PSEUDOEPHEDRINE SALES VIOLATIONS. For  
45 violations of section 126.23A, subsection 1, by an  
46 employee of a retailer, or for violations of section  
47 126.23A, subsection 2, paragraph "a", by a purchaser,  
48 the scheduled fine is as follows:

49 a. If the violation is a first offense, the  
50 scheduled fine is one hundred dollars.

Page 20

1 b. If the violation is a second offense, the  
2 scheduled fine is two hundred fifty dollars.  
3 c. If the violation is a third or subsequent  
4 offense, the scheduled fine is five hundred dollars."

5 41. Page 48, by inserting after line 23, the  
6 following:

7 "Sec.\_\_\_\_. 2005 Iowa Acts, [House File 839](#), is  
8 amended by adding the following new section:

9 SEC.\_\_\_\_. EFFECTIVE DATE. This Act, being deemed  
10 of immediate importance, takes effect upon enactment  
11 of 2005 Iowa Acts, [House File 882](#)."

12 42. Page 48, by inserting after line 26 the  
13 following:

14 "DIVISION \_\_\_\_  
15 STATE LIQUOR ACTIVITIES  
16 Sec. \_\_\_\_ Section 123.53, subsection 3, Code 2005,  
17 is amended to read as follows:  
18 3. The treasurer of state shall transfer into a  
19 special revenue account in the general fund of the  
20 state, a sum of money at least equal to seven percent  
21 of the gross amount of sales made by the division from  
22 the beer and liquor control fund on a monthly basis  
23 but not less than nine million dollars annually, ~~and~~  
24 ~~any amounts so.~~ Of the amounts transferred, two  
25 million dollars, plus an additional amount determined  
26 by the general assembly, shall be used by appropriated  
27 to the substance abuse division of the Iowa department  
28 of public health to be used for substance abuse  
29 treatment and prevention programs in an amount  
30 determined by the general assembly and any. Any  
31 amounts received in excess of the amounts appropriated  
32 to the substance abuse division of the Iowa department  
33 of public health shall be considered part of the  
34 general fund balance.  
35 Sec. \_\_\_\_ ALCOHOLIC BEVERAGES DIVISION – STATE  
36 LIQUOR WAREHOUSE AND TRUCKING FUNCTIONS. The  
37 department of administrative services shall issue a  
38 request for proposals developed with the alcoholic  
39 beverages division of the department of commerce or  
40 otherwise utilize a competitive process not  
41 inconsistent with the division's current charter  
42 agency agreement to select a provider to perform the  
43 state liquor warehouse and trucking functions. The  
44 request for proposals or competitive process shall be  
45 issued or commenced as soon as is reasonably possible  
46 and a provider shall be selected no later than  
47 December 31, 2005. The division may submit a bid in  
48 response to a request for proposals issued or  
49 competitive process conducted pursuant to this  
50 section. If the division submits a bid, the division

Page 21

1 shall include in the bid the cost of labor to perform  
2 the contract which shall be calculated by using the  
3 cost of hiring full-time equivalent positions to  
4 perform the contract pursuant to state pay grade  
5 classifications and benefits as outlined in the most  
6 recent collective bargaining agreement applicable to  
7 other employees of the division. Notwithstanding any  
8 provision of chapter 22 to the contrary, the  
9 division's bid and any documents the division uses in  
10 developing its bid shall be considered a confidential  
11 record until the department of administrative services  
12 announces the results of the request for proposals or

13 competitive process.

14 Sec. \_\_. EFFECTIVE DATE. The section of this Act  
15 amending section 123.53 takes effect July 1, 2006.

16 DIVISION

17 BOARD OF REGENTS

18 Sec. \_\_. Section 12B.10C, Code 2005, is amended  
19 by adding the following new subsection:

20 NEW SUBSECTION. 10. The state board of regents  
21 governed by chapter 262.

22 Sec. \_\_. Section 73A.1, subsection 2, Code 2005,  
23 is amended to read as follows:

24 2. "Municipality" as used in this chapter means  
25 township, school corporation, and state fair board,  
26 ~~and state board of regents.~~

27 Sec. \_\_. Section 262.9, subsection 7, Code 2005,  
28 is amended to read as follows:

29 7. ~~With the approval of the executive council,~~  
30 ~~acquire~~ Acquire real estate for the proper uses of  
31 ~~said~~ institutions under its control, and dispose of  
32 real estate belonging to ~~said the~~ institutions when  
33 not necessary for their purposes. ~~A~~ The disposal of  
34 ~~such~~ real estate shall be made upon such terms,  
35 conditions, and consideration as the board may  
36 recommend ~~and subject to the approval of the executive~~  
37 ~~council.~~ If real estate subject to sale ~~hereunder~~ has  
38 been purchased or acquired from appropriated funds,  
39 the proceeds of such sale shall be deposited with the  
40 treasurer of state and credited to the general fund of  
41 the state. There is hereby appropriated from the  
42 general fund of the state a sum equal to the proceeds  
43 so deposited and credited to the general fund of the  
44 state to the state board of regents, which, ~~with the~~  
45 ~~prior approval of the executive council,~~ may be used  
46 to purchase other real estate and buildings; and for  
47 the construction and alteration of buildings and other  
48 capital improvements. All transfers shall be by state  
49 patent in the manner provided by law. The board is  
50 also authorized to grant easements for rights-of-way

Page 22

1 over, across, and under the surface of public lands  
2 under its jurisdiction when in the board's judgment  
3 such easements are desirable and will benefit the  
4 state of Iowa.

5 Sec. \_\_. Section 262.9, subsection 15, unnumbered  
6 paragraph 2, Code 2005, is amended by striking the  
7 unnumbered paragraph.

8 Sec. \_\_. Section 262.10, unnumbered paragraph 1,  
9 Code 2005, is amended to read as follows:

10 No sale or purchase of real estate shall be made  
11 save upon the order of the board, made at a regular

12 meeting, or one called for that purpose, and then in  
13 such manner and under such terms as the board may  
14 prescribe ~~and only with the approval of the executive~~  
15 ~~council~~. No member of the board or any of its  
16 committees, offices or agencies nor any officer of any  
17 institution, shall be directly or indirectly  
18 interested in such purchase or sale.

19 Sec. \_\_. Section 262.33A, Code 2005, is amended  
20 to read as follows:

21 262.33A FIRE AND ENVIRONMENTAL SAFETY – REPORT –  
22 EXPENDITURES.

23 It is the intent of the general assembly that each  
24 institution of higher education under the control of  
25 the state board of regents shall, in consultation with  
26 the state fire marshal, identify and correct all  
27 critical fire and environmental safety deficiencies.  
28 ~~The state fire marshal shall report annually to the~~  
29 ~~joint subcommittee on education appropriations. The~~  
30 ~~report shall include, but is not limited to, the~~  
31 ~~identified deficiencies in fire and environmental~~  
32 ~~safety at the institutions, and plans for correction~~  
33 ~~of the deficiencies and for compliance with this~~  
34 ~~section.~~ Commencing July 1, 1993, each institution  
35 under the control of the state board of regents shall  
36 expend annually for fire safety and deferred  
37 maintenance at least the amount budgeted for these  
38 purposes for the fiscal year beginning July 1, 1992,  
39 in addition to any moneys appropriated from the  
40 general fund for these purposes in succeeding years.

41 Sec. \_\_. Section 262.34, Code 2005, is amended to  
42 read as follows:

43 262.34 IMPROVEMENTS – ADVERTISEMENT FOR BIDS –  
44 DISCLOSURES – ~~PAYMENTS~~.

45 1. When the estimated cost of construction,  
46 repairs, or improvement of buildings or grounds under  
47 charge of the state board of regents exceeds ~~twenty-~~  
48 ~~five one hundred~~ thousand dollars, the board shall  
49 advertise for bids for the contemplated improvement or  
50 construction and shall let the work to the lowest

Page 23

1 responsible bidder. However, if in the judgment of  
2 the board bids received are not acceptable, the board  
3 may reject all bids and proceed with the construction,  
4 repair, or improvement by a method as the board may  
5 determine. All plans and specifications for repairs  
6 or construction, together with bids on the plans or  
7 specifications, shall be filed by the board and be  
8 open for public inspection. All bids submitted under  
9 this section shall be accompanied by a deposit of  
10 money, a certified check, or a credit union certified

11 share draft in an amount as the board may prescribe.

12 2. A bidder awarded a contract shall disclose the  
13 names of all subcontractors, who will work on the  
14 project being bid, within forty-eight hours after the  
15 award of the contract. If a subcontractor named by a  
16 bidder awarded a contract is replaced, or if the cost  
17 of work to be done by a subcontractor is reduced, the  
18 bidder shall disclose the name of the new  
19 subcontractor or the amount of the reduced cost.

20 3. Payments made by the board for the construction  
21 of public improvements shall be made in accordance  
22 with the provisions of chapter 573 except that:

23 a. Payments may be made without retention until  
24 ninety-five percent of the contract amount has been  
25 paid. The remaining five percent of the contract  
26 amount shall be paid as provided in section 573.14,  
27 except that:

28 (1) At any time after all or any part of the work  
29 is substantially completed in accordance with  
30 paragraph "c", the contractor may request the release  
31 of all or part of the retainage owed. Such request  
32 shall be accompanied by a waiver of claim rights under  
33 the provisions of chapter 573 from any person, firm,  
34 or corporation who has, under contract with the  
35 principal contractor or with subcontractors performed  
36 labor, or furnished materials, service, or  
37 transportation in the construction of that portion of  
38 the work for which release of the retainage is  
39 requested.

40 (2) Upon receipt of the request, the board shall  
41 release all or part of the unpaid funds. Retainage  
42 that is approved as payable shall be paid at the time  
43 of the next monthly payment or within thirty days,  
44 whichever is sooner. If partial retainage is released  
45 pursuant to a contractor's request, no retainage shall  
46 be subsequently held based on that portion of the  
47 work. If within thirty days of when payment becomes  
48 due the board does not release the retainage due,  
49 interest shall accrue on the retainage amount due as  
50 provided in section 573.14 until that amount is paid.

Page 24

1 (3) If at the time of the request for the  
2 retainage there are remaining or incomplete minor  
3 items, an amount equal to two hundred percent of the  
4 value of each remaining or incomplete item, as  
5 determined by the board's authorized contract  
6 representative, may be withheld until such item or  
7 items are completed.

8 (4) An itemization of the remaining or incomplete  
9 items, or the reason that the request for release of

10 the retainage was denied, shall be provided to the  
11 contractor in writing within thirty calendar days of  
12 the receipt of the request for release of retainage.  
13 b. For purposes of this section, "authorized  
14 contract representative" means the architect or  
15 engineer who is in charge of the project and chosen by  
16 the board to represent its interests, or if there is  
17 no architect or engineer, then such other contract  
18 representative or officer as designated in the  
19 contract documents as the party representing the  
20 board's interest regarding administration and  
21 oversight of the project.  
22 c. For purposes of this section, "substantially  
23 completed" means the first date on which any of the  
24 following occurs:  
25 (1) Completion of the project or when the work has  
26 been substantially completed in general accordance  
27 with the terms and provisions of the contract.  
28 (2) The work or the portion designated is  
29 sufficiently complete in accordance with the  
30 requirements of the contract so the board can occupy  
31 or utilize the work for its intended purpose.  
32 (3) The project is certified as having been  
33 substantially completed by either of the following:  
34 (a) The architect or engineer authorized to make  
35 such certification.  
36 (b) The contracting authority representing the  
37 board.  
38 4. Each contractor or subcontractor shall withhold  
39 retainage, if at all, in the same manner as retainage  
40 is withheld from the contractor or subcontractor; and  
41 each subcontractor shall pass through all retainage  
42 payments to lower tier subcontractors in accordance  
43 with the provisions of chapter 573.  
44 Sec. \_\_. Section 262.57, unnumbered paragraph 1,  
45 Code 2005, is amended to read as follows:  
46 To pay all or any part of the cost of carrying out  
47 any project at any institution the board is authorized  
48 to borrow money and to issue and sell negotiable bonds  
49 or notes and to refund and refinance bonds or notes  
50 heretofore issued or as may be hereafter issued for

Page 25

1 any project or for refunding purposes at a lower rate,  
2 the same rate or a higher rate or rates of interest  
3 and from time to time as often as the board shall find  
4 it to be advisable and necessary so to do. Such bonds  
5 or notes may be sold by said board at public sale in  
6 the manner prescribed by chapter 75 but if the board  
7 shall find it to be advantageous and in the public  
8 interest to do so, such bonds or notes may be sold by

9 the board at private sale without published notice of  
10 any kind and without regard to the requirements of  
11 chapter 75 in such manner and upon such terms as may  
12 be prescribed by the resolution authorizing the same,  
13 ~~but such bonds or notes shall in any event be sold~~  
14 ~~upon terms of not less than par plus accrued interest.~~  
15 Bonds or notes issued to refund other bonds or notes  
16 heretofore or hereafter issued by the board for  
17 residence hall or dormitory purposes at any  
18 institution, including dining or other facilities and  
19 additions, or heretofore or hereafter issued for  
20 refunding purposes, may either be sold in the manner  
21 hereinbefore specified and the proceeds thereof  
22 applied to the payment of the obligations being  
23 refunded, or the refunding bonds or notes may be  
24 exchanged for and in payment and discharge of the  
25 obligations being refunded, and a finding by the board  
26 in the resolution authorizing the issuance of such  
27 refunding bonds or notes that the bonds or notes being  
28 refunded were issued for a purpose specified in this  
29 division and constitute binding obligations of the  
30 board shall be conclusive and may be relied upon by  
31 any holder of any refunding bond or note issued under  
32 the provisions of this division. The refunding bonds  
33 or notes may be sold or exchanged in installments at  
34 different times or an entire issue or series may be  
35 sold or exchanged at one time. Any issue or series of  
36 refunding bonds or notes may be exchanged in part or  
37 sold in parts in installments at different times or at  
38 one time. The refunding bonds or notes may be sold or  
39 exchanged at any time on, before, or after the  
40 maturity of any of the outstanding notes, bonds or  
41 other obligations to be refinanced thereby and may be  
42 issued for the purpose of refunding a like or greater  
43 principal amount of bonds or notes, except that the  
44 principal amount of the refunding bonds or notes may  
45 exceed the principal amount of the bonds or notes to  
46 be refunded to the extent necessary to pay any premium  
47 due on the call of the bonds or notes to be refunded  
48 or to fund interest in arrears or about to become due.  
49 Sec. \_\_\_. Section 262.78, subsection 6, Code 2005,  
50 is amended by striking the subsection.

Page 26

1 Sec. \_\_\_. Section 262A.5, unnumbered paragraph 1,  
2 Code 2005, is amended to read as follows:  
3 The board is authorized to borrow money under this  
4 chapter, and the board may issue and sell negotiable  
5 bonds to pay all or any part of the cost of carrying  
6 out any project at any institution and may refund and  
7 refinance bonds issued for any project or for

8 refunding purposes at the same rate or at a higher or  
9 lower rate or rates of interest. Bonds issued under  
10 the provisions of this chapter shall be sold by said  
11 board at public sale on the basis of sealed proposals  
12 received pursuant to a notice specifying the time and  
13 place of sale and the amount of bonds to be sold which  
14 shall be published at least once not less than seven  
15 days prior to the date of sale in a newspaper  
16 published in the state of Iowa and having a general  
17 circulation in said state. The provisions of chapter  
18 75 shall ~~not~~ apply to bonds issued under authority  
19 contained in this chapter, ~~but such bonds shall be~~  
20 ~~sold upon terms of not less than par plus accrued~~  
21 ~~interest to the extent not in conflict with this~~  
22 ~~chapter.~~ Bonds issued to refund other bonds issued  
23 under the provisions of this chapter may either be  
24 sold in the manner hereinbefore specified and the  
25 proceeds thereof applied to the payment of the  
26 obligations being refunded, or the refunding bonds may  
27 be exchanged for and in payment and discharge of the  
28 obligations being refunded. The refunding bonds may  
29 be sold or exchanged in installments at different  
30 times or an entire issue or series may be sold or  
31 exchanged at one time. Any issue or series of  
32 refunding bonds may be exchanged in part or sold in  
33 parts in installments at different times or at one  
34 time. The refunding bonds may be sold or exchanged at  
35 any time on, before, or after the maturity of any of  
36 the outstanding bonds or other obligations to be  
37 refinanced thereby and may be issued for the purpose  
38 of refunding a like or greater principal amount of  
39 bonds, except that the principal amount of the  
40 refunding bonds may exceed the principal amount of the  
41 bonds to be refunded to the extent necessary to pay  
42 any premium due on the call of the bonds to be  
43 refunded or to fund interest in arrears or which is to  
44 become due.

45 Sec. \_\_. Section 266.39F, subsection 2,  
46 unnumbered paragraph 2, Code 2005, is amended to read  
47 as follows:  
48 The provisions of section 262.9, subsection 7, ~~and~~  
49 ~~section 262.10~~, shall not apply to the sale of any  
50 portion of land to be sold in accordance with this

Page 27

1 section or to the use of the proceeds from the sale of  
2 the land.  
3 Sec. \_\_. Section 573.12, subsection 1, unnumbered  
4 paragraph 1, Code 2005, is amended to read as follows:  
5 Payments made under contracts for the construction  
6 of public improvements, unless provided otherwise by

7 law, shall be made on the basis of monthly estimates  
 8 of labor performed and material delivered, as  
 9 determined by the project architect or engineer. The  
 10 public corporation shall retain from each monthly  
 11 payment not more than five percent of that amount  
 12 which is determined to be due according to the  
 13 estimate of the architect or engineer. ~~However,~~  
 14 ~~institutions governed pursuant to chapter 262 may, on~~  
 15 ~~contracts where a bond is required under section~~  
 16 ~~573.2, make payments under this section without~~  
 17 ~~retention until ninety five percent of the contract~~  
 18 ~~amount has been paid and the remaining five percent of~~  
 19 ~~the contract amount shall be paid as provided under~~  
 20 ~~section 573.14.~~

21 Sec. \_\_. Section 573.14, unnumbered paragraph 2,  
 22 Code 2005, is amended to read as follows:

23 The public corporation shall order payment of any  
 24 amount due the contractor to be made in accordance  
 25 with the terms of the contract. Except as provided in  
 26 section 573.12 for progress payments, failure to make  
 27 payment pursuant to this section, of any amount due  
 28 the contractor, within forty days, unless a greater  
 29 time period not to exceed fifty days is specified in  
 30 the contract documents, after the work under the  
 31 contract has been completed and if the work has been  
 32 accepted and all required materials, certifications,  
 33 and other documentations required to be submitted by  
 34 the contractor and specified by the contract have been  
 35 furnished the awarding public corporation by the  
 36 contractor, shall cause interest to accrue on the  
 37 amount unpaid to the benefit of the unpaid party.  
 38 Interest shall accrue during the period commencing the  
 39 thirty-first day following the completion of work and  
 40 satisfaction of the other requirements of this  
 41 paragraph and ending on the date of payment. The rate  
 42 of interest shall be determined by the period of time  
 43 during which interest accrues, and shall be the same  
 44 as the rate of interest that is in effect under  
 45 section 12C.6, as of the day interest begins to  
 46 accrue, for a deposit of public funds for a comparable  
 47 period of time. However, for institutions governed  
 48 pursuant to chapter 262, the rate of interest shall be  
 49 determined by the period of time during which interest  
 50 accrues, and shall be calculated as the prime rate

Page 28

1 plus one percent per year as of the day interest  
 2 begins to accrue. This paragraph does not abridge any  
 3 of the rights set forth in section 573.16. Except as  
 4 provided in sections 573.12 and 573.16, interest shall  
 5 not accrue on funds retained by the public corporation

6 to satisfy the provisions of this section regarding  
7 claims on file. This chapter does not apply if the  
8 public corporation has entered into a contract with  
9 the federal government or accepted a federal grant  
10 which is governed by federal law or rules that are  
11 contrary to the provisions of this chapter. For  
12 purposes of this unnumbered paragraph, "prime rate"  
13 means the prime rate charged by banks on short-term  
14 business loans, as determined by the board of  
15 governors of the federal reserve system and published  
16 in the federal reserve bulletin.  
17 Sec. \_\_. Sections 262.64A, 262.67, 262A.3,  
18 262A.6A, 263A.11, 265.6, and 473.12, Code 2005, are  
19 repealed.

#### DIVISION

##### ENTREPRENEURS WITH DISABILITIES

21 Sec. \_\_. ENTREPRENEURS WITH DISABILITIES PROGRAM  
22 – TRANSFER OF ADMINISTRATION. The department of  
23 economic development shall transfer the administrative  
24 duties of the entrepreneurs with disabilities program  
25 to the Iowa finance authority. The authority shall  
26 adopt rules pursuant to chapter 17A for purposes of  
27 administering the program. Any contract entered into  
28 under the program by the department of economic  
29 development remains valid. The transfer of  
30 administrative duties to the authority shall not  
31 constitute grounds for rescission or modification of a  
32 contract under the program entered into with the  
33 department.

34 Sec. \_\_. ENTREPRENEURS WITH DISABILITIES PROGRAM  
35 – APPROPRIATION. For the fiscal year beginning July  
36 1, 2005, and ending June 30, 2006, there is  
37 appropriated from the general fund of the state to the  
38 Iowa finance authority two hundred thousand dollars  
39 for purposes of the entrepreneurs with disabilities  
40 program.

#### DIVISION

##### GRAPE AND WINE DEVELOPMENT

42 Sec. \_\_. Section 175A.1, subsection 2, Code 2005,  
43 is amended to read as follows:

44 2. "Department" means the Iowa department of  
45 agriculture and land stewardship economic development  
46 as created in section 15.105.

47 Sec. \_\_. Section 175A.1, Code 2005, is amended by  
48 adding the following new subsection:  
49

50 Page 29

1 NEW SUBSECTION. 2A. "Director" means the director  
2 of the department as appointed by the governor  
3 pursuant to section 15.105.  
4 Sec. \_\_. Section 175A.2, subsection 1, paragraph

5 a, subparagraph (1), Code 2005, is amended to read as  
6 follows:

7 (1) The ~~secretary of agriculture director~~.

8 Sec. \_\_. Section 175A.2, subsection 1, paragraph  
9 a, subparagraph (3), Code 2005, is amended by striking  
10 the paragraph.

11 Sec. \_\_. Section 175A.2, subsection 1, paragraph  
12 b, unnumbered paragraph 1, Code 2005, is amended to  
13 read as follows:

14 The following persons appointed by the ~~secretary of~~  
15 ~~agriculture director~~, who shall serve as voting  
16 members:

17 Sec. \_\_. Section 175A.2, subsection 1, unnumbered  
18 paragraph 2, Code 2005, is amended to read as follows:

19 The ~~secretary of agriculture director~~ shall appoint  
20 the voting members based on a list of nominations  
21 submitted by organizations representing growers,  
22 winemakers, and retail sellers as certified by the  
23 department according to requirements of the  
24 department. Appointments of voting members are  
25 subject to the requirements of sections 69.16 and  
26 69.16A. In addition, the appointments shall be  
27 geographically balanced. Unless the ~~secretary of~~  
28 ~~agriculture director~~ determines that it is not  
29 feasible, at least one person appointed as a voting  
30 member shall reside in each of the state's  
31 congressional districts at the time of appointment.  
32 The ~~secretary of agriculture's director's~~ appointees  
33 shall be confirmed by the senate, pursuant to section  
34 2.32.

35 Sec. \_\_. Section 175A.2, subsection 2, Code 2005,  
36 is amended to read as follows:

37 2. The voting members shall serve three-year terms  
38 beginning and ending as provided in section 69.19.  
39 ~~However, the secretary of agriculture shall appoint~~  
40 ~~initial members to serve for less than three years to~~  
41 ~~ensure members serve staggered terms.~~ A member is  
42 eligible for reappointment. A vacancy on the  
43 commission shall be filled for the unexpired portion  
44 of the regular term in the same manner as regular  
45 appointments are made.

46 Sec. \_\_. TRANSITIONAL PROVISIONS.

47 1. Any agreement made by the department of  
48 agriculture and land stewardship which is executed  
49 pursuant to chapter 175A and which is in effect on the  
50 effective date of the amendments to sections 175A.1

Page 30

1 and 175A.2 in this division of this Act shall continue  
2 in full force and effect until the agreement expires  
3 by its terms or is amended, terminated, or

4 supplemented by the affirmative action of the Iowa  
5 department of economic development.

6 2. Any rule, regulation, form, order, or directive  
7 adopted or issued by the department of agriculture and  
8 land stewardship pursuant to chapter 175A which is in  
9 effect on the effective date of amendments to sections  
10 175A.1 and 175A.2 in this division of this Act shall  
11 continue in full force and effect until amended,  
12 repealed, or supplemented by the affirmative action of  
13 the Iowa department of economic development as  
14 provided in chapter 17A.

15 3. A person who holds a position as a member of  
16 the grape and wine development commission who was  
17 appointed by the secretary of agriculture pursuant to  
18 section 175A.2 prior to the effective date of  
19 amendments to sections 175A.1 and 175A.2 in this  
20 division of this Act shall continue to hold such  
21 position until the end of the member's term of office.

22 Sec. \_\_\_. EFFECTIVE DATE. The amendments to  
23 sections 175.1 and 175.2 in this division of this Act  
24 which provide for the transfer of administrative  
25 duties and powers of chapter 175A from the department  
26 of agriculture and land stewardship to the Iowa  
27 department of economic development and transitional  
28 provisions applying to that transfer as provided in  
29 this division of this Act take effect upon enactment.

30 43. Page 48, by inserting after line 26 the  
31 following:

32 "DIVISION

33 RENEWABLE ENERGY GENERATION AND TAX CREDITS

34 Sec. \_\_\_. Section 422.11J, Code 2005, is amended  
35 to read as follows:

36 422.11J ~~WIND ENERGY PRODUCTION TAX CREDIT CREDITS~~  
37 FOR WIND ENERGY PRODUCTION AND RENEWABLE ENERGY.

38 The taxes imposed under this division, less the  
39 credits allowed under sections 422.12 and 422.12B,  
40 shall be reduced by ~~a wind energy production tax~~  
41 ~~credit credits for wind energy production~~ allowed  
42 under chapter 476B and for renewable energy allowed  
43 under chapter 476C.

44 Sec. \_\_\_. Section 422.33, subsection 16, Code  
45 2005, is amended to read as follows:

46 16. The taxes imposed under this division shall be  
47 reduced by ~~a wind energy production tax credit credits~~  
48 for wind energy production allowed under chapter 476B  
49 and for renewable energy allowed under chapter 476C.

50 Sec. \_\_\_. Section 422.60, subsection 8, Code 2005,

Page 31

1 is amended to read as follows:

2 8. The taxes imposed under this division shall be

3 reduced by ~~a wind energy production tax credit credits~~  
4 for wind energy production allowed under chapter 476B  
5 and for renewable energy allowed under chapter 476C.  
6 Sec. \_\_. Section 423.4, Code 2005, is amended by  
7 adding the following new subsection:  
8 NEW SUBSECTION. 4. A person in possession of a  
9 renewable energy tax credit certificate issued  
10 pursuant to chapter 476C may apply to the director for  
11 refund of the amount of sales or use tax imposed and  
12 paid upon purchases made by the applicant.  
13 a. The refunds may be obtained only in the  
14 following manner and under the following conditions:  
15 (1) On forms furnished by the department and filed  
16 by January 31 after the end of the calendar year in  
17 which the tax credit certificate is to be applied, the  
18 applicant shall report to the department the total  
19 amount of sales and use tax paid during the reporting  
20 period on purchases made by the applicant.  
21 (2) The applicant shall separately list the  
22 amounts of sales and use tax paid during the reporting  
23 period.  
24 (3) If required by the department, the applicant  
25 shall prove that the person making the sales has  
26 included the amount thereof in the computation of the  
27 sales price of such person and that such person has  
28 paid the tax levied by this subchapter or subchapter  
29 III, based upon such computation of the sales price.  
30 (4) The applicant shall provide the tax credit  
31 certificates issued pursuant to chapter 476C to the  
32 department with the forms required by this paragraph  
33 "a".  
34 b. If satisfied that the foregoing conditions and  
35 requirements have been complied with, the director  
36 shall refund the amount claimed by the applicant for  
37 an amount not greater than the amount of tax credits  
38 issued in tax credit certificates pursuant to chapter  
39 476C.  
40 Sec. \_\_. Section 432.12E, Code 2005, is amended  
41 to read as follows:  
42 432.12E WIND ENERGY PRODUCTION TAX CREDIT CREDITS  
43 FOR WIND ENERGY PRODUCTION AND RENEWABLE ENERGY.  
44 The taxes imposed under this chapter shall be  
45 reduced by ~~a wind energy production tax credit credits~~  
46 for wind energy production allowed under chapter 476B  
47 and for renewable energy allowed under chapter 476C.  
48 Sec. \_\_. NEW SECTION. 437A.17B REIMBURSEMENT  
49 FOR RENEWABLE ENERGY.  
50 A person in possession of a renewable energy tax

Page 32

1 credit certificate issued pursuant to chapter 476C may

2 apply to the director for a reimbursement of the  
3 amount of taxes imposed and paid by the person  
4 pursuant to this chapter in an amount not more than  
5 the person received in renewable energy tax credit  
6 certificates pursuant to chapter 476C. To obtain the  
7 reimbursement, the person shall attach to the return  
8 required under section 437A.8 the renewable energy tax  
9 credit certificates issued to the person pursuant to  
10 chapter 476C, and provide any other information the  
11 director may require. The director shall direct a  
12 warrant to be issued to the person for an amount equal  
13 to the tax imposed and paid by the person pursuant to  
14 this chapter but for not more than the amount of the  
15 renewable energy tax credit certificates attached to  
16 the return.

17 Sec. \_\_. NEW SECTION. 476C.1 DEFINITIONS.

18 For purposes of this chapter, unless the context  
19 otherwise requires:

20 1. "Anaerobic digester system" means a system of  
21 components that processes plant or animal materials  
22 based on the absence of oxygen and produces methane or  
23 other biogas used to generate electricity, hydrogen  
24 fuel, or heat for a commercial purpose.

25 2. "Biogas recovery facility" means an anaerobic  
26 digester system that is located in this state.

27 3. "Biomass conversion facility" means a facility  
28 in this state that converts plant-derived organic  
29 matter including, but not limited to, agricultural  
30 food and feed crops, crop wastes and residues, wood  
31 wastes and residues, or aquatic plants to generate  
32 electricity, hydrogen fuel, or heat for a commercial  
33 purpose.

34 4. "Board" means the utilities board within the  
35 utilities division of the department of commerce.

36 5. "Department" means the department of revenue.

37 6. "Eligible renewable energy facility" means a  
38 wind energy conversion facility, a biogas recovery  
39 facility, a biomass conversion facility, a methane gas  
40 recovery facility, or a solar energy conversion  
41 facility that meets all of the following requirements:

42 a. Is located in this state.

43 b. Is at least fifty-one percent owned by one or  
44 more of any combination of the following:

45 (1) A resident of this state.

46 (2) Any of the following as defined in section  
47 9H.1:

48 (a) An authorized farm corporation.

49 (b) An authorized limited liability company.

50 (c) An authorized trust.

Page 33

- 1 (d) A family farm corporation.
- 2 (e) A family farm limited liability company.
- 3 (f) A family trust.
- 4 (g) A revocable trust.
- 5 (h) A testamentary trust.
- 6 (3) A small business as defined in section 15.102.
- 7 (4) An electric cooperative association organized
- 8 pursuant to chapter 499 that sells electricity to end
- 9 users located in this state.
- 10 (5) An electric cooperative association that has
- 11 one or more members organized pursuant to chapter 499.
- 12 (6) A cooperative corporation organized pursuant
- 13 to chapter 497 or a limited liability corporation
- 14 organized pursuant to chapter 490A whose shares and
- 15 membership are held by an entity that is not
- 16 prohibited from owning agricultural land under chapter
- 17 9H.
- 18 (7) A school district located in this state.
- 19 c. Has at least one owner that meets the
- 20 requirements of paragraph "b" for each two and one-
- 21 half megawatts of nameplate generating capacity or the
- 22 energy production capacity equivalent for hydrogen
- 23 fuel or heat for a commercial purpose of the otherwise
- 24 eligible renewable energy facility.
- 25 d. Was initially placed into service on or after
- 26 July 1, 2005, and before January 1, 2011, or on or
- 27 after February 1, 2005, and before January 1, 2011, if
- 28 the facility meets the requirements of subsection 6,
- 29 paragraph "b", subparagraph (7).
- 30 7. "Energy production capacity equivalent" means
- 31 the amount of energy in a standard cubic foot of
- 32 hydrogen gas or the number of British thermal units
- 33 that are equal to the energy in a kilowatt-hour of
- 34 electricity. For the purposes of this chapter, one
- 35 kilowatt-hour shall be deemed equivalent to three
- 36 thousand three hundred thirty-three British thermal
- 37 units of heat or ten and forty-five one hundredths of
- 38 standard cubic feet of hydrogen gas.
- 39 8. "Heat for a commercial purpose" means the heat
- 40 in British thermal unit equivalents from methane or
- 41 other biogas produced in this state sold to a
- 42 purchaser of renewable energy for use for a commercial
- 43 purpose.
- 44 9. "Hydrogen fuel" means hydrogen produced in this
- 45 state from a renewable source that is used in a fuel
- 46 cell or hydrogen-powered internal combustion engine.
- 47 10. "Methane gas recovery facility" means a
- 48 facility in this state which is used in connection
- 49 with a sanitary landfill or which uses wastes that
- 50 would otherwise be deposited in a sanitary landfill,

Page 34

1 that collects methane gas or other gases and converts  
2 the gas into energy to generate electricity, hydrogen  
3 fuel, or heat for a commercial purpose.

4 11. "Producer of renewable energy" means a person  
5 who owns an eligible renewable energy facility.

6 12. "Purchaser of renewable energy" means a person  
7 who buys electric energy, hydrogen fuel, methane gas  
8 or other biogas used to generate electricity, or heat  
9 for a commercial purpose from an eligible renewable  
10 energy facility.

11 13. "Solar energy conversion facility" means a  
12 solar energy facility in this state that collects and  
13 converts incident solar radiation into energy to  
14 generate electricity.

15 14. "Wind energy conversion facility" means a wind  
16 energy conversion system in this state that collects  
17 and converts wind into energy to generate electricity.

18 Sec. \_\_. NEW SECTION. 476C.2 TAX CREDIT AMOUNT  
19 – LIMITATIONS.

20 1. A producer or purchaser of renewable energy may  
21 receive renewable energy tax credits under this  
22 chapter in an amount equal to one and one-half cents  
23 per kilowatt-hour of electricity, or four dollars and  
24 fifty cents per million British thermal units of heat  
25 for a commercial purpose, or four dollars and fifty  
26 cents per million British thermal units of methane gas  
27 or other biogas used to generate electricity, or one  
28 dollar and forty-four cents per one thousand standard  
29 cubic feet of hydrogen fuel generated by and purchased  
30 from an eligible renewable energy facility.

31 2. The renewable energy tax credit shall not be  
32 allowed for any kilowatt-hour of electricity, British  
33 thermal unit of heat for a commercial purpose, British  
34 thermal unit of methane gas or other biogas used to  
35 generate electricity, or standard cubic foot of  
36 hydrogen fuel that is purchased from an eligible  
37 renewable energy facility by a related person. For  
38 purposes of this subsection, persons shall be treated  
39 as related to each other if either person owns an  
40 eighty percent or more equity interest in the other  
41 person.

42 Sec. \_\_. NEW SECTION. 476C.3 DETERMINATION OF  
43 ELIGIBILITY.

44 1. A producer or purchaser of renewable energy may  
45 apply to the board for a written determination  
46 regarding whether a facility is an eligible renewable  
47 energy facility by submitting to the board a written  
48 application containing all of the following:

49 a. Information regarding the ownership of the  
50 facility including the percentage of equity interest

Page 35

1 held by each owner.

2 b. The nameplate generating capacity of the  
3 facility or energy production capacity equivalent.

4 c. Information regarding the facility's initial  
5 placement in service.

6 d. Information regarding the type of facility and  
7 what type of renewable energy the facility will  
8 produce.

9 e. A copy of the power purchase agreement or other  
10 agreement to purchase electricity, hydrogen fuel,  
11 methane or other biogas, or heat for a commercial  
12 purpose which shall designate either the producer or  
13 purchaser of renewable energy as eligible to apply for  
14 the renewable energy tax credit.

15 f. Any other information the board may require.

16 2. The board shall review the application and  
17 supporting information and shall make a preliminary  
18 determination regarding whether the facility is an  
19 eligible renewable energy facility. The board shall  
20 notify the applicant of the approval or denial of the  
21 application within thirty days of receipt of the  
22 application and information required. If the board  
23 fails to notify the applicant of the approval or  
24 denial within thirty days, the application shall be  
25 deemed denied. An applicant who receives a  
26 determination denying an application may file an  
27 appeal with the board within thirty days from the date  
28 of the denial pursuant to the provisions of chapter  
29 17A. In the absence of a timely appeal, the  
30 preliminary determination shall be final. If the  
31 application is incomplete, the board may grant an  
32 extension of time for the provision of additional  
33 information.

34 3. A facility that is not operational within  
35 eighteen months after issuance of an approval for the  
36 facility by the board shall cease to be an eligible  
37 renewable energy facility. A facility that is granted  
38 and thereafter loses approval may reapply to the board  
39 for a new determination.

40 4. The maximum amount of nameplate generating  
41 capacity of all wind energy conversion facilities the  
42 board may find eligible under this chapter shall not  
43 exceed ninety megawatts of nameplate generating  
44 capacity. The maximum amount of energy production  
45 capacity equivalent of all other facilities the board  
46 may find eligible under this chapter shall not exceed  
47 a combined output of ten megawatts of nameplate  
48 generating capacity.

49 5. An owner meeting the requirements of section  
50 476C.1, subsection 6, paragraph "b" shall not be an

Page 36

1 owner of more than two eligible renewable energy  
2 facilities.  
3 Sec.     . **NEW SECTION.** 476C.4 TAX CREDIT  
4 CERTIFICATE PROCEDURE.  
5 1. A producer or purchaser of renewable energy may  
6 apply to the board for the renewable energy tax credit  
7 by submitting to the board all of the following:  
8 a. A completed application in a form prescribed by  
9 the board.  
10 b. A copy of the determination granting approval  
11 of the facility as an eligible renewable energy  
12 facility by the board.  
13 c. A copy of a signed power purchase agreement or  
14 other agreement to purchase electricity, hydrogen  
15 fuel, methane or other biogas, or heat for a  
16 commercial purpose from an eligible renewable energy  
17 facility which shall designate either the producer or  
18 purchaser of renewable energy as eligible to apply for  
19 the renewable energy tax credit.  
20 d. Sufficient documentation that the electricity,  
21 heat for a commercial purpose, methane gas or other  
22 biogas, or hydrogen fuel has been generated by the  
23 eligible renewable energy facility and sold to the  
24 purchaser of renewable energy.  
25 e. Any other information the board deems  
26 necessary.  
27 2. The board shall notify the department of the  
28 amount of kilowatt-hours, British thermal units of  
29 heat for a commercial purpose, British thermal units  
30 of methane gas or other biogas used to generate  
31 electricity, or standard cubic feet of hydrogen fuel  
32 generated and purchased from an eligible renewable  
33 energy facility. The department shall calculate the  
34 amount of the tax credit for which the applicant is  
35 eligible and shall issue the tax credit certificate  
36 for that amount or notify the applicant in writing of  
37 its refusal to do so. An applicant whose application  
38 is denied may file an appeal with the department  
39 within sixty days from the date of the denial pursuant  
40 to the provisions of chapter 17A.  
41 3. Each tax credit certificate shall contain the  
42 person's name, address, and tax identification number,  
43 the amount of tax credits, the first taxable year the  
44 certificate may be used, the type of tax to which the  
45 tax credits shall be applied, and any other  
46 information required by the department. The tax  
47 credit certificate shall only list one type of tax to  
48 which the amount of the tax credit may be applied.  
49 Once issued by the department, the tax credit  
50 certificate shall not be terminated or rescinded.

Page 37

1 4. If the tax credit application is filed by a  
2 partnership, limited liability company, S corporation,  
3 estate, trust, or other reporting entity all of the  
4 income of which is taxed directly to its equity  
5 holders or beneficiaries, for the taxes imposed under  
6 chapter 422, division II or III, the tax credit  
7 certificate shall be issued directly to equity holders  
8 or beneficiaries of the applicant in proportion to  
9 their pro rata share of the income of such entity.  
10 The applicant shall, in the application made under  
11 this section, identify its equity holders or  
12 beneficiaries, and the percentage of such entity's  
13 income that is allocable to each equity holder or  
14 beneficiary. If the tax credit application is filed  
15 by a partnership, limited liability company, S  
16 corporation, estate, trust, or other reporting entity,  
17 all of whose income is taxed directly to its equity  
18 holders or beneficiaries for the taxes imposed under  
19 chapter 422, division V, or under chapter 423, 432, or  
20 437A, the tax credit certificate shall be issued  
21 directly to the partnership, limited liability  
22 company, S corporation, estate, trust, or other  
23 reporting entity.

24 5. The department shall not issue a tax credit  
25 certificate if the facility approved by the board as  
26 an eligible renewable energy facility is not  
27 operational within eighteen months after the approval  
28 is issued.

29 6. The department shall not issue a tax credit  
30 certificate to any person who has received a tax  
31 credit pursuant to chapter 476B.

32 7. Once a tax credit certificate is issued  
33 pursuant to this section, the tax credit may only be  
34 claimed against the type of tax reflected on the  
35 certificate.

36 Sec. . NEW SECTION. 476C.5 CERTIFICATE  
37 ISSUANCE PERIOD.

38 A producer or purchaser of renewable energy may  
39 receive renewable energy tax credit certificates for a  
40 ten-year period for each eligible renewable energy  
41 facility under this chapter. The ten-year period for  
42 issuance of the tax credit certificates begins with  
43 the date the purchaser of renewable energy first  
44 purchases electricity, hydrogen fuel, methane gas or  
45 other biogas used to generate electricity, or heat for  
46 commercial purposes from the eligible renewable energy  
47 facility for which a tax credit is issued under this  
48 chapter. Renewable energy tax credit certificates  
49 shall not be issued for renewable energy purchased  
50 after December 31, 2020.

Page 38

1 Sec. \_\_. NEW SECTION. 476C.6 TRANSFERABILITY  
2 AND USE OF TAX CREDIT CERTIFICATES – REGISTRATION.

3 1. Renewable energy tax credit certificates issued  
4 under this chapter may be transferred to any person.  
5 A tax credit certificate shall only be transferred  
6 once. However, for purposes of this transfer  
7 provision, a decision between a producer and purchaser  
8 of renewable energy regarding who claims the tax  
9 credit issued pursuant to this chapter shall not be  
10 considered a transfer and must be set forth in the  
11 application for the tax credit pursuant to section  
12 476C.4. Within thirty days of transfer, the  
13 transferee must submit the transferred tax credit  
14 certificate to the department along with a statement  
15 containing the transferee's name, tax identification  
16 number, and address, and the denomination that each  
17 new certificate is to carry and any other information  
18 required by the department. Within thirty days of  
19 receiving the transferred tax credit certificate and  
20 the transferee's statement, the department shall issue  
21 one or more replacement tax credit certificates to the  
22 transferee. Each replacement tax credit certificate  
23 must contain the information required under section  
24 476C.4, subsection 3, and must have the same effective  
25 taxable year and the same expiration date that  
26 appeared in the transferred tax credit certificate.  
27 Tax credit certificate amounts of less than the  
28 minimum amount established by rule shall not be  
29 transferable. A tax credit shall not be claimed by a  
30 transferee under this chapter until a replacement tax  
31 credit certificate identifying the transferee as the  
32 proper holder has been issued. The replacement tax  
33 credit certificate may reflect a different type of tax  
34 than the type of tax noted on the original tax credit  
35 certificate.  
36 The transferee may use the amount of the tax credit  
37 transferred against taxes imposed under chapter 422,  
38 divisions II, III, and V, and chapter 432 for any tax  
39 year the original transferor could have claimed the  
40 tax credit. The transferee may claim a refund under  
41 chapter 423 or 437A for any tax year within the time  
42 period set forth in section 423.47 or 437A.14 for  
43 which the original transferor could have claimed the  
44 refund. Any consideration received for the transfer  
45 of the tax credit shall not be included as income  
46 under chapter 422, divisions II, III, and V. Any  
47 consideration paid for the transfer of the tax credit  
48 shall not be deducted from income under chapter 422,  
49 divisions II, III, and V.  
50 2. To claim a renewable energy tax credit under

Page 39

1 this chapter, a taxpayer must attach one or more tax  
2 credit certificates to the taxpayer's tax return, or  
3 if used against taxes imposed under chapter 423, the  
4 taxpayer shall comply with section 423.4, or if used  
5 against taxes imposed under chapter 437A, the taxpayer  
6 shall comply with section 437A.17B, subsection 4. A  
7 tax credit certificate shall not be used or attached  
8 to a return filed for a taxable year beginning prior  
9 to July 1, 2006. The tax credit certificate or  
10 certificates attached to the taxpayer's tax return  
11 shall be issued in the taxpayer's name, expire on or  
12 after the last day of the taxable year for which the  
13 taxpayer is claiming the tax credit, and show a tax  
14 credit amount equal to or greater than the tax credit  
15 claimed on the taxpayer's tax return. Any tax credit  
16 in excess of the taxpayer's tax liability for the  
17 taxable year may be credited to the taxpayer's tax  
18 liability for the following seven tax years or until  
19 the credit is depleted, whichever is earlier. If the  
20 tax credit is applied against the taxes imposed under  
21 chapter 423 or 437A, any credit in excess of the  
22 taxpayer's tax liability is carried over and can be  
23 filed with the refund claim for the following seven  
24 tax years or until depleted, whichever is earlier.  
25 However, the certificate shall not be used to reduce  
26 tax liability for a tax period ending after the  
27 expiration date of the certificate.

28 3. The department shall develop a system for the  
29 registration of the renewable energy tax credit  
30 certificates issued or transferred under this chapter  
31 and a system that permits verification that any tax  
32 credit claimed on a tax return is valid and that  
33 transfers of the tax credit certificates are made in  
34 accordance with the requirements of this chapter. The  
35 tax credit certificates issued under this chapter  
36 shall not be classified as a security pursuant to  
37 chapter 502.

38 Sec. \_\_. NEW SECTION. 476C.7 RULES.

39 The department and the board may adopt rules  
40 pursuant to chapter 17A for the administration and  
41 enforcement of this chapter.

42 Sec. \_\_. EFFECTIVE DATE. This division of this  
43 Act, being deemed of immediate importance, takes  
44 effect upon enactment."

45 44. Page 48, by inserting after line 26 the  
46 following:

47 "DIVISION  
48 PROVISIONS RELATING TO THE PRACTICE OF PHARMACY  
49 Sec. \_\_. Section 155A.3, subsection 11, Code  
50 2005, is amended to read as follows:

Page 40

1 11. "Dispense" means to deliver a prescription  
2 drug, device, or controlled substance to an ultimate  
3 user or research subject by or pursuant to the lawful  
4 prescription drug order or medication order of a  
5 practitioner, including the prescribing,  
6 administering, packaging, labeling, or compounding  
7 necessary to prepare the substance for that delivery.

8 Sec. \_\_. Section 155A.3, Code 2005, is amended by  
9 adding the following new subsection:

10 NEW SUBSECTION. 22A. "Logistics provider" means  
11 an entity that provides or coordinates warehousing,  
12 distribution, or other services on behalf of a  
13 manufacturer or other owner of a drug, but does not  
14 take title to the drug or have general responsibility  
15 to direct its sale or other disposition.

16 Sec. \_\_. Section 155A.3, Code 2005, is amended by  
17 adding the following new subsection:

18 NEW SUBSECTION. 23A. "Pedigree" means a recording  
19 of each distribution of any given drug or device, from  
20 the sale by the manufacturer through acquisition and  
21 sale by any wholesaler, pursuant to rules adopted by  
22 the board.

23 Sec. \_\_. Section 155A.3, subsection 33, paragraph  
24 b, Code 2005, is amended to read as follows:

25 b. A drug or device that under federal law is  
26 required, prior to being dispensed or delivered, to be  
27 labeled with ~~either one~~ one of the following statements:

28 (1) Caution: Federal law prohibits dispensing  
29 without a prescription.

30 (2) Caution: Federal law restricts this drug to  
31 use by or on the order of a licensed veterinarian.

32 (3) Caution: Federal law restricts this device to  
33 sale by, or on the order of, a physician.

34 (4) Rx only.

35 Sec. \_\_. Section 155A.3, subsection 35, Code  
36 2005, is amended to read as follows:

37 35. "Proprietary medicine" or "over-the-counter  
38 medicine" means a nonnarcotic drug or device that may  
39 be sold without a prescription and that is labeled and  
40 packaged in compliance with applicable state or  
41 federal law.

42 Sec. \_\_. Section 155A.3, subsection 38, Code  
43 2005, is amended to read as follows:

44 38. "Wholesaler" means a person operating or  
45 maintaining, either within or outside this state, a  
46 manufacturing plant, wholesale distribution center,  
47 wholesale business, or any other business in which  
48 prescription drugs or devices, medicinal chemicals,  
49 medicines, or poisons are sold, manufactured,  
50 compounded, dispensed, stocked, exposed, distributed

Page 41

1 from, or offered for sale at wholesale in this state.  
2 "Wholesaler" does not include those wholesalers who  
3 sell only proprietary or over-the-counter medicines.  
4 "Wholesaler" also does not include a commercial  
5 carrier that temporarily stores prescription drugs or  
6 devices, medicinal chemicals, medicines, or poisons  
7 while in transit.

8 Sec. \_\_. Section 155A.4, subsection 2, paragraph  
9 a, Code 2005, is amended to read as follows:

10 a. A ~~manufacturer or~~ wholesaler to distribute  
11 prescription drugs or devices as provided by state or  
12 federal law.

13 Sec. \_\_. Section 155A.13, subsection 6,  
14 unnumbered paragraph 1, Code 2005, is amended to read  
15 as follows:

16 To qualify for a pharmacy license, the applicant  
17 shall submit to the board a license fee as determined  
18 by the board and a completed application on a form  
19 prescribed by the board ~~that shall include the~~  
20 ~~following information and.~~ The application shall  
21 include the following and such other information as  
22 required by rules of the board and shall be given  
23 under oath:

24 Sec. \_\_. Section 155A.17, subsection 2, Code  
25 2005, is amended to read as follows:

26 2. The board shall establish standards for drug  
27 wholesaler licensure and may define specific types of  
28 wholesaler licenses. ~~The board may~~ deny, suspend, or  
29 revoke a drug wholesale license for failure to meet  
30 the applicable standards or for a violation of the  
31 laws of this state, another state, or the United  
32 States relating to prescription drugs, devices, or  
33 controlled substances, or for a violation of this  
34 chapter, chapter 124, 124A, 124B, 126, or 205, or a  
35 rule of the board.

36 Sec. \_\_. Section 155A.17, subsection 3, Code  
37 2005, is amended to read as follows:

38 3. The board shall adopt rules pursuant to chapter  
39 17A on matters pertaining to the issuance of a  
40 wholesale drug license. The rules shall provide for  
41 conditions of licensure, compliance standards,  
42 licensure fees, disciplinary action, and other  
43 relevant matters. Additionally, the rules shall  
44 establish provisions or exceptions for pharmacies,  
45 chain pharmacy distribution centers, logistics  
46 providers, and other types of wholesalers relating to  
47 pedigree requirements, drug or device returns, and  
48 other related matters, so as not to prevent or  
49 interfere with usual, customary, and necessary  
50 business activities.

Page 42

1 Sec. \_\_\_. Section 155A.19, subsection 1, paragraph  
2 f, Code 2005, is amended by striking the paragraph and  
3 inserting in lieu thereof the following:  
4 f. Change of legal name or doing-business-as name.  
5 Sec. \_\_\_. Section 155A.19, Code 2005, is amended  
6 by adding the following new subsection:  
7 NEW SUBSECTION. 3. A wholesaler shall report in  
8 writing to the board, pursuant to its rules, the  
9 following:  
10 a. Permanent closing or discontinuation of  
11 wholesale distributions into this state.  
12 b. Change of ownership.  
13 c. Change of location.  
14 d. Change of the wholesaler's responsible  
15 individual.  
16 e. Change of legal name or doing-business-as name.  
17 f. Theft or significant loss of any controlled  
18 substance on discovery of the theft or loss.  
19 g. Disasters, accidents, and emergencies that may  
20 affect the strength, purity, or labeling of drugs,  
21 medications, devices, or other materials used in the  
22 diagnosis or the treatment of injury, illness, and  
23 disease.  
24 h. Other information or activities as required by  
25 rule.  
26 Sec. \_\_\_. Section 155A.20, subsection 1, Code  
27 2005, is amended to read as follows:  
28 1. A person other than a pharmacy or wholesaler  
29 licensed under this chapter, shall not display in or  
30 on any store, internet site, or place of business, nor  
31 use in any advertising or promotional literature,  
32 communication, or representation, the word or words:  
33 "apothecary", "drug", "drug store", or "pharmacy",  
34 either in English or any other language, any other  
35 word or combination of words of the same or similar  
36 meaning, or any graphic representation in a manner  
37 that would mislead the public ~~unless it is a pharmacy~~  
38 ~~or drug wholesaler licensed under this chapter.~~  
39 Sec. \_\_\_. Section 155A.21, Code 2005, is amended  
40 to read as follows:  
41 155A.21 UNLAWFUL POSSESSION OF PRESCRIPTION DRUG  
42 OR DEVICE – PENALTY.  
43 1. A person found in possession of a drug or  
44 device limited to dispensation by prescription, unless  
45 the drug or device was so lawfully dispensed, commits  
46 a serious misdemeanor.  
47 2. Subsection 1 does not apply to a licensed  
48 pharmacy, licensed wholesaler, physician,  
49 veterinarian, dentist, podiatric physician,  
50 therapeutically certified optometrist, advanced

Page 43

1 ~~registered nurse practitioner, physician assistant,~~ a  
2 nurse acting under the direction of a physician, or  
3 the board of pharmacy examiners, its officers, agents,  
4 inspectors, and representatives, nor to a common  
5 carrier, manufacturer's representative, or messenger  
6 when transporting the drug or device in the same  
7 unbroken package in which the drug or device was  
8 delivered to that person for transportation.

9 Sec. \_\_. Section 155A.23, Code 2005, is amended  
10 to read as follows:

11 155A.23 PROHIBITED ACTS.

12 A person shall not perform or cause the performance  
13 of or aid and abet any of the following acts:

14 1. ~~Obtain or attempt~~ Obtaining or attempting to  
15 obtain a prescription drug or device or procure or  
16 ~~attempt procuring or attempting~~ to procure the  
17 administration of a prescription drug or device by:

18 a. ~~Fraud~~ Engaging in fraud, deceit,  
19 misrepresentation, or subterfuge.

20 b. ~~Forgery or alteration of~~ Forging or altering a  
21 written, electronic, or facsimile prescription or of  
22 any written, electronic, or facsimile order.

23 c. ~~Concealment of~~ Concealing a material fact.

24 d. ~~Use of~~ Using a false name or ~~the~~ giving of a  
25 false address.

26 2. Willfully ~~make~~ making a false statement in any  
27 prescription, report, or record required by this  
28 chapter.

29 3. For the purpose of obtaining a prescription  
30 drug or device, falsely ~~assume~~ assuming the title of  
31 or ~~claim~~ claiming to be a manufacturer, wholesaler,  
32 pharmacist, pharmacy owner, physician, dentist,  
33 podiatric physician, veterinarian, or other authorized  
34 person.

35 4. ~~Make or utter~~ Making or uttering any false or  
36 forged oral, written, electronic, or facsimile  
37 prescription or oral, written, electronic, or  
38 facsimile order.

39 5. ~~Affix any false or forged label to a package or~~  
40 ~~receptacle containing prescription drugs~~ Forging,  
41 counterfeiting, simulating, or falsely representing  
42 any drug or device without the authority of the  
43 manufacturer, or using any mark, stamp, tag, label, or  
44 other identification device without the authorization  
45 of the manufacturer.

46 6. Manufacturing, repackaging, selling,  
47 delivering, or holding or offering for sale any drug  
48 or device that is adulterated, misbranded,  
49 counterfeit, suspected of being counterfeit, or that  
50 has otherwise been rendered unfit for distribution.

Page 44

- 1 7. Adulterating, misbranding, or counterfeiting  
2 any drug or device.
- 3 8. Receiving any drug or device that is  
4 adulterated, misbranded, stolen, obtained by fraud or  
5 deceit, counterfeit, or suspected of being  
6 counterfeit, and delivering or proffering delivery of  
7 such drug or device for pay or otherwise.
- 8 9. Adulterating, mutilating, destroying,  
9 obliterating, or removing the whole or any part of the  
10 labeling of a drug or device or committing any other  
11 act with respect to a drug or device that results in  
12 the drug or device being misbranded.
- 13 10. Purchasing or receiving a drug or device from  
14 a person who is not licensed to distribute the drug or  
15 device to that purchaser or recipient.
- 16 11. Selling or transferring a drug or device to a  
17 person who is not authorized under the law of the  
18 jurisdiction in which the person receives the drug or  
19 device to purchase or possess the drug or device from  
20 the person selling or transferring the drug or device.
- 21 12. Failing to maintain or provide records as  
22 required by this chapter, chapter 124, or rules of the  
23 board.
- 24 13. Providing the board or any of its  
25 representatives or any state or federal official with  
26 false or fraudulent records or making false or  
27 fraudulent statements regarding any matter within the  
28 scope of this chapter, chapter 124, or rules of the  
29 board.
- 30 14. Distributing at wholesale any drug or device  
31 that meets any of the following conditions:
- 32 a. The drug or device was purchased by a public or  
33 private hospital or other health care entity.
- 34 b. The drug or device was donated or supplied at a  
35 reduced price to a charitable organization.
- 36 c. The drug or device was purchased from a person  
37 not licensed to distribute the drug or device.
- 38 d. The drug or device was stolen or obtained by  
39 fraud or deceit.
- 40 15. Failing to obtain a license or operating  
41 without a valid license when a license is required  
42 pursuant to this chapter or chapter 147.
- 43 16. Engaging in misrepresentation or fraud in the  
44 distribution of a drug or device.
- 45 17. Distributing a drug or device to a patient  
46 without a prescription drug order or medication order  
47 from a practitioner licensed by law to use or  
48 prescribe the drug or device.
- 49 18. Distributing a drug or device that was  
50 previously dispensed by a pharmacy or distributed by a

Page 45

1 practitioner except as provided by rules of the board.  
2 19. Failing to report any prohibited act.  
3 Information communicated to a physician in an  
4 unlawful effort to procure a prescription drug or  
5 device or to procure the administration of a  
6 prescription drug shall not be deemed a privileged  
7 communication.  
8 Subsections 6 and 7 shall not apply to the  
9 wholesale distribution by a manufacturer of a  
10 prescription drug or device that has been delivered  
11 into commerce pursuant to an application approved by  
12 the federal food and drug administration.  
13 Sec. \_\_. Section 155A.24, Code 2005, is amended  
14 to read as follows:  
15 155A.24 PENALTIES.  
16 1. A Except as otherwise provided in this section,  
17 a person who violates a provision of section 155A.23  
18 or who sells or offers for sale, gives away, or  
19 administers to another person any prescription drug or  
20 device in violation of this chapter commits a public  
21 offense and shall be punished as follows:  
22 a. If the prescription drug is a controlled  
23 substance, the person shall be punished pursuant to  
24 ~~section 124.401, subsection 1, and section 124.411~~  
25 ~~chapter 124, division IV.~~  
26 b. If the prescription drug is not a controlled  
27 substance, the person, upon conviction of a first  
28 offense, is guilty of a serious misdemeanor. For a  
29 second offense, or if in case of a first offense the  
30 offender previously has been convicted of any  
31 violation of the laws of the United States or of any  
32 state, territory, or district thereof relating to  
33 prescription drugs or devices, the offender is guilty  
34 of an aggravated misdemeanor. For a third or  
35 subsequent offense or if in the case of a second  
36 offense the offender previously has been convicted two  
37 or more times in the aggregate of any violation of the  
38 laws of the United States or of any state, territory,  
39 or district thereof relating to prescription drugs or  
40 devices, the offender is guilty of a class "D" felony.  
41 2. A person who violates any provision of this  
42 chapter by selling, giving away, or administering any  
43 prescription drug or device to a minor is guilty of a  
44 class "C" felony.  
45 3. A wholesaler who, with intent to defraud or  
46 deceive, fails to deliver to another person, when  
47 required by rules of the board, complete and accurate  
48 pedigree concerning a drug prior to transferring the  
49 drug to another person is guilty of a class "C"  
50 felony.

Page 46

- 1 4. A wholesaler who, with intent to defraud or  
2 deceive, fails to acquire, when required by rules of  
3 the board, complete and accurate pedigree concerning a  
4 drug prior to obtaining the drug from another person  
5 is guilty of a class "C" felony.
- 6 5. A wholesaler who knowingly destroys, alters,  
7 conceals, or fails to maintain, as required by rules  
8 of the board, complete and accurate pedigree  
9 concerning any drug in the person's possession is  
10 guilty of a class "C" felony.
- 11 6. A wholesaler who is in possession of pedigree  
12 documents required by rules of the board, and who  
13 knowingly fails to authenticate the matters contained  
14 in the documents as required, and who nevertheless  
15 distributes or attempts to further distribute drugs is  
16 guilty of a class "C" felony.
- 17 7. A wholesaler who, with intent to defraud or  
18 deceive, falsely swears or certifies that the person  
19 has authenticated any documents related to the  
20 wholesale distribution of drugs or devices is guilty  
21 of a class "C" felony.
- 22 8. A wholesaler who knowingly forges,  
23 counterfeits, or falsely creates any pedigree, who  
24 falsely represents any factual matter contained in any  
25 pedigree, or who knowingly omits to record material  
26 information required to be recorded in a pedigree is  
27 guilty of a class "C" felony.
- 28 9. A wholesaler who knowingly purchases or  
29 receives drugs or devices from a person not authorized  
30 to distribute drugs or devices in wholesale  
31 distribution is guilty of a class "C" felony.
- 32 10. A wholesaler who knowingly sells, barter,  
33 brokers, or transfers a drug or device to a person not  
34 authorized to purchase the drug or device under the  
35 jurisdiction in which the person receives the drug or  
36 device in a wholesale distribution is guilty of a  
37 class "C" felony.
- 38 11. A person who knowingly manufacturers, sells,  
39 or delivers, or who possesses with intent to sell or  
40 deliver, a counterfeit, misbranded, or adulterated  
41 drug or device is guilty of the following:
- 42 a. If the person manufactures or produces a  
43 counterfeit, misbranded, or adulterated drug or  
44 device; or if the quantity of a counterfeit,  
45 misbranded, or adulterated drug or device being sold,  
46 delivered, or possessed with intent to sell or deliver  
47 exceeds one thousand units or dosages; or if the  
48 violation is a third or subsequent violation of this  
49 subsection, the person is guilty of a class "C"  
50 felony.

Page 47

1 b. If the quantity of a counterfeit, misbranded,  
2 or adulterated drug or device being sold, delivered,  
3 or possessed with intent to sell or deliver exceeds  
4 one hundred units or dosages but does not exceed one  
5 thousand units or dosages; or if the violation is a  
6 second or subsequent violation of this subsection, the  
7 person is guilty of a class "D" felony.

8 c. All other violations of this subsection shall  
9 constitute an aggravated misdemeanor.

10 12. A person who knowingly forges, counterfeits,  
11 or falsely creates any label for a drug or device or  
12 who falsely represents any factual matter contained on  
13 any label of a drug or device is guilty of a class "C"  
14 felony.

15 13. A person who knowingly possesses, purchases,  
16 or brings into the state a counterfeit, misbranded, or  
17 adulterated drug or device is guilty of the following:

18 a. If the quantity of a counterfeit, misbranded,  
19 or adulterated drug or device being possessed,  
20 purchased, or brought into the state exceeds one  
21 hundred units or dosages; or if the violation is a  
22 second or subsequent violation of this subsection, the  
23 person is guilty of a class "D" felony.

24 b. All other violations of this subsection shall  
25 constitute an aggravated misdemeanor.

26 14. This section does not prevent a licensed  
27 practitioner of medicine, dentistry, podiatry,  
28 nursing, veterinary medicine, optometry, or pharmacy  
29 from acts necessary in the ethical and legal  
30 performance of the practitioner's profession.

31 15. Subsections 1 and 2 shall not apply to a  
32 parent or legal guardian administering, in good faith,  
33 a prescription drug or device to a child of the parent  
34 or a child for whom the individual is designated a  
35 legal guardian.

36 Sec. \_\_. NEW SECTION. 155A.40 CRIMINAL HISTORY  
37 RECORD CHECKS.

38 1. The board may request and obtain,  
39 notwithstanding section 692.2, subsection 5, criminal  
40 history data for any applicant for an initial or  
41 renewal license or registration issued pursuant to  
42 this chapter or chapter 147, any applicant for  
43 reinstatement of a license or registration issued  
44 pursuant to this chapter or chapter 147, or any  
45 licensee or registrant who is being monitored as a  
46 result of a board order or agreement resolving an  
47 administrative disciplinary action, for the purpose of  
48 evaluating the applicant's, licensee's, or  
49 registrant's eligibility for licensure, registration,  
50 or suitability for continued practice of the

Page 48

1 profession. Criminal history data may be requested  
2 for all owners, managers, and principal employees of a  
3 pharmacy or drug wholesaler licensed pursuant to this  
4 chapter. The board shall adopt rules pursuant to  
5 chapter 17A to implement this section. The board  
6 shall inform the applicant, licensee, or registrant of  
7 the criminal history requirement and obtain a signed  
8 waiver from the applicant, licensee, or registrant  
9 prior to submitting a criminal history data request.

10 2. A request for criminal history data shall be  
11 submitted to the department of public safety, division  
12 of criminal investigation and bureau of  
13 identification, pursuant to section 692.2, subsection  
14 1. The board may also require such applicants,  
15 licensees, and registrants to provide a full set of  
16 fingerprints, in a form and manner prescribed by the  
17 board. Such fingerprints may be submitted to the  
18 federal bureau of investigation through the state  
19 criminal history repository for a national criminal  
20 history check. The board may authorize alternate  
21 methods or sources for obtaining criminal history  
22 record information. The board may, in addition to any  
23 other fees, charge and collect such amounts as may be  
24 incurred by the board, the department of public  
25 safety, or the federal bureau of investigation in  
26 obtaining criminal history information. Amounts  
27 collected shall be considered repayment receipts as  
28 defined in section 8.2.

29 3. Criminal history information relating to an  
30 applicant, licensee, or registrant obtained by the  
31 board pursuant to this section is confidential. The  
32 board may, however, use such information in a license  
33 or registration denial proceeding. In a disciplinary  
34 proceeding, such information shall constitute  
35 investigative information under section 272C.6,  
36 subsection 4, and may be used only for purposes  
37 consistent with that section.

38 4. This section shall not apply to a manufacturer  
39 of a prescription drug or device that has been  
40 delivered into commerce pursuant to an application  
41 approved by the federal food and drug administration.  
42 Sec. \_\_. NEW SECTION. 155A.41 CONTINUOUS  
43 QUALITY IMPROVEMENT PROGRAM.

44 1. Each licensed pharmacy shall implement or  
45 participate in a continuous quality improvement  
46 program to review pharmacy procedures in order to  
47 identify methods for addressing pharmacy medication  
48 errors and for improving patient use of medications  
49 and patient care services. Under the program, each  
50 pharmacy shall assess its practices and identify areas

Page 49

- 1 for quality improvement.  
 2 2. The board shall adopt rules for the  
 3 administration of a continuous quality improvement  
 4 program. The rules shall address all of the  
 5 following:  
 6 a. Program requirements and procedures.  
 7 b. Program record and reporting requirements.  
 8 c. Any other provisions necessary for the  
 9 administration of a program."  
 10 45. Title page, line 1, by inserting after the  
 11 word "Act" the following: "relating to state and  
 12 local finances by providing for tax exemptions,  
 13 credits, tax credit transfers, and other tax-related  
 14 matters and by".  
 15 46. Title page, line 2, by inserting after the  
 16 word "matters" the following: "and penalties"  
 17 47. Title page, line 2, by inserting after the  
 18 word "fees," the following: "providing for the  
 19 generation and purchase of and tax credits for  
 20 renewable energy,".  
 21 48. By renumbering, relettering, or redesignating  
 22 and correcting internal references as necessary.

Jochum of Dubuque offered the following amendment [H-1708](#), to the Senate amendment [H-1703](#), filed by her from the floor and moved its adoption:

[H-1708](#)

- 1 Amend the Senate amendment, [H-1703](#), to House File  
 2 882, as amended, passed, and reprinted by the House,  
 3 as follows:  
 4 1. Page 9, by inserting after line 17 the  
 5 following:  
 6 "\_\_\_". Page 18, by inserting after line 11 the  
 7 following:  
 8 "Sec. \_\_\_ Section 99F.4A, subsection 8,  
 9 unnumbered paragraph 1, Code 2005, is amended to read  
 10 as follows:  
 11 The commission shall, upon the immediate payment of  
 12 the applicable table games license fee and submission  
 13 to the commission by June 1, ~~2005~~ 2006, of an  
 14 application by a licensee of a pari-mutuel dog or  
 15 horse racetrack licensed to conduct gambling games at  
 16 a pari-mutuel racetrack enclosure, issue a license to  
 17 the licensee to conduct table games of chance,  
 18 including video machines that simulate table games of  
 19 chance, at the pari-mutuel racetrack enclosure subject  
 20 to the requirements of this subsection. However, a

21 table games license may only be issued to a licensee  
22 required to pay a table games license fee of three  
23 million dollars under this subsection if the licensee,  
24 and all other licensees of an excursion gambling boat  
25 in that county, file an agreement with the commission  
26 authorizing the granting of a table games license  
27 under this subsection and permitting all licensees of  
28 an excursion gambling boat to operate a moored barge  
29 as of a specific date. The licensee shall be granted  
30 a table games license by the commission without  
31 conducting a separate referendum authorizing table  
32 games upon payment of the applicable license fee to  
33 the commission which table games license fee may be  
34 offset by the licensee against taxes imposed on the  
35 licensee by section 99F.11, to the extent of twenty  
36 percent of the table games license fee paid pursuant  
37 to this subsection for each of five consecutive fiscal  
38 years beginning with the fiscal year beginning July 1,  
39 2008. Fees paid pursuant to this subsection are not  
40 refundable to the licensee. A licensee shall not be  
41 required to pay a fee to renew a table games license  
42 issued pursuant to this subsection. Moneys collected  
43 by the commission from a table games license fee paid  
44 under this subsection shall be deposited in the  
45 rebuild Iowa infrastructure fund created in section  
46 8.57.""  
47 2. Page 15, by inserting after line 18 the  
48 following:  
49 "\_\_\_ . Page 24, by inserting after line 17 the  
50 following:

Page 2

1 "Sec. \_\_\_. EFFECTIVE DATE. The section of this  
2 division of this Act amending section 99F.4A,  
3 subsection 8, being deemed of immediate importance,  
4 takes effect upon enactment."  
5 3. By renumbering as necessary.

Amendment [H-1708](#) lost.

Miller of Webster asked and received unanimous consent to withdraw amendment [H-1709](#) filed by Miller, Gaskill of Wapello and Mertz of Kossuth from the floor.

Dix of Butler offered amendment [H-1711](#), to the Senate amendment [H-1703](#), filed by him from the floor as follows:

[H-1711](#)

1 Amend the Senate amendment, [H-1703](#), to House File

2 882, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. By striking page 1, line 3, through page 49,  
5 line 22, and inserting the following:

6 "\_\_\_\_. Page 2, by inserting after line 5 the  
7 following:

8 "Sec.\_\_\_\_. BUDGET PROCESS FOR FISCAL YEAR 2006-  
9 2007.

10 1. For the budget process applicable to the fiscal  
11 year beginning July 1, 2006, on or before October 1,  
12 2005, 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 by  
17 the director, estimates of their expenditure  
18 requirements, including every proposed expenditure,  
19 for the ensuing fiscal year, together with supporting  
20 data and explanations as called for by the director of  
21 the department of management.

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

30 \_\_\_\_\_. Page 4, by inserting after line 22, the  
31 following:

32 "Sec.\_\_\_\_. Section 8.8, Code 2005, is amended to  
33 read as follows:

34 8.8 SPECIAL OLYMPICS FUND – APPROPRIATION.

35 A special olympics fund is created in the office of  
36 the treasurer of state under the control of the  
37 department of management. There is appropriated  
38 annually from the general fund of the state to the  
39 special olympics fund ~~thirty~~ fifty thousand dollars  
40 for distribution to one or more organizations which  
41 administer special olympics programs benefiting the  
42 citizens of Iowa with disabilities."

43 \_\_\_\_\_. Page 5, by inserting after line 11 the  
44 following:

45 "Sec.\_\_\_\_. DEPARTMENT OF CULTURAL AFFAIRS –  
46 NONPROFIT MUSIC ENTITIES. There is appropriated from  
47 the general fund of the state to the department of  
48 cultural affairs for the fiscal year beginning July 1,  
49 2005, and ending June 30, 2006, twenty-five thousand  
50 dollars for purposes of providing two twelve thousand

Page 2

1 five hundred dollar grants to nonprofit music  
 2 entities. A recipient of a grant shall be a nonprofit  
 3 entity that is formed with members including local  
 4 musicians, music promoters, representatives of music  
 5 venues and businesses, community leaders, and live  
 6 music enthusiasts who discuss, assess, and expedite  
 7 the implementation of a unified music agenda for a  
 8 local community and aggressively advocates, sponsors,  
 9 and develops an independent, progressive live music  
 10 economy in a local community."

11 \_\_\_\_ Page 5, line 13, by inserting before the  
 12 word "department" the following: "Iowa".

13 \_\_\_\_ Page 5, by inserting before line 21, the  
 14 following:

15 "Sec. \_\_\_\_ HEALTHY IOWANS TOBACCO TRUST – PKU  
 16 ASSISTANCE. There is appropriated from the healthy  
 17 Iowans tobacco trust created in section 12.65 to the  
 18 Iowa department of public health for the fiscal year  
 19 beginning July 1, 2005, and ending June 30, 2006, the  
 20 following amount, or so much thereof as is necessary,  
 21 to be used for the purpose designated:  
 22 For providing grants to individual patients who  
 23 have phenylketonuria (PKU) to assist with the costs of  
 24 special food needed:

25 ..... \$ 60,000

26 Sec. \_\_\_\_ ENRICH IOWA LIBRARIES PROGRAM. There is  
 27 appropriated from the rebuild Iowa infrastructure fund  
 28 to the department of education for the fiscal year  
 29 beginning July 1, 2005, and ending June 30, 2006, the  
 30 following amount, or so much thereof as is necessary:

31 To provide resources for structural and  
 32 technological improvements to local libraries and for  
 33 the enrich Iowa program, notwithstanding section 8.57,  
 34 subsection 6, paragraph "c":

35 ..... \$ 200,000

36 Sec. \_\_\_\_ DEPARTMENT OF EDUCATION – COMMUNITY  
 37 COLLEGES. There is appropriated from the rebuild Iowa  
 38 infrastructure fund to the department of education for  
 39 the designated fiscal years, the following amounts, or  
 40 so much thereof as is necessary, to be used for the  
 41 purposes designated:

42 For major renovation and major repair needs,  
 43 including health, life, and fire safety needs, and for  
 44 compliance with the federal Americans With  
 45 Disabilities Act, for state buildings and facilities  
 46 under the purview of the community colleges:

47 FY 2006-2007 ..... \$ 2,000,000

48 FY 2007-2008 ..... \$ 2,000,000

49 FY 2008-2009 ..... \$ 2,000,000

50 The moneys appropriated in this section shall be

Page 3

1 allocated to the community colleges based upon the  
 2 distribution formula established in section 260C.18C,  
 3 if enacted by 2005 Iowa Acts, [House File 216](#).  
 4 Notwithstanding section 8.33, moneys appropriated  
 5 in this section shall not revert at the close of the  
 6 fiscal year for which they were appropriated but shall  
 7 remain available for the purposes designated until the  
 8 close of the fiscal year that begins July 1, 2010, or  
 9 until the project for which the appropriation was made  
 10 is completed, whichever is earlier."

11 \_\_\_\_ Page 5, by striking lines 21 through 29.

12 \_\_\_\_ Page 5, lines 31 and 32, by striking the  
 13 words "state department of transportation" and  
 14 inserting the following: "homeland security and  
 15 emergency management division of the department of  
 16 public safety".

17 \_\_\_\_ Page 6, line 1, by striking the figure  
 18 "125,000" and inserting the following: "100,000".

19 \_\_\_\_ Page 6, by striking lines 2 through 19.

20 \_\_\_\_ Page 6, by inserting before line 20, the  
 21 following:

22 "Sec.\_\_\_\_. HEALTHY IOWANS TOBACCO TRUST – AIDS  
 23 DRUG ASSISTANCE PROGRAM. There is appropriated from  
 24 the healthy Iowans tobacco trust created in section  
 25 12.65 to the Iowa department of public health for the  
 26 fiscal year beginning July 1, 2005, and ending June  
 27 30, 2006, the following amount, or so much thereof as  
 28 is necessary, to be used for the purpose designated:  
 29 For additional funding to leverage federal funding  
 30 through the federal Ryan White Care Act, Title II,  
 31 AIDS drug assistance program supplemental drug  
 32 treatment grants:

33 .....	\$ 275,000
----------	------------

34 Sec.\_\_\_\_. GREAT PLACES. There is appropriated  
 35 from the general fund of the state to the department  
 36 of cultural affairs for the fiscal year beginning July  
 37 1, 2004, and ending June 30, 2005, the following  
 38 amount, or so much thereof as is necessary, to be used  
 39 for the purposes designated:

40 For salaries, support, maintenance, and  
 41 miscellaneous purposes:

42 .....	\$ 100,000
----------	------------

43 Notwithstanding section 8.33, any moneys  
 44 appropriated in this section that remain unencumbered  
 45 or unobligated at the close of the fiscal year shall  
 46 not revert but shall remain available for expenditure  
 47 for the purposes designated until the close of the  
 48 succeeding fiscal year.

49 Sec.\_\_\_\_. UNDERGROUND STORAGE TANK FUND –  
 50 WATERSHED IMPROVEMENT FUND – FY 2005-2006.

Page 4

1 Notwithstanding section 455G.3, subsection 1, there is  
 2 appropriated from the Iowa comprehensive petroleum  
 3 underground storage tank fund created in section  
 4 455G.3, subsection 1, to the office of the treasurer  
 5 of state during the fiscal year beginning July 1,  
 6 2005, and ending June 30, 2006, the following amount,  
 7 or so much thereof as is necessary, to be used for the  
 8 purpose designated:

9 For deposit in the watershed improvement fund  
 10 created in 2005 Iowa Acts, [Senate File 200](#), if  
 11 enacted:  
 12 ..... \$ 5,000,000

13 Moneys in the watershed improvement fund are  
 14 appropriated for the fiscal year beginning July 1,  
 15 2005, and ending June 30, 2006, to fulfill the duties  
 16 of the watershed improvement review board, if enacted  
 17 by 2005 Iowa Acts, [Senate File 200](#)."

18 \_\_\_\_ Page 6, by striking lines 31 through 35.

19 \_\_\_\_ By striking page 7, line 1, through page 11,  
 20 line 16.

21 \_\_\_\_ Page 11, by inserting before line 17, the  
 22 following:

23 "Sec. \_\_\_\_ 2005 Iowa Acts, [House File 862](#), section  
 24 1, subsection 2, paragraph h, unnumbered paragraph 1,  
 25 and paragraph i, unnumbered paragraph 1, if enacted,  
 26 are amended to read as follows:

27 For a grant program to provide substance abuse  
 28 prevention programming for children:  
 29 ..... \$ 400,000  
 30 ..... 200,000

31 For a grant to a program that utilizes high school  
 32 mentors to teach life skills, violence prevention, and  
 33 character education in an effort to reduce the illegal  
 34 use of alcohol, tobacco, and other substances:  
 35 ..... \$ 400,000  
 36 ..... 200,000

37 Sec. \_\_\_\_ 2005 Iowa Acts, [House File 862](#), section  
 38 1, subsection 2, paragraph j, if enacted, is amended  
 39 to read as follows:

40 j. For a grant program to provide substance abuse  
 41 prevention programming, including tobacco use  
 42 prevention programming, for children:  
 43 ..... \$ 800,000  
 44 ..... 400,000

45 The Iowa department of public health shall utilize  
 46 a request for proposals process to implement this  
 47 paragraph "j". A program approved for a grant under  
 48 paragraph "h" or paragraph "i" shall not be eligible  
 49 for a grant under this paragraph "j".  
 50 Eligible grant applicants shall include, but shall

Page 5

1 not be limited to, mentoring organizations and  
2 organizations that practice and implement nationally  
3 accepted standards for mentoring programs.

4 All grant recipients shall participate in a program  
5 evaluation as a requirement for receiving grant funds.

6 Sec. \_\_. NATIONAL GOVERNORS ASSOCIATION MEETING.

7 2004 Iowa Acts, chapter 1175, section 12, subsection  
8 4, as amended by 2005 Iowa Acts, [House File 810](#), if  
9 enacted, is amended to read as follows:

10 4. NATIONAL GOVERNORS ASSOCIATION

11 For payment of Iowa's membership in the national  
12 governors association:

13 .....	\$	<del>364,393</del>
14 .....		<u>164,393</u>

15 Of the funds appropriated in this subsection,  
16 ~~\$300,000~~ \$100,000 is allocated for security-related  
17 costs and other expenses associated with the national  
18 governors association national meeting.

19 Notwithstanding section 8.33, the moneys allocated for  
20 the meeting that remain unencumbered or unobligated at  
21 the close of the fiscal year shall not revert but  
22 shall remain available for expenditure for the  
23 purposes designated until the close of the succeeding  
24 fiscal year.

25 Sec. \_\_. 2005 Iowa Acts, [House File 881](#), section  
26 5, unnumbered paragraph 1, if enacted, is amended to  
27 read as follows:

28 There is appropriated from the general fund of the  
29 state to the salary adjustment fund for distribution  
30 by the department of management to the various state  
31 departments, boards, commissions, councils, and  
32 agencies, excluding the state board of regents, for  
33 the fiscal year beginning July 1, 2005, and ending  
34 June 30, 2006, the amount of ~~\$38,500,000~~ 40,900,000,  
35 or so much thereof as may be necessary, to fully fund  
36 annual pay adjustments, expense reimbursements, and  
37 related benefits implemented pursuant to the  
38 following:"

39 \_\_. By striking page 12, line 18, through page  
40 13, line 4.

41 \_\_. Page 13, by striking lines 27 through 33.

42 \_\_. Page 13, by inserting before line 34, the  
43 following:

44 " \_\_. The sections of this division of this Act  
45 appropriating moneys to the department of cultural  
46 affairs for great places and amending 2004 Iowa Acts,  
47 chapter 1175, section 12, subsection 4, being deemed  
48 of immediate importance, take effect upon enactment."

49 \_\_. Page 13, by inserting before line 34 the  
50 following:

Page 6

1 "DIVISION  
2 APPROPRIATION REVISIONS  
3 Sec. \_\_\_. JOBS FOR AMERICA'S GRADUATES. There is  
4 appropriated from the general fund of the state to the  
5 department of education for the fiscal year beginning  
6 July 1, 2005, and ending June 30, 2006, the following  
7 amount, or so much thereof as is necessary, to be used  
8 for the purpose designated:  
9 For school districts to provide direct services to  
10 the most at-risk senior high school students enrolled  
11 in school districts through direct intervention by a  
12 jobs for America's graduates specialist:  
13 ..... \$ 400,000  
14 Sec. \_\_\_. DEPARTMENT OF ADMINISTRATIVE SERVICES –  
15 FINANCIAL ADMINISTRATION. There is appropriated from  
16 the general fund of the state to the department of  
17 administrative services for the fiscal year beginning  
18 July 1, 2005, and ending June 30, 2006, the following  
19 amount, or so much thereof as is necessary, to be used  
20 for the purpose designated:  
21 For financial administration duties:  
22 ..... \$ 200,000  
23 Sec. \_\_\_. DEPARTMENT OF MANAGEMENT – PERFORMANCE  
24 AUDITS. There is appropriated from the general fund  
25 of the state to the department of management for the  
26 fiscal year beginning July 1, 2005, and ending June  
27 30, 2006, the following amount, or so much thereof as  
28 is necessary, to be used for the purposes designated:  
29 For conducting performance audits and developing  
30 performance measures, including salaries, support,  
31 maintenance, miscellaneous purposes, and for not more  
32 than the following full-time equivalent positions:  
33 ..... \$ 216,000  
34 ..... FTEs 2.50  
35 Sec. \_\_\_. GOVERNOR'S OFFICE OF DRUG CONTROL  
36 POLICY. If 2005 Iowa Acts, [House File 810](#), is enacted  
37 and provides for an appropriation from the general  
38 fund of the state to the governor's office of drug  
39 control policy for the fiscal year beginning July 1,  
40 2005, and ending June 30, 2006, that appropriation is  
41 reduced by the following amount:  
42 ..... \$ 13,195  
43 Sec. \_\_\_. DEPARTMENT OF INSPECTIONS AND APPEALS –  
44 ADMINISTRATION DIVISION. If 2005 Iowa Acts, House  
45 File 810, is enacted and provides for an appropriation  
46 from the general fund of the state to the department  
47 of inspections and appeals, administration division,  
48 for the fiscal year beginning July 1, 2005, and ending  
49 June 30, 2006, that appropriation is reduced by the  
50 following amount:

Page 7

1 ..... \$ 49,000  
 2 Sec. \_\_. DEPARTMENT OF REVENUE – OPERATIONS. If  
 3 2005 Iowa Acts, [House File 810](#), is enacted and  
 4 provides for an appropriation from the general fund of  
 5 the state to the department of revenue for operations  
 6 for the fiscal year beginning July 1, 2005, and ending  
 7 June 30, 2006, that appropriation is reduced by the  
 8 following amount:

9 ..... \$ 25,882

10 Sec. \_\_. DEPARTMENT OF AGRICULTURE AND LAND  
 11 STEWARDSHIP – SOIL AND WATER CONSERVATION DISTRICTS.  
 12 If 2005 Iowa Acts, [House File 808](#), is enacted and  
 13 provides for an appropriation from the general fund of  
 14 the state to the department of agriculture and land  
 15 stewardship for purposes of reimbursing commissioners  
 16 of soil and water conservation districts for expenses,  
 17 for the fiscal year beginning July 1, 2005, and ending  
 18 June 30, 2006, that appropriation is reduced by the  
 19 following amount:

20 ..... \$ 50,000

21 Sec. \_\_. COLLEGE STUDENT AID COMMISSION. If 2005  
 22 Iowa Acts, [House File 816](#), is enacted and provides for  
 23 an appropriation from the general fund of the state to  
 24 the college student aid commission for the national  
 25 guard educational assistance program for the fiscal  
 26 year beginning July 1, 2005, and ending June 30, 2006,  
 27 that appropriation is reduced by the following amount:

28 ..... \$ 75,000

29 Sec. \_\_. DEPARTMENT OF MANAGEMENT. If 2005 Iowa  
 30 Acts, [House File 816](#) is enacted and provides for an  
 31 appropriation from the general fund of the state to  
 32 the department of management for allocation to the  
 33 institute for tomorrow's workforce created under  
 34 chapter 7K, if enacted by 2005 Iowa Acts, House File  
 35 816, for the fiscal year beginning July 1, 2005, and  
 36 ending June 30, 2006, that appropriation is reduced by  
 37 the following amount:

38 ..... \$ 100,000

39 Sec. \_\_. IOWA DEPARTMENT OF PUBLIC HEALTH. If  
 40 2005 Iowa Acts, [House File 825](#), is enacted and  
 41 provides for appropriations from the general fund of  
 42 the state to the Iowa department of public health for  
 43 the fiscal year beginning July 1, 2005, and ending  
 44 June 30, 2006, for the following indicated purposes in  
 45 2005 Iowa Acts, [House File 825](#), those appropriations  
 46 are reduced by the following amounts:

47 1. For environmental hazards:  
 48 ..... \$ 50,000

49 2. For injuries:  
 50 ..... \$ 50,000

Page 8

1 3. For public protection:  
2 ..... \$ 40,000  
3 Sec. \_\_. MEDICAL ASSISTANCE APPROPRIATION. If  
4 2005 Iowa Acts, [House File 825](#), is enacted and  
5 provides for an appropriation from the general fund of  
6 the state to the department of human services for the  
7 fiscal year beginning July 1, 2005, and ending June  
8 30, 2006, for the medical assistance program, that  
9 appropriation is reduced by the following amount:  
10 ..... \$ 11,353,381  
11 Sec. \_\_. SENIOR LIVING TRUST FUND APPROPRIATION.  
12 If 2005 Iowa Acts, [House File 825](#), is enacted and  
13 provides for an appropriation from the senior living  
14 trust fund to the department of human services for the  
15 fiscal year beginning July 1, 2005, and ending June  
16 30, 2006, to supplement the medical assistance  
17 appropriation, that appropriation is increased by the  
18 following amount:  
19 ..... \$ 9,353,381  
20 Sec. \_\_. DEPARTMENT OF HUMAN SERVICES. If 2005  
21 Iowa Acts, [House File 825](#), is enacted and provides for  
22 appropriations from the general fund of the state to  
23 the department of human services for the fiscal year  
24 beginning July 1, 2005, and ending June 30, 2006, for  
25 the following indicated purposes, those appropriations  
26 are reduced by the following amounts:  
27 1. For the children's health insurance program:  
28 ..... \$ 50,000  
29 2. For MI/MR/DD state cases:  
30 ..... \$ 50,000  
31 Sec. \_\_. DEPARTMENT OF JUSTICE – GENERAL OFFICE.  
32 If 2005 Iowa Acts, [House File 811](#), is enacted and  
33 provides for an appropriation from the general fund of  
34 the state to the department of justice for the  
35 department's general office, that appropriation is  
36 reduced by the following amount:  
37 ..... \$ 25,000  
38 Sec. \_\_. DEPARTMENT OF CORRECTIONS. If 2005 Iowa  
39 Acts, [House File 811](#), is enacted and provides for an  
40 appropriation from the general fund of the state to  
41 the department of corrections for offender substance  
42 abuse and mental health treatment for the fiscal year  
43 beginning July 1, 2005, and ending June 30, 2006, that  
44 appropriation is reduced by the following amount:  
45 ..... \$ 100,000  
46 Sec. \_\_. DEPARTMENT OF PUBLIC SAFETY – BUILDING  
47 SECURITY. If 2005 Iowa Acts, [House File 875](#), is  
48 enacted and provides for an appropriation from the  
49 general fund of the state to the department of public  
50 safety for capitol building and judicial building

Page 9

1 security for the fiscal year beginning July 1, 2005,  
2 and ending June 30, 2006, that appropriation is  
3 reduced by the following amount:

4 ..... \$ 25,000

5 Sec. \_\_. JUDICIAL BRANCH. If 2005 Iowa Acts,  
6 [House File 807](#), is enacted and provides for an  
7 appropriation from the general fund of the state to  
8 the judicial branch for the fiscal year beginning July  
9 1, 2005, and ending June 30, 2006, that appropriation  
10 is reduced by the following amount:

11 ..... \$ 50,000

12 Sec. \_\_. REGISTERED NURSE RECRUITMENT PROGRAM  
13 FUNDS. From the funds appropriated for tuition grants  
14 pursuant to section 261.25, subsection 1, for the  
15 fiscal year beginning July 1, 2005, up to fifty  
16 thousand dollars shall be used to provide forgivable  
17 loans as provided in section 261.23 to residents of  
18 Iowa who are registered nurses and who are seeking to  
19 become qualified as nursing faculty in Iowa and to  
20 teach in Iowa schools. To qualify for a forgivable  
21 loan pursuant to this section, in addition to the  
22 requirements of section 261.23, a person shall be  
23 enrolled at a not-for-profit accredited school of  
24 nursing that is located in this state.

25 Sec. \_\_. HEALTH FACILITIES COUNCIL. If 2005 Iowa  
26 Acts, [House File 810](#), is enacted and includes an  
27 appropriation from the general fund of the state to  
28 the department of inspections and appeals for the  
29 health facilities council for the fiscal year  
30 beginning July 1, 2005, and ending June 30, 2006, any  
31 provision of that appropriation designating the use of  
32 \$80,000 and a full-time equivalent position for a  
33 particular purpose shall not be applied.

34 Sec. \_\_. YOUTH ENRICHMENT PILOT PROJECT – YOUTH  
35 LEADERSHIP PROGRAM.

36 1. Of the funds appropriated in 2005 Iowa Acts,  
37 [House File 807](#), if enacted, from the general fund of  
38 the state to the judicial branch for purposes of a  
39 youth enrichment pilot project, for the fiscal year  
40 beginning July 1, 2005, and ending June 30, 2006,  
41 \$50,000 is transferred to the department of  
42 corrections to be used for a youth leadership program  
43 in the sixth judicial district department of  
44 correctional services in accordance with subsection 2.

45 2. The moneys transferred pursuant to subsection 1  
46 shall be used by the judicial district department of  
47 correctional services to establish or maintain a youth  
48 leadership model program to help at-risk youth in the  
49 judicial district department of correctional services.  
50 As a part of the program, the judicial district

Page 10

1 department of correctional services may recruit  
2 college or high school students in the judicial  
3 district to work with at-risk youth. The student  
4 workers shall be recruited regardless of gender, be  
5 recommended by their respective schools as good role  
6 models, including, but not limited to, students who  
7 possess capabilities in one or more of the following  
8 areas of ability: intellectual capacity, athletic,  
9 visual arts, or performing arts.  
10 Sec. \_\_. CENTER FOR CONGENITAL AND INHERITED  
11 DISORDERS CENTRAL REGISTRY. Notwithstanding section  
12 144.13A, subsection 4, paragraph "a", for the fiscal  
13 year beginning July 1, 2005, \$40,000 of the fees  
14 collected by the state registrar that would otherwise  
15 be appropriated and used for the center for congenital  
16 and inherited disorders central registry established  
17 pursuant to section 136A.6 shall be credited to the  
18 general fund of the state."

19 \_\_. Page 13, by inserting after line 35, the  
20 following:

21 "Sec. \_\_. Section 8D.2, subsection 5, paragraph  
22 b, Code 2005, is amended to read as follows:  
23 b. For the purposes of this chapter, "public  
24 agency" also includes any homeland security or defense  
25 facility or disaster response agency established by  
26 the administrator of the homeland security and  
27 emergency management division of the department of  
28 public defense or the governor or any facility  
29 connected with a security or defense system or  
30 disaster response as required by the administrator of  
31 the homeland security and emergency management  
32 division of the department of public defense or the  
33 governor.

34 Sec. \_\_. Section 8D.9, subsection 3, Code 2005,  
35 is amended to read as follows:

36 3. A facility that is considered a public agency  
37 pursuant to section 8D.2, subsection 5, paragraph "b",  
38 shall be authorized to access the Iowa communications  
39 network strictly for homeland security communication  
40 purposes and disaster communication purposes. Any  
41 utilization of the network that is not related to  
42 communications concerning homeland security or a  
43 disaster, as defined in section 29C.2, is expressly  
44 prohibited. Access under this subsection shall be  
45 available only if a state of disaster emergency is  
46 proclaimed by the governor pursuant to section 29C.6  
47 or a homeland security or disaster event occurs  
48 requiring connection of disparate communications  
49 systems between public agencies to provide for a  
50 multi-agency or multi-jurisdictional response. Access

Page 11

1 shall continue only for the period of time the  
2 homeland security or disaster event exists. For  
3 purposes of this subsection, disaster communication  
4 purposes includes training and exercising for a  
5 disaster if public notice of the training and  
6 exercising session is posted on the website of the  
7 homeland security and emergency management division of  
8 the department of public defense. A scheduled and  
9 noticed training and exercising session shall not  
10 exceed five days. Interpretation and application of  
11 the provisions of this subsection shall be strictly  
12 construed."

13     . By striking page 14, line 1, through page  
14 15, line 17.

15     . Page 18, by inserting after line 30, the  
16 following:

17 "Sec.     . Section 331.439, Code 2005, is amended  
18 by adding the following new subsection:  
19 NEW SUBSECTION. 9. The county management plan  
20 shall designate at least one hospital licensed under  
21 chapter 135B that the county has contracted with to  
22 provide services covered under the plan. If the  
23 designated hospital does not have a bed available to  
24 provide the services, the county is responsible for  
25 the cost of covered services provided at an alternate  
26 hospital licensed under chapter 135B.

27 Sec.     . Section 364.17, subsection 3, paragraph  
28 a, Code 2005, is amended to read as follows:

29 a. A schedule of civil penalties or criminal fines  
30 for violations. A city may charge the owner of  
31 housing a late payment fee of twenty-five dollars and  
32 may add interest of up to one and one-half percent per  
33 month if a penalty or fine imposed under this  
34 paragraph is not paid within thirty days of the date  
35 that the penalty or fine is due. The city shall send  
36 a notice of the late payment fee to such owner by  
37 first class mail to the owner's personal or business  
38 mailing address. The late payment fee and the  
39 interest shall not accrue if such owner files an  
40 appeal with either the city, if the city has  
41 established an appeals procedure, or the district  
42 court. Any unpaid penalty, fine, fee, or interest  
43 shall constitute a lien on the real property and may  
44 be collected in the same manner as a property tax.  
45 However, before a lien is filed, the city shall send a  
46 notice of intent to file a lien to the owner of the  
47 housing by first class mail to such owner's personal  
48 or business mailing address.

49 Sec.     . Section 364.17, subsection 5, Code 2005,  
50 is amended to read as follows:

Page 12

1 5. Cities may establish reasonable fees for  
2 inspection and enforcement procedures. A city may  
3 charge the owner of housing a late payment penalty of  
4 twenty-five dollars and may add interest of up to one  
5 and one-half percent per month if a fee imposed under  
6 this subsection is not paid within thirty days of the  
7 date that the fee is due. The city shall send a  
8 notice of the late payment penalty to such owner by  
9 first class mail to the owner's personal or business  
10 mailing address. The late payment penalty and the  
11 interest shall not accrue if such owner files an  
12 appeal with either the city, if the city has  
13 established an appeals procedure, or the district  
14 court. Any unpaid fee, penalty, or interest shall  
15 constitute a lien on the real property and may be  
16 collected in the same manner as a property tax.  
17 However, before a lien is filed, the city shall send a  
18 notice of intent to file a lien to the owner of the  
19 housing by first class mail to such owner's personal  
20 or business mailing address.

21 Sec. \_\_. Section 384.16, subsection 1, unnumbered  
22 paragraph 2, Code 2005, is amended to read as follows:

23 A budget must show comparisons between the  
24 estimated expenditures in each program in the  
25 following year ~~and the actual expenditures in each~~  
26 ~~program during the two preceding years, the latest~~  
27 estimated expenditures in each program in the current  
28 year, and the actual expenditures in each program from  
29 the annual report as provided in section 384.22, or as  
30 corrected by a subsequent audit report. Wherever  
31 practicable, as provided in rules of the committee, a  
32 budget must show comparisons between the levels of  
33 service provided by each program as estimated for the  
34 following year, and actual levels of service provided  
35 by each program during the two preceding years.

36 Sec. \_\_. Section 384.16, Code 2005, is amended by  
37 adding the following new subsection:

38 NEW SUBSECTION. 7. A city that does not submit a  
39 budget in compliance with this section shall have all  
40 state funds withheld until a budget that is in  
41 compliance with this section is filed with the county  
42 auditor and subsequently received by the department of  
43 management. The department of management shall send  
44 notice to state agencies responsible for disbursement  
45 of state funds and that notice is sufficient  
46 authorization for those funds to be withheld until  
47 later notice is given by the department of management  
48 to release those funds."

49 \_\_. Page 20, by inserting after line 34, the  
50 following:

Page 13

1 "Sec. \_\_\_. Section 427.1, subsection 21, Code  
2 2005, is amended to read as follows:

3 21. LOW-RENT HOUSING. The property owned and  
4 operated or controlled by a nonprofit organization, as  
5 recognized by the internal revenue service, providing  
6 low-rent housing for persons who are elderly and  
7 persons with physical and mental disabilities. The  
8 exemption granted under the provisions of this  
9 subsection shall apply only until the ~~terms final~~  
10 payment due date of the borrower's original low-rent  
11 housing development mortgage or until the borrower's  
12 original low-rent housing development mortgage is paid  
13 in full or expires, whichever is sooner, subject to  
14 the provisions of subsection 14. However, if the  
15 borrower's original low-rent housing development  
16 mortgage is refinanced, the exemption shall apply only  
17 until the date that would have been the final payment  
18 due date under the terms of the borrower's original  
19 low-rent housing development mortgage or until the  
20 refinanced mortgage is paid in full or expires,  
21 whichever is sooner, subject to the provisions of  
22 subsection 14."

23 \_\_\_. Page 21, by inserting after line 8, the  
24 following:

25 "Sec. \_\_\_. Section 427.1, subsection 30, Code  
26 2005, is amended to read as follows:

27 30. MANUFACTURED HOME COMMUNITY OR MOBILE HOME  
28 PARK STORM SHELTER. A structure constructed as a  
29 storm shelter at a manufactured home community or  
30 mobile home park as defined in section 435.1. An  
31 application for this exemption shall be filed with the  
32 assessing authority not later than February 1 of the  
33 first year for which the exemption is requested, on  
34 forms provided by the department of revenue. The  
35 application shall describe and locate the storm  
36 shelter to be exempted. If the storm shelter  
37 structure is used exclusively as a storm shelter, all  
38 of the structure's assessed value shall be exempt from  
39 taxation. If the storm shelter structure is not used  
40 exclusively as a storm shelter, the storm shelter  
41 structure shall be assessed for taxation at ~~seventy-~~  
42 ~~five~~ fifty percent of its value as commercial  
43 property."

44 \_\_\_. Page 23, by inserting after line 35, the  
45 following:

46 "Sec. \_\_\_. Section 602.10110, Code 2005, is  
47 amended to read as follows:

48 602.10110 OATH.

49 All persons on being admitted to the bar shall take  
50 an oath or affirmation, as promulgated by the supreme

Page 14

1 ~~court, declaring~~ to support the Constitutions of the  
2 United States and of the state of Iowa, and to  
3 faithfully discharge, ~~according to the best of their~~  
4 ~~ability,~~ the duties of an attorney ~~and counselor of~~  
5 ~~this state according to the best of their ability.~~

6 Sec. \_\_. Section 692A.4A, if enacted by 2005 Iowa  
7 Acts, [House File 619](#), is amended to read as follows:  
8 692A.4A ELECTRONIC MONITORING.

9 A person required to register under this chapter  
10 who is placed on probation, parole, work release,  
11 special sentence, or any other type of conditional  
12 release, may be supervised by an electronic tracking  
13 and monitoring system in addition to any other  
14 conditions of supervision. However, if the person  
15 committed a criminal offense against a minor, or an  
16 aggravated offense, sexually violent offense, or other  
17 relevant offense that involved a minor, the person  
18 shall be supervised for a period of at least five  
19 years by an electronic tracking and monitoring system  
20 in addition to any other conditions of release.

21 Sec. \_\_. Section 692A.13A, subsection 1,  
22 unnumbered paragraph 1, if enacted by 2005 Iowa Acts,  
23 [House File 619](#), is amended to read as follows:

24 The department of corrections, the department of  
25 human services, and the department of public safety  
26 shall, in consultation with one another, develop  
27 methods and procedures for the assessment of the risk  
28 to reoffend for persons newly required to register  
29 under this chapter on or after the effective date of  
30 this division of this Act, who have committed a  
31 criminal offense against a minor, or an aggravated  
32 offense, sexually violent offense, or other relevant  
33 offense that involved a minor. The department of  
34 corrections, in consultation with the department of  
35 human services, the department of public safety, and  
36 the attorney general, shall adopt rules relating to  
37 assessment procedures. The assessment procedures  
38 shall include procedures for the sharing of  
39 information between the department of corrections,  
40 department of human services, the juvenile court, and  
41 the division of criminal investigation of the  
42 department of public safety, as well as the  
43 communication of the results of the risk assessment to  
44 criminal and juvenile justice agencies. The  
45 assignment of responsibility for the assessment of  
46 risk shall be as follows:

47 Sec. \_\_. Section 602.10112, Code 2005, is  
48 repealed."

49 \_\_. Page 24, by inserting before line 1, the  
50 following:

Page 15

1 "Sec.\_\_\_\_. VEHICLE DEALERSHIP STUDY. The  
2 legislative council is requested to appoint an interim  
3 study committee that will study the motor vehicle  
4 licensing law as it pertains to motor vehicle  
5 dealerships' moves from one facility and location to  
6 another facility and location in the state. A report  
7 should be provided to the general assembly by January  
8 15, 2006."

9 2. Page 24, line 18, by striking the word  
10 "section" and inserting the following: "sections".

11 3. Page 24, line 19, by inserting after the word  
12 "Act" the following: "amending section 427.1,  
13 subsection 21, and".

14 4. Page 24, line 20, by striking the words "a  
15 property tax exemption" and inserting the following:  
16 "property tax exemptions".

17 5. Page 24, by inserting after line 21, the  
18 following:

19 "Sec.\_\_\_\_. RETROACTIVE APPLICABILITY DATE. The  
20 section of this division of this Act amending section  
21 423E.5, being deemed of immediate importance, takes  
22 effect upon enactment and applies retroactively to  
23 July 1, 2004.

24 Sec.\_\_\_\_. EFFECTIVE AND APPLICABILITY DATES. The  
25 sections of this division of this Act amending section  
26 427.1, subsection 21, and enacting new subsection 21A  
27 to section 427.1, being deemed of immediate  
28 importance, take effect upon enactment and apply  
29 retroactively to January 1, 2005, for assessment years  
30 beginning on or after that date.

31 Sec.\_\_\_\_. APPLICABILITY. Section 25B.7 does not  
32 apply to the amendment to section 427.1, subsection  
33 30, in this division of this Act."

34 \_\_\_\_\_. Page 24, by inserting after line 27, the  
35 following:

36 "Sec.\_\_\_\_. EFFECTIVE DATE. The sections of this  
37 division of this Act amending section 602.10110 and  
38 repealing section 602.10112, being deemed of immediate  
39 importance, take effect upon enactment."

40 \_\_\_\_\_. By striking page 24, line 28, through page  
41 28, line 30.

42 \_\_\_\_\_. By striking page 35, line 25, through page  
43 36, line 25 and inserting the following:

44 "Sec.\_\_\_\_. COUNTY REAL ESTATE ELECTRONIC  
45 GOVERNMENT ADVISORY COMMITTEE.

46 1. A county real estate electronic government  
47 advisory committee is created. Staffing services for  
48 the advisory committee shall be provided by the  
49 auditor of state. The advisory committee membership  
50 shall consist of the following:

Page 16

- 1 a. Two members selected by the Iowa state
- 2 association of county auditors.
- 3 b. Two members selected by the Iowa state county
- 4 treasurers association.
- 5 c. Two members selected by the Iowa county
- 6 recorders association.
- 7 d. Two members selected by the Iowa state
- 8 association of assessors.
- 9 e. One member selected by each of the following
- 10 organizations:
  - 11 (1) Iowa state association of counties.
  - 12 (2) Iowa land title association.
  - 13 (3) Iowa bankers association.
  - 14 (4) Iowa credit union league.
  - 15 (5) Iowa state bar association.
  - 16 (6) Iowa association of realtors.
- 17 2. The county real estate electronic government
- 18 advisory committee shall facilitate discussion to
- 19 integrate the county land record information system
- 20 created pursuant to section 331.605C with the
- 21 electronic government internet applications of county
- 22 treasurers, county recorders, county auditors, and
- 23 county assessors. The advisory committee shall file
- 24 an integration plan with the governor and the general
- 25 assembly on or before November 1, 2005."
- 26 6. By striking page 36, line 34, through page 37,
- 27 line 2, and inserting the following: "of the county
- 28 land record information system. The Iowa county
- 29 recorders".
- 30 7. Page 37, by striking line 21, and inserting
- 31 the following: "documents in the county land record
- 32 information system until authorized by the".
- 33 8. Page 37, line 22, by inserting after the word
- 34 "assembly." the following: "However, county recorders
- 35 may collect actual third-party fees associated with
- 36 accepting and processing statutorily authorized fees
- 37 including credit card fees, treasury management fees,
- 38 and other transaction fees required to enable
- 39 electronic payment. For the purposes of this
- 40 subsection, the term "third-party" does not include
- 41 the county land record information system, the Iowa
- 42 state association of counties, or any of the
- 43 association's affiliates."
- 44 9. Page 37, lines 24 and 25, by striking the
- 45 words "and the department of administrative services".
- 46 10. Page 37, by inserting after line 33, the
- 47 following:
  - 48 "Sec. \_\_\_\_ DATA SECURITY AUDIT.
  - 49 1. The Iowa county recorders association shall
  - 50 select a vendor to conduct a data security audit of

Page 17

1 the county land record information system created  
2 pursuant to section 331.605C. The review and  
3 assessment utilized in the audit shall include, but  
4 are not limited to, a review of the functional and  
5 system requirements, design documentation, software  
6 code developed to support the business requirements,  
7 operational procedures, financial flows including a  
8 financial forecast, requests for proposals, and all  
9 contracts.

10 2. The costs of the data security audit conducted  
11 pursuant to subsection 1 shall be paid from moneys  
12 appropriated to the treasurer of state pursuant to  
13 section 331.605C.

14 3. The Iowa county recorders association shall  
15 forward the complete results of the data security  
16 audit to the government oversight committees of the  
17 senate and the house of representatives and the  
18 general assembly on or before December 1, 2005, and  
19 the government oversight committees may request  
20 additional updates."

21 \_\_\_\_\_. Page 39, by striking lines 26 through 33.

22 \_\_\_\_\_. Page 39, by inserting before line 34 the  
23 following:

24 "Sec.\_\_\_\_. Section 28.3, subsection 6, paragraph  
25 b, Code 2005, as amended by 2005 Iowa Acts, House File  
26 761, section 5, if enacted, is amended to read as  
27 follows:

28 b. In addition, a community empowerment office is  
29 established as a division of the department of  
30 management to provide a center for facilitation,  
31 communication, and coordination for community  
32 empowerment activities and funding and for improvement  
33 of the early care, education, health, and human  
34 services systems. Staffing for the community  
35 empowerment office shall be provided by a facilitator  
36 or coordinator appointed by the governor, subject to  
37 confirmation by the senate, and who serves at the  
38 pleasure of the governor. A deputy and support staff  
39 may be designated, subject to appropriation made for  
40 this purpose. The facilitator or coordinator shall  
41 submit reports to the governor, the Iowa board, and  
42 the general assembly. The facilitator or coordinator  
43 shall provide primary staffing to the board,  
44 coordinate state technical assistance activities and  
45 implementation of the technical assistance system, and  
46 other communication and coordination functions to move  
47 authority and decision-making responsibility from the  
48 state to communities and individuals.

49 Sec.\_\_\_\_. Section 28.4, subsection 14, if enacted  
50 by 2005 Iowa Acts, [House File 761](#), section 9, is

Page 18

1 amended to read as follows:

2 14. With the assistance of the state departments  
3 represented on the Iowa empowerment board and the  
4 community empowerment office, develop and implement  
5 requirements for community empowerment areas and the  
6 state administrators of programs providing early care  
7 or early care services to annually report to the  
8 public and the early care ~~coordinator~~ staff designated  
9 pursuant to section 28.3 regarding the results  
10 produced by the community empowerment initiative and  
11 by the programs. Source data shall also be made  
12 available to the early care ~~coordinator~~."

13 \_\_\_\_\_. Page 43, by inserting after line 17, the  
14 following:

15 "\_\_\_\_. Section 135M.6, as enacted by 2005 Iowa  
16 Acts, [House File 724](#), section 6, is amended to read as  
17 follows:

18 135M.6 SAMPLE PRESCRIPTION DRUGS.

19 This chapter shall not be construed to restrict the  
20 use of samples by a physician or other person legally  
21 authorized to prescribe drugs ~~pursuant to section~~  
22 ~~147.107~~ under state and federal law during the course  
23 of the physician's or other person's duties at a  
24 medical facility or pharmacy."

25 \_\_\_\_\_. Page 46, by inserting after line 18, the  
26 following:

27 "Sec.\_\_\_\_. Section 453A.47A, subsection 4, and  
28 subsection 9, unnumbered paragraph 1, as enacted by  
29 2005 Iowa Acts, [House File 339](#), section 4, are amended  
30 to read as follows:

31 4. RETAILER – CIGARETTES AND TOBACCO PRODUCTS. A

32 retailer, as defined in section 453A.1, who holds a  
33 permit under division I of this chapter is not  
34 required to also obtain a ~~retailer~~ retail permit under  
35 this division. However, if a retailer, as defined in  
36 section 453A.1, only holds a permit under division I  
37 of this chapter and that permit is suspended, revoked,  
38 or expired, the retailer shall not sell any cigarettes  
39 or tobacco products during the time which the permit  
40 is suspended, revoked, or expired.

41 ~~Retailer~~ Retail permits shall be issued only upon  
42 applications, accompanied by the fee indicated above,  
43 made upon forms furnished by the department upon  
44 written request. The failure to furnish such forms  
45 shall be no excuse for the failure to file the form  
46 unless absolute refusal is shown. The forms shall  
47 specify:

48 Sec.\_\_\_\_. Section 483A.8, subsection 5, Code 2005,  
49 is amended to read as follows:

50 5. A nonresident owning land in this state may

Page 19

1 apply for ~~one of the first six thousand~~ a nonresident  
2 ~~antlered or any sex deer licenses not limited to~~  
3 ~~antlerless deer hunting license~~, and the provisions o  
4 subsection 3 shall apply. However, if a nonresident  
5 owning land in this state is unsuccessful in obtaining  
6 one of the ~~first six thousand~~ nonresident ~~antlered or~~  
7 ~~any sex deer hunting~~ licenses, the landowner shall be  
8 given preference for one of the ~~two thousand five~~  
9 ~~hundred~~ antlerless ~~deer~~ only nonresident deer ~~huntig~~  
10 licenses available pursuant to subsection 3. A  
11 nonresident owning land in this state shall pay the  
12 fee for a nonresident antlerless only deer license and  
13 the license shall be valid to hunt on the  
14 nonresident's land only. ~~A nonresident owning land in~~  
15 ~~this state is eligible for only one nonresident deer~~  
16 ~~license annually~~. If one or more parcels of land have  
17 multiple nonresident owners, only one of the  
18 nonresident owners is eligible for a nonresident  
19 antlerless only deer license. If a nonresident  
20 jointly owns land in this state with a resident, the  
21 nonresident shall not be given preference for a  
22 nonresident antlerless only deer license. The  
23 department may require proof of land ownership from a  
24 nonresident landowner applying for a nonresident  
25 antlerless only deer license.

26 Sec. \_\_. Section 501A.231, subsection 5, if  
27 enacted by 2005 Iowa Acts, [House File 859](#), section 17,  
28 is amended to read as follows:

29 5. The secretary of state may provide for the  
30 change of registered office or registered agent on the  
31 form prescribed by the secretary of state for the  
32 biennial report, provided that the form contains the  
33 information required by section 501A.402. If the  
34 secretary of state determines that a biennial report  
35 does not contain the information required by this  
36 section but otherwise meets the requirements of  
37 section ~~501.402~~ 501A.402 for the purpose of changing  
38 the registered office or registered agent, the  
39 secretary of state shall file the statement of change  
40 of registered office or registered agent, effective as  
41 provided in section 501A.203, before returning the  
42 biennial report to the cooperative as provided in this  
43 section. A statement of change of registered office  
44 or agent pursuant to this subsection shall be executed  
45 by a person authorized to execute the biennial report.

46 Sec. \_\_. Section 501A.1001, subsection 4, if  
47 enacted by 2005 Iowa Acts, [House File 859](#), section 73,  
48 is amended to read as follows:

49 4. The determinations of the board as to the  
50 amount or fair value or the fairness to the

Page 20

1 cooperative of the contribution accepted or to be  
2 accepted by the cooperative or the terms of payment or  
3 performance, including under a contribution ~~rights~~  
4 agreement in section 501A.1003, and a contribution  
5 rights agreement in section 501A.1004, are presumed to  
6 be proper if they are made in good faith and on the  
7 basis of accounting methods, or a fair valuation or  
8 other method, reasonable in the circumstances.  
9 Directors who are present and entitled to vote, and  
10 who, intentionally or without reasonable  
11 investigation, fail to vote against approving a  
12 consideration that is unfair to the cooperative, or  
13 overvalue property or services received or to be  
14 received by the cooperative as a contribution, are  
15 jointly and severally liable to the cooperative for  
16 the benefit of the then members who did not consent to  
17 and are damaged by the action to the extent of the  
18 damages of those members. A director against whom a  
19 claim is asserted under this subsection, except in  
20 case of knowing participation in a deliberate fraud,  
21 is entitled to contribution on an equitable basis from  
22 other directors who are liable under this subsection.  
23 Sec. \_\_. Section 10B.4, subsection 1, Code 2005,  
24 as amended by 2005 Iowa Acts, [House File 859](#), section  
25 102, if enacted, is amended to read as follows:  
26 1. A biennial report shall be filed by a reporting  
27 entity with the secretary of state on or before March  
28 31 of each odd-numbered year as required by rules  
29 adopted by the secretary of state pursuant to chapter  
30 17A. However, a reporting entity required to file a  
31 biennial report pursuant to chapter 490, ~~490A~~, 496C,  
32 497, 498, ~~490A~~, 499, 501, 501A, or 504A shall file the  
33 report required by this section in the same year as  
34 required by that chapter. The reporting entity may  
35 file the report required by this section together with  
36 the biennial report required to be filed by one of the  
37 other chapters referred to in this subsection. The  
38 reports shall be filed on forms prepared and supplied  
39 by the secretary of state. The secretary of state may  
40 provide for combining its reporting forms with other  
41 biennial reporting forms required to be used by the  
42 reporting entities.  
43 Sec. \_\_. 2005 Iowa Acts, [House File 859](#), section  
44 104, if enacted, is amended by striking the section  
45 and inserting in lieu thereof the following:  
46 SEC. 104. Section 15.385, subsection 4, paragraph  
47 a, Code 2005, is amended to read as follows:  
48 a. An eligible business may claim a tax credit  
49 equal to a percentage of the new investment directly  
50 related to new jobs created by the location or

Page 21

1 expansion of an eligible business under the program.  
2 The tax credit shall be allowed against taxes imposed  
3 under chapter 422, division II, III, or V. If the  
4 business is a partnership, S corporation, limited  
5 liability company, cooperative organized under chapter  
6 501 or 501A and filing as a partnership for federal  
7 tax purposes, or estate or trust electing to have the  
8 income taxed directly to the individual, an individual  
9 may claim the tax credit allowed. The amount claimed  
10 by the individual shall be based upon the pro rata  
11 share of the individual's earnings of the partnership,  
12 S corporation, limited liability company, cooperative  
13 organized under chapter 501 or 501A and filing as a  
14 partnership for federal tax purposes, or estate or  
15 trust. The percentage shall be equal to the amount  
16 provided in paragraph "d". Any tax credit in excess  
17 of the tax liability for the tax year may be credited  
18 to the tax liability for the following seven years or  
19 until depleted, whichever occurs first.

20 Subject to prior approval by the department of  
21 economic development, in consultation with the  
22 department of revenue, an eligible business whose  
23 project primarily involves the production of value-  
24 added agricultural products or uses  
25 biotechnology-related processes may elect to receive a  
26 refund of all or a portion of an unused tax credit.  
27 For purposes of this subsection, such an eligible  
28 business includes a cooperative described in section  
29 521 of the Internal Revenue Code which is not required  
30 to file an Iowa corporate income tax return, and whose  
31 project primarily involves the production of ethanol.  
32 The refund may be applied against a tax liability  
33 imposed under chapter 422, division II, III, or V. If  
34 the business is a partnership, S corporation, limited  
35 liability company, cooperative organized under chapter  
36 501 or 501A and filing as a partnership for federal  
37 tax purposes, or estate or trust electing to have the  
38 income taxed directly to the individual, an individual  
39 may claim the tax credit allowed. The amount claimed  
40 by the individual shall be based upon the pro rata  
41 share of the individual's earnings of the partnership,  
42 S corporation, limited liability company, cooperative  
43 organized under chapter 501 or 501A and filing as a  
44 partnership for federal tax purposes, or estate or  
45 trust."

46 \_\_\_\_\_. Page 48, by inserting after line 23 the  
47 following:

48 "Sec.\_\_\_\_. Section 805.8C, subsection 6, as  
49 amended by 2005 Iowa Acts, [Senate File 169](#), section 9,  
50 is amended to read as follows:

Page 22

1 6. PSEUDOEPHEDRINE SALES VIOLATIONS. For  
2 violations of section 126.23A, subsection 1, by an  
3 employee of a retailer, or for violations of section  
4 126.23A, subsection 2, paragraph "a", by a purchaser,  
5 the scheduled fine is as follows:  
6 a. If the violation is a first offense, the  
7 scheduled fine is one hundred dollars.  
8 b. If the violation is a second offense, the  
9 scheduled fine is two hundred fifty dollars.  
10 c. If the violation is a third or subsequent  
11 offense, the scheduled fine is five hundred dollars."  
12 \_\_\_\_ Page 48, by inserting after line 23, the  
13 following:  
14 "Sec.\_\_\_\_. 2005 Iowa Acts, [House File 739](#), section  
15 7, if enacted, is amended to read as follows:  
16 SEC. 7. CONTINGENT EFFECTIVENESS. The sections of  
17 this Act ~~creating amending Code chapter 280A or~~  
18 ~~enacting new sections in~~ Code chapter 280A take effect  
19 only if the general assembly appropriates funds for  
20 the fiscal year beginning July 1, 2005, in an amount  
21 sufficient to implement the provisions of Code chapter  
22 280A, if enacted.  
23 Sec.\_\_\_\_. 2005 Iowa Acts, [House File 839](#), is  
24 amended by adding the following new section:  
25 SEC.\_\_\_\_. EFFECTIVE DATE. This Act, being deemed  
26 of immediate importance, takes effect upon enactment  
27 of 2005 Iowa Acts, [House File 882](#)."  
28 \_\_\_\_ Page 48, by inserting after line 26 the  
29 following:  
30 "DIVISION  
31 STATE LIQUOR ACTIVITIES  
32 Sec.\_\_\_\_. Section 123.53, subsection 3, Code 2005,  
33 is amended to read as follows:  
34 3. The treasurer of state shall transfer into a  
35 special revenue account in the general fund of the  
36 state, a sum of money at least equal to seven percent  
37 of the gross amount of sales made by the division from  
38 the beer and liquor control fund on a monthly basis  
39 but not less than nine million dollars annually, ~~and~~  
40 ~~any amounts so.~~ Of the amounts transferred, two  
41 million dollars, plus an additional amount determined  
42 by the general assembly, shall be used by appropriated  
43 to the substance abuse division of the Iowa department  
44 of public health to be used for substance abuse  
45 treatment and prevention programs in an amount  
46 determined by the general assembly and any. Any  
47 amounts received in excess of the amounts appropriated  
48 to the substance abuse division of the Iowa department  
49 of public health shall be considered part of the  
50 general fund balance.

Page 23

1 Sec. \_\_. ALCOHOLIC BEVERAGES DIVISION – STATE  
2 LIQUOR WAREHOUSE AND TRUCKING FUNCTIONS. The  
3 department of administrative services shall issue a  
4 request for proposals developed with the alcoholic  
5 beverages division of the department of commerce or  
6 otherwise utilize a competitive process not  
7 inconsistent with the division's current charter  
8 agency agreement to select a provider to perform the  
9 state liquor warehouse and trucking functions. The  
10 request for proposals or competitive process shall be  
11 issued or commenced as soon as is reasonably possible  
12 and a provider shall be selected no later than  
13 December 31, 2005. The division may submit a bid in  
14 response to a request for proposals issued or  
15 competitive process conducted pursuant to this  
16 section. If the division submits a bid, the division  
17 shall include in the bid the cost of labor to perform  
18 the contract which shall be calculated by using the  
19 cost of hiring full-time equivalent positions to  
20 perform the contract pursuant to state pay grade  
21 classifications and benefits as outlined in the most  
22 recent collective bargaining agreement applicable to  
23 other employees of the division. Notwithstanding any  
24 provision of chapter 22 to the contrary, the  
25 division's bid and any documents the division uses in  
26 developing its bid shall be considered a confidential  
27 record until the department of administrative services  
28 announces the results of the request for proposals or  
29 competitive process.  
30 Sec. \_\_. EFFECTIVE DATE. The section of this  
31 division of this Act amending section 123.53 takes  
32 effect July 1, 2006.

## DIVISION

## BOARD OF REGENTS

33  
34  
35 Sec. \_\_. Section 12B.10C, Code 2005, is amended  
36 by adding the following new subsection:  
37 NEW SUBSECTION. 10. The state board of regents  
38 governed by chapter 262.  
39 Sec. \_\_. Section 73A.1, subsection 2, Code 2005,  
40 is amended to read as follows:  
41 2. "Municipality" as used in this chapter means  
42 township, school corporation, and state fair board,  
43 ~~and state board of regents.~~  
44 Sec. \_\_. Section 262.9, subsection 7, Code 2005,  
45 is amended to read as follows:  
46 7. ~~With the approval of the executive council,~~  
47 Acquire real estate for the proper uses of  
48 ~~said~~ institutions under its control, and dispose of  
49 real estate belonging to ~~said~~ the institutions when  
50 not necessary for their purposes. ~~A~~ The disposal of

Page 24

1 ~~such~~ real estate shall be made upon such terms,  
2 conditions, and consideration as the board may  
3 recommend ~~and subject to the approval of the executive~~  
4 ~~council~~. If real estate subject to sale ~~hereunder~~ ha  
5 been purchased or acquired from appropriated funds,  
6 the proceeds of such sale shall be deposited with the  
7 treasurer of state and credited to the general fund of  
8 the state. There is hereby appropriated from the  
9 general fund of the state a sum equal to the proceeds  
10 so deposited and credited to the general fund of the  
11 state to the state board of regents, ~~which, with the~~  
12 ~~prior approval of the executive council,~~ may be used  
13 to purchase other real estate and buildings, and for  
14 the construction and alteration of buildings and other  
15 capital improvements. All transfers shall be by state  
16 patent in the manner provided by law. The board is  
17 also authorized to grant easements for rights-of-way  
18 over, across, and under the surface of public lands  
19 under its jurisdiction when in the board's judgment  
20 such easements are desirable and will benefit the  
21 state of Iowa.

22 Sec. \_\_. Section 262.9, subsection 15, unnumbered  
23 paragraph 2, Code 2005, is amended by striking the  
24 unnumbered paragraph.

25 Sec. \_\_. Section 262.10, unnumbered paragraph 1,  
26 Code 2005, is amended to read as follows:

27 No sale or purchase of real estate shall be made  
28 save upon the order of the board, made at a regular  
29 meeting, or one called for that purpose, and then in  
30 such manner and under such terms as the board may  
31 prescribe ~~and only with the approval of the executive~~  
32 ~~council~~. No member of the board or any of its  
33 committees, offices or agencies nor any officer of any  
34 institution, shall be directly or indirectly  
35 interested in such purchase or sale.

36 Sec. \_\_. Section 262.33A, Code 2005, is amended  
37 to read as follows:

38 262.33A FIRE AND ENVIRONMENTAL SAFETY – REPORT –  
39 EXPENDITURES.

40 It is the intent of the general assembly that each  
41 institution of higher education under the control of  
42 the state board of regents shall, in consultation with  
43 the state fire marshal, identify and correct all  
44 critical fire and environmental safety deficiencies.  
45 ~~The state fire marshal shall report annually to the~~  
46 ~~joint subcommittee on education appropriations. The~~  
47 ~~report shall include, but is not limited to, the~~  
48 ~~identified deficiencies in fire and environmental~~  
49 ~~safety at the institutions, and plans for correction~~  
50 ~~of the deficiencies and for compliance with this~~

Page 25

1 ~~section.~~ Commencing July 1, 1993, each institution  
2 under the control of the state board of regents shall  
3 expend annually for fire safety and deferred  
4 maintenance at least the amount budgeted for these  
5 purposes for the fiscal year beginning July 1, 1992,  
6 in addition to any moneys appropriated from the  
7 general fund for these purposes in succeeding years.

8 Sec. \_\_. Section 262.34, Code 2005, is amended to  
9 read as follows:

10 262.34 IMPROVEMENTS – ADVERTISEMENT FOR BIDS –  
11 DISCLOSURES – ~~PAYMENTS.~~

12 1. When the estimated cost of construction,  
13 repairs, or improvement of buildings or grounds under  
14 charge of the state board of regents exceeds ~~twenty-~~  
15 ~~five one hundred~~ thousand dollars, the board shall  
16 advertise for bids for the contemplated improvement or  
17 construction and shall let the work to the lowest  
18 responsible bidder. However, if in the judgment of  
19 the board bids received are not acceptable, the board  
20 may reject all bids and proceed with the construction,  
21 repair, or improvement by a method as the board may  
22 determine. All plans and specifications for repairs  
23 or construction, together with bids on the plans or  
24 specifications, shall be filed by the board and be  
25 open for public inspection. All bids submitted under  
26 this section shall be accompanied by a deposit of  
27 money, a certified check, or a credit union certified  
28 share draft in an amount as the board may prescribe.

29 2. A bidder awarded a contract shall disclose the  
30 names of all subcontractors, who will work on the  
31 project being bid, within forty-eight hours after the  
32 award of the contract. If a subcontractor named by a  
33 bidder awarded a contract is replaced, or if the cost  
34 of work to be done by a subcontractor is reduced, the  
35 bidder shall disclose the name of the new  
36 subcontractor or the amount of the reduced cost.

37 3. Payments made by the board for the construction  
38 of public improvements shall be made in accordance  
39 with the provisions of chapter 573 except that:

40 a. Payments may be made without retention until  
41 ninety-five percent of the contract amount has been  
42 paid. The remaining five percent of the contract  
43 amount shall be paid as provided in section 573.14,  
44 except that:

45 (1) At any time after all or any part of the work  
46 is substantially completed in accordance with  
47 paragraph "c", the contractor may request the release  
48 of all or part of the retainage owed. Such request  
49 shall be accompanied by a waiver of claim rights under  
50 the provisions of chapter 573 from any person, firm,

Page 26

1 or corporation who has, under contract with the  
2 principal contractor or with subcontractors performed  
3 labor, or furnished materials, service, or  
4 transportation in the construction of that portion of  
5 the work for which release of the retainage is  
6 requested.

7 (2) Upon receipt of the request, the board shall  
8 release all or part of the unpaid funds. Retainage  
9 that is approved as payable shall be paid at the time  
10 of the next monthly payment or within thirty days,  
11 whichever is sooner. If partial retainage is released  
12 pursuant to a contractor's request, no retainage shall  
13 be subsequently held based on that portion of the  
14 work. If within thirty days of when payment becomes  
15 due the board does not release the retainage due,  
16 interest shall accrue on the retainage amount due as  
17 provided in section 573.14 until that amount is paid.

18 (3) If at the time of the request for the  
19 retainage there are remaining or incomplete minor  
20 items, an amount equal to two hundred percent of the  
21 value of each remaining or incomplete item, as  
22 determined by the board's authorized contract  
23 representative, may be withheld until such item or  
24 items are completed.

25 (4) An itemization of the remaining or incomplete  
26 items, or the reason that the request for release of  
27 the retainage was denied, shall be provided to the  
28 contractor in writing within thirty calendar days of  
29 the receipt of the request for release of retainage.

30 b. For purposes of this section, "authorized  
31 contract representative" means the architect or  
32 engineer who is in charge of the project and chosen by  
33 the board to represent its interests, or if there is  
34 no architect or engineer, then such other contract  
35 representative or officer as designated in the  
36 contract documents as the party representing the  
37 board's interest regarding administration and  
38 oversight of the project.

39 c. For purposes of this section, "substantially  
40 completed" means the first date on which any of the  
41 following occurs:

42 (1) Completion of the project or when the work has  
43 been substantially completed in general accordance  
44 with the terms and provisions of the contract.

45 (2) The work or the portion designated is  
46 sufficiently complete in accordance with the  
47 requirements of the contract so the board can occupy  
48 or utilize the work for its intended purpose.

49 (3) The project is certified as having been  
50 substantially completed by either of the following:

Page 27

1 (a) The architect or engineer authorized to make  
2 such certification.

3 (b) The contracting authority representing the  
4 board.

5 4. Each contractor or subcontractor shall withhold  
6 retainage, if at all, in the same manner as retainage  
7 is withheld from the contractor or subcontractor; and  
8 each subcontractor shall pass through all retainage  
9 payments to lower tier subcontractors in accordance  
10 with the provisions of chapter 573.

11 Sec. \_\_. Section 262.57, unnumbered paragraph 1,  
12 Code 2005, is amended to read as follows:

13 To pay all or any part of the cost of carrying out  
14 any project at any institution the board is authorized  
15 to borrow money and to issue and sell negotiable bonds  
16 or notes and to refund and refinance bonds or notes  
17 heretofore issued or as may be hereafter issued for  
18 any project or for refunding purposes at a lower rate,  
19 the same rate or a higher rate or rates of interest  
20 and from time to time as often as the board shall find  
21 it to be advisable and necessary so to do. Such bonds  
22 or notes may be sold by said board at public sale in  
23 the manner prescribed by chapter 75 but if the board  
24 shall find it to be advantageous and in the public  
25 interest to do so, such bonds or notes may be sold by  
26 the board at private sale without published notice of  
27 any kind and without regard to the requirements of  
28 chapter 75 in such manner and upon such terms as may  
29 be prescribed by the resolution authorizing the same,  
30 ~~but such bonds or notes shall in any event be sold~~  
31 ~~upon terms of not less than par plus accrued interest.~~  
32 Bonds or notes issued to refund other bonds or notes  
33 heretofore or hereafter issued by the board for  
34 residence hall or dormitory purposes at any  
35 institution, including dining or other facilities and  
36 additions, or heretofore or hereafter issued for  
37 refunding purposes, may either be sold in the manner  
38 hereinbefore specified and the proceeds thereof  
39 applied to the payment of the obligations being  
40 refunded, or the refunding bonds or notes may be  
41 exchanged for and in payment and discharge of the  
42 obligations being refunded, and a finding by the board  
43 in the resolution authorizing the issuance of such  
44 refunding bonds or notes that the bonds or notes being  
45 refunded were issued for a purpose specified in this  
46 division and constitute binding obligations of the  
47 board shall be conclusive and may be relied upon by  
48 any holder of any refunding bond or note issued under  
49 the provisions of this division. The refunding bonds  
50 or notes may be sold or exchanged in installments at

Page 28

1 different times or an entire issue or series may be  
2 sold or exchanged at one time. Any issue or series of  
3 refunding bonds or notes may be exchanged in part or  
4 sold in parts in installments at different times or at  
5 one time. The refunding bonds or notes may be sold or  
6 exchanged at any time on, before, or after the  
7 maturity of any of the outstanding notes, bonds or  
8 other obligations to be refinanced thereby and may be  
9 issued for the purpose of refunding a like or greater  
10 principal amount of bonds or notes, except that the  
11 principal amount of the refunding bonds or notes may  
12 exceed the principal amount of the bonds or notes to  
13 be refunded to the extent necessary to pay any premium  
14 due on the call of the bonds or notes to be refunded  
15 or to fund interest in arrears or about to become due.  
16 Sec. \_\_. Section 262.78, subsection 6, Code 2005,  
17 is amended by striking the subsection.  
18 Sec. \_\_. Section 262A.5, unnumbered paragraph 1,  
19 Code 2005, is amended to read as follows:  
20 The board is authorized to borrow money under this  
21 chapter, and the board may issue and sell negotiable  
22 bonds to pay all or any part of the cost of carrying  
23 out any project at any institution and may refund and  
24 refinance bonds issued for any project or for  
25 refunding purposes at the same rate or at a higher or  
26 lower rate or rates of interest. Bonds issued under  
27 the provisions of this chapter shall be sold by said  
28 board at public sale on the basis of sealed proposals  
29 received pursuant to a notice specifying the time and  
30 place of sale and the amount of bonds to be sold which  
31 shall be published at least once not less than seven  
32 days prior to the date of sale in a newspaper  
33 published in the state of Iowa and having a general  
34 circulation in said state. The provisions of chapter  
35 75 shall ~~not~~ apply to bonds issued under authority  
36 contained in this chapter, ~~but such bonds shall be~~  
37 ~~sold upon terms of not less than par plus accrued~~  
38 ~~interest to the extent not in conflict with this~~  
39 chapter. Bonds issued to refund other bonds issued  
40 under the provisions of this chapter may either be  
41 sold in the manner hereinbefore specified and the  
42 proceeds thereof applied to the payment of the  
43 obligations being refunded, or the refunding bonds may  
44 be exchanged for and in payment and discharge of the  
45 obligations being refunded. The refunding bonds may  
46 be sold or exchanged in installments at different  
47 times or an entire issue or series may be sold or  
48 exchanged at one time. Any issue or series of  
49 refunding bonds may be exchanged in part or sold in  
50 parts in installments at different times or at one

Page 29

1 time. The refunding bonds may be sold or exchanged at  
2 any time on, before, or after the maturity of any of  
3 the outstanding bonds or other obligations to be  
4 refinanced thereby and may be issued for the purpose  
5 of refunding a like or greater principal amount of  
6 bonds, except that the principal amount of the  
7 refunding bonds may exceed the principal amount of the  
8 bonds to be refunded to the extent necessary to pay  
9 any premium due on the call of the bonds to be  
10 refunded or to fund interest in arrears or which is to  
11 become due.

12 Sec. \_\_. Section 266.39F, subsection 2,  
13 unnumbered paragraph 2, Code 2005, is amended to read  
14 as follows:

15 The provisions of section 262.9, subsection 7, ~~and~~  
16 ~~section 262.10~~, shall not apply to the sale of any  
17 portion of land to be sold in accordance with this  
18 section or to the use of the proceeds from the sale of  
19 the land.

20 Sec. \_\_. Section 573.12, subsection 1, unnumbered  
21 paragraph 1, Code 2005, is amended to read as follows:

22 Payments made under contracts for the construction  
23 of public improvements, unless provided otherwise by  
24 law, shall be made on the basis of monthly estimates  
25 of labor performed and material delivered, as  
26 determined by the project architect or engineer. The  
27 public corporation shall retain from each monthly  
28 payment not more than five percent of that amount  
29 which is determined to be due according to the  
30 estimate of the architect or engineer. ~~However,~~  
31 ~~institutions governed pursuant to chapter 262 may, on~~  
32 ~~contracts where a bond is required under section~~  
33 ~~573.2, make payments under this section without~~  
34 ~~retention until ninety five percent of the contract~~  
35 ~~amount has been paid and the remaining five percent of~~  
36 ~~the contract amount shall be paid as provided under~~  
37 ~~section 573.14.~~

38 Sec. \_\_. Section 573.14, unnumbered paragraph 2,  
39 Code 2005, is amended to read as follows:

40 The public corporation shall order payment of any  
41 amount due the contractor to be made in accordance  
42 with the terms of the contract. Except as provided in  
43 section 573.12 for progress payments, failure to make  
44 payment pursuant to this section, of any amount due  
45 the contractor, within forty days, unless a greater  
46 time period not to exceed fifty days is specified in  
47 the contract documents, after the work under the  
48 contract has been completed and if the work has been  
49 accepted and all required materials, certifications,  
50 and other documentations required to be submitted by

Page 30

1 the contractor and specified by the contract have been  
2 furnished the awarding public corporation by the  
3 contractor, shall cause interest to accrue on the  
4 amount unpaid to the benefit of the unpaid party.  
5 Interest shall accrue during the period commencing the  
6 thirty-first day following the completion of work and  
7 satisfaction of the other requirements of this  
8 paragraph and ending on the date of payment. The rate  
9 of interest shall be determined by the period of time  
10 during which interest accrues, and shall be the same  
11 as the rate of interest that is in effect under  
12 section 12C.6, as of the day interest begins to  
13 accrue, for a deposit of public funds for a comparable  
14 period of time. However, for institutions governed  
15 pursuant to chapter 262, the rate of interest shall be  
16 determined by the period of time during which interest  
17 accrues, and shall be calculated as the prime rate  
18 plus one percent per year as of the day interest  
19 begins to accrue. This paragraph does not abridge any  
20 of the rights set forth in section 573.16. Except as  
21 provided in sections 573.12 and 573.16, interest shall  
22 not accrue on funds retained by the public corporation  
23 to satisfy the provisions of this section regarding  
24 claims on file. This chapter does not apply if the  
25 public corporation has entered into a contract with  
26 the federal government or accepted a federal grant  
27 which is governed by federal law or rules that are  
28 contrary to the provisions of this chapter. For  
29 purposes of this unnumbered paragraph, "prime rate"  
30 means the prime rate charged by banks on short-term  
31 business loans, as determined by the board of  
32 governors of the federal reserve system and published  
33 in the federal reserve bulletin.  
34 Sec. \_\_\_. Sections 262.64A, 262.67, 262A.3,  
35 262A.6A, 263A.11, 265.6, and 473.12, Code 2005, are  
36 repealed.

## DIVISION

## ENTREPRENEURS WITH DISABILITIES

37  
38  
39 Sec. \_\_\_. ENTREPRENEURS WITH DISABILITIES PROGRAM  
40 – TRANSFER OF ADMINISTRATION. The department of  
41 economic development shall transfer the administrative  
42 duties of the entrepreneurs with disabilities program  
43 to the Iowa finance authority. The authority shall  
44 adopt rules pursuant to chapter 17A for purposes of  
45 administering the program. Any contract entered into  
46 under the program by the department of economic  
47 development remains valid. The transfer of  
48 administrative duties to the authority shall not  
49 constitute grounds for rescission or modification of a  
50 contract under the program entered into with the

Page 31

1 department.  
 2 Sec. \_\_. ENTREPRENEURS WITH DISABILITIES PROGRAM  
 3 – APPROPRIATION. For the fiscal year beginning July  
 4 1, 2005, and ending June 30, 2006, there is  
 5 appropriated from the general fund of the state to the  
 6 Iowa finance authority two hundred thousand dollars  
 7 for purposes of the entrepreneurs with disabilities  
 8 program."

9 \_\_. Page 48, by inserting after line 26, the  
 10 following:

11 "DIVISION

12 WIND ENERGY PRODUCTION TAX CREDIT

13 Sec. \_\_. Section 476B.1, subsection 4, paragraph  
 14 c, Code 2005, is amended to read as follows:

15 c. Was originally placed in service on or after  
 16 July 1, ~~2004~~ 2005, but before July 1, ~~2007~~ 2008.

17 Sec. \_\_. Section 476B.3, Code 2005, is amended to  
 18 read as follows:

19 476B.3 CREDIT AMOUNT.

20 ~~1. Except as limited by subsection 2, the~~ The wind  
 21 energy production tax credit allowed under this  
 22 chapter equals the product of one cent multiplied by  
 23 the number of kilowatt-hours of qualified electricity  
 24 sold by the owner during the taxable year.

25 ~~2. a. The maximum amount of tax credit which a~~  
 26 ~~group of qualified facilities operating as one unit~~  
 27 ~~may receive for a taxable year equals the rate of~~  
 28 ~~credit times thirty two percent of the total number of~~  
 29 ~~kilowatts of nameplate generating capacity.~~

30 ~~b. However, if for the previous taxable year the~~  
 31 ~~amount of the tax credit for the group of qualified~~  
 32 ~~facilities operating as one unit is less than the~~  
 33 ~~maximum amount available as provided in paragraph "a",~~  
 34 ~~the maximum amount for the next taxable year shall be~~  
 35 ~~increased by the amount of the previous year's unused~~  
 36 ~~maximum credit.~~

37 Sec. \_\_. Section 476B.4, subsection 1, paragraph  
 38 b, Code 2005, is amended by striking the paragraph.

39 Sec. \_\_. Section 476B.5, Code 2005, is amended by  
 40 striking the section and inserting in lieu thereof the  
 41 following:

42 476B.5 DETERMINATION OF ELIGIBILITY.

43 1. An owner may apply to the board for a written  
 44 determination regarding whether a facility is a  
 45 qualified facility by submitting to the board a  
 46 written application containing all of the following:

47 a. Information regarding the ownership of the  
 48 facility including the percentage of equity interest  
 49 held by each owner.

50 b. The nameplate generating capacity of the

Page 32

1 facility.  
2 c. Information regarding the facility's initial  
3 placement in service.  
4 d. Information regarding the type of facility.  
5 e. A copy of an executed power purchase agreement  
6 or other agreement to purchase electricity upon  
7 completion of the project.  
8 f. Any other information the board may require.  
9 2. The board shall review the application and  
10 supporting information and shall make a preliminary  
11 determination regarding whether the facility is a  
12 qualified facility. The board shall notify the  
13 applicant of the approval or denial of the application  
14 within thirty days of receipt of the application and  
15 information required. If the board fails to notify  
16 the applicant of the approval or denial within thirty  
17 days, the application shall be deemed denied. An  
18 applicant who receives a determination denying an  
19 application may file an appeal with the board within  
20 thirty days from the date of the denial pursuant to  
21 the provisions of chapter 17A. In the absence of a  
22 timely appeal, the preliminary determination shall be  
23 final. If the application is incomplete, the board  
24 may grant an extension of time for the provision of  
25 additional information.  
26 3. A facility that is not operational within  
27 eighteen months after issuance of an approval for the  
28 facility by the board shall cease to be a qualified  
29 facility. A facility that is granted and thereafter  
30 loses approval may reapply to the board for a new  
31 determination.  
32 4. The maximum amount of nameplate generating  
33 capacity of all qualified facilities the board may  
34 find eligible under this chapter shall not exceed four  
35 hundred fifty megawatts of nameplate generating  
36 capacity.  
37 5. An owner shall not be an owner of more than two  
38 qualified facilities.  
39 Sec. \_\_\_. Section 476B.6, Code 2005, is amended by  
40 striking the section and inserting in lieu thereof the  
41 following:  
42 476B.6 TAX CREDIT CERTIFICATE PROCEDURE.  
43 1. a. To be eligible to receive the wind energy  
44 production tax credit, the owner must first receive  
45 approval of the board of supervisors of the county in  
46 which the qualified facility is located. The  
47 application for approval may be submitted prior to  
48 commencement of the construction of the qualified  
49 facility but shall be submitted no later than the  
50 close of the owner's first taxable year for which the

Page 33

1 credit is to be applied for. The application must  
2 contain the owner's name and address, the address of  
3 the qualified facility, and the dates of the owner's  
4 first and last taxable years for which the credit will  
5 be applied for. Within forty-five days of the receipt  
6 of the application for approval, the board of  
7 supervisors shall either approve or disapprove the  
8 application. After the forty-five-day limit, the  
9 application is deemed to be approved.

10 b. Upon approval of the application, the owner may  
11 apply for the tax credit as provided in subsection 2.  
12 In addition, approval of the application is acceptance  
13 by the applicant for the assessment of the qualified  
14 facility for property tax purposes for a period of  
15 twelve years and approval by the board of supervisors  
16 for the payment of the property taxes levied on the  
17 qualified property to the state. For purposes of  
18 property taxation, the qualified facility shall be  
19 centrally assessed and shall be exempt from any  
20 replacement tax under section 437A.6 for the period  
21 during which the facility is subject to property  
22 taxation. The property taxes to be paid to the state  
23 are those property taxes which make up the  
24 consolidated tax levied on the qualified facility and  
25 which are due and payable in the twelve-year period  
26 beginning with the first fiscal year beginning on or  
27 after the end of the owner's first taxable year for  
28 which the credit is applied for. Upon approval of the  
29 application, the board of supervisors shall notify the  
30 county treasurer to state on the tax statement which  
31 lists the taxes on the qualified facility that the  
32 amount of the property taxes shall be paid to the  
33 department. Payment of the designated property taxes  
34 to the department shall be in the same manner as  
35 required for the payment of regular property taxes and  
36 failure to pay designated property taxes to the  
37 department shall be treated the same as failure to pay  
38 property taxes to the county treasurer.

39 c. Once the owner of the qualified facility  
40 receives approval under paragraph "a", subsequent  
41 approval under paragraph "a" is not required for the  
42 same qualified facility for subsequent taxable years.

43 2. An owner of a qualified facility may apply to  
44 the board for the wind energy production tax credit by  
45 submitting to the board all of the following:

46 a. A completed application in a form prescribed by  
47 the board.

48 b. A copy of the determination granting approval  
49 of the facility as a qualified facility by the board.

50 c. A copy of a signed power purchase agreement or

Page 34

1 other agreement to purchase electricity.  
2 d. Sufficient documentation that the electricity  
3 has been generated by the qualified facility and sold  
4 to a purchaser.  
5 e. Any other information the board deems  
6 necessary.  
7 3. The board shall notify the department of the  
8 amount of kilowatt-hours generated and purchased from  
9 a qualified facility. The department shall calculate  
10 the amount of the tax credit for which the applicant  
11 is eligible and shall issue the tax credit certificate  
12 for that amount or notify the applicant in writing of  
13 its refusal to do so. An applicant whose application  
14 is denied may file an appeal with the department  
15 within sixty days from the date of the denial pursuant  
16 to the provisions of chapter 17A.  
17 4. Each tax credit certificate shall contain the  
18 owner's name, address, and tax identification number,  
19 the amount of tax credits, the first taxable year the  
20 certificate may be used, the type of tax to which the  
21 tax credits shall be applied, and any other  
22 information required by the department. The tax  
23 credit certificate shall only list one type of tax to  
24 which the amount of the tax credit may be applied.  
25 Once issued by the department, the tax credit  
26 certificate shall not be terminated or rescinded.  
27 5. If the tax credit application is filed by a  
28 partnership, limited liability company, S corporation,  
29 estate, trust, or other reporting entity all of the  
30 income of which is taxed directly to its equity  
31 holders or beneficiaries, for the taxes imposed under  
32 chapter 422, division II or III, the tax credit  
33 certificate shall be issued directly to equity holders  
34 or beneficiaries of the applicant in proportion to  
35 their pro rata share of the income of such entity.  
36 The applicant shall, in the application made under  
37 this section, identify its equity holders or  
38 beneficiaries, and the percentage of such entity's  
39 income that is allocable to each equity holder or  
40 beneficiary. If the tax credit application is filed  
41 by a partnership, limited liability company, S  
42 corporation, estate, trust, or other reporting entity,  
43 all of whose income is taxed directly to its equity  
44 holders or beneficiaries for the taxes imposed under  
45 chapter 422, division V, or under chapter 432, the tax  
46 credit certificate shall be issued directly to the  
47 partnership, limited liability company, S corporation,  
48 estate, trust, or other reporting entity.  
49 6. The department shall not issue a tax credit  
50 certificate if the facility approved by the board as a

Page 35

1 qualified facility is not operational within eighteen  
2 months after the approval is issued.

3 7. Once a tax credit certificate is issued  
4 pursuant to this section, the tax credit may only be  
5 claimed against the type of tax reflected on the  
6 certificate.

7 8. A tax credit certificate shall not be used or  
8 attached to a return filed for a taxable year  
9 beginning prior to July 1, 2006.

10 Sec. \_\_. Section 476B.7, unnumbered paragraph 1,  
11 Code 2005, is amended to read as follows:

12 Wind energy production tax credit certificates  
13 issued under this chapter may be transferred to any  
14 person or entity. Within thirty days of transfer, the  
15 transferee must submit the transferred tax credit  
16 certificate to the ~~board~~ department along with a  
17 statement containing the transferee's name, tax  
18 identification number, and address, and the  
19 denomination that each replacement tax credit  
20 certificate is to carry and any other information  
21 required by the department. Within thirty days of  
22 receiving the transferred tax credit certificate and  
23 the transferee's statement, the ~~board~~ department shall  
24 issue one or more replacement tax credit certificates  
25 to the transferee. Each replacement certificate must  
26 contain the information required under section 476B.6  
27 and must have the same effective taxable year and the  
28 same expiration date that appeared in the transferred  
29 tax credit certificate. Tax credit certificate  
30 amounts of less than the minimum amount established by  
31 rule of the board shall not be transferable. A tax  
32 credit shall not be claimed by a transferee under this  
33 chapter until a replacement tax credit certificate  
34 identifying the transferee as the proper holder has  
35 been issued.

36 Sec. \_\_. Section 476B.8, Code 2005, is amended to  
37 read as follows:

38 476B.8 USE OF TAX CREDIT CERTIFICATES.

39 To claim a wind energy production tax credit under  
40 this chapter, a taxpayer must attach one or more tax  
41 credit certificates to the taxpayer's tax return. A  
42 tax credit certificate shall not be used or attached  
43 to a return filed for a taxable year beginning prior  
44 to July 1, ~~2005~~ 2006. The tax credit certificate or  
45 certificates attached to the taxpayer's tax return  
46 shall be issued in the taxpayer's name, expire on or  
47 after the last day of the taxable year for which the  
48 taxpayer is claiming the tax credit, and show a tax  
49 credit amount equal to or greater than the tax credit  
50 claimed on the taxpayer's tax return. Any tax credit

Page 36

1 in excess of the taxpayer's tax liability for the  
2 taxable year may be credited to the taxpayer's tax  
3 liability for the following seven taxable years or  
4 until depleted, whichever is the earlier.

5 Sec. \_\_. Section 476B.9, Code 2005, is amended to  
6 read as follows:

7 476B.9 REGISTRATION OF TAX CREDIT CERTIFICATES.

8 ~~The board shall, in conjunction with the~~  
9 department, shall develop a system for the  
10 registration of the wind energy production tax credit  
11 certificates issued or transferred under this chapter  
12 and a system that permits verification that any tax  
13 credit claimed on a tax return is valid and that  
14 transfers of the tax credit certificates are made in  
15 accordance with the requirements of this chapter. The  
16 tax credit certificates issued under this chapter  
17 shall not be classified as a security pursuant to  
18 chapter 502.

19 Sec. \_\_. NEW SECTION. 476B.10 RULES.

20 The department and the board may adopt rules  
21 pursuant to chapter 17A for the administration and  
22 enforcement of this chapter."

23 \_\_. Page 48, by inserting after line 26, the  
24 following:

25 "DIVISION  
26 PROVISIONS RELATING TO THE PRACTICE OF PHARMACY

27 Sec. \_\_. Section 155A.3, subsection 11, Code  
28 2005, is amended to read as follows:

29 11. "Dispense" means to deliver a prescription  
30 drug, device, or controlled substance to an ultimate  
31 user or research subject by or pursuant to the lawful  
32 prescription drug order or medication order of a  
33 practitioner, including the prescribing,  
34 administering, packaging, labeling, or compounding  
35 necessary to prepare the substance for that delivery.

36 Sec. \_\_. Section 155A.3, Code 2005, is amended by  
37 adding the following new subsection:

38 NEW SUBSECTION. 22A. "Logistics provider" means  
39 an entity that provides or coordinates warehousing,  
40 distribution, or other services on behalf of a  
41 manufacturer or other owner of a drug, but does not  
42 take title to the drug or have general responsibility  
43 to direct its sale or other disposition.

44 Sec. \_\_. Section 155A.3, Code 2005, is amended by  
45 adding the following new subsection:

46 NEW SUBSECTION. 23A. "Pedigree" means a recording  
47 of each distribution of any given drug or device, from  
48 the sale by the manufacturer through acquisition and  
49 sale by any wholesaler, pursuant to rules adopted by  
50 the board.

Page 37

1 Sec. \_\_. Section 155A.3, subsection 33, paragraph  
2 b, Code 2005, is amended to read as follows:

3 b. A drug or device that under federal law is  
4 required, prior to being dispensed or delivered, to be  
5 labeled with ~~either one~~ of the following statements:

6 (1) Caution: Federal law prohibits dispensing  
7 without a prescription.

8 (2) Caution: Federal law restricts this drug to  
9 use by or on the order of a licensed veterinarian.

10 (3) Caution: Federal law restricts this device to  
11 sale by, or on the order of, a physician.

12 (4) Rx only.

13 Sec. \_\_. Section 155A.3, subsection 35, Code  
14 2005, is amended to read as follows:

15 35. "Proprietary medicine" or "over-the-counter  
16 medicine" means a nonnarcotic drug or device that may  
17 be sold without a prescription and that is labeled and  
18 packaged in compliance with applicable state or  
19 federal law.

20 Sec. \_\_. Section 155A.3, subsection 38, Code  
21 2005, is amended to read as follows:

22 38. "Wholesaler" means a person operating or  
23 maintaining, either within or outside this state, a  
24 manufacturing plant, wholesale distribution center,  
25 wholesale business, or any other business in which  
26 prescription drugs or devices, medicinal chemicals,  
27 medicines, or poisons are sold, manufactured,  
28 compounded, dispensed, stocked, exposed, distributed  
29 from, or offered for sale at wholesale in this state.

30 "Wholesaler" does not include those wholesalers who  
31 sell only proprietary or over-the-counter medicines.

32 "Wholesaler" also does not include a commercial  
33 carrier that temporarily stores prescription drugs or  
34 devices, medicinal chemicals, medicines, or poisons  
35 while in transit.

36 Sec. \_\_. Section 155A.4, subsection 2, paragraph  
37 a, Code 2005, is amended to read as follows:

38 a. A ~~manufacturer or~~ wholesaler to distribute  
39 prescription drugs or devices as provided by state or  
40 federal law.

41 Sec. \_\_. Section 155A.13, subsection 6,  
42 unnumbered paragraph 1, Code 2005, is amended to read  
43 as follows:

44 To qualify for a pharmacy license, the applicant  
45 shall submit to the board a license fee as determined  
46 by the board and a completed application on a form  
47 prescribed by the board ~~that shall include the~~  
48 following information and. The application shall  
49 include the following and such other information as  
50 required by rules of the board and shall be given

Page 38

1 under oath:

2 Sec. \_\_. Section 155A.17, subsection 2, Code  
3 2005, is amended to read as follows:

4 2. The board shall establish standards for drug  
5 wholesaler licensure and may define specific types of  
6 wholesaler licenses. The board may deny, suspend, or  
7 revoke a drug wholesale license for failure to meet  
8 the applicable standards or for a violation of the  
9 laws of this state, another state, or the United  
10 States relating to prescription drugs, devices, or  
11 controlled substances, or for a violation of this  
12 chapter, chapter 124, 124A, 124B, 126, or 205, or a  
13 rule of the board.

14 Sec. \_\_. Section 155A.17, subsection 3, Code  
15 2005, is amended to read as follows:

16 3. The board shall adopt rules pursuant to chapter  
17 17A on matters pertaining to the issuance of a  
18 wholesale drug license. The rules shall provide for  
19 conditions of licensure, compliance standards,  
20 licensure fees, disciplinary action, and other  
21 relevant matters. Additionally, the rules shall  
22 establish provisions or exceptions for pharmacies,  
23 chain pharmacy distribution centers, logistics  
24 providers, and other types of wholesalers relating to  
25 pedigree requirements, drug or device returns, and  
26 other related matters, so as not to prevent or  
27 interfere with usual, customary, and necessary  
28 business activities.

29 Sec. \_\_. Section 155A.19, subsection 1, paragraph  
30 f, Code 2005, is amended by striking the paragraph and  
31 inserting in lieu thereof the following:

32 f. Change of legal name or doing-business-as name.

33 Sec. \_\_. Section 155A.19, Code 2005, is amended  
34 by adding the following new subsection:

35 NEW SUBSECTION. 3. A wholesaler shall report in  
36 writing to the board, pursuant to its rules, the  
37 following:

38 a. Permanent closing or discontinuation of  
39 wholesale distributions into this state.

40 b. Change of ownership.

41 c. Change of location.

42 d. Change of the wholesaler's responsible  
43 individual.

44 e. Change of legal name or doing-business-as name.

45 f. Theft or significant loss of any controlled  
46 substance on discovery of the theft or loss.

47 g. Disasters, accidents, and emergencies that may  
48 affect the strength, purity, or labeling of drugs,  
49 medications, devices, or other materials used in the  
50 diagnosis or the treatment of injury, illness, and

Page 39

1 disease.

2 h. Other information or activities as required by  
3 rule.

4 Sec. \_\_\_. Section 155A.20, subsection 1, Code  
5 2005, is amended to read as follows:

6 1. A person, ~~other than a pharmacy or wholesaler~~  
7 ~~licensed under this chapter~~, shall not display in or  
8 on any store, ~~internet site~~, or place of business, ~~nor~~  
9 ~~use in any advertising or promotional literature,~~  
10 ~~communication, or representation~~, the word or words:  
11 "apothecary", "drug", "drug store", or "pharmacy",  
12 either in English or any other language, any other  
13 word or combination of words of the same or similar  
14 meaning, or any graphic representation ~~in a manner~~  
15 that would mislead the public ~~unless it is a pharmacy~~  
16 ~~or drug wholesaler licensed under this chapter.~~

17 Sec. \_\_\_. Section 155A.21, Code 2005, is amended  
18 to read as follows:

19 155A.21 UNLAWFUL POSSESSION OF PRESCRIPTION DRUG  
20 ~~OR DEVICE~~ – PENALTY.

21 1. A person found in possession of a drug ~~or~~  
22 ~~device~~ limited to dispensation by prescription, unless  
23 the drug ~~or device~~ was so lawfully dispensed, commits  
24 a serious misdemeanor.

25 2. Subsection 1 does not apply to a licensed  
26 pharmacy, licensed wholesaler, physician,  
27 veterinarian, dentist, podiatric physician,  
28 therapeutically certified optometrist, ~~advanced~~  
29 ~~registered nurse practitioner, physician assistant~~, a  
30 nurse acting under the direction of a physician, or  
31 the board of pharmacy examiners, its officers, agents,  
32 inspectors, and representatives, nor to a common  
33 carrier, manufacturer's representative, or messenger  
34 when transporting the drug ~~or device~~ in the same  
35 unbroken package in which the drug ~~or device~~ was  
36 delivered to that person for transportation.

37 Sec. \_\_\_. Section 155A.23, Code 2005, is amended  
38 to read as follows:

39 155A.23 PROHIBITED ACTS.

40 A person shall not ~~perform or cause the performance~~  
41 ~~of or aid and abet any of the following acts:~~

42 1. ~~Obtain or attempt~~ ~~Obtaining or attempting~~ to  
43 obtain a prescription drug ~~or device~~ or ~~procure or~~  
44 ~~attempt procuring or attempting~~ to procure the  
45 administration of a prescription drug ~~or device~~ by:

46 a. ~~Fraud~~ ~~Engaging in fraud~~, deceit,  
47 misrepresentation, or subterfuge.

48 b. ~~Forgery or alteration of~~ ~~Forging or altering~~ a  
49 written, electronic, or facsimile prescription or ~~of~~  
50 any written, electronic, or facsimile order.

Page 40

- 1 c. ~~Concealment of Concealing~~ a material fact.  
2 d. ~~Use of Using~~ a false name or ~~the~~ giving ~~o~~ a  
3 false address.
- 4 2. Willfully ~~make~~ making a false statement in any  
5 prescription, report, or record required by this  
6 chapter.
- 7 3. For the purpose of obtaining a prescription  
8 drug ~~or device~~, falsely ~~assume~~ assuming the title of  
9 or ~~claim~~ claiming to be a manufacturer, wholesaler,  
10 pharmacist, pharmacy owner, physician, dentist,  
11 podiatric physician, veterinarian, or other authorized  
12 person.
- 13 4. ~~Make or utter~~ Making or uttering any false or  
14 forged oral, written, electronic, or facsimile  
15 prescription or oral, written, electronic, or  
16 facsimile order.
- 17 5. ~~Affix any false or forged label to a package or~~  
18 ~~receptacle containing prescription drugs~~ Forging,  
19 counterfeiting, simulating, or falsely representing  
20 any drug or device without the authority of the  
21 manufacturer, or using any mark, stamp, tag, label, or  
22 other identification device without the authorization  
23 of the manufacturer.
- 24 6. Manufacturing, repackaging, selling,  
25 delivering, or holding or offering for sale any drug  
26 or device that is adulterated, misbranded,  
27 counterfeit, suspected of being counterfeit, or that  
28 has otherwise been rendered unfit for distribution.
- 29 7. Adulterating, misbranding, or counterfeiting  
30 any drug or device.
- 31 8. Receiving any drug or device that is  
32 adulterated, misbranded, stolen, obtained by fraud or  
33 deceit, counterfeit, or suspected of being  
34 counterfeit, and delivering or proffering delivery of  
35 such drug or device for pay or otherwise.
- 36 9. Adulterating, mutilating, destroying,  
37 obliterating, or removing the whole or any part of the  
38 labeling of a drug or device or committing any other  
39 act with respect to a drug or device that results in  
40 the drug or device being misbranded.
- 41 10. Purchasing or receiving a drug or device from  
42 a person who is not licensed to distribute the drug or  
43 device to that purchaser or recipient.
- 44 11. Selling or transferring a drug or device to a  
45 person who is not authorized under the law of the  
46 jurisdiction in which the person receives the drug or  
47 device to purchase or possess the drug or device from  
48 the person selling or transferring the drug or device.
- 49 12. Failing to maintain or provide records as  
50 required by this chapter, chapter 124, or rules of the

Page 41

1 board.  
2 13. Providing the board or any of its  
3 representatives or any state or federal official with  
4 false or fraudulent records or making false or  
5 fraudulent statements regarding any matter within the  
6 scope of this chapter, chapter 124, or rules of the  
7 board.  
8 14. Distributing at wholesale any drug or device  
9 that meets any of the following conditions:  
10 a. The drug or device was purchased by a public or  
11 private hospital or other health care entity.  
12 b. The drug or device was donated or supplied at a  
13 reduced price to a charitable organization.  
14 c. The drug or device was purchased from a person  
15 not licensed to distribute the drug or device.  
16 d. The drug or device was stolen or obtained by  
17 fraud or deceit.  
18 15. Failing to obtain a license or operating  
19 without a valid license when a license is required  
20 pursuant to this chapter or chapter 147.  
21 16. Engaging in misrepresentation or fraud in the  
22 distribution of a drug or device.  
23 17. Distributing a drug or device to a patient  
24 without a prescription drug order or medication order  
25 from a practitioner licensed by law to use or  
26 prescribe the drug or device.  
27 18. Distributing a drug or device that was  
28 previously dispensed by a pharmacy or distributed by a  
29 practitioner except as provided by rules of the board.  
30 19. Failing to report any prohibited act.  
31 Information communicated to a physician in an  
32 unlawful effort to procure a prescription drug or  
33 device or to procure the administration of a  
34 prescription drug shall not be deemed a privileged  
35 communication.  
36 Subsections 6 and 7 shall not apply to the  
37 wholesale distribution by a manufacturer of a  
38 prescription drug or device that has been delivered  
39 into commerce pursuant to an application approved by  
40 the federal food and drug administration.  
41 Sec. \_\_. Section 155A.24, Code 2005, is amended  
42 to read as follows:  
43 155A.24 PENALTIES.  
44 1. A Except as otherwise provided in this section,  
45 a person who violates a provision of section 155A.23  
46 or who sells or offers for sale, gives away, or  
47 administers to another person any prescription drug or  
48 device in violation of this chapter commits a public  
49 offense and shall be punished as follows:  
50 a. If the prescription drug is a controlled

Page 42

1 substance, the person shall be punished pursuant to  
2 ~~section 124.401, subsection 1, and section 124.411~~  
3 ~~chapter 124, division IV.~~

4 b. If the prescription drug is not a controlled  
5 substance, the person, upon conviction of a first  
6 offense, is guilty of a serious misdemeanor. For a  
7 second offense, or if in case of a first offense the  
8 offender previously has been convicted of any  
9 violation of the laws of the United States or of any  
10 state, territory, or district thereof relating to  
11 prescription drugs or devices, the offender is guilty  
12 of an aggravated misdemeanor. For a third or  
13 subsequent offense or if in the case of a second  
14 offense the offender previously has been convicted two  
15 or more times in the aggregate of any violation of the  
16 laws of the United States or of any state, territory,  
17 or district thereof relating to prescription drugs or  
18 devices, the offender is guilty of a class "D" felony.

19 2. A person who violates any provision of this  
20 chapter by selling, giving away, or administering any  
21 prescription drug or device to a minor is guilty of a  
22 class "C" felony.

23 3. A wholesaler who, with intent to defraud or  
24 deceive, fails to deliver to another person, when  
25 required by rules of the board, complete and accurate  
26 pedigree concerning a drug prior to transferring the  
27 drug to another person is guilty of a class "C"  
28 felony.

29 4. A wholesaler who, with intent to defraud or  
30 deceive, fails to acquire, when required by rules of  
31 the board, complete and accurate pedigree concerning a  
32 drug prior to obtaining the drug from another person  
33 is guilty of a class "C" felony.

34 5. A wholesaler who knowingly destroys, alters,  
35 conceals, or fails to maintain, as required by rules  
36 of the board, complete and accurate pedigree  
37 concerning any drug in the person's possession is  
38 guilty of a class "C" felony.

39 6. A wholesaler who is in possession of pedigree  
40 documents required by rules of the board, and who  
41 knowingly fails to authenticate the matters contained  
42 in the documents as required, and who nevertheless  
43 distributes or attempts to further distribute drugs is  
44 guilty of a class "C" felony.

45 7. A wholesaler who, with intent to defraud or  
46 deceive, falsely swears or certifies that the person  
47 has authenticated any documents related to the  
48 wholesale distribution of drugs or devices is guilty  
49 of a class "C" felony.

50 8. A wholesaler who knowingly forges,

Page 43

1 counterfeits, or falsely creates any pedigree, who  
2 falsely represents any factual matter contained in any  
3 pedigree, or who knowingly omits to record material  
4 information required to be recorded in a pedigree is  
5 guilty of a class "C" felony.

6 9. A wholesaler who knowingly purchases or  
7 receives drugs or devices from a person not authorized  
8 to distribute drugs or devices in wholesale  
9 distribution is guilty of a class "C" felony.

10 10. A wholesaler who knowingly sells, barter,  
11 brokers, or transfers a drug or device to a person not  
12 authorized to purchase the drug or device under the  
13 jurisdiction in which the person receives the drug or  
14 device in a wholesale distribution is guilty of a  
15 class "C" felony.

16 11. A person who knowingly manufactures, sells,  
17 or delivers, or who possesses with intent to sell or  
18 deliver, a counterfeit, misbranded, or adulterated  
19 drug or device is guilty of the following:

20 a. If the person manufactures or produces a  
21 counterfeit, misbranded, or adulterated drug or  
22 device; or if the quantity of a counterfeit,  
23 misbranded, or adulterated drug or device being sold,  
24 delivered, or possessed with intent to sell or deliver  
25 exceeds one thousand units or dosages; or if the  
26 violation is a third or subsequent violation of this  
27 subsection, the person is guilty of a class "C"  
28 felony.

29 b. If the quantity of a counterfeit, misbranded,  
30 or adulterated drug or device being sold, delivered,  
31 or possessed with intent to sell or deliver exceeds  
32 one hundred units or dosages but does not exceed one  
33 thousand units or dosages; or if the violation is a  
34 second or subsequent violation of this subsection, the  
35 person is guilty of a class "D" felony.

36 c. All other violations of this subsection shall  
37 constitute an aggravated misdemeanor.

38 12. A person who knowingly forges, counterfeits,  
39 or falsely creates any label for a drug or device or  
40 who falsely represents any factual matter contained on  
41 any label of a drug or device is guilty of a class "C"  
42 felony.

43 13. A person who knowingly possesses, purchases,  
44 or brings into the state a counterfeit, misbranded, or  
45 adulterated drug or device is guilty of the following:

46 a. If the quantity of a counterfeit, misbranded,  
47 or adulterated drug or device being possessed,  
48 purchased, or brought into the state exceeds one  
49 hundred units or dosages; or if the violation is a  
50 second or subsequent violation of this subsection, the

Page 44

1 person is guilty of a class "D" felony.

2 b. All other violations of this subsection shall  
3 constitute an aggravated misdemeanor.

4 14. This section does not prevent a licensed  
5 practitioner of medicine, dentistry, podiatry,  
6 nursing, veterinary medicine, optometry, or pharmacy  
7 from acts necessary in the ethical and legal  
8 performance of the practitioner's profession.

9 15. Subsections 1 and 2 shall not apply to a  
10 parent or legal guardian administering, in good faith,  
11 a prescription drug or device to a child of the parent  
12 or a child for whom the individual is designated a  
13 legal guardian.

14 Sec. \_\_. NEW SECTION. 155A.40 CRIMINAL HISTORY  
15 RECORD CHECKS.

16 1. The board may request and obtain,  
17 notwithstanding section 692.2, subsection 5, criminal  
18 history data for any applicant for an initial or  
19 renewal license or registration issued pursuant to  
20 this chapter or chapter 147, any applicant for  
21 reinstatement of a license or registration issued  
22 pursuant to this chapter or chapter 147, or any  
23 licensee or registrant who is being monitored as a  
24 result of a board order or agreement resolving an  
25 administrative disciplinary action, for the purpose of  
26 evaluating the applicant's, licensee's, or  
27 registrant's eligibility for licensure, registration,  
28 or suitability for continued practice of the  
29 profession. Criminal history data may be requested  
30 for all owners, managers, and principal employees of a  
31 pharmacy or drug wholesaler licensed pursuant to this  
32 chapter. The board shall adopt rules pursuant to  
33 chapter 17A to implement this section. The board  
34 shall inform the applicant, licensee, or registrant of  
35 the criminal history requirement and obtain a signed  
36 waiver from the applicant, licensee, or registrant  
37 prior to submitting a criminal history data request.

38 2. A request for criminal history data shall be  
39 submitted to the department of public safety, division  
40 of criminal investigation and bureau of  
41 identification, pursuant to section 692.2, subsection

42 1. The board may also require such applicants,  
43 licensees, and registrants to provide a full set of  
44 fingerprints, in a form and manner prescribed by the  
45 board. Such fingerprints may be submitted to the  
46 federal bureau of investigation through the state  
47 criminal history repository for a national criminal  
48 history check. The board may authorize alternate  
49 methods or sources for obtaining criminal history  
50 record information. The board may, in addition to any

Page 45

1 other fees, charge and collect such amounts as may be  
2 incurred by the board, the department of public  
3 safety, or the federal bureau of investigation in  
4 obtaining criminal history information. Amounts  
5 collected shall be considered repayment receipts as  
6 defined in section 8.2.

7 3. Criminal history information relating to an  
8 applicant, licensee, or registrant obtained by the  
9 board pursuant to this section is confidential. The  
10 board may, however, use such information in a license  
11 or registration denial proceeding. In a disciplinary  
12 proceeding, such information shall constitute  
13 investigative information under section 272C.6,  
14 subsection 4, and may be used only for purposes  
15 consistent with that section.

16 4. This section shall not apply to a manufacturer  
17 of a prescription drug or device that has been  
18 delivered into commerce pursuant to an application  
19 approved by the federal food and drug administration.  
20 Sec. \_\_. NEW SECTION. 155A.41 CONTINUOUS  
21 QUALITY IMPROVEMENT PROGRAM.

22 1. Each licensed pharmacy shall implement or  
23 participate in a continuous quality improvement  
24 program to review pharmacy procedures in order to  
25 identify methods for addressing pharmacy medication  
26 errors and for improving patient use of medications  
27 and patient care services. Under the program, each  
28 pharmacy shall assess its practices and identify areas  
29 for quality improvement.

30 2. The board shall adopt rules for the  
31 administration of a continuous quality improvement  
32 program. The rules shall address all of the  
33 following:

- 34 a. Program requirements and procedures.
- 35 b. Program record and reporting requirements.
- 36 c. Any other provisions necessary for the  
37 administration of a program."

38 \_\_. Page 48, by inserting after line 26, the  
39 following:

40 "DIVISION

41 NEW RESIDENTIAL CONSTRUCTION DEFECT CASES

42 Sec. \_\_. NEW SECTION. 657B.1 DEFINITIONS.

43 For the purposes of this chapter, the following  
44 definitions shall apply:

- 45 1. "Builder" means a builder, developer, or  
46 original seller of a new residential unit that is sold  
47 on or after July 1, 2005.
- 48 2. "Claimant" includes an individual owner of a  
49 single-family home, an individual unit owner of an  
50 attached dwelling, and, in the case of a common

Page 46

1 interest development, an association, but does not  
2 include any person or entity not in privity of  
3 contract with a builder.

4 Sec. \_\_\_. NEW SECTION. 657B.2 NOTICE OF CLAIM.

5 1. Prior to filing an action for recovery of  
6 property damages arising out of, or related to  
7 deficiencies in, the residential construction, design,  
8 specifications, survey, plan, supervision, testing, or  
9 observation of construction against a builder, the  
10 claimant shall provide written notice by certified  
11 mail, overnight mail, or personal delivery to the  
12 builder that the construction, design, specifications,  
13 survey, plan, supervision, testing, or observation of  
14 construction of the claimant's residence is deficient  
15 or violates the applicable housing code or city  
16 ordinance. The notice shall state the claimant's  
17 name, address, and contact information, shall state  
18 that the claimant alleges a violation against the  
19 builder, and shall describe the nature of the claim in  
20 sufficient detail in order to determine the nature and  
21 location of the alleged violation. The document shall  
22 have the same force and effect as a notice of  
23 commencement of a lawsuit.

24 2. The notice requirements of this section do not  
25 preclude a claimant from seeking redress through a  
26 customer service procedure set forth in a contract,  
27 warranty, or other document generated by the builder.

28 Sec. \_\_\_. NEW SECTION. 657B.3 BUILDER'S RECEIPT  
29 OF CLAIM – ACKNOWLEDGMENT.

30 Within fourteen days of receipt of a claimant's  
31 notice of claim, the builder shall provide a written  
32 acknowledgment of receipt of the claim.

33 Sec. \_\_\_. NEW SECTION. 657B.4 REPAIRS.

34 Within fourteen days of the builder's  
35 acknowledgment of receipt of a claimant's notice of  
36 claim, the builder may offer in writing to repair a  
37 deficiency, which shall include all of the following:

38 1. An offer to compensate the claimant for  
39 property damages recoverable at law.

40 2. A detailed statement identifying the particular  
41 deficiency to be repaired, an explanation of the  
42 nature, scope, and location of the repair needed, and  
43 the estimated completion date of the repair, which  
44 shall occur within a reasonable period of time.

45 Sec. \_\_\_. NEW SECTION. 657B.5 WHEN ACTION FOR  
46 DAMAGES ALLOWED.

47 A claimant may file an action seeking recovery of  
48 damages against the builder under the following  
49 circumstances:

50 1. If the builder fails to make an offer to

Page 47

1 repair, performs an inadequate repair, or does not  
2 complete a repair within a reasonable period of time.

3 2. If the builder fails to strictly comply with  
4 the requirements of this chapter.

5 Sec. \_\_. NEW SECTION. 657B.6 STATUTE OF  
6 LIMITATIONS.

7 The provision of a written notice under section  
8 657B.2 tolls any applicable statute of limitations  
9 from the date of the provision of the notice through  
10 the estimated completion date of the repair pursuant  
11 to section 657B.4.

12 Sec. \_\_. NEW SECTION. 657B.7 NOTICE OF  
13 ALTERNATIVE DISPUTE RESOLUTION PROCESS.

14 Prior to commencing construction of a residential  
15 unit, the builder shall provide a written notice of  
16 the alternative dispute resolution process contained  
17 in this chapter to the claimant who shall acknowledge  
18 in writing receipt of the notice."

19 \_\_. Title page, line 1, by inserting after the  
20 word "Act" the following: "relating to state and  
21 local finances by providing for tax exemptions,  
22 credits, tax credit transfers, and other tax-related  
23 matters and by".

24 \_\_. Title page, line 2, by inserting after the  
25 word "fees," the following: "providing for wind  
26 energy production tax credits,".

27 \_\_. Title page, line 2, by inserting before the  
28 word "properly" the following: "remedies and other".

29 \_\_. Title page, line 2, by inserting after the  
30 word "matters" the following: "and penalties"."

31 11. By renumbering, relettering, or redesignating  
32 and correcting internal references as necessary.

Dix of Butler offered the following amendment [H-1712](#), to amendment [H-1711](#), to the Senate amendment [H-1703](#) filed by him from the floor and moved its adoption:

[H-1712](#)

1 Amend the amendment, [H-1711](#), to the Senate  
2 amendment, [H-1703](#), to [House File 882](#), as amended,  
3 passed, and reprinted by the House, as follows:

4 1. Page 1, line 21, by inserting after the word  
5 "management" the following: "after consultation with  
6 the legislative services agency".

7 2. Page 1, by striking lines 26 through 29 and  
8 inserting the following: "and shall be prioritized by  
9 program or the results to be achieved. The estimates  
10 shall be accompanied by performance measures for

11 evaluating the effectiveness of the programs or  
12 results.””

Amendment [H-1712](#) was adopted.

On motion by Dix of Butler, amendment [H-1711](#), to the Senate amendment [H-1703](#) was adopted.

MOTION TO RECONSIDER AMENDMENT [H-1711](#)  
([House File 882](#))

Dix of Butler asked and received unanimous consent to reconsider the vote that amendment [H-1711](#), to the Senate amendment [H-1703](#) was adopted.

T. Taylor of Linn offered the following amendment [H-1713](#), to amendment [H-1711](#) to the Senate amendment [H-1703](#) filed by him from the floor and moved its adoption:

[H-1713](#)

1 Amend the amendment, [H-1711](#), to the Senate  
2 amendment, [H-1703](#), to [House File 882](#), as amended,  
3 passed, and reprinted by the House, as follows:  
4 1. Page 14, by striking lines 21 through 46 and  
5 inserting the following:  
6 "Sec. \_\_. Section 692A.13, subsection 5, as  
7 amended by 2005 Iowa Acts, [House File 619](#), if enacted,  
8 is amended to read as follows:  
9 5. Relevant information provided to the general  
10 public may include the offender's name, address, a  
11 photograph, ~~the results of any risk assessment,~~  
12 locations frequented by the offender, relevant  
13 criminal history information from the registry, and  
14 any other relevant information. Relevant information  
15 provided to the public shall not include the identity  
16 of any victim. For purposes of inclusion in the sex  
17 offender registry's web page or dissemination to the  
18 general public, a conviction for incest shall be  
19 disclosed as either a violation of section 709.4 or  
20 709.8."  
21 2. Page 14, by inserting after line 48 the  
22 following:  
23 "Sec. \_\_. Section 692A.13A, if enacted by 2005  
24 Iowa Acts, [House File 619](#), is repealed."

Amendment [H-1713](#) lost.

Dix of Butler offered the following amendment [H-1714](#), to amendment [H-1711](#), to the Senate amendment [H-1703](#), filed by him from the floor and moved its adoption:

[H-1714](#)

- 1 Amend the amendment, [H-1711](#), to the Senate
- 2 amendment, [H-1703](#), to [House File 882](#), as amended,
- 3 passed, and reprinted by the House, as follows:
- 4 1. By striking page 45, line 38, through page 47,
- 5 line 18.
- 6 2. Page 47, by striking lines 27 and 28.
- 7 3. By renumbering as necessary.

Amendment [H-1714](#) was adopted.

Dix of Butler moved the adoption of amendment [H-1711](#), to the Senate amendment [H-1703](#), as amended.

Amendment [H-1711](#), as amended, was adopted.

On motion by Dix of Butler, the House concurred in the Senate amendment [H-1703](#), as amended.

Dix of Butler moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 882](#))

The ayes were, 96:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Chambers	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Foege	Ford
Freeman	Gaskill	Gipp	Granzow
Greiner	Heaton	Heddens	Hoffman
Horbach	Hunter	Huseman	Huser
Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Kaufmann	Kressig
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Mascher
May	McCarthy	Mertz	Miller
Murphy	Oldson	Olson, D.	Olson, R.

Olson, S.	Paulsen	Petersen	Pettengill
Quirk	Raecker	Rants, Spkr.	Rasmussen
Rayhons	Reasoner	Reichert	Roberts
Sands	Schickel	Schueller	Shoultz
Smith	Soderberg	Struyk	Swaim
Taylor, D.	Taylor, T.	Thomas	Tjepkes
Tomenga	Tymeson	Upmeyer	Van Engelenhoven
Van Fossen J.K.	Van Fossen, J.R.	Watts	Wendt
Wessel-Kroeschell	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Zirkelbach	Carroll, Presiding

The nays were, 2:

Fallon                      Hogg

Absent or not voting, 2:

Frevert                      Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

#### MESSAGE FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, adopted the conference committee report and passed [House File 816](#), a bill for an act relating to the funding of, the operation of, and appropriation of moneys to the college student aid commission, the department for the blind, the department of cultural affairs, the department of education, and the state board of regents and providing an effective date.

MICHAEL E. MARSHALL, Secretary

Gipp of Winneshiek asked and received unanimous consent for the immediate consideration of [House Concurrent Resolution 19](#).

#### ADOPTION OF [HOUSE CONCURRENT RESOLUTION 19](#)

Eichhorn of Hamilton called up for consideration [House Concurrent Resolution 19](#), a concurrent resolution to recognize Joe Royce, the winner of the 2005 Dwight Ink Public Service Award at Iowa State University, and moved its adoption.

The motion prevailed and the resolution was adopted.

#### IMMEDIATE MESSAGES

Gipp of Winneshiek asked and received unanimous consent that [House File 882](#) and [House Concurrent Resolution 19](#) be immediately messaged to the Senate.

ADOPTION OF THE REPORT OF THE  
CONFERENCE COMMITTEE  
([House File 816](#))

Chambers of O'Brien called up for consideration the report of the conference committee on [House File 816](#) and moved the adoption of the conference committee report and the amendments contained therein as follows:

To the Speaker of the House of Representatives and the President of the Senate:

We the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on [House File 816](#), a bill for an Act relating to the funding of, the operation of, and appropriation of moneys to the college student aid commission, the department for the blind, the department of cultural affairs, the department of education, and the state board of regents and providing an effective date, respectfully make the following report:

1. That the Senate recedes from its amendment [H-1635](#).
2. That [House File 816](#), as amended, passed, and reprinted by the House, is amended to read as follows:

1. Page 2, by inserting after line 12, the following:

"Sec. \_\_\_ COLLEGE STUDENT AID COMMISSION STUDY – STATE AID FOR STUDENTS ENROLLED IN ACCREDITED PRIVATE INSTITUTIONS. The college student aid commission shall develop, in consultation with representatives from accredited private institutions whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code, recommendations for a policy regarding the protection of educational consumers for inclusion in the definition of "accredited private institution" under section 261.9. It is the intent of the general assembly to consider such a policy as it might apply to private institutions whose income is not exempt, and those private institutions whose income is exempt, from taxation under section 501(c) of the Internal Revenue Code. In determining its recommendations, the commission shall include a review of information that includes, but is not limited to, the percent of students who are enrolled in each institution who have high school graduation diplomas, the percentage of students enrolled in each institution who have high school equivalency diplomas, the percentage of low-income students enrolled in each institution, the percentage of nontraditional students enrolled in each institution, the graduation and job placement rates of each institution, and each institution's official cohort default rate, which is released annually by the United States department of education. The commission shall submit its findings and recommendations to the governor and the general assembly by January 10, 2006."

2. Page 2, by striking lines 13 through 17, and inserting the following.

"Sec. \_\_\_\_ WORK-STUDY APPROPRIATION FOR FY 2005-2006. Notwithstanding section 261.85, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the amount Appropriated from the general fund of the state to the college student aid commission for the work-study program under section 261.85 shall be \$140,000, and from the moneys appropriated in this section, \$76,365 shall be allocated to institutions of higher education under the state board of regents and community colleges and the remaining dollars appropriated in this section shall be allocated by the college student aid commission on the basis of need as determined by the portion of the federal formula for distribution for work-study funds that relates to the current need of institutions."

3. Page 3, by inserting after line 16, the following:

"6. GREAT PLACES

For salaries, support, maintenance, and miscellaneous purposes:

.....\$ 200,000

7. ARCHIVE IOWA GOVERNORS' RECORDS

For archiving the records of Iowa governors:

.....\$ 75,000"

4. Page 4, by striking line 18, and inserting the following:

".....\$ 4,475,050"

5. Page 8, by striking line 25, and inserting the following:

".....\$ 23,781,594"

6. Page 8, line 30, by inserting after the word "activities" the following: "and of that amount, not more than \$50,000 shall be used to administer the early childhood coordinator's position pursuant to section 28.3, subsection 6A, if enacted by 2005 Iowa Acts, [House File 761](#), and not more than \$50,000 shall be used to implement an early childhood Iowa website for wide dissemination of early care and early childhood learning information and assistance".

7. By striking page 9, line 35, through page 10, line 5.

8. Page 10, line 9, by striking the figure "3,000,000" and inserting the following: "4,650,000".

9. Page 10, by striking line 29 and inserting the following:

".....\$ 69,593,894"

10 By striking page 10, line 33, through page 11, line 15, and inserting the following:

".....\$149,579,244

The funds appropriated in this subsection shall be Allocated as provided under section 260C.18C, as enacted by this Act, as follows:

- a. Merged Area I .....\$ 7,235,394
- b. Merged Area II .....\$ 8,293,881
- c. Merged Area III .....\$ 7,673,998
- d. Merged Area IV .....\$ 3,764,072
- e. Merged Area V .....\$ 8,129,369

f. Merged Area VI .....	\$ 7,299,114
g. Merged Area VII .....	\$ 10,652,239
h. Merged Area IX .....	\$ 13,139,157
i. Merged Area X .....	\$ 21,321,279
j. Merged Area XI .....	\$ 22,050,079
k. Merged Area XII .....	\$ 8,684,671
l. Merged Area XIII .....	\$ 8,819,900
m. Merged Area XIV .....	\$ 3,810,283
n. Merged Area XV .....	\$ 11,972,648
o. Merged Area XVI .....	\$ 6,733,160"

11. Page 14, by inserting after line 21, the following:

"Sec. \_\_\_\_ TRANSFER OF TECHNOLOGY PURCHASED FOR ACCREDITED NONPUBLIC SCHOOL STUDENTS. In the event that an accredited nonpublic school physically relocates to another school district, technology purchased prior to July 1, 2005, by a school district with state funds appropriated for purposes of making technology available to pupils attending the accredited nonpublic school shall be transferred to the school district in which the nonpublic school has relocated and may be made available to the nonpublic school."

12. Page 15, by striking line 33, and inserting the following:

"..... \$ 14,969,288"

13. Page 17, line 30, by striking the figure "50,000" and inserting the following: "127,000".

14. Page 18, line 1, by inserting after the word "state." the following: "The Iowa state university of science and technology shall prepare a report on the operation of the veterinary diagnostic laboratory which shall include, but shall not be limited to, the following information:

(a) The current business structure of the veterinary diagnostic laboratory, along with a comparison to business structures of similar laboratories at other institutions of higher learning.

(b) Recent trends in fees for services charged by the veterinary diagnostic laboratory and by similar laboratories at other institutions of higher learning.

(c) The use of other funding sources, including state general fund appropriations for the veterinary diagnostic laboratory and a comparison to funding sources at similar laboratories at other institutions of higher learning.

(d) Recommendations for changes in the business structure and methods of funding for the veterinary diagnostic laboratory.

The report shall be submitted to the governor and the general assembly not later than October 1, 2005."

15. By striking page 27, line 16, through page 30, line 19, and inserting the following:

"Sec. \_\_\_\_ NEW SECTION 7K.1 INSTITUTE FOR TOMORROW'S WORKFORCE.

1. FINDINGS. The general assembly finds that Iowa's children are this state's greatest asset and to improve the future for Iowa's children, it is necessary to focus elementary, secondary, and postsecondary education efforts on what children need to know to be successful students and successful participants in Iowa's global workforce. Iowa's state community and business leaders are at the forefront of this ongoing conversation. The general assembly further finds that the creation of an institute for tomorrow's workforce provides a long-term forum for bold, innovative recommendations to improve Iowa's education system to meet the workforce needs of Iowa's new economy.

2. FOUNDATION CREATED – DUTIES. There is created a public body corporate and politic to be known as the "institute for tomorrow's workforce, an educational foundation". The foundation is an independent nonprofit quasi-public instrumentality and the exercise of the powers granted to the foundation as a corporation in this chapter is an essential government function. As used in this chapter, "foundation" means the "institute for tomorrow's workforce, an educational foundation". The foundation shall, at a minimum, do the following:

a. Review educational standards to determine relevance and rigor necessary for continuous improvement in student achievement and meeting workforce needs.

b. Identify jobs skills and corresponding high school coursework necessary to achieve success in the Iowa workforce.

c. Review the state's education accountability measures, including but not limited to student proficiency and individual and organization program accountability.

d. Identify state and local barriers to improved student achievement and student success as well as barriers to sharing among and within all areas of Iowa's education system.

e. Identify effective education structure and delivery models that promote optimum student achievement opportunities for all Iowa students that include, but are not limited to, the role of technology.

f. Serve as a clearinghouse for existing and emerging innovative educational sharing and collaborative efforts among and between Iowa's secondary education system as well as Iowa's postsecondary education system.

g. Promote partnerships between private sector business and all areas of Iowa's education system.

h. Promote partnerships between other Iowa governance structures including, but not limited to, cities and counties, and all areas of Iowa's education system.

i. Identify ways to reduce the achievement gap between white and non-white, non-Asian students.

j. The board of directors of the foundation, within the limits of the funds available to the foundation, shall do the following:

(1) Employ an executive director to direct the activities of the foundation.

(2) Execute contracts with public and private agencies to conduct research and development activities.

(3) Perform functions necessary to carry out the purposes of the foundation.

3. MEMBERSHIP. The board of directors of the foundation shall consist of fifteen members serving staggered three-year terms beginning on May 1 of the year of appointment who shall be appointed as follows:

a. Five members shall be appointed by the governor as follows:

(1) A school district superintendent from a school district with enrollment of one thousand one hundred forty-nine or fewer pupils.

(2) An individual representing an Iowa business employing more than two hundred fifty employees.

(3) A community college president.

(4) An individual representing labor and workforce interests.

(5) An individual representing an Iowa agriculture association.

b. Five members shall be appointed by the speaker of the house of representatives as follows:

(1) An individual representing the area education agencies.

(2) The president of an accredited private institution as defined in section 261.9.

(3) An individual representing an Iowa business employing more than fifty employees but not more than two hundred fifty employees.

(4) An individual representing urban economic development interests.

(5) An individual from an association representing Iowa businesses.

c. Five members shall be appointed by the president of the senate as follows:

(1) A school district superintendent from a school district with an enrollment of more than one thousand one hundred forty-nine pupils.

(2) A president of an institution of higher education under the control of the state board of regents.

(3) An individual representing an Iowa business employing fifty or fewer employees.

(4) An individual representing rural economic development interests.

(5) An individual representing a business that established itself in Iowa on or after July 1, 1999.

Members, except as provided in paragraph "c", subparagraph (2), shall not be employed by the state. One co-chairperson shall be appointed by the speaker of the house of representatives and one co-chairperson shall be appointed by the president of the senate.

4. MATCHING FUNDS REQUIREMENT. Moneys appropriated by the general assembly for purposes of the foundation shall be allocated only to the extent that the state moneys are matched from other sources by the foundation on a dollar-for-dollar basis.

5. REPORTING REQUIREMENTS. The foundation shall submit its findings and recommendations by January 15 annually in a report to the governor, the speaker of the house of representatives, the president of the senate, the state board of education, the state board of regents, the department of workforce development, the department of economic development, the Iowa association of community college trustees, the college student aid commission, the Iowa association of independent colleges and universities, and associations representing school boards, nonpublic schools, area education agencies, and teachers. The report shall include an accounting of the revenues and expenditures of the foundation.

6. This chapter is repealed effective July 1, 2015."

16. Page 31, by inserting after line 14, the following:

"Sec.      NEW SECTION 256.24 VALUE-ADDED ASSESSMENT SYSTEM.

1. A value-added assessment system shall be established by the department to provide for multivariate longitudinal analysis of annual student test scores to determine the influence of a school district's educational program on student academic growth and to guide school district improvement efforts. The department shall select a value-added assessment system provider through a request for proposals process. The system provider selected by the department shall offer a value-added assessment system to calculate annually the academic growth of each student enrolled in grade levels three through eleven and tested in accordance with this section, and shall, at a minimum, meet all of the following criteria:

a. Use a mixed-model statistical analysis that has the ability to use all achievement test data for each student, including the data for students with missing test scores, that does not adjust downward expectations for student progress based on race, poverty, or gender, and that will provide the best linear unbiased predictions of school or other educational entity effects to minimize the impact of fortuitous accumulation of random errors.

b. Have the ability to work with test data from a variety of sources, including data that are not vertically scaled, and to provide support for school districts utilizing the system.

c. Have the capacity to receive and report results electronically and provide support for districts utilizing the system.

d. Have the ability to create for each school district a chart that reports grade-equivalent scores for grades three through eight and gains between consecutive pairs of

grades for each attendance center and that provides for a district-wide study of grade-equivalent scores.

2. Annually, each school district that administers the Iowa test of basic skills or the Iowa test of educational development shall, within thirty days of receiving the test scores from the American college testing program, inc., submit the test scores for each attendance center within the school district and each grade level tested, from grades three through eleven, to the system provider selected pursuant to subsection

3. The system provider shall provide analysis to school districts submitting test scores pursuant to subsection 2, and to the department of education. The analysis shall include, but not be limited to, attendance-center-level test results for the Iowa test of basic skills in the areas of reading and mathematics and other core academic areas when possible. The analysis shall also include, but not be limited to, the number of students tested, the number of test results used to compute the averages, the average standard score, the corresponding grade equivalent score, the average stanine score for the group, the normal curve equivalent of average standard scores, and percentile ranks based on student norms, as well as measures of student progress. The system provider shall create a chart for each school district in accordance with the criteria set forth in subsection 1, paragraphs "a" through "d".

4. Each school district shall have complete access to and full utilization of its own value-added assessment reports and charts generated by the system provider at the student level for the purpose of measuring student achievement at different educational entity levels.

5. Student academic growth determined pursuant to this section shall not be used in teacher evaluation and shall not be published if individual teacher effects can be surmised.

6. Information about student academic growth may be used by the school district, including school board members, administration, and staff, for defining student and district learning goals and professional development related to student learning goals across the school district. A school district may submit its academic growth measures in the annual report submitted pursuant to section 256.7, subsection 21, and may reference in the report state level norms for purposes of demonstrating school district performance. However, unless a school district chooses to submit its academic measures in the annual report submitted pursuant to section 256.7, such measures are not public records for the purposes of chapter 22.

7. The department may use student academic progress data to determine school improvement and technical assistance needs of school districts, and to identify school districts achieving exceptional gains. Beginning January 15, 2006, and by January 15 of each succeeding year, the department shall submit an annual progress report regarding the use of student academic growth information in the school improvement processes to the house and senate education committees and shall publish the progress report on its internet web site.

8. The department is encouraged to advocate that the United States department of education allow reporting of student academic progress as an additional valid measure of school performance, as an alternative for meeting federal safe harbor provisions, and

for establishing statewide progress under the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110, and any federal regulations adopted pursuant to the federal Act.

9. A school district shall use the value-added assessment system established by the department pursuant to subsection 1 not later than the school year ending June 30, 2007. However, the director of educational services of an area education agency may grant a request made by a board of directors of a school district located within the boundaries of the area education agency stating its desire to use an alternative system to compute and report value-added scores that is statistically valid and reliable."

17. Page 31, by inserting before line 15, the following:

"Sec.\_\_\_\_. Section 256.44, subsection 1, paragraph a, Code 2005, is amended to read as follows:

a. If a teacher registers for national board for professional teaching standards certification prior to June 30, ~~2005~~ 2006, a one-time initial reimbursement award in the amount of up to one-half of the registration fee paid by the teacher for registration for certification by the national board for professional teaching standards. The teacher shall apply to the department of education within one year of registration, submitting to the department any documentation the department requires. A teacher who receives an initial reimbursement award shall receive a one-time final registration award in the amount of the remaining national board registration fee paid by the teacher if the teacher notifies the department of the teacher's certification achievement and submits any documentation requested by the department.

Sec.\_\_\_\_. Section 256.44, subsection 1, paragraph b, subparagraph (2), Code 2005, is amended to read as follows:

(2) If the teacher registers for national board for professional teaching standards certification between January 1, 1999, and January 1, ~~2005~~ 2006, and achieves certification within three years from the date of initial score notification, an annual award in the amount of two thousand five hundred dollars upon achieving certification by the national board of professional teaching standards."

18. Page 31, by inserting after line 25, the following:

"Sec.\_\_\_\_. Section 260C.2, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. "Department" means the department of education.

Sec. \_\_\_\_ NEW SECTION. 260C.18C STATE AID DISTRIBUTION FORMULA.

1. PURPOSE. A distribution plan for general state financial aid to Iowa's community colleges is established for the fiscal year commencing July 1, 2005, and succeeding fiscal years. Funds appropriated by the general assembly to the department for general financial aid to community colleges shall be allocated to each community college in the manner provided under this section.

2. DEFINITIONS. As used in this section, unless the context otherwise requires:

a. "Base funding allocation" means the amount of general state financial aid all community colleges received in the base year.

b. "Base year" means the fiscal year immediately preceding the budget year.

c. "Below-average support per FTEE" for a community college means the state-average combined support per FTEE minus the combined support per FTEE for the community college if the community college's combined support per FTEE is less than the state-average combined support per FTEE.

d. "Budget year" means the fiscal year for which moneys are appropriated by the general assembly.

e. "Combined support" for a community college means the total amount of moneys the community college received in general state financial aid in the base year plus the community college's general fund property tax revenue, including utility replacement, for the base year.

f. "Combined support per FTEE" for a community college means the community college's combined support divided by its three-year rolling average full-time equivalent enrollment for the three years prior to the base year.

g. "Contact hour" for a noncredit course equals fifty minutes of contact between an instructor and students in a scheduled course offering for which students are registered.

h. "Credit hour", for purposes of community college funding distribution, shall be as defined by the department by rule.

i. "Eligible credit courses" means all credit courses that are eligible for general state financial aid which are part of a department-approved program of study. The department shall review and provide a determination should a question of eligibility occur.

j. "Eligible growth support" for a community college is the community college's below-average support per FTEE multiplied times its three-year rolling average full-time equivalent enrollment.

k. "Eligible noncredit courses" means all noncredit courses eligible for general state financial aid which fall under one of the eligible categories for noncredit courses as defined by rule of the department. The department shall review and provide a determination should a question of eligibility occur.

l. "Eligible student" means a student enrolled in eligible credit or eligible noncredit courses. The department shall review and provide a determination should a question of eligibility occur.

m. "Fiscal year" means the period of twelve months beginning on July 1 and ending on June 30.

n. One "full-time equivalent enrollment (FTEE)" equals twenty-four credit hours for credit courses or six hundred contact hours for noncredit courses generated by all eligible students enrolled in eligible courses.

o. "General fund property tax revenue" means the amount of moneys a community college raised or could have raised from a property tax of twenty and one-fourth cents per thousand dollars of assessed valuation on all taxable property in its merged area collected for the base year.

p. "General state financial aid" means the amount of general state financial aid the community college received from the general fund.

q. "Inflation adjustment amount" means the inflation rate minus two percentage points multiplied times the base funding allocation. The inflation adjustment amount shall not be less than zero.

r. "Inflation rate" means the average of the preceding twelve-month percentage change, which shall be computed on a monthly basis, in the consumer price index for all urban consumers, not seasonally adjusted, published by the United States department of labor, bureau of labor statistics, calculated for the calendar year ending six months after the beginning of the base year.

s. "State-average combined support per FTEE" means the average of the combined support per FTEE for all community colleges in the state in the base year.

t. "Three-year rolling average full-time equivalent enrollment" means the average of the audited full-time equivalent enrollment for a community college over the three fiscal years prior to the base year as determined by the department.

u. "Total growth support amount" means the sum of the eligible growth support for all the community colleges.

3. DISTRIBUTION FORMULA. Moneys appropriated by the general assembly from the general fund to the department for community college purposes for general state financial aid for a budget year shall be allocated to each community college by the department as follows:

a. If the inflation rate is equal to two percent or less:

(1) BASE FUNDING ALLOCATION. The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) MARGINAL COST ADJUSTMENT. After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) **THREE-YEAR ROLLING AVERAGE OF FULL-TIME EQUIVALENT ENROLLMENT.** If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) **EXTRAORDINARY GROWTH ADJUSTMENT.** If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph subdivision equal the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph subdivision (a).

(5) **ADDITIONAL THREE-YEAR ROLLING AVERAGE FTEE ALLOCATION.** If the increase in total state general aid exceeds four percent over the base funding allocation, all remaining moneys shall be distributed based upon each college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

b. If the inflation rate is greater than two percent but less than four percent:

(1) **BASE FUNDING ALLOCATION.** The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) **MARGINAL COST ADJUSTMENT.** After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) **THREE-YEAR ROLLING AVERAGE OF FULL-TIME EQUIVALENT ENROLLMENT.** If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) **EXTRAORDINARY GROWTH ADJUSTMENT.** If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be based as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph subdivision equal the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph subdivision (a).

(5) **INFLATION ADJUSTMENT.** If the increase in total state general aid exceeds four percent over the base funding allocation, an amount up to the inflation adjustment amount shall be distributed to each community college in the same proportion as the allocation of general state financial aid each community college received in the base year.

(6) **ADDITIONAL THREE-YEAR ROLLING AVERAGE FTEE ALLOCATION.** If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (5), all remaining moneys shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

c. If the inflation rate equals or exceeds four percent:

(1) **BASE FUNDING ALLOCATION.** The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) **MARGINAL COST ADJUSTMENT.** After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) **THREE-YEAR ROLLING AVERAGE OF FULL-TIME EQUIVALENT ENROLLMENT.** If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) **INFLATION ADJUSTMENT.** If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to the inflation adjustment amount shall be distributed to each community college in the same

proportion as the allocation of general state financial aid each community college received in the base year.

(5) EXTRAORDINARY GROWTH ADJUSTMENT. If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (4), an amount up to an additional one percent of the base funding allocation shall be based as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph subdivision equals the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph subdivision (a).

(6) ADDITIONAL THREE-YEAR ROLLING AVERAGE FTEE ALLOCATION. If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (5), all remaining moneys shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

#### 4. INFORMATION SUPPLIED BY COLLEGES AND ADOPTION OF RULES.

a. Each community college shall provide information in the manner and form as determined by the department. If a community college fails to provide the information as requested, the department shall estimate the full-time equivalent enrollment of that college.

b. Each community college shall complete and submit an annual student enrollment audit to the department. Adjustments to community college state general aid allocations shall be made based on student enrollment audit outcomes.

c. The department shall adopt rules under chapter 17A as necessary for the allocation of general state financial aid." 13, and inserting the following:

"Sec. \_\_\_\_. Section 261.25, subsection 1, Code 2005, is amended to read as follows:

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~forty-seven~~ forty-nine million ~~one~~ six hundred ~~fifty-seven~~ seventy-three thousand five hundred ~~fifteen~~ seventy-five dollars for tuition grants. From the funds appropriated in this subsection, ~~not more than three million four hundred thousand dollars may be distributed to~~ an amount equal to ten percent of the funds appropriated in this subsection shall be reserved for distribution to students attending private institutions whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code and whose students were eligible to receive Iowa tuition grant moneys in the fiscal year beginning July 1, 2003. A for-profit institution which, effective March 9, 2005, purchased an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code, shall be an

eligible institution under the Iowa tuition grant program. In the case of a qualified student who was enrolled in such accredited private institution that was purchased by the for-profit institution effective March 9, 2005, and who continues to be enrolled in the eligible institution in succeeding years, the amount the student qualifies for under this subsection shall be not less than the amount the student qualified for in the fiscal year beginning July 1, 2004.

Sec.\_\_\_\_. Section 261.25, subsection 2, Code 2005, is amended by striking the subsection."

20. Page 33, by inserting after line 23, the following:

"Sec.\_\_\_\_. Section 284.4, subsection 1, paragraph c, Code 2005, is amended to read as follows:

c. Provide, beginning in the fifth year of participation, the equivalent of ~~two~~ one additional contract ~~days~~ day, outside of instruction time, than ~~were~~ was provided in the school year preceding the first year of participation, to provide additional time for teacher career development that aligns with student learning and teacher development needs, including the integration of technology into curriculum development, in order to achieve attendance center and district-wide student achievement goals outlined in the district comprehensive school improvement plan. School districts are encouraged to develop strategies for restructuring the school calendar to provide for the most effective professional development, evaluate their current career development alignment with their student achievement goals and research-based instructional strategies, and implement district career development plans. A school district that provides the equivalent of ten or more contract days for career development is exempt from this paragraph.

Sec.\_\_\_\_. Section 284.13, subsection 1, paragraphs a, d, and i, Code 2005, are amended by striking the paragraphs."

21. Page 33, lines 24 and 25, by striking the words "a" through" and inserting the following: "b and".

22. By striking page 33, line 26, through page 34, line 2

23. Page 34, line 7, by inserting after the figure "256.44." the following: "From the moneys allocated to the department pursuant to this paragraph, up to five thousand dollars shall be used for purposes of conducting a study of the impact the national board for professional teaching standards certification of Iowa's teachers has on student achievement and the advisability of continuing state funding pursuant to section 256.44. The department shall submit its findings and recommendations to the chairpersons and ranking members of the house and senate committees on education and the chairpersons and ranking members of the joint appropriations subcommittee on education by January 15, 2006."

24. Page 34, line 10, by striking the word "one" and inserting the following: "two".

25. By striking page 34, line 31, through page 35, line 7, and inserting the following:

"e. For the fiscal year beginning July 1, ~~2004~~ 2005, and ending June 30, ~~2005~~ 2006, up to ~~two~~ four hundred ~~fifty~~ eighty-five thousand dollars to the department of education for purposes of implementing the career development program requirements of section 284.6, ~~and the review panel requirements of section 284.9, and the evaluator training program in section 284.10.~~ From the moneys allocated to the department pursuant to this paragraph, not less than ~~seventy-five~~ ten thousand dollars shall be ~~used to administer the ambassador to education position in accordance with section 256.45 distributed to the board of educational examiners for purposes of convening an educator licensing review working group.~~ From the moneys allocated to the department pursuant to this paragraph, not less than eighty-five thousand dollars shall be used to administer the ambassador to education position in accordance with section 256.45 A portion of the funds allocated to the".

26. Page 35, by striking lines 16 through 30, and inserting the following:

"Sec. \_\_\_\_ Section 284.13, subsection 1, Code 2005, is amended by adding the following new paragraphs before paragraph h:

NEW PARAGRAPH. ga. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, up to ten million dollars to the department of education for use by school districts to add one additional teacher contract day to the school calendar. The department shall distribute funds allocated for the purpose of this paragraph based on the average per diem contract salary for each district as reported to the department for the school year beginning July 1, 2004, multiplied by the total number of full-time equivalent teachers in the base year. The department shall adjust each district's average per diem salary by the allowable growth rate established under section 257.8 for the fiscal year beginning July 1, 2005. The contract salary amount shall be the amount paid for their regular responsibilities but shall not include pay for extracurricular activities. A school district shall submit a report to the department in a manner determined by the department describing its use of the funds received under this paragraph. The department".

27. Page 36, by inserting after line 1, the following:

NEW PARAGRAPH. gb. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, up to six million six hundred twenty-five thousand dollars to the department of education for use by school districts for either salaries or professional development, or both, as determined by the school district. Funds received by a school district for purposes of this paragraph shall be distributed using the formula provided in paragraph "f" and are subject to the provisions of section 284.7, subsection 6. A school district shall submit a report to the department in a manner determined by the department describing its use of the funds received under this paragraph. The department shall submit a report on school district use of the funds distributed pursuant to this paragraph to the chairpersons and ranking members of the house and senate standing committees on education, the joint appropriations subcommittee on education, and the legislative services agency not later than January 15, 2006.

NEW PARAGRAPH. gc. For the fiscal year beginning July 1, 2005, and succeeding fiscal years, up to one million dollars to the department of education for purposes of the value-added assessment system established pursuant to section 256.24. The department shall allocate the moneys to school districts based upon the percentage of the budget enrollment of each school district for the fiscal year beginning July 1, 2004,

compared to the budget enrollment of all school districts in the state for the fiscal year beginning July 1, 2004. The department shall distribute the moneys to a school district upon demonstration by the school district to the department that the school district agrees to participate in a qualified value-added assessment system.

Sec. \_\_\_\_ . Section 301.1, subsection 2, Code 2005, is amended to read as follows:

2. Textbooks adopted and purchased by a school district shall, to the extent funds are appropriated by the general assembly, be made available to pupils attending accredited nonpublic schools upon request of the pupil or the pupil's parent under comparable terms as made available to pupils attending public schools. If the general assembly appropriates moneys for purposes of making textbooks available to accredited nonpublic school pupils, the department of education shall ascertain the amount available to a school district for the purchase of nonsectarian, nonreligious textbooks for pupils attending accredited nonpublic schools. The amount shall be in the proportion that the basic enrollment of a participating accredited nonpublic school bears to the sum of the basic enrollments of all participating accredited nonpublic schools in the state for the budget year. For purposes of this section, a "participating accredited nonpublic school" means an accredited nonpublic school that submits a written request on behalf of the school's pupils in accordance with this subsection, and that certifies its actual enrollment to the department of education by October 1, annually. By October 15, annually, the department of education shall certify to the director of the department of administrative services the annual amount to be paid to each school district, and the director of the department of administrative services shall draw warrants payable to school districts in accordance with this subsection. For purposes of this subsection, an accredited nonpublic school's enrollment count shall include only students who are residents of Iowa. The costs of providing textbooks to accredited nonpublic school pupils as provided in this subsection shall not be included in the computation of district cost under chapter 257, but shall be shown in the budget as an expense from miscellaneous income. Textbook expenditures made in accordance with this subsection shall be kept on file in the school district. In the event that a participating accredited nonpublic school physically relocates to another school district, textbooks purchased for the nonpublic school with funds appropriated for purposes of this chapter shall be transferred to the school district in which the nonpublic school has relocated and may be made available to the nonpublic school. Funds distributed to a school district for purposes of purchasing textbooks in accordance with this subsection which remain unexpended and available for the purchase of textbooks for the nonpublic school that relocated in the fiscal year in which the funds were distributed shall also be transferred to the school district in which the nonpublic school has relocated."

28. By renumbering, redesignating, and correcting internal references as necessary.

ON THE PART OF THE HOUSE:

Royd E. Chambers, Chairperson  
Bill Dix  
Mary Mascher  
Jo Oldson  
Jodi Tymeson

ON THE PART OF THE SENATE:

Nancy Boettger, Co-Chairperson  
Wally Horn, Co-Chairperson  
Jeff Angelo  
Michael Gronstal  
John P. Kibbie  
Jeff Lamberti

The motion prevailed and the conference committee report was adopted.

Chambers of O'Brien moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 816](#))

The ayes were, 98:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Chambers	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Gaskill	Gipp
Granzow	Greiner	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Huser	Hutter	Jacobs
Jacoby	Jenkins	Jochum	Jones
Kaufmann	Kressig	Kuhn	Kurtenbach
Lalk	Lensing	Lukan	Lykam
Maddox	Mascher	May	McCarthy
Mertz	Miller	Murphy	Oldson
Olson, D.	Olson, R.	Olson, S.	Paulsen
Petersen	Pettengill	Quirk	Raecker
Rants, Spkr.	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tomenga	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Zirkelbach	Carroll, Presiding		

The nays were, none.

Absent or not voting, 2:

Frevert                      Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

## IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 816](#) be immediately messaged to the Senate.

The House stood at ease at 8:35 p.m., until the fall of the gavel.

The House resumed session at 8:56 p.m., Speaker Rants in the chair.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, adopted the conference committee report and passed [House File 834](#) a bill for an act relating to persons commercially cleaning toilet units and private sewage disposal facilities by providing regulations, fees, and civil penalties, and making appropriations.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 868](#), a bill for an act relating to economic development, business, workforce, and regulatory assistance and tax credits, and to state developmental, research, and regulatory oversight, and including effective date and retroactive applicability provisions.

Also: That the Senate has on May 20, 2005, amended the House amendment, concurred in the House amendment as amended, and passed the following bill in which the concurrence of the Senate was asked:

[Senate File 342](#), a bill for an act relating to appropriation matters by making and increasing appropriations for the fiscal year beginning July 1, 2004, and providing effective and applicability date provisions.

MICHAEL E. MARSHALL, Secretary

ADOPTION OF THE REPORT OF THE  
CONFERENCE COMMITTEE  
([House File 834](#))

Struyk of Pottawattamie called up for consideration the report of the conference committee on [House File 834](#) and moved the adoption of the conference committee report and the amendments contained therein as follows:

REPORT OF THE CONFERENCE COMMITTEE  
ON [HOUSE FILE 834](#)

To the Speaker of the House of Representatives and the President of the Senate:

We the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on [House File 834](#), a bill for an Act relating to persons commercially cleaning toilet units and private sewage disposal facilities by providing regulations, fees, and civil penalties, and making appropriations, respectfully make the following report:

1. That the Senate recedes from its amendment, [H-1626](#).
2. That [House File 834](#), as passed by the House, is amended to read as follow:

1. Page 4, by inserting after line 30 the following:

"Sec. \_\_\_\_ STUDY. By January 1, 2006, the department of natural resources shall submit a written report to the general assembly regarding the land application and treatment of septage. The report shall include a county-by-county analysis of the amount of septage collected at sources in each county, the amount of septage applied to land in each county, and the treatment capacity of wastewater treatment facilities in each county. The report shall include an analysis of the environmental impact of land application of septage and the fiscal impact of a statewide prohibition of the land application of septage."

2. By renumbering as necessary.

ON THE PART OF THE HOUSE:

Douglas L. Struyk, Chair  
Sandra H. Greiner  
Geri D. Huser  
Don Shultz  
Jodi S. Tymeson

ON THE PART OF THE SENATE:

Jeff Danielson, Co-Chair  
Pat Ward, Co-Chair  
Dr. Joe Seng  
Doug Shull  
Mark Ziemann

The motion prevailed and the conference committee report was adopted.

Struyk of Pottawattamie moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 834](#))

The ayes were, 98:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cohoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Fallon

Foege	Ford	Freeman	Gaskill
Gipp	Granzow	Greiner	Heaton
Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Hutter
Jacobs	Jacoby	Jenkins	Jochum
Jones	Kaufmann	Kressig	Kuhn
Kurtenbach	Lalk	Lensing	Lukan
Lykam	Maddox	Mascher	May
McCarthy	Mertz	Miller	Murphy
Oldson	Olson, D.	Olson, R.	Olson, S.
Paulsen	Petersen	Pettengill	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tomenga	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Zirkelbach	Mr. Speaker		
	Rants		

The nays were, none.

Absent or not voting, 2:

Frevert                      Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 834](#) be immediately messaged to the Senate.

#### MOTION TO RECONSIDER WITHDRAWN ([House File 810](#))

Gipp of Winneshiek asked and received unanimous consent to withdraw the motion to reconsider [House File 810](#), a bill for an act relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters, and providing an effective date, filed by him on May 10, 2005.

MOTION TO RECONSIDER WITHDRAWN  
([Senate File 390](#))

Gipp of Winneshiek asked and received unanimous consent to withdraw the motion to reconsider [Senate File 390](#), a bill for an act relating to the generation and purchase of renewable energy including establishing a renewable energy tax credit program administered by the utilities division of the department of commerce and the department of revenue, and providing an effective date, filed by him on May 16, 2005.

IMMEDIATE MESSAGES

Gipp of Winneshiek asked and received unanimous consent that the following bills be immediately messaged to the Senate: [House File 810](#) and [Senate File 390](#).

The House stood at ease at 9:05 p.m., until the fall of the gavel.

The House resumed session at 10:02 p.m., Speaker Rants in the chair.

SENATE AMENDMENT CONSIDERED

Dix of Butler called up for consideration [Senate File 342](#), a bill for an act relating to appropriation matters by making and increasing appropriations for the fiscal year beginning July 1, 2004, and providing effective and applicability date provisions, amended by the House, further amended by the Senate and moved that the House concur in the following Senate amendment [H-1715](#) to the House amendment:

[H-1715](#)

- 1 Amend the House amendment, [S-3321](#), to Senate File
- 2 342, as amended, passed, and reprinted by the Senate,
- 3 as follows:
- 4 1. Page 1, by striking lines 3 and 4, and
- 5 inserting the following:
- 6 "\_\_\_ By striking page 1, line 1, through page 2,
- 7 line 34."
- 8 2. Page 1, by inserting after line 6, the
- 9 following:
- 10 "\_\_\_ Page 3, by inserting before line 31, the

11 following:

12 "DIVISION\_\_\_\_  
13 EDUCATION

14 Sec.\_\_\_\_. STATE BOARD OF REGENTS – GENERAL FUND  
15 ENDING BALANCE.

16 1. Prior to the appropriation of the surplus  
17 existing in the general fund of the state at the  
18 conclusion of the fiscal year beginning July 1, 2004,  
19 pursuant to section 8.57, subsection 1, from  
20 appropriations that remain unencumbered or unobligated  
21 and would otherwise revert on August 31, 2005,  
22 pursuant to section 8.33, up to \$2,800,000 shall be  
23 transferred to the state board of regents.

24 2. The transfer made in subsection 1 shall be  
25 distributed to the state board of regents in the  
26 fiscal year beginning July 1, 2005, to be used as  
27 additional funding for the fiscal year beginning July  
28 1, 2005, for the institutions under the state board of  
29 regents.""

30 3. Page 1, by inserting after line 6, the  
31 following:

32 "\_\_\_\_. Page 5, by inserting after line 22, the  
33 following:

34 "Notwithstanding section 8.33, moneys appropriated  
35 in this section that remain unencumbered or  
36 unobligated at the close of the fiscal year shall not  
37 revert but shall remain available for expenditure for  
38 the purposes designated until the close of the  
39 succeeding fiscal year.""

40 4. Page 1, by striking lines 7 through 11, and  
41 inserting the following:

42 "\_\_\_\_. By striking page 5, line 25, through page  
43 9, line 17, and inserting the following:

44 "Sec.\_\_\_\_. INDIGENT DEFENSE CLAIMS – TRANSFERS.

45 It is the intent of the general assembly that the  
46 director of the department of management, with the  
47 approval of the governor, shall utilize the transfer  
48 authority available under section 8.39 to provide the  
49 office of the state public defender of the department  
50 of inspections and appeals with sufficient funding to

Page 2

1 satisfy all valid indigent defense claims under  
2 section 232.141 and chapter 815 for the fiscal year  
3 beginning July 1, 2004, and ending June 30, 2005.""

4 5. Page 7, line 37, by striking the word "either"  
5 and inserting the following: "any".

6 6. Page 7, by inserting after line 43, the  
7 following:

8 "b. The employee would incur fees charged to the  
9 employee's account as a result of the direct deposit."

10 7. By renumbering, relettering, or redesignating  
 11 and correcting internal references as necessary.

The motion prevailed and the House concurred in the Senate amendment [H-1715](#), to the House amendment.

Dix of Butler moved that the bill, as amended by the House, further amended by the Senate and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([S.F. 342](#))

The ayes were, 97:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cphoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Foege
Ford	Freeman	Gaskill	Gipp
Granzow	Greiner	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Huser	Hutter	Jacobs
Jacoby	Jenkins	Jochum	Jones
Kaufmann	Kressig	Kuhn	Kurtenbach
Lalk	Lensing	Lukan	Lykam
Maddox	Mascher	May	McCarthy
Mertz	Miller	Murphy	Oldson
Olson, D.	Olson, R.	Olson, S.	Paulsen
Petersen	Pettengill	Quirk	Raecker
Rasmussen	Rayhons	Reasoner	Reichert
Roberts	Sands	Schickel	Schueller
Shoultz	Smith	Soderberg	Struyk
Swaim	Taylor, D.	Taylor, T.	Thomas
Tjepkes	Tomenga	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wendt	Wessel-Kroeschell	Whitaker	Whitead
Wilderdyke	Winckler	Wise	Zirkelbach
Mr. Speaker			
Rants			

The nays were, none.

Absent or not voting, 3:

Fallon	Frevert	Shomshor
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The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [Senate File 342](#) be immediately messaged to the Senate.

#### REMARKS BY MINORITY LEADER MURPHY

Murphy of Dubuque offered the following remarks:

I guess it's time for all of you now to go into Atomic Fireball withdrawal. I'm out of Atomic Fireballs, which must mean it's the end of session.

I just want to talk about the things that Democrats talked about when we came here in January. Democrats basically talked about three things that day – education, health care and creating jobs. And Democrats feel like we have accomplished a lot in this session to deal with those three issues and a few others as well.

With regard to jobs and economy, we created the Iowa Values Fund, fifty-million dollars a year for the next ten years. We did it in a very bipartisan way. Representative Hoffman worked very well with Representatives Olson and Thomas and other members of our caucus and I appreciate that. What we do with that legislation over the next ten years hopefully will keep a lot our young people in this state and give them the opportunities to stay here. So, I think that is something we need to feel proud about.

But, I also think that we did other things that affect the economy. We passed the telecommunications reform bill this year that helped address the digital divide. Eighty percent of Iowans now will have high-speed Internet capacity in the next 18 months. I know that there were a few people who opposed it, but generally everybody agreed that we need to bring that technology to all parts of Iowa. And the telecommunications reform bill did that.

When we talk about education, there are a number of accomplishments there as well. We talked in January about doing a 4 percent allowable growth rate for public schools and we got that done in almost record time, in the first two weeks we were in session.

Today we passed a little over twenty million dollars for early childhood development. It's a new program that's going to help our young people get the early start they need on education. Along with that we addressed the issue of teacher compensation and teacher quality and student achievement and expanding those opportunities. And community colleges had an unprecedented amount of funding at \$9.8 million of new spending.

When you take a look at what we did with health care this year, the Medicaid reform bill offers access to health care for thirty-thousand Iowans in the next year who currently do not have health insurance. With the Health & Human Services bill we

passed today we gave more kids access to the benefits of the Healthy and Well Kids of Iowa program.

We also passed a drug repository bill that allows people to have access to drugs that otherwise might have been discarded. We also created the ability for people to have access to cancer drugs, anti-rejection drugs. And that was another bipartisan effort that incorporated bills introduced both by Representative Carroll and by me as well as input from Iowans who called in and offered suggestions for other things to include in that legislation.

Some other issues arose during the legislative session. We created the smartest and toughest meth bill in the country. Again, a bipartisan effort created that legislation that will now make Iowa a much safer place, not just for law enforcement, but for our families and our children. We also had a terrible tragedy that led to us passing the toughest sexual predator law in the country.

We have a lot to feel proud about when we talk about this session. We have been mired in gridlock the last few weeks, but we had a governor of the state who showed leadership this week to bring all parties to the table. We had leaders in this chamber and in the Senate, both on the Republican side and Democratic side, who came to the table. They knew what their differences were, they found commonality on the things that they could agree with, they worked through their differences and today we passed almost the entire state budget and sent it to the governor. So, while people are sometimes frustrated by the process, the process works. And it has been around now for over two hundred years.

Now I've had the press already ask me what wasn't accomplished. Well, I'm usually a good one to ask because I'm a Cubs fan. And a Cubs fan always says "Well, wait 'til next year." I feel as if we have accomplished a lot of things this year. We need to focus on the good things that we did. Whether it was the issues I just recited or the race track for Newton or the destination park or other issues. I think we tried to address as many issues as we could this year.

Now, before I finish I want to also say thank you to my caucus and thank you to all the members of the House. It has been an honor to be elected as a leader by the Democrats in my caucus. I know we have had our ups and downs, but at the same time too it's always been an honor to lead you and I appreciate that.

I also want to thank our staff, because our staff has done an excellent job. The staff works every day to make everybody in this legislative body look good, whether it's the House or the Senate or the governor's office. They never see the credit or appear on the 6:00 and 10:00 news discussing the bills. They give us their good ideas and draft them for us. They tell us how to take our ideas and tweak them and make them better. They figure out how we can save money so that we can do more good for Iowans. So, I want to thank them.

I think there are a number of things that this legislature can be remembered for – education, economic opportunities, health care. And most of the things that we did focused on our families, our children, and our opportunities for the future. So, when we leave here tonight, I think we should let Iowans know what we did to help make this state and its citizens better, and the opportunities we've given our children for the future. Thank you.

Along with that though we talked about early childhood legislation and we passed that today with a little over twenty million dollars for early childhood development. A new program that's going to help our young people get the early start they need on education.

Along with that we addressed the issue of teacher compensation and teacher quality and student achievement and expanding those opportunities.

Along with that community colleges had, for the first, an unprecedented amount of funding at 9.8 million dollars of new spending.

And along with that we also addressed the areas of health care. And when you take a look at what we did with the Medicaid reform bill we are offering, thirty-thousand Iowan's in the next year will be able to get access to health insurance that they previously did not have. Plus with the health and human services bill that was passed today on the floor the opportunity existed so that more kids could get access to Healthy and Well Kids of Iowa.

Along with that we had the drug repository bill. That allowed the ability for people to get access to drugs that nursing homes otherwise would have discarded and thrown away. We also created the ability for people that have access to cancer drugs. The ability for anti-rejection drugs. And that was not just a bi-partisan effort, that was a bill that was introduced by Representative Carroll, a bill that was introduced by myself and then we also took concerns of Iowan's who called in and talked about other things we should include in that legislation.

So, we did a number of things to try to make Iowa a better place. But then along with that, the other things that came up this legislative session. The whole issue of meth. We created the toughest meth bill in the country. And it was a bipartisan effort that created that legislation that will now make Iowa a much safer place, not just for law enforcement, but for our families and our children.

Along with that, during session, we had some tragedies that occurred and over the last few weeks we passed the toughest sexual predator law in the country.

We have a lot to feel proud about when we talk about this session. I know a lot of people will talk about what has occurred over the last three weeks and the argument of gridlock, but I will tell you this we had a governor of the state that showed leadership this week to bring all parties to the table. We had leaders in this chamber, both on the Republican side and Democratic side, we had leaders in the Senate that came to the table. They knew what their differences were before, they found commonality on the things that they could agree with, worked through those differences and today we passed almost the entire state budget and sent it to the governor. So, I know people always argue about the process, but the process works. And it has been around now for over two hundred years. And, I think that is the part that we need to remind Iowan's about.

Now I've had the press already ask me what wasn't accomplished. Well, I'm usually a good one to ask because I'm a Cubs fan. And a Cub's fan always says "Well, wait till next year." I feel as if we have accomplished a lot of things this year. We need to focus on the good things that we did. Whether it was the issues I just mentioned or race

track for Newton, or for the other issues that we addressed. I think we tried to address as many issues as we could this year.

Now, before I finish I want to also say thank you to my caucus and thank you to all the members of the House. It has been an honor to be elected as a leader by the Democrats in my caucus. I know we have had our ups and downs, but at the same point too it's always been an honor to lead you and I appreciate that. I also want to thank our staff, because our staff has done an excellent job. The staff is what really makes everybody in this legislative body, whether it's the House or the Senate or the governor's office. It's the people behind the scenes that do the work every day that make us look good. They never see the credit, their never on the 6 and 10:00 news discussing the bills. Their never talking about their ideas, they just draft the good ideas. They tell us how to tweak them to make them better. They figure out how we can save money so that we can do more good for Iowan's. So, I want to thank them and I appreciate this opportunity and I think when we walk out of here tonight, hopefully yet tonight, not tomorrow morning, but if we do walk out of here tonight I think there are a number of things that this legislature can be remembered for whether it's education, whether it's economic opportunities, whether it's health care. And most of the things that we did focused on our families, our children, and our opportunities for the future. So, when we leave here tonight, I think the focus needs to be on what we did to help make this state better and the citizens of this state better and to give opportunity to them and to our children for the future. Thank you.

#### REMARKS BY MAJORITY LEADER GIPP

Gipp of Winneshiek offered the following remarks:

Thank you, Mr. Speaker! Mr. Speaker, Ladies and Gentlemen of the House. I will be brief!

As I said on January 10, each session brings new challenges – and new opportunities. Today, as we come to the end of the 1st Regular Session of the 81st General Assembly, I submit that we have met those challenges and seized the opportunities.

We were able to fund our priorities through a balanced, sustainable budget that does not include bonding or tax increases.

- We passed a 4% or \$82 million increase in K-12 funding and created a novel early childhood program. With this increase, Iowa now spends more than \$2 billion on K-12 education funding.
- We passed a model Medicaid reform bill. Iowa is now poised to set the standard for Medicaid in the 21<sup>st</sup> Century.
- We created a Prescription Drug Assistance Clearinghouse Program.
- We worked to ease the burden of Iowans by striking a balance between the need to provide coverage for the treatment of mental illnesses while keeping premium increases to a minimum.

- In response to the increasing deer population, we passed a bill that will reduce the deer population by 25% in four years.
- We constructed the smartest and toughest meth bill in the country.
- In light of the tragedies that took place in eastern Iowa and other parts of the country we responded by authoring an improved Iowa Sex Offender Registry Bill.
- We passed a bill that expands the child and dependent care tax credit.
- We passed legislation that deregulates Iowa's remaining rate regulated telecommunication providers. This will provide a level playing field for all companies providing telecommunications services in Iowa, while limiting the growth in customer rates.
- We passed legislation that will bring a racetrack and much needed vitality to a community that is being threatened with losing its largest employer.
- We passed legislation that will assist in the completion of Honey Creek Destination Park. This is another piece of economic development legislation that will revitalize our state.
- Finally, we reinstated the Iowa Values Fund. This Fund makes the statement that Iowa is open for business.

I am proud of our accomplishments and you should be too.

In closing and before the Speaker brings down the gavel for the last time this session, I would like to thank you for your hard work and for the time you have given to the people of Iowa. In addition, I would like to thank Susan, Marc and the rest of our hard working staff for all of the support they offered during the Session.

See you next year.

Thank you Mr. Speaker.

#### REMARKS BY SPEAKER RANTS

Speaker Rants offered the following remarks:

Ladies and gentlemen of the House,

To quote Yoda, "Do or do not, there is no try."

That quote from the Empire Strikes back is fitting, not just because the new "*Star Wars*" came out this week but because this was a legislative session that was about doing and accomplishing, not just trying.

Our accomplishments this legislative session will benefit generations to come. Our future generations – those who rely on us – will see a brighter tomorrow because of our

efforts; those who will build upon your legacy and extend forward the achievements this session.

For the Iowans of today, we began this year with the same challenging dynamics we have come to expect in many recent sessions, and we succeeded in our resolve to make Iowa a better place. As new challenges arose, you locked arms and stormed forward, tackling legislation for public safety, jobs, education and our seniors.

We battled our scariest adversaries – meth and sexual predators – by passing some of the toughest laws in the country.

We faced an ever-changing market and again responded by re-enacting the state's premier economic development program, one that brings envy from other states and interest from around the globe. Our telecommunications reform bill directly led to the creation of 500 jobs within days of enactment, and surely there will be more announcements to come.

Our education efforts began on day one. We achieved four percent K-12 allowable growth for the second year in a row, and significantly increased resources for our teachers and community colleges – whose funding saw its highest increase in my tenure in the Legislature, and the significant variety we offered to them.

We devoted time and energy to our seniors, with a new prescription drug program, our commitment to expanding long-term care options, and with our payback to the Senior Living Trust Fund.

Thanks to the hard work of this chamber, Iowa is leading the nation in exploring innovative ways to provide health care via Medicaid.

We approached this year's budget with three key principles: First – not raising taxes to fund our budget, second – without bonding on long-term annual expenses, and third – without placing ourselves into a worse budget condition next year. Next year we will be thankful we did. The budget we built is sensible and sustainable. We funded the priorities of all four caucuses, and will be able to continue doing so next session.

I would like to thank all of you and say congratulations on a job well done.

I would especially like to thank our great Republican House Caucus Staff. Your efforts each and every year continues to make this process a smooth one. Your work ethic and production is second-to-none, and you make our caucus proud each and every day.

A big thanks to the staff at the Legislative Services Agency. You work hard all year, and you always work extra hard to make sure this week is a success. This year was no exception.

Representative. Murphy, thank you for your cooperation today in getting me home in time for my wife's birthday tomorrow. Thanks to you, I won't be in the doghouse.

Teddy Roosevelt once said, "It is only through labor and painful effort, by grim energy and resolute courage that we move on to better things."

It is now time to move on, and as Roosevelt would say, your efforts have truly “moved us on to better things.”

May your drive home be safe, and your summer and fall relaxing. You all have earned it.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 222](#), a bill for an act relating to the nonpartisan election of township officers.

Also: That the Senate has on April 13, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 767](#), a bill for an act relating to a schedule established by the environmental protection commission for civil penalties.

Also: That the Senate has on May 3, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 809](#), a bill for an act relating to and making appropriations to the department of economic development, certain board of regents institutions, the department of workforce development, and the public employment relations board and related matters.

Also: That the Senate has on May 5, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 881](#), a bill for an act relating to the compensation and benefits for public officials and employees and members of the general assembly, providing for related matters, making appropriations, and including effective and retroactive applicability date provisions.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 882](#), a bill for an act making, reducing, and transferring appropriations, providing for fees, and providing for properly related matters and including effective and retroactive applicability date provisions.

Also: That the Senate has on May 20, 2005, adopted the following resolution in which the concurrence of the Senate was asked:

[House Concurrent Resolution 19](#), a concurrent resolution to recognize Joe Royce, the winner of the 2005 Dwight Ink Public Service Award at Iowa State University.

MICHAEL E. MARSHALL, Secretary

The House stood at ease at 10:30 p.m., until the fall of the gavel.

The House resumed session at 10:51 p.m., Speaker Rants in the chair.

ADOPTION OF THE REPORT OF THE  
CONFERENCE COMMITTEE  
([Senate File 200](#))

Greiner of Washington called up for consideration the report of the conference committee on [Senate File 200](#) and moved the adoption of the conference committee report and the amendments contained therein as follows:

REPORT OF THE CONFERENCE COMMITTEE  
ON [SENATE FILE 200](#)

To the President of the Senate and the Speaker of the House of Representatives:

We the undersigned members of the conference committee appointed to resolve the differences between the Senate and the House of Representatives on [Senate File 200](#), a bill for an Act relating to the administration of the department of agriculture and land stewardship, by providing for its powers and duties, respectfully make the following report:

1. That the Senate recedes from its amendment, [H-1630](#).
2. That the House amendment, [S-3208](#), to [Senate File 200](#), as passed by the Senate is amended to read as follows:
  1. By striking page 1, line 8, through page 4, line 33, and inserting the following:

"Sec. \_\_. NEW SECTION. 466A.1 DEFINITIONS.

As used in the chapter, unless the context otherwise requires:

1. "Board" means the watershed improvement review board as established in section 466A.3.
2. "Committee" means a local watershed improvement committee as provided in section 466A.4.

3. "Division" means the division of soil conservation within the department of agriculture and land stewardship as established in section 161A.4.

4. "Fund" means the watershed improvement fund as created pursuant to section 466A.2.

Sec. \_\_. NEW SECTION. 466A.2 WATERSHED IMPROVEMENT FUND.

1. A watershed improvement fund is created in the state treasury which shall be administered by the treasurer of state upon direction of the watershed improvement review board. Moneys appropriated to the fund and any other moneys available to and obtained or accepted by the treasurer of state for placement in the fund shall be deposited in the fund. Additionally, payments of interest, recaptures of awards, and other repayments to the fund shall be deposited in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the end of the fiscal year shall not revert, but shall remain available for the same purpose in the succeeding fiscal year. The moneys in the fund shall be used exclusively for carrying out the purposes of the fund as provided in this section. moneys appropriated to the treasurer of state and deposited in the fund shall not be used by the treasurer of state for administrative purposes.

2. The purposes of the watershed improvement fund are the following:

a. Enhancement of water quality in the state through a variety of impairment-based, locally directed watershed improvement grant projects.

b. Positively affecting the management and use of water for the purposes of drinking, agriculture, recreation, sport, and economic development in the state.

c. Ensuring public participation in the process of determining priorities related to water quality including but not limited to all of the following:

(1) Agricultural runoff and drainage.

(2) Stream bank erosion.

(3) Municipal discharge.

(4) Stormwater runoff.

(5) Unsewered communities.

(6) Industrial discharge.

(7) Livestock runoff.

Sec. \_\_. NEW SECTION. 466A.3 WATERSHED IMPROVEMENT REVIEW BOARD.

1. A watershed improvement review board is established.

a. The board shall consist of all of the following voting members, appointed by the named entity or entities and approved by the governor:

- (1) One member of the agribusiness association of Iowa.
- (2) One member of the Iowa association of water agencies.
- (3) One member of the Iowa environmental council.
- (4) One member of the Iowa farm bureau federation.
- (5) One member of the Iowa pork producers association.
- (6) One member of the Iowa rural water association.
- (7) One member of the Iowa soybean association.
- (8) One member representing soil and water conservation districts of Iowa.
- (9) One member of the Iowa association of county conservation boards.
- (10) One person representing the department of agriculture and land stewardship.
- (11) One person representing the department of natural resources.

b. The board shall consist of four members of the general assembly who shall serve as voting members. Not more than one member from each house shall be from the same political party. Two state senators shall be appointed, one by the majority leader of the senate and one by the minority leader of the senate. Two state representatives shall be appointed, one by the speaker of the house of representatives and one by the minority leader of the house of representatives. A member may designate another person to attend a board meeting if the member is unavailable. Only the member is eligible for per diem and expenses as provided in section 2.10.

2. a. The voting members of the board shall serve three-year staggered terms commencing and ending as provided in section 69.19. If a vacancy occurs, a successor shall be appointed in the same manner and subject to the same qualifications as the original appointment, to serve the remainder of the term.

b. The voting members of the board shall elect a chairperson and vice chairperson annually from the voting membership of the board. A majority of the voting members of the board constitutes a quorum. If the chairperson and vice chairperson are unable to preside over the board due to absence or disability, a majority of the voting members present may elect a temporary chairperson by a majority vote providing a quorum is present.

3. The watershed improvement review board shall do all of the following:

a. Award local watershed improvement grants and monitor the progress of local watershed improvement projects awarded grants. A local watershed improvement grant may be awarded for a period not to exceed three years. Each local watershed improvement grant awarded shall not exceed ten percent of the moneys appropriated for the grants during a fiscal year.

- b. Assist with the development of monitoring plans for local watershed improvement projects.
  - c. Review monitoring results before, during, and after completion of a local watershed improvement project.
  - d. Review costs and benefits of mitigation practices utilized by a project.
  - e. By January 31, annually, submit an electronic report to the governor and the general assembly regarding the progress of the watershed improvement projects during the previous calendar year.
  - f. Elicit the expertise of other organizations for technical assistance in the work of the board.
  - g. Independently develop and adopt administrative rules pursuant to chapter 17A to administer this chapter.
4. A watershed improvement review board member who also serves on a local watershed improvement committee shall abstain from voting on a local watershed improvement grant application submitted by the same local watershed improvement committee of which the person is a member. A member of the general assembly shall abstain from participating on any issue relating to a watershed which is in the member's legislative district.

Sec. \_\_. NEW SECTION. 466A.4 LOCAL WATERSHED IMPROVEMENT COMMITTEES.

1. A local watershed improvement committee shall be organized for the purposes of applying for a local watershed improvement grant and implementing a local watershed improvement project. Each local watershed improvement grant application shall include a methodology for attaining measurable, observable, and performance-based results. A majority of the members of the committee shall represent a cause for the impairment of the watershed. The committee shall be authorized as a not-for-profit organization by the secretary of state. Soil and water conservation districts may also be eligible and apply for and receive local watershed improvement grants.

2. A local watershed improvement committee shall be responsible for application for and implementation of an approved local watershed improvement grant, including providing authorization for project bids and project expenditures under the grant. A portion of the grant moneys may be used to engage engineering expertise related to the project. The committee shall monitor local performance throughout the local watershed grant project and shall submit a report at six-month intervals regarding the progress and findings of the project as required by the committee.

Sec. \_\_. NEW SECTION. 466A.5 ADMINISTRATION.

The soil conservation division of the department of agriculture and land stewardship shall provide administrative support to the board. Not more than one percent of the total moneys deposited in the watershed improvement fund on July 1 of a fiscal year or fifty thousand dollars, whichever is less, is appropriated each fiscal year to the division

for the purposes of assisting the watershed improvement review board in administering this chapter."

\_\_\_ . Title page, by striking lines 1 through 3 and inserting the following: "An Act relating to agriculture by providing for the powers and duties of the department of agriculture and land stewardship and watershed improvement.""

2. By renumbering as necessary.

ON THE PART OF THE SENATE

Dennis H. Black, Co-Chair  
Steve Kettering, Co-Chair  
Hubert M. Houser  
David Johnson  
Amanda Ragan  
Brian Schoenjahn

ON THE PART OF THE HOUSE

Sandra H. Greiner, Chair  
Robert M. Hogg  
James M. Kurtenbach  
Dolores M. Mertz  
Daniel J. Rasmussen

The motion prevailed and the conference committee report was adopted.

Greiner of Washington moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([S.F. 200](#))

The ayes were, 98:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cphoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Fallon
Foege	Ford	Freeman	Gaskill
Gipp	Granzow	Greiner	Heaton
Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Hutter
Jacobs	Jacoby	Jenkins	Jochum
Jones	Kaufmann	Kressig	Kuhn
Kurtenbach	Lalk	Lensing	Lukan
Lykam	Maddox	Mascher	May
McCarthy	Mertz	Miller	Murphy
Oldson	Olson, D.	Olson, R.	Olson, S.
Paulsen	Petersen	Pettengill	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tomenga	Tymeson

Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Zirkelbach	Mr. Speaker		
	Rants		

The nays were, none.

Absent or not voting, 2:

Frevert                      Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [Senate File 200](#) be immediately messaged to the Senate.

#### MESSAGE FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, adopted the following resolution in which the concurrence of the House is asked:

[Senate Concurrent Resolution 18](#), a senate concurrent resolution to provide for adjournment sine die.

MICHAEL E. MARSHALL, Secretary

#### ADOPTION OF [SENATE CONCURRENT RESOLUTION 18](#)

Gipp of Winneshiek asked and received unanimous consent for the immediate consideration of [Senate Concurrent Resolution 18](#) and moved its adoption.

- 1        [Senate Concurrent Resolution 18](#)
- 2        By: Committee on Rules and Administration
- 3        A Senate Concurrent Resolution to provide for
- 4        adjournment sine die.
- 5        *Be It Resolved By The Senate, The House Concurring,*
- 6        That when adjournment is had on Friday, May 20, 2005,
- 7        it be the final adjournment of the 2005 Regular
- 8        Session of the Eighty-first General Assembly.

The motion prevailed and the resolution was adopted.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [Senate Concurrent Resolution 18](#) be immediately messaged to the Senate.

#### REPORT OF CHIEF CLERK OF THE HOUSE

MR. SPEAKER: Pursuant to House Rule 42, I report that in engrossing bills the following corrections were made:

##### [House File 810](#)

1. Page 6, line 23 – Add period after the word “TRAVEL”.
2. Page 6, line 24 – Move paragraph up to preceding line.
3. Page 16, line 3 – Delete period after the word “REPORTING”.

MARGARET A. THOMSON  
Chief Clerk of the House

#### EXPLANATION OF VOTE

I was necessarily absent from the House chamber on May 20, 2005. Had I been present, I would have voted "aye" on House Files 807, 811, 825, 868, 875 and [Senate File 200](#).

CHAMBERS of O'Brien

#### BILLS ENROLLED, SIGNED AND SENT TO GOVERNOR

The Chief Clerk of the House submitted the following report:

Mr. Speaker: The Chief Clerk of the House respectfully reports that the following bills have been examined and found correctly enrolled, signed by the Speaker of the House and the President of the Senate, and presented to the Governor for his approval on this 20<sup>th</sup> day of May 20, 2005: House Files 222, 440, 619, 674, 682, 739, 742, 761, 767, 770, 805, 807, 808, 809, 810, 811, 816, 821, 825, 828, 831, 834, 858, 862, 868, 869, 875, 879, 881, 882 and 883.

MARGARET A. THOMSON  
Chief Clerk of the House

Report adopted.

### BILLS SIGNED BY THE GOVERNOR

A communication was received from the Governor announcing that on May 20, 2005, he approved and transmitted to the Secretary of State the following bills:

[House File 685](#), an Act establishing the Child Identification and Protection Act, which prohibits the fingerprinting of children, and providing for exceptions.

[House File 718](#), an Act allowing a refund of unexpired motor vehicle registration fees to a vehicle owner who moves out of state.

[House File 856](#), an Act providing a sales and use tax exemption for certain nonprofit organizations that build or repair low-income dwellings.

[House File 859](#), an Act relating to the establishment of a form of business association referred to as a cooperative, and providing for fees and tax credits, providing penalties, and providing an effective date.

### CERTIFICATES OF RECOGNITION

MR. SPEAKER: The Chief Clerk of the House respectfully reports that certificates of recognition have been issued as follows.

MARGARET A. THOMSON  
Chief Clerk of the House

- 2005\1573 Jo Wilson, Winthrop – For celebrating her 90<sup>th</sup> birthday.
- 2005\1574 Wayne and Elsie Paulsen, Elk Horn – For celebrating their 60<sup>th</sup> wedding anniversary.
- 2005\1575 Larry and Vera Kenyon, Guthrie Center – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2005\1576 Marvin and Dorothy Finnegan, Guthrie Center – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2005\1577 Dallas and Vera Roy, Sioux City – For celebrating their 60<sup>th</sup> wedding anniversary.
- 2005\1578 Carol Groth, Rock Valley – For her 26 years of dedicated service as a teacher at Starkweather Elementary School.
- 2005\1579 Anna Kraayenbrink, Sioux Center – For receiving the Bausch and Lomb Science Award.
- 2005\1580 Joel and Tracey Dykstra, Hull – For celebrating their 60<sup>th</sup> wedding anniversary.

- 2005\1581 Tillie Bobeldyk, Inwood – For celebrating her 90<sup>th</sup> birthday.
- 2005\1582 Gilbert Van Noort, Rock Valley – For celebrating his 90<sup>th</sup> birthday.
- 2005\1583 Elvin and Eunice Norman, Sioux Center – For celebrating their 65<sup>th</sup> wedding anniversary.
- 2005\1584 Al Mews, Inwood – For his 33 years of dedicated service as a teacher for West Lyon Community School.
- 2005\1585 Myra Nelson, Alvord – For her 20 years of dedicated service as a teacher and librarian for West Lyon Community School.
- 2005\1586 Raymond Johnson, Alvord – For his 22 years of dedicated service as a bus driver for West Lyon Community School.
- 2005\1587 Kenneth and Evelyn Vagts, Eldorado – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2005\1588 Robert and Ina Davis, Dundee – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2005\1589 Richard and Carol Bradley, Manchester – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2005\1590 Virginia Benson, Madrid – For celebrating her 80<sup>th</sup> birthday.
- 2005\1591 Marjorie Buck, Ames – For celebrating her 80<sup>th</sup> birthday.
- 2005\1592 Raymond Lawson, Ames – For celebrating her 80<sup>th</sup> birthday.
- 2005\1593 Thomas Wheelock, Ames – For celebrating his 80<sup>th</sup> birthday.
- 2005\1594 Hilda Hilker, Ames – For celebrating her 80<sup>th</sup> birthday.
- 2005\1595 Wilma Munson, Ames – For celebrating her 80<sup>th</sup> birthday.
- 2005\1596 Henry Hayes, Ames – For celebrating his 80<sup>th</sup> birthday.
- 2005\1597 Alice Jones, Ames – For celebrating her 80<sup>th</sup> birthday.
- 2005\1598 Gail Johnson, Ames – For celebrating her 80<sup>th</sup> birthday.
- 2005\1599 Phyllis Ketcham, Ames – For celebrating her 80<sup>th</sup> birthday.
- 2005\1600 Jack Barrow, Ames – For celebrating his 85<sup>th</sup> birthday.
- 2005\1601 Kenneth Lange, Ames – For celebrating his 85<sup>th</sup> birthday.
- 2005\1602 Jean Baldner, Ames – For celebrating her 85<sup>th</sup> birthday.
- 2005\1603 Elizabeth Welder, Madrid – For celebrating her 85<sup>th</sup> birthday.

- 2005\1604 Dorothy Patota, Ames – For celebrating her 90<sup>th</sup> birthday.
- 2005\1605 Mr. and Mrs. Max Hammer, Glenwood – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2005\1606 Lars and Fran Tjelta, Story City – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2005\1607 Clive and Peggy Johnston, Johnston – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2005\1608 Marjorie Funke, Clemons – For celebrating her 80<sup>th</sup> birthday.
- 2005\1609 Geraldine and Murl Biery, Iowa Falls – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2005\1610 Mary Rose and Bert Brown, Iowa Falls – For celebrating their 60<sup>th</sup> wedding anniversary.
- 2005\1611 Addie Campbell, North Scott High School – For receiving the Herbert Hoover Uncommom Student Award.
- 2005\1612 Jacqueline Lambert, Monticello – For being selected as one of the 100 Top Nurses in Iowa.
- 2005\1613 Byron Manternach, Monticello – For winning 1<sup>st</sup> in Class 2A 3200 Meter Run at the Boys State Track Meet.
- 2005\1614 Carrie Witt, What Cheer – For celebrating her 90<sup>th</sup> birthday.
- 2005\1615 Jan Heetland, Brooklyn – For being named Wal-Mart's Teacher of the Year.
- 2005\1616 Nancy Bell, What Cheer – Upon her retirement, for her 30 years of dedicated service as a teacher at Tri-County School.
- 2005\1617 Elvina and Pete Petersen, Williamsburg – For celebrating their 60<sup>th</sup> wedding anniversary.
- 2005\1618 Charles Allen Grimm, Brooklyn – Upon his retirement, for 26 years of dedicated service as a teacher at BGM Community Schools.
- 2005\1619 Don Hilligas, Brooklyn – Upon his retirement, for his 23 years of dedicated service as a custodian at BGM Community Schools.
- 2005\1620 Tyler Moeller, Mt. Pleasant – For being selected to the Boys Allstate Team.
- 2005\1621 Tyler Leichty, Mt. Pleasant – For being selected to the Boys Allstate Team.
- 2005\1622 Levon Mullin, Winfield – For being selected to the Boys Allstate Team.
- 2005\1623 Keith and Dixie Meyers, Keosauqua – For celebrating their 50<sup>th</sup> wedding anniversary.

- 2005\1624 Fraternal Order of Eagles, Dubuque – For their dedicated support to the Dubuque Area Council for Prevention of Child Abuse, a volunteer organization of concerned citizens.
- 2005\1625 Kurt Kruger, Sheldon – For attaining the rank of Eagle Scout, the highest rank in the Boy Scouts of America.
- 2005\1626 Bradley Youngs, Sheldon – For attaining the rank of Eagle Scout, the highest rank in the Boy Scouts of America.

#### FINAL ADJOURNMENT

By virtue of [Senate Concurrent Resolution 18](#), duly adopted, the day of May 20, 2005 having arrived, the Speaker of the House of Representatives declared the 2005 Regular Session of the Eighty-first General Assembly adjourned sine die at 10:58 p.m.

**SUPPLEMENT TO HOUSE JOURNAL****BILLS APPROVED, VETOED, OR ITEM VETOED  
SUBSEQUENT TO ADJOURNMENT**

The following is a record of the action of the Governor on bills passed by the 2005 Regular Session of the Eighty-first General Assembly and which action was had subsequent to the date of final adjournment.

- [H.F. 222](#)— Relating to the nonpartisan election of township officers. Approved 6-26-05.
- [H.F. 440](#)— Relating to sanctioning the motor vehicle operating privileges of a person upon a second or a subsequent conviction for motor fuel theft from a retail dealer. Approved 6-3-05.
- [H.F. 619](#)— Relating to criminal sentencing, victim notification, and the sex offender registry, by establishing a special sentence for certain offenders, requiring DNA testing of certain offenders and lengthening the time an information or indictment may be found in certain offenses where DNA evidence is available, requiring sex offender treatment in order to accumulate earned time, restricting certain persons from residing with sex offenders, establishing a sex offender treatment and supervision task force, providing penalties, and providing effective dates. Approved 6-14-05.
- [H.F. 674](#)— Relating to distribution of secondary and farm-to-market road funds. Approved 6-3-05.
- [H.F. 682](#)— Relating to the assessment of a civil penalty and criminal penalty surcharge, and creating a criminalistics laboratory fund. Approved 6-3-05.
- [H.F. 739](#)— Relating to education technology, including the creation of an Iowa Learning Technology Commission and pilot programs, and the establishment of a research triangle and clearinghouse, and providing for contingent effectiveness. Approved 6-3-05.
- [H.F. 742](#)— Relating to the Iowa Early Intervention Block Grant program by changing the reporting requirements, extending the repeal of the chapter establishing the program, and providing an effective date. Approved 6-6-05.
- [H.F. 761](#)— Relating to improvement of the early care, child care services, education, health, and human services systems, revising development tax credit, and providing an applicability date. Approved 6-6-05.

- [H.F. 767](#)— Relating to a schedule established by the Environmental Protection Commission for civil penalties. Vetoed 6-10-05. See Governor's Veto Message.
- [H.F. 770](#)— Providing for the Iowa Department of Public Health to administer the hotel sanitation code, regulation of home food establishments, Iowa Food Code, regulation of egg handlers, and inspection of cosmetology and barbering licensees in place of the Department of Inspections and Appeals. Vetoed 6-10-05. See Governor's Veto Message.
- [H.F. 805](#)— Relating to agricultural production including animal feeding operations, by providing for the regulation of open feedlot operations, and agricultural production liens, and providing for penalties. Approved 5-23-05.
- [H.F. 807](#)— Relating to and making appropriations to the judicial branch, and providing an effective date. Approved 6-14-05 with the exception of Section 11. See Governor's Item Veto Message.
- [H.F. 808](#)— Relating to and making appropriations involving state government, including provisions effecting agriculture and natural resources, and provisions relating to a wind energy production tax credit, and providing for fees. Approved 6-14-05
- [H.F. 809](#)— Relating to and making appropriations to the Department of Economic Development, the Office of the Treasurer of State, and certain board of regents institutions, the Department of Workforce Development, and the Public Employee Relations Board, related matters, and providing an effective date. Approved 6-9-05 with the exception of Section 2, subsection 3e. See Governor's Item Veto Message.
- [H.F. 810](#)— Relating to and making appropriations to certain state department, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters, and providing an effective date. Approved 6-14-05 with the exception of Section 17, subsection 1, 2<sup>nd</sup> unnumbered paragraph. See Governor's Item Veto Message.
- [H.F. 811](#)— Relating to and making appropriations to the justice system, revising pretrial release requirements for certain criminal offenses, and providing effective date. Approved 6-14-05 with the exception of Division I, Section 6, subsection 1h, 1<sup>st</sup> unnumbered paragraph; Division I, Section 14, subsection 5b, 1<sup>st</sup> unnumbered paragraph. See Governor's Item Veto Message.
- [H.F. 816](#)— Relating to the funding of, the operation of, and appropriation of moneys to the College Student Aid Commission, the Department for the Blind, the Department of Cultural Affairs, the Department of Education, and the State Board of Regents and providing an effective date. Approved 6-6-05 with the exception of Section 9; Section 12, subsection 1, paragraph a, 1<sup>st</sup> unnumbered paragraph;

Section 19; Section 31, paragraph b; Section 33, 3<sup>rd</sup> unnumbered paragraph. See Governor's Item Veto Message.

- [H.F. 821](#)— Relating to the establishment of a prescription drug assistance program by the commissioner of insurance, and providing for a contingent appropriation. Approved 6-10-05 with the exception of Section 2, subsection 2. See Governor's Item Veto Message.
- [H.F. 825](#)— Relating to and making appropriations to the Department of Human Services, the Department of Elder Affairs, the Iowa Department of Public Health, the Commission of Veterans Affairs and the Iowa Veterans Home, and the Department of Inspections and Appeals, providing for fee increases, and including other related provisions and appropriations, and providing effective dates. Approved 6-14-05 with the exception of Section 9, subsection 14; Section 24, subsection 6. See Governor's Item Veto Message.
- [H.F. 828](#)— Relating to aquatic regulations and activities, including aquatic invasive species, the regulation and registration of certain vessels, the operation of certain vessels by minors, inspections of certain vessels, the operation of vessels for hire of commercial vessels, providing for penalties, and appropriating the moneys collected from certain registration fee increases to the state fish and game protection fund. Approved 5-23-05.
- [H.F. 831](#)— Relating to tax credits for equity investments in qualifying businesses or community-based seed capital funds. Approved 6-13-05.
- [H.F. 834](#)— Relating to persons commercially cleaning toilet units and private sewage disposal facilities by providing regulations, fees, and civil penalties, and making appropriations. Approved 6-10-05.
- [H.F. 858](#)— Establishing a state wide work-based learning intermediary network program and creating a fund. Approved 6-10-05.
- [H.F. 862](#)— Relating to and making appropriations from the Healthy Iowans Tobacco Trust and the Tobacco Settlement Trust Fund. Approved 6-14-05 with the exception of Section 1, subsection 3, paragraph f. See Governor's Item Veto Message.
- [H.F. 868](#)— Relating to economic development, business, workforce, and regulatory assistance and tax credits, property tax assessment, to excise taxes on E-85 gasoline, to issuance of revenue bonds, and to state developmental, research, and regulatory oversight, and including effective and retroactive applicability provisions. Approved 6-9-05.
- [H.F. 869](#)— Relating to credits provided for the purpose of acquiring agriculture assets by beginning farmers and providing effective and applicability dates. Vetoed 6-10-05. See Governor's Veto Message.

- [H.F. 875](#)— Relating to and making appropriations to state departments and agencies from the Rebuild Iowa Infrastructure Fund, Environment First Fund, Tobacco Settlement Trust Fund, vertical infrastructure fund, general fund of the state, and related matters and creating the Honey Creek premier destination park bond program and authority and providing for the issuance of tax-exempt bonds and including effective and retroactive applicability date provisions. Approved 6-15-05.
- [H.F. 879](#)— Relating to the regulation of snowmobiles and establishing fees. Approved 5-23-05.
- [H.F. 881](#)— Relating to the compensation and benefits for public officials and employees and members of the general assembly, providing for related matters, making appropriations, and including effective and retroactive applicability dates provisions. Approved 6-14-05.
- [H.F. 882](#)— Relating to state and local finances by providing for tax exemptions, credits, tax credit transfers, and other tax-related matters and making, reducing, and transferring appropriations, providing for fees, providing for wind energy production tax credits, and providing for properly related matters and penalties and including effective and retroactive applicability date provisions. Approved 6-16-05 with the exception of Section 65; Section 81; Section 94, subsection b; Section 106; Section 143. See Governor's Item Veto Message.
- [H.F. 883](#)— To legalize actions taken and proceedings conducted by the State of Iowa, Linn County, the City of Cedar Rapids, and three school districts including the Cedar Rapids Community School District, the College Community School District, and the Linn-Mar Community School District, which relate to erroneously established boundaries, and providing an effective date. Approved 6-10-05.
- [S.F. 176](#)— Entering Iowa into the Midwestern Higher Education Compact. Approved 6-6-05.
- [S.F. 200](#)— Relating to agriculture by providing for the powers and duties of the department of agriculture and land stewardship and watershed improvement. Approved 6-15-05.
- [S.F. 201](#)— Providing for veterinary emergency preparedness and response by the department of agriculture and land stewardship. Approved 6-10-05.
- [S.F. 206](#)— Relating to deer population management and providing penalties and appropriations. Approved 6-3-05.
- [S.F. 245](#)— Relating to a secondary school core curriculum, including requiring the state board of education to determine a model core curriculum and set a statewide core curriculum completion rate goal, requiring school districts to develop a core curriculum plan for eighth grade students and to report student core curriculum progress annually,

requiring school districts and schools to report core curriculum completion percentages annually, and providing for the coordination of an educational data definitions working group. Approved 6-7-05.

[S.F. 342](#)–

Relating to financial and regulatory matters by making and increasing appropriations for the fiscal year beginning July 1, 2004, making penalties applicable and providing effective and applicability date provisions. Approved 6-3-05.

[S.F. 389](#)–

Providing individual and corporate income tax credits for soy-based cutting tool oil and including an applicability date provision. Approved 6-6-05.

[S.F. 390](#)–

Relating to the generation and purchase of renewable energy including establishing a renewable energy tax credit program administered by the utilities division of the department of commerce and the department of revenue, and providing an effective date. Approved 6-15-05.

[S.F. 413](#)–

Relating to sales and use tax changes, excise taxes on rental of rooms and sleeping quarters, and the sale and use of construction equipment, and relating to the policy and administration of other taxes and tax-related matters and including effective and retroactive applicability date provisions. Approved 6-3-05.

## GOVERNOR'S VETO MESSAGES

June 10, 2005

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 767](#), an Act relating to a schedule established by the Environmental Protection Commission for civil penalties.

This bill increases the maximum administrative penalty that the Environmental Protection Commission may impose for environmental violations from \$10,000 to \$25,000. Under this legislation, only cases involving violations of more than \$25,000 would be referred to the Attorney General's Office for prosecution and recovery of civil penalties. Attorney General Tom Miller has conveyed deep concern that this legislation will reduce the intensity of environmental enforcement in Iowa, and this is a policy I cannot support.

The current maximum administrative penalty is consistent with that of surrounding states. Nebraska and Minnesota both have a \$10,000 limit for resolving violations by administrative penalties—same as Iowa. All clean water and clean air violations are referred to the Attorney General's Office in Wisconsin. Illinois has a similar law that requires all environmental violations to be referred to the Attorney General except for certain landfill violations, and Missouri had referred all but three violations for action by the Attorney General.

The quality of our water and air contribute to the high quality of life Iowans value and expect, and now is not the time to relax environmental enforcement when we are working aggressively to clean-up Iowa's 211 impaired waterways. The State holds the responsibility of ensuring our water and air are safe. This bill would compromise our ability to do so.

For the above reasons, I respectfully disapprove [House File 767](#).

Sincerely,  
Thomas J. Vilsack  
Governor

June 10, 2005

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 770](#), an Act providing for the Iowa Department of Public Health to administer the hotel sanitation code, regulation of home food establishments, Iowa Food Code, regulation of egg handlers, and inspection of cosmetology and barbering licensees in place of the Department of Inspections and Appeals.

I have serious concerns about the policy change established by this bill relating to food regulation. Moving this program from the Department of Inspections and Appeals to the Department of Public Health is inconsistent with the philosophy of my administration of separating the steering and rowing functions of government. The action to move a regulatory function from a regulatory agency to an agency of advocacy is counterproductive and an inefficient use of government resources. My administration has worked hard to align activities of agencies with their core functions to provide better service to Iowans while improving efficiency. There is no efficiency to be gained by simply transferring regulatory oversight between departments.

The Department of Inspections and Appeals recommended two policy changes to improve the food regulation program that I encourage the Legislature to consider during the next session. Both are supported by the Department of Public Health, local public health agencies, and the Iowa Environmental Health Association. These changes are necessary steps in working toward a food inspection program that will better protect the health security of Iowans.

First, Iowa policy should recognize the latest scientific advances by keeping the Iowa Food Code up to date with the most recent version of the FDA Food Code. The Iowa Food Code currently references the outdated 1997 FDA edition and needs to be amended by the Legislature.

Second, license fees must be increased to cover the full cost of food inspections. It takes a well-educated, well-trained, well-equipped and dedicated workforce completing regular inspections to provide the public with confidence that the food they purchase at a restaurant or grocery store is safe. For nearly all food inspection agencies in Iowa, license fees currently fall short of covering the cost of a fully implemented inspection program by over \$800,000. The result is that local governments are forced to make up for the difference with taxpayer dollars. Failure to address this inequity will likely result in some counties discontinuing contracts to provide this service, thereby turning the responsibility for food inspection back over to the State. This cost should be borne by inspection fees, and I encourage the Legislature to take action.

For the above reasons, I respectfully disapprove [House File 770](#).

Sincerely,  
Thomas J. Vilsack  
Governor

June 10, 2005

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 869](#), an Act relating to credits provided for the purpose of acquiring agriculture assets by beginning farmers and providing effective and applicability dates.

[House File 869](#) provided income tax credits to a farmer that sells or leases land or other agricultural assets to a new farmer. This bill was originally introduced to provide incentives for existing farmers to assist beginning farmers in acquiring land and starting their operations, and I support the original intent of this bill.

However, during the legislative process, another provision was attached to this bill that expands the sales tax exemption for farm machinery and equipment used in livestock production. The Department of Revenue has a number of cases under protest regarding the items contained in this bill, and one of the cases is currently pending before the Iowa Supreme Court. At this time, approval of [House File 869](#) would not be appropriate because the Supreme Court has yet to issue a ruling on the matter of the sales tax exemption.

I am unable to approve [House File 869](#) due to the inclusion of Section 5-7. I encourage legislators to pass a bill during the next legislative session that meets the original intent of [House File 869](#) by providing an incentive to assist beginning farmers and is consistent with the decision ultimately reached by the Iowa Supreme Court on this issue.

For the above reasons, I respectfully disapprove [House File 869](#).

Sincerely,  
Thomas J. Vilsack  
Governor

## GOVERNOR'S ITEM VETO MESSAGES

A copy of the following communication was received and placed on file:

June 6, 2005

The Honorable Chester Culver  
Secretary of State  
State Capital Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 816](#), an Act relating to the funding of, the operation of, and appropriation of moneys to the College Student Aid Commission, the Department for the Blind, the Department of Cultural Affairs, the Department of Education, and the State Board of Regents and providing an effective date.

During my Condition of the State address in January, I asked the legislature to seize an historic opportunity to work together as one—no Republican agenda, no Democrat agenda, only one shared agenda—an Iowa agenda. Today we can be proud that we started with education. Our children deserve and need a world-class education that prepares them for the challenge of global competition. Our children need the best if they hope to succeed with that competition and in life.

The best legislative efforts at the Iowa State Capitol occur when people work together. Clearly, no other issue facing Iowa is as important as education. The cornerstone of our society, education has received its rightful attention in recent years. Despite sluggish revenue growth, legislators and the Executive Branch have endeavored to improve student achievement, tie that achievement to teacher pay and reduce class sizes. This year marks the first significant infusion of dollars into Student Achievement/Teacher Quality program since its inception. Teachers' salaries will move from 39<sup>th</sup> to 35<sup>th</sup> as a result with increased dollars flowing to local districts to support continued development of classroom teachers' skills – the hallmark of the original program design.

Continuing opportunity in our outstanding community college and regents system is critical to our state's economic future. Increased funding will allow higher education in Iowa to remain both high-quality and affordable. At the same time, we support the transformational process being undertaken by the Board of Regents with a significant investment of state resources and increase support to community colleges that signifies the value of educational opportunity provided by our great community college system throughout the state.

This bill increases funding to all sectors of education and gives our children every opportunity for success by ensuring our earliest learners get a strong start by making a significant down payment on early care, health and education system for our youngest Iowans. More children will have access to high quality programs, more parents will receive education and support, and more children will be ready to succeed in school.

[House File 816](#) is approved on this date, with the following exceptions which I hereby disapprove:

I am unable to approve the item designated as Section 9 in its entirety. This section requires the Board of Educational Examiners to convene a working group to review current teacher and administrator preparation and licensing processes and make recommendations for improvement. Given that the Legislature failed to provide adequate funding for the Board of Educational Examiners it is inadvisable to add additional responsibilities to the Board at this time.

I am unable to approve the designated portion of Section 12, subsection 1, paragraph a, first unnumbered in its entirety. This sentence specifies that the Board of Regents, the Department of Management and the Legislative Service Agency shall cooperate to determine the amount to be appropriated for tuition replacement. This language is outdated and unnecessary as the Board of Regents now relies on a financial advisor to calculate figures for tuition replacement.

I am unable to approve the item designated as Section 19 in its entirety. Section 190 directs the Department of Education to establish a value-added assessment system to provide for multivariate longitudinal analysis of annual student test scores to determine the influence of a school district's education program on student academic growth. The creation of a value-added assessment system is redundant and unnecessary in light of the assessment models that Iowa school districts have already implemented for continuous school improvement programs and to meet the requirements of the federal No Child Left Behind statute. Implementing this new system could have long-range unintended effects on existing local and state assessment systems.

I am unable to approve the item designated as a portion of Section 31, paragraph b. This section requires that \$5,000 from the Student Achievement and Teacher Quality allocation for National Board Certification Awards be used to conduct a study of the impact the national board for professional teaching standards certification of Iowa's teachers has on student achievement. This section requires a research design that would cost far more than the \$5,000 in resources provided to complete the study. In addition the various studies underway nationally will provide sufficient information for decision-makers in Iowa to debate continuation of this program.

I am unable to approve the item designated as Section 33, third unnumbered paragraph in its entirety. The third unnumbered paragraph of Section 33 allocates up to \$1,000,000 from the Student Achievement and Teacher Quality appropriation for the value-added assessment system. This appropriation is unnecessary with the veto of Section 19. In addition, investment in Iowa's high quality teaching staff will pay more dividends than creating another assessment data base.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 816](#) are hereby approved as of this date.

Sincerely,  
Thomas J. Vilsack  
Governor

June 9, 2005

The Honorable Chester Culver  
Secretary of State  
State Capital Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 809](#), an Act relating to and making appropriations to the Department of Economic Development, the Office of the Treasurer of State, and certain board of regents institutions, the Department of Workforce Development, and the Public Employee Relations Board, related matters, and providing an effective date.

[House File 809](#) is approved on this date with the following exception. I am unable to approve the item designated as Section 2, Subsection 3e in its entirety. It is critically important that the state's interstate welcome centers remain open seven days a week and allowed to serve the nearly 250,000 travelers that visit those centers annually. Currently over 50 percent of the brochure enrollment revenue comes from non-profit organizations. Without that, the centers would be closed several days a week.

For the above reasons, I respectfully disapprove this item in accordance with Article 3, Section 16 of the Constitution of the State of Iowa. All other items in [House File 809](#) are hereby approved as of this date.

Sincerely,  
Thomas J. Vilsack  
Governor

June 10, 2005

The Honorable Chester Culver  
Secretary of State  
State Capital Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 821](#), an Act relating to the establishment of a prescription drug assistance program by the commissioner of insurance, and providing for a contingent appropriation.

Assisting all Iowans with access to lower cost prescription drugs continues to be one of my top priorities. Prescription drug assistance programs similar to the one established in [House File 821](#) have been valuable tools in other states, and this program is estimated to save Iowans between \$6 and \$10 million. Furthermore, [House File 821](#) will compliment the initiatives of the new IowaCare Act ([House File 841](#)). I have directed the Insurance Commissioner to work with the Department of Human Services during the implementation process to ensure an efficient and effective use of resources in providing prescription drug assistance to Iowans.

[House File 821](#) is approved on this date with the following exception, which I hereby disapprove. I am unable to approve the item designated as Section 2, Subsection 2 in its entirety. I remain concerned that this section unnecessarily diverts resources away from the Senior Living Trust, which provided seniors vital health care and living option services. This section also implies the program is targeted towards older Iowans when its benefits should serve all Iowans who need assistance accessing prescription drugs to protect their health security. If necessary, any future appropriation should come from the state general fund. I cannot and will not support an unnecessary diversion of resources from the Senior Living Trust.

For the above reasons, I respectfully disapprove of the designated item in accordance Article III, Section 16, of the Constitution of the State of Iowa. All other items in [House File 821](#) are hereby approved as of this date.

Sincerely,  
Thomas J. Vilsack  
Governor

June 14, 2005

The Honorable Chester Culver  
Secretary of State  
State Capital Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 807](#), an Act relating to and making appropriations to the judicial branch, and providing an effective date.

[House File 807](#) is approved on this date, with the following exception, which I hereby disapprove:

I am unable to approve the item designated as Section 11 in its entirety. This section deals with a reference to a contingent appropriation from the Microsoft settlement and would have it be effective upon enactment. The language is making the contingent appropriation was removed during session, thereby making the section unnecessary.

For the above reasons, I respectfully disapprove this item in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 807](#) are hereby approved as of this date.

Sincerely,  
Thomas J. Vilsack  
Governor

June 14, 2005

The Honorable Chester Culver  
Secretary of State  
State Capital Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 810](#), an Act relating to and making appropriations to certain state department, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters, and providing an effective date.

[House File 810](#) is approved on this date, with the following exception, which I hereby disapprove:

I am unable to approve the item designated as Section 17, Subsection 1, 2<sup>nd</sup> unnumbered paragraph in its entirety. This paragraph requires the Department of Administrative Services to provide data processing services to the Secretary of State's Office to support voter registration file maintenance and storage at no charge. When the Department of Administration Services was created, it was designed to bring an entrepreneurial management model to state government to generate more efficient services and a more accountable government. Exempting a single agency from paying for services it receives is counter to the business model, causes rates for all other customers of the Department to increase, and created a federal over-recovery issue for the Department. This is a policy I cannot support.

For the above reasons, I respectfully disapprove this item in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 810](#) are hereby approved as of this date.

Sincerely,  
Thomas J. Vilsack  
Governor

June 14, 2005

The Honorable Chester Culver  
Secretary of State  
State Capital Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 811](#), an Act relating to and making appropriations to the justice system, revising pretrial release requirements for certain criminal offenses, and providing effective date.

[House File 811](#) is approved on this date, with the following exception, which I hereby disapprove:

I am unable to approve the item designated as Division I, Section 6, Subsection 1h, 1<sup>st</sup> unnumbered paragraph in its entirety. This paragraph deals with a reference to the establishment of a community panel drug court in the eighth judicial district department of correctional service, which during the final days, the funding was removed, however the language remained due to an oversight. Since the funding was removed this language becomes unnecessary.

I am unable to approve the item designated as Division I, Section 14, Subsection 5b, 1<sup>st</sup> unnumbered paragraph in its entirety. This paragraph deals with a reference to the allocation of \$200 for the mailing of notice to all affected agencies or emergency services providers informing the agencies or providers about the requirement of an autopsy under section 144.56A. Unfortunately, the wording may actually serve as a barrier to proper notification. The cost of mailing notices to hundreds of public safety agencies, professional organizations, and other relevant parties, including county medical examiners, may substantially exceed the \$200 amount. As such, I want to ensure that the Department of Public Safety is not hindered or unduly limited in their ability to provide notice by multiple means, including mailing notices even if the cost of such mailings exceeds \$200.

I have instructed the Department of Public Safety, in cooperation with the State Medical Examiner, to fully inform agencies whose employees and volunteers are subject to the provisions of the new Iowa Code Section 144.56A of this provision as well as families of the deceased. The Department of Public Safety will enlist various means of providing notification, through presentations at conferences of organizations representing public safety officers, articles and notices in those organizations' newsletters, and notices by U.S. mail or electronic mail, when available, to those organizations and agencies with covered employees or volunteers.

For the above reasons, I respectfully disapprove these items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 811](#) are hereby approved as of this date.

Sincerely,  
Thomas J. Vilsack  
Governor

June 14, 2005

The Honorable Chester Culver  
Secretary of State  
State Capital Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 825](#), an Act relating to and making appropriations to the Department of Human Services, the Department of Elder Affairs, the Iowa Department of Public Health, the Commission of Veterans Affairs and the Iowa Veterans Home, and the Department of Inspections and Appeals, providing for fee increases, and including other related provisions and appropriations, and providing effective dates.

At the beginning of the legislative session, I challenged the Legislature to take action to protect the health security of Iowans. This bill takes a number of noteworthy steps to accomplish that goal.

This bill includes an increase of almost \$10 million to increase reimbursement for child care providers and to expand eligibility for low income families to qualify for state child care assistance, a key piece of our early childhood initiative. This bill

complements those efforts with a \$4.5 million increase for the children's health insurance program (HAWK-I), to provide health coverage for increasing numbers of children.

During the past several years of difficult budget times, other states have had to cut services or reduce eligibility to maintain their Medicaid programs. Iowa has managed to avoid cutting services to our most vulnerable and found a way to actually improve services and provide health coverage for an additional 30,000 Iowans through this bill and [House File 841](#), the IowaCare Act. Today, we take steps to improve health security by providing \$6 million in Medicaid funding to pay for health services in the home and community for almost 2,500 ill or disabled Iowans. We also provide funding for a three percent reimbursement rate increase for all medical providers under the Medicaid program to maintain the high quality of care in our health care system.

Despite the good efforts highlighted above, I have several concerns with this budget. Although I am pleased that the Legislature did not cut Medicaid services and did increase provider reimbursement rates, based on current estimates, the Medicaid program was still not fully funded. Legislators will need to address this through a supplemental for Medicaid when they return next January.

This budget also continues to rely heavily on the Senior Living Trust to fund essential health care services. This year we made a step to reduce that reliance. However, in order to continue protecting the health security of Iowans, we will need to further reduce the reliance on the Senior Living Trust while taking steps to pay back and strengthen the Trust.

I am also disappointed that the Legislature did not take action to save lives by increasing the tobacco tax, which in turn would reduce cigarette consumption, particularly among children. Children are particularly likely to stop smoking, or not start in the first place, when the price is increased. Increasing the tobacco tax by \$0.80 will lead to an estimated 15.6 percent decrease in youth smoking rates and a 4.2 percent decrease in adult smoking rates. Estimates also indicate that in the first five years alone, a tobacco tax increase will lead to \$8.5 million in health care cost savings for heart and stroke illnesses and \$5.9 million in health care savings by avoiding low birth weight births. I am hopeful that the Legislature will take action on the tobacco tax to save lives and protect the health security of Iowans next year.

[House File 825](#) is approved on this date, with the following exceptions, which I hereby disapprove:

I am unable to approve the item designated as Section 9, Subsection 14, in its entirety. This subsection prescribes requirements that the Department of Human Services would be required to abide by in order to implement the cost saving provisions of Iowa's preferred drug list (PDL) in the Medicaid program. These requirements are impractical and would create an unnecessary barrier to the effective implementation of the PDL. The requirements also seek to give drug manufacturers preferential treatment. Currently, the Department posts the agenda of the Pharmaceutical and Therapeutics Committee including drugs to be considered 30 days in advance for all interested parties, not just pharmaceutical manufacturers, to review. Current practice also allows all interested parties to comment. I believe that the process should provide timely notice to and opportunity for comment from all interested parties. The current practice accomplishes this.

I am unable to approve the item designated as Section 24, Subsection 6, in its entirety. This subsection directs the Department of Human Services to continue contracting with current service providers for mental health services provided to the homeless rather than requesting competitive bids as required under federal law. I believe that it is a good government practice to get the best value and best service possible; therefore, I support using a competitive bidding process.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 825](#) are hereby approved this date.

Sincerely,  
Thomas J. Vilsack  
Governor

June 14, 2005

The Honorable Chester Culver  
Secretary of State  
State Capital Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 862](#), an Act relating to and making appropriations from the Healthy Iowans Tobacco Trust and the Tobacco Settlement Trust Fund.

[House File 862](#) is approved on this date, with the following exceptions which I hereby disapprove:

I am unable to approve the item designated as a portion of Section 1, subsection 3, paragraph f. This language requires allocation of funds for the implementation of a treatment program at the Iowa Correctional Institution for Women in Mitchellville. A similar value-based treatment program at the Newton Correctional Facility is the subject of a constitutional challenge currently before the U.S. District Court. In order to avoid confusion, state appropriations for value-based treatment programming should not be expanded to other correctional institutions until the courts resolve this issue and provide clear direction as to what is and is not permissible.

For the above reasons, I respectfully disapprove of the designated item in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 862](#) are hereby approved as of this date.

Sincerely,  
Thomas J. Vilsack  
Governor

June 16, 2005

The Honorable Chester Culver  
Secretary of State  
State Capital Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 882](#), an Act relating to state and local finances by providing for tax exemptions, credits, tax credit transfers, and other tax-related matters and making, reducing, and transferring appropriations, providing for fees, providing for wind energy production tax credits, and providing for properly related matters and penalties and including effective and retroactive applicability date provisions.

[House File 882](#) is approved on this date, with the following exceptions, which I hereby disapprove:

I am unable to approve the item designated as Section 65 in its entirety. This section provides a sales tax exemption for construction of residential treatment facilities and is expected to impact two facilities currently under development. Both facilities are receiving \$250,000 direct state appropriation through [House File 875](#), and I support and approved the state appropriation for construction of both facilities. However, I do not support providing special tax status to two specific projects. This represents bad tax policy and creates a fairness issue with the thousands of other non-profit organizations with equally worthy missions throughout Iowa.

I am unable to approve the item designates as Section 81 in its entirety. This section provides the effective date for the sales tax exemption contained in Section 65, which is vetoed. Therefore, this section is unnecessary.

I am unable to approve the item designated as Section 94, Subsection b, in its entirety. The expansion of the good cause definition for late open enrollment applications was intended to accompany a change to move the authority for determining good cause to the resident district. This bill does not make the change back to the resident district thereby creating a situation that open enrollment decisions may not be based on the beat interest of the student. My administration is committed to working with legislators and stakeholders during the next legislative session to ensure changes to this policy will positively impact all constituents.

I am unable to approve the item designated as Section 106 in its entirety. This section is contingent upon enactment of [House File 770](#), which was vetoed. Therefore, this section is unnecessary.

I am unable to approve the item designated as Section 143 in its entirety. This section makes the effective date of Section 106 contingent upon enactment of [House File 770](#), which was vetoed. Therefore this section is unnecessary.

For the above reasons, I respectfully disapprove the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 882](#) are hereby approved this date.

Sincerely,  
Thomas J. Vilsack  
Governor