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**STATE OF IOWA**

**House Journal**

**WEDNESDAY, APRIL 12, 2006**

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## JOURNAL OF THE HOUSE

Ninety-fourth Calendar Day - Sixty-sixth Session Day

Hall of the House of Representatives  
Des Moines, Iowa, Wednesday, April 12, 2006

The House met pursuant to adjournment at 8:45 a.m., Speaker pro tempore Carroll in the chair.

Prayer was offered by Reverend John Colyer, pastor of Ankeny Free Church, Ankeny. He was the guest of Representative Carmine Boal of Polk County.

### PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Speaker pro tempore Carroll.

The Journal of Tuesday, April 11, 2006 was approved.

The House stood at ease at 8:49 a.m., until the fall of the gavel.

The House resumed session at 11:29 a.m., Speaker Rants in the chair.

### SENATE AMENDMENT CONSIDERED

Horbach of Tama called up for consideration [House File 2562](#), a bill for an act to make electronic mail and telephone billing records of law enforcement agencies confidential if that information is part of an investigation, amended by the Senate, and moved that the House concur in the following Senate amendment [H-8506](#):

#### [H-8506](#)

- 1 Amend [House File 2562](#), as passed by the House, as
- 2 follows:
- 3 1. Page 1, line 5, by inserting after the word
- 4 "an" the following: "ongoing".
- 5 2. Page 1, line 12, by inserting after the word
- 6 "individual." the following: "Specific portions of
- 7 electronic mail and telephone billing records may be
- 8 kept confidential under this subsection only for as
- 9 long as the statute of limitations would have run on a
- 10 respective crime that is under investigation."

The motion prevailed and the House concurred in the Senate amendment [H-8506](#).

Horbach of Tama moved that the bill, as 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?" ([H.F. 2562](#))

The ayes were, 97:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cohoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Foege
Ford	Freeman	Frevert	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
Mertz	Miller	Murphy	Oldson
Olson, D.	Olson, R.	Olson, S.	Paulsen
Petersen	Pettengill	Quirk	Raecker
Rasmussen	Rayhons	Reasoner	Reichert
Roberts	Sands	Schickel	Schueller
Shomshor	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
Mr. Speaker			
Rants			

The nays were, none.

Absent or not voting, 3:

Fallon	McCarthy	Zirkelbach
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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 2562](#) be immediately messaged to the Senate.

On motion by Gipp of Winneshiek, the House was recessed at 11:35 a.m., until 1:00 p.m.

## AFTERNOON SESSION

The House reconvened at 1:02 p.m., S. Olson of Clinton in the chair.

## QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed eighty-two members present, eighteen absent.

## SENATE AMENDMENT CONSIDERED

Paulsen of Linn called up for consideration [House File 2742](#), a bill for an act relating to the probate and trust codes and providing applicability date provisions, amended by the Senate, and moved that the House concur in the following Senate amendment [H-8525](#):

[H-8525](#)

- 1 Amend [House File 2742](#), as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. By striking page 1, line 11, through page 2,
- 4 line 9.
- 5 2. Page 2, line 27, by inserting after the word
- 6 "account" the following: "or other property".
- 7 3. Page 3, line 8, by inserting after the word
- 8 "to" the following: "funds or".
- 9 4. By renumbering as necessary.

The motion prevailed and the House concurred in the Senate amendment [H-8525](#).

Paulsen of Linn moved that the bill, as 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?" ([H.F. 2742](#))

The ayes were, 96:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cohoon	Dandekar
Davitt	De Boef	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Frevert	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.	Paulsen	Petersen
Pettengill	Quirk	Raecker	Rants, Spkr.
Rasmussen	Rayhons	Reasoner	Reichert
Roberts	Sands	Schickel	Schueller
Shomshor	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, T.	Thomas
Tjepkes	Tomenga	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wendt	Wessel-Kroeschell	Whitaker	Whitead
Wilderdike	Winckler	Wise	Olson, S., Presiding

The nays were, 1:

Taylor, D.

Absent or not voting, 3:

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

The House stood at ease at 1:14 p.m., until the fall of the gavel.

The House resumed session at 2:59 p.m., Roberts of Carroll in the chair.

SENATE AMENDMENT CONSIDERED

S. Olson of Clinton called up for consideration [House File 2754](#), a bill for an act relating to renewable fuel and energy, providing

incentives for infrastructure used to store and dispense renewable fuel, providing for income tax credits and excise taxes, providing for penalties, and providing effective and applicability dates, including retroactive applicability, amended by the Senate, and moved that the House concur in the following Senate amendment [H-8532](#):

[H-8532](#)

1 Amend [House File 2754](#), as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 4, by striking the figure "2025"  
4 and inserting the following: "2020, all".  
5 2. Page 1, by inserting after line 6 the  
6 following:  
7 "Sec. \_\_\_. Section 214.1, subsections 1 through 3,  
8 Code 2005, are amended by striking the subsections and  
9 inserting in lieu thereof the following:  
10 1. "Commercial weighing and measuring device" or  
11 "device" means the same as defined in section 215.26.  
12 2. "Motor fuel" means the same as defined in  
13 section 214A.1.  
14 3. "Motor fuel pump" means a pump, meter, or  
15 similar commercial weighing and measuring device used  
16 to measure and dispense motor fuel on a retail basis.  
17 4. "Retail dealer" means the same as defined in  
18 section 214A.1.  
19 5. "Wholesale dealer" means the same as defined in  
20 section 214A.1."  
21 3. Page 1, line 20, by striking the word  
22 "constituent" and inserting the following:  
23 "component".  
24 4. Page 3, line 14, by inserting after the word  
25 "site" the following: "including a permanent or  
26 mobile location".  
27 5. Page 4, line 7, by striking the word  
28 "registration".  
29 6. Page 4, by striking lines 17 through 22 and  
30 inserting the following:  
31 "( ) Ethanol must be an agriculturally derived  
32 ethyl alcohol that meets A.S.T.M. international  
33 specification D 4806 for denatured fuel ethanol for  
34 blending with gasoline for use as automotive spark-  
35 ignition engine fuel, or a successor A.S.T.M.  
36 international specification, as established by rules  
37 adopted by the department."  
38 7. By striking page 4, line 26, through page 5,  
39 line 1, and inserting the following:  
40 "( ) E-85 gasoline must be an agriculturally  
41 derived ethyl alcohol that meets A.S.T.M.  
42 international specification D 5798, described as a

43 fuel blend for use in ground vehicles with automotive  
44 spark-ignition engines, or a successor A.S.T.M.  
45 international specification, as established by rules  
46 adopted by the department."  
47 8. Page 5, line 11, by striking the words  
48 "biodiesel or biodiesel blended" and inserting the  
49 following: "diesel".  
50 9. Page 5, line 12, by striking the word

Page 2

1 "registration".  
2 10. Page 5, line 16, by striking the word "The"  
3 and inserting the following: "If the motor fuel is  
4 advertised for sale or sold as biodiesel or biodiesel  
5 blended fuel, the".  
6 11. Page 6, line 32, by inserting after the word  
7 "gasoline." the following: "However, a person  
8 advertising E-10 gasoline may only designate it as  
9 ethanol blended gasoline."  
10 12. Page 7, by inserting after line 4 the  
11 following:  
12 "Sec. \_\_\_\_ Section 214A.5, Code 2005, is amended  
13 to read as follows:  
14 214A.5 SALES SLIP ON DEMAND.  
15 ~~Each~~ A wholesale dealer or retail dealer ~~in this~~  
16 ~~state~~ shall, when making a sale of motor vehicle fuel,  
17 give to ~~each~~ a purchaser upon demand a sales slip,  
18 ~~upon which must be printed the words "This motor~~  
19 ~~vehicle fuel conforms to the standard of~~  
20 ~~specifications required by the state of Iowa." Each~~  
21 ~~wholesale dealer in this state shall, when making a~~  
22 ~~sale of oxygenate octane enhancer, give to each~~  
23 ~~purchaser upon demand a sales slip upon which must be~~  
24 ~~printed the words "This oxygenate octane enhancer~~  
25 ~~conforms to the standard specifications required by~~  
26 ~~the state of Iowa."~~  
27 Sec. \_\_\_\_ Section 214A.7, Code 2005, is amended to  
28 read as follows:  
29 214A.7 DEPARTMENT INSPECTION – SAMPLES TESTED.  
30 The department, ~~its agents or employees,~~ shall,  
31 from time to time, make or cause to be made tests of  
32 any motor vehicle fuel or oxygenate octane enhancer  
33 which is being sold, or held or offered for sale  
34 within this state, ~~and for such purposes the~~  
35 ~~inspectors have the right to.~~ An inspector may enter  
36 upon the premises of any wholesale dealer or retail  
37 dealer ~~of motor vehicle fuel or oxygenate octane~~  
38 ~~enhancer within this state, and to take from any~~  
39 container a sample of the motor vehicle fuel or  
40 oxygenate octane enhancer, not to exceed ~~eight~~ sixteen  
41 fluid ounces. The sample shall be sealed and

42 appropriately marked or labeled by the inspector and  
43 delivered to the department. The department shall  
44 make, or cause to be made, complete analyses or tests  
45 of the motor vehicle fuel or oxygenate octane enhancer  
46 by the methods specified in section 214A.2."

47 13. Page 7, line 9, by striking the words "an  
48 oxygenate" and inserting the following: "oxygenate".

49 14. Page 7, line 10, by inserting after the word  
50 "enhancer" the following: "biofuel".

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1 15. Page 7, by striking lines 13 through 18 and  
2 inserting the following:

3 "Sec. \_\_\_\_ . Section 214A.11, Code 2005, is amended  
4 to read as follows:

5 214A.11 VIOLATIONS PENALTIES.

6 1. Any Except as provided in subsection 2, a  
7 person violating the provisions who violates a  
8 provision of this chapter shall be is guilty of a  
9 simple serious misdemeanor. Each day that a  
10 continuing violation occurs shall be considered a  
11 separate offense.

12 2. The state may proceed against a person who  
13 violates this chapter by initiating an alternative  
14 civil enforcement action in lieu of a prosecution.  
15 The alternative civil enforcement action may be  
16 brought against the person as a contested case  
17 proceeding by the department under chapter 17A or as a  
18 civil judicial proceeding by the attorney general upon  
19 referral by the department. The department may  
20 impose, assess, and collect the civil penalty. The  
21 civil penalty shall be for at least one hundred  
22 dollars but not more than one thousand dollars for  
23 each violation. Each day that a continuing violation  
24 occurs shall be considered a separate offense.

25 a. Except as provided in paragraph "b", the state  
26 is precluded from prosecuting a violation pursuant to  
27 subsection 1, if the state is a party in the  
28 alternative civil enforcement action, the department  
29 has made a final decision in the contested case  
30 proceeding, or a court has entered a final judgment.

31 b. If a party to an alternative civil enforcement  
32 action fails to pay the civil penalty to the  
33 department within thirty days after the party has  
34 exhausted the party's administrative remedies and the  
35 party has not sought judicial review in accordance  
36 with section 17A.19, the department may order that its  
37 final decision be vacated. When the department's  
38 final decision is vacated, the state may initiate a  
39 criminal prosecution, but shall be precluded from  
40 bringing an alternative civil enforcement action. If



41 a party to an alternative civil enforcement action  
42 fails to pay the civil penalty within thirty days  
43 after a court has entered a final judgment, the  
44 department may request that the attorney general  
45 petition the court to vacate its final judgment. When  
46 the court's judgment has been vacated, the state may  
47 initiate a criminal prosecution, but shall be  
48 precluded from bringing an alternative civil  
49 enforcement action."  
50 16. Page 11, by striking line 20 and inserting

Page 4

1 the following:  
2 "\_\_\_\_. As used in this section, unless the context  
3 otherwise requires:  
4 \_\_\_\_\_. "E-85 gasoline and "retail dealer" mean the  
5 same as defined in section 214A.1.  
6 \_\_\_\_\_. "Gasoline storage and".  
7 17. Page 11, line 25, by striking the words "as  
8 defined in section 214A.1".  
9 18. Page 11, line 30, by inserting after the word  
10 "department" the following: "of natural resources  
11 under this chapter or the state fire marshal under  
12 chapter 101, division II".  
13 19. Page 11, line 34, by striking the word  
14 "equipment" and inserting the following: "dispenser".  
15 20. Page 12, line 6, by inserting after the word  
16 "equipment" the following: "for use in dispensing E-  
17 85 gasoline".  
18 21. Page 12, lines 9 and 10, by striking the  
19 words "department of public safety" and inserting the  
20 following: "state fire marshal".  
21 22. Page 12, line 14, by striking the words  
22 "department of public safety" and inserting the  
23 following: "state fire marshal".  
24 23. Page 12, by inserting after line 15 the  
25 following:  
26 "Sec.\_\_\_\_. CONFLICT WITH OTHER ACT. If the  
27 Eighty-first General Assembly enacts [House File 2793](#)  
28 or any other Act that amends section 214.1 in a manner  
29 that conflicts with the amendments in this Act to  
30 section 214.1, the provisions of this Act shall  
31 prevail."  
32 24. Page 12, by inserting after line 32 the  
33 following:  
34 "\_\_\_\_. "Department" means the Iowa department of  
35 economic development created in section 15.105."  
36 25. Page 13, line 7, by inserting after the word  
37 "biodiesel" the following: "that is stored on-site or  
38 off-site in bulk and".  
39 26. Page 13, line 9, by inserting after the word

40 "which" the following: "storage and distribution  
41 facility".  
42 27. Page 13, by inserting after line 20 the  
43 following:  
44 "\_\_\_\_. "Underground storage tank fund board" means  
45 the Iowa comprehensive petroleum underground storage  
46 tank fund board established pursuant to section  
47 455G.4."  
48 28. Page 13, line 32, by striking the word "nine"  
49 and inserting the following: "eleven".  
50 29. Page 13, by inserting after line 35 the

Page 5

1 following:  
2 "\_\_\_\_. One person representing the petroleum  
3 industry who is knowledgeable about issues relating to  
4 petroleum refining, terminal operations, and petroleum  
5 or motor fuel distribution."  
6 30. Page 14, line 1, by striking the word "Eight"  
7 and inserting the following: "Nine".  
8 31. Page 14, by inserting after line 11 the  
9 following:  
10 "(\_\_\_\_) The Iowa grocery industry association."  
11 32. Page 14, line 29, by striking the word "five"  
12 and inserting the following: "six".  
13 33. Page 14, by inserting after line 30 the  
14 following:  
15 "\_\_\_\_. The infrastructure board shall meet with  
16 three or more members of the underground storage tank  
17 fund board who shall represent the underground storage  
18 tank fund board. The representatives shall be  
19 available to advise the infrastructure board when the  
20 infrastructure board makes decisions regarding the  
21 awarding of financial incentives to a person under a  
22 renewable fuel infrastructure program provided in  
23 section 15G.116 or 15G.117."  
24 34. Page 14, line 34, by striking the word "Five"  
25 and inserting the following: "Six".  
26 35. Page 15, line 16, by inserting after the word  
27 "dispense" the following: "renewable fuel which is".  
28 36. Page 15, by striking lines 19 through 26 and  
29 inserting the following:  
30 "2. A person may apply to the department to  
31 receive financial incentives on a cost-share basis.  
32 The department shall forward the applications to the  
33 underground storage tank fund board as required by  
34 that board for evaluation and recommendation. The  
35 underground storage tank fund board may rank the  
36 applications with comments and shall forward them to  
37 the infrastructure board for approval or disapproval.  
38 The department shall award financial incentives on a

39 cost-share basis to an eligible person whose  
40 application was approved by the infrastructure board.  
41 3. To all extent practical, the program shall be  
42 administered in conjunction with the programs provided  
43 in section 15.401."  
44 37. Page 16, by striking lines 31 through 33 and  
45 inserting the following: "to perform a new site  
46 assessment unless a new release occurs or if a  
47 previously unknown or unforeseen risk condition should  
48 arise."  
49 38. By striking page 16, line 34, through page  
50 17, line 4, and inserting the following:

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1 "\_\_\_\_. The infrastructure board shall not approve a  
2 cost-".  
3 39. Page 17, line 7, by striking the words "or  
4 motor fuel pump".  
5 40. Page 17, by striking lines 17 through 25 and  
6 inserting the following: "exceed fifty percent of the  
7 actual cost of making the improvement or thirty  
8 thousand dollars, whichever is less. The  
9 infrastructure board may approve multiple awards to  
10 make improvements to a retail motor fuel site so long  
11 as the total amount of the awards does not exceed the  
12 limitations provided in this paragraph."  
13 41. Page 17, line 26, by striking the word "c."  
14 and inserting the following: "7."  
15 42. Page 17, by striking lines 27 and 28 and  
16 inserting the following: "to store and dispense motor  
17 fuel other than the type of renewable fuel approved by  
18 the board in the cost-share agreement, unless one of  
19 the".  
20 43. Page 17, line 30, by striking the figure  
21 "(1)" and inserting the following: "a."  
22 44. Page 17, line 34, by striking the figure  
23 "(2)" and inserting the following: "b."  
24 45. Page 17, line 34, by striking the words  
25 "infrastructure fund" and inserting the following:  
26 "renewable fuel infrastructure fund if created in 2006  
27 Iowa acts, [House File 2759](#)".  
28 46. Page 18, line 2, by inserting after the word  
29 "amount." the following: "The amount shall be  
30 deposited in the renewable fuel infrastructure fund if  
31 created in 2006 Iowa acts, [House File 2759](#)."  
32 47. Page 18, line 3, by striking the word "d."  
33 and inserting the following: "8."  
34 48. Page 18, by striking lines 9 through 11.  
35 49. Page 18, by striking lines 15 through 17 and  
36 inserting the following: "infrastructure board  
37 created in section 15G.115 shall".

38 50. Page 18, by striking lines 25 through 30 and  
39 inserting the following:  
40 "\_\_\_\_. A person may apply to the department to  
41 receive financial incentives on a cost-share basis.  
42 The department shall forward the applications to the  
43 underground storage tank fund board as required by  
44 that board for evaluation and recommendation. The  
45 underground storage tank fund board may rank the  
46 applications with comments and shall forward them to  
47 the infrastructure board for approval or disapproval.  
48 The department shall award financial incentives on a  
49 cost-share basis to an eligible person whose  
50 application was approved by the infrastructure board.

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1 \_\_\_\_\_. To all extent practical, the program shall be  
2 administered in conjunction with the programs provided  
3 in section 15.401."

4 51. Page 19, by striking lines 16 through 25 and  
5 inserting the following:  
6 "\_\_\_\_. An award of financial incentives to a  
7 participating person shall be in the form of a grant.  
8 In order to participate in the program an eligible  
9 person must execute a cost-share agreement with the  
10 department as approved by the infrastructure board in  
11 which the person contributes a percentage of the total  
12 costs related to improving the terminal. The  
13 financial incentives awarded to the participating  
14 person shall not exceed fifty percent of the actual  
15 cost of making the improvements or fifty thousand  
16 dollars, whichever is less. The infrastructure board  
17 may approve multiple awards to make improvements to a  
18 terminal so long as the total amount of the awards  
19 does not exceed the limitations provided in this  
20 subsection."

21 52. Page 19, line 34, by striking the words  
22 "infrastructure fund" and inserting the following:  
23 "renewable fuel infrastructure fund if created in 2006  
24 Iowa acts, [House File 2759](#)".

25 53. Page 20, line 2, by inserting after the word  
26 "amount." the following: "The amount shall be  
27 deposited in the renewable fuel infrastructure fund if  
28 created in 2006 Iowa acts, [House File 2759](#)."

29 54. Page 20, by inserting after line 8, the  
30 following:

31 "Sec. \_\_\_\_\_. NEW SECTION. 15G.120 REPORT.

32 1. By January 15 of each year, the renewable fuel  
33 infrastructure board shall approve that part of the  
34 department's report required to be submitted to the  
35 governor and general assembly by the department  
36 regarding projects supported from the grow Iowa values

37 fund as provided in section 15.104 which provides  
38 information regarding expenditures to support  
39 renewable fuel infrastructure programs as provided in  
40 sections 15G.116 and 15G.117. That part of the report  
41 approved by the board shall include the same  
42 information as required for business finance projects  
43 funded during the previous fiscal year.

44 2. This section is repealed on July 1, 2012.

45 Sec.\_\_\_\_. DEPARTMENTAL STUDY – E-85 GASOLINE  
46 AVAILABILITY. The state department of transportation  
47 and the department of natural resources shall  
48 cooperate to conduct a study to provide methods to  
49 inform persons of the availability of E-85 gasoline  
50 offered for sale and distribution by retail dealers of

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1 motor fuel in this state, including the location of  
2 each retail motor fuel site where a retail dealer  
3 offers E-85 gasoline for sale and distribution. The  
4 department's study shall include methods for  
5 identifying those locations for the convenience of the  
6 traveling public including but not limited to the  
7 identification of those locations on roadside signs  
8 and on the official Iowa map published pursuant to  
9 section 307.14. The departments shall jointly prepare  
10 and deliver a report to the governor and general  
11 assembly, which includes findings and recommendations,  
12 not later than January 10, 2007.

13 Sec.\_\_\_\_. EMERGENCY RULES. The Iowa department of  
14 economic development and the Iowa comprehensive  
15 petroleum underground storage tank fund board shall  
16 adopt emergency rules under section 17A.4, subsection  
17 2, and section 17A.5, subsection 2, paragraph "b", to  
18 implement the provisions of this division and the  
19 rules shall be effective immediately upon filing, but  
20 not later than June 1, 2006. Any rules adopted in  
21 accordance with this section shall also be published  
22 as a notice of intended action as provided in section  
23 17A.4, subsection 1."

24 55. Page 20, line 15, by striking the words "and  
25 "retail dealer"" and inserting the following:

26 ""retail dealer", and "retail motor fuel site"".

27 56. Page 20, lines 17 and 18, by striking the  
28 words "as motor vehicle fuel pump".

29 57. Page 20, by striking lines 19 and 20.

30 58. Page 21, by striking lines 9 through 16, and  
31 inserting the following:

32 "3A. A retail dealer is eligible to claim a  
33 designated ethanol blended gasoline tax credit as  
34 provided in this section even though the retail dealer  
35 claims an E-85 gasoline promotion tax credit pursuant

36 to section 422.110 for the same tax year for the same  
37 ethanol gallonage."

38 59. Page 21, line 20 by striking the figure  
39 "2007" and inserting the following: "2009".

40 60. Page 21, line 26, by striking the words  
41 ""motor fuel pump",".

42 61. Page 21, by inserting after line 27 the  
43 following:

44 "\_\_\_\_. "Flexible fuel vehicle" means the same as  
45 defined in section 452A.2.

46 \_\_\_\_\_. "Motor fuel" means the same as defined in  
47 section 452A.2.

48 \_\_\_\_\_. "Motor fuel pump" means the same as defined  
49 in section 214.1."

50 62. Page 21, by inserting after line 30 the

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1 following:

2 "\_\_\_\_. The special terms provided in section  
3 452A.31 shall also apply to this section."

4 63. By striking page 22, line 9, through page 23,  
5 line 11, and inserting the following:

6 "a. The retail dealer's biofuel distribution  
7 percentage which is the sum of the retail dealer's  
8 total ethanol gallonage plus the retail dealer's total  
9 biodiesel gallonage expressed as a percentage of the  
10 retail dealer's total gasoline gallonage, in the  
11 retail dealer's applicable determination period.

12 b. The retail dealer's biofuel threshold  
13 percentage is as follows:

14 (1) For a retail dealer who sells and dispenses  
15 more than two hundred thousand gallons of motor fuel  
16 in an applicable determination period, the retail  
17 dealer's biofuel threshold percentage is as follows:

18 (a) Ten percent for the determination period  
19 beginning on January 1, 2009, and ending December 31,  
20 2009.

21 (b) Eleven percent for the determination period  
22 beginning on January 1, 2010, and ending December 31,  
23 2010.

24 (c) Twelve percent for the determination period  
25 beginning on January 1, 2011, and ending December 31,  
26 2011.

27 (d) Thirteen percent for the determination period  
28 beginning on January 1, 2012, and ending December 31,  
29 2012.

30 (e) Fourteen percent for the determination period  
31 beginning on January 1, 2013, and ending December 31,  
32 2013.

33 (f) Fifteen percent for the determination period  
34 beginning on January 1, 2014, and ending December 31,

- 35 2014.  
36 (g) Seventeen percent for the determination period  
37 beginning on January 1, 2015, and ending December 31,  
38 2015.  
39 (h) Nineteen percent for the determination period  
40 beginning on January 1, 2016, and ending December 31,  
41 2016.  
42 (i) Twenty-one percent for the determination  
43 period beginning on January 1, 2017, and ending  
44 December 31, 2017.  
45 (j) Twenty-three percent for the determination  
46 period beginning on January 1, 2018, and ending  
47 December 31, 2018.  
48 (k) Twenty-five percent for each determination  
49 period beginning on and after January 1, 2019.  
50 (2) For a retail dealer who sells and dispenses

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- 1 two hundred thousand gallons of motor fuel or less in  
2 an applicable determination period, the biofuel  
3 threshold percentages shall be:  
4 (a) Six percent for the determination period  
5 beginning on January 1, 2009, and ending December 31,  
6 2009.  
7 (b) Six percent for the determination period  
8 beginning on January 1, 2010, and ending December 31,  
9 2010.  
10 (c) Ten percent for the determination period  
11 beginning on January 1, 2011, and ending December 31,  
12 2011.  
13 (d) Eleven percent for the determination period  
14 beginning on January 1, 2012, and ending December 31,  
15 2012.  
16 (e) Twelve percent for the determination period  
17 beginning on January 1, 2013, and ending December 31,  
18 2013.  
19 (f) Thirteen percent for the determination period  
20 beginning on January 1, 2014, and ending December 31,  
21 2014.  
22 (g) Fourteen percent for the determination period  
23 beginning on January 1, 2015, and ending December 31,  
24 2015.  
25 (h) Fifteen percent for the determination period  
26 beginning on January 1, 2016, and ending December 31,  
27 2016.  
28 (i) Seventeen percent for the determination period  
29 beginning on January 1, 2017, and ending December 31,  
30 2017.  
31 (j) Nineteen percent for the determination period  
32 beginning on January 1, 2018, and ending December 31,  
33 2018.

- 34 (k) Twenty-one percent for the determination  
35 period beginning on January 1, 2019, and ending  
36 December 31, 2019.
- 37 (l) Twenty-three percent for the determination  
38 period beginning on January 1, 2020, and ending  
39 December 31, 2020.
- 40 (m) Twenty-five percent for each determination  
41 period beginning on and after January 1, 2021.
- 42 (3) Notwithstanding paragraph "a", the governor  
43 may adjust a biofuel threshold percentage for a  
44 determination period if the governor finds that  
45 exigent circumstances exist. Exigent circumstances  
46 exist due to potential substantial economic injury to  
47 the state's economy. Exigent circumstances also exist  
48 if it is probable that a substantial number of retail  
49 dealers cannot comply with a biofuel threshold  
50 percentage during a determination period due to any of

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1 the following:

- 2 (a) Less than the target number of flexible fuel  
3 vehicles are registered under chapter 321. The target  
4 numbers of flexible fuel vehicles are as follows:
- 5 (i) On January 1, 2011, two hundred fifty  
6 thousand.
- 7 (ii) On January 1, 2014, three hundred fifty  
8 thousand.
- 9 (iii) On January 1, 2017, four hundred fifty  
10 thousand.
- 11 (iv) On January 1, 2019, five hundred fifty  
12 thousand.
- 13 (b) A shortage in the biofuel feedstock resulting  
14 in a dramatic decrease in biofuel inventories.  
15 If the governor finds that exigent circumstances  
16 exist, the governor may reduce the applicable biofuel  
17 threshold percentage by replacing it with an adjusted  
18 biofuel threshold percentage. The governor shall  
19 consult with the department of revenue and the  
20 renewable fuels and coproducts advisory committee  
21 established pursuant to section 159A.4. The governor  
22 shall make the adjustment by giving notice of intent  
23 to issue a proclamation which shall take effect not  
24 earlier than thirty-five days after publication in the  
25 Iowa administrative bulletin of a notice to issue the  
26 proclamation. The governor shall provide a period of  
27 notice and comment in the same manner as provided in  
28 section 17A.4, subsection 1. The adjusted biofuel  
29 threshold percentage shall be effective for the  
30 following determination period.
- 31 c. The retail dealer's biofuel threshold  
32 percentage disparity which is a positive percentage



33 difference obtained by taking the minuend which is the  
34 retail dealer's biofuel distribution percentage and  
35 subtracting from it the subtrahend which is the retail  
36 dealer's biofuel threshold percentage, in the retail  
37 dealer's applicable determination period.

38 d. The tax credit shall be calculated separately  
39 for each retail motor fuel site or other permanent or  
40 temporary location from which the retail dealer sells  
41 and dispenses ethanol blended gasoline.

42 4. a. For a retail dealer whose tax year is the  
43 same as a determination period beginning on January 1  
44 and ending on December 31, the retail dealer's tax  
45 credit is calculated by multiplying the retail  
46 dealer's total ethanol gallonage by a tax credit rate,  
47 which may be adjusted based on the retail dealer's  
48 biofuel threshold percentage disparity. The tax  
49 credit rate is as follows:

50 (1) For any tax year in which the retail dealer

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1 has attained a biofuel threshold percentage for the  
2 determination period, the tax credit rate is six and  
3 one-half cents.

4 (2) For any tax year in which the retail dealer  
5 has not attained a biofuel threshold percentage for  
6 the determination period, the tax credit rate shall be  
7 adjusted based on the retail dealer's biofuel  
8 threshold percentage disparity. The amount of the  
9 adjusted tax credit rate is as follows:

10 (a) If the retail dealer's biofuel threshold  
11 percentage disparity equals two percent or less, the  
12 tax credit rate is four and one-half cents.

13 (b) If the retail dealer's biofuel threshold  
14 percentage disparity equals more than two percent but  
15 not more than four percent, the tax credit rate is two  
16 and one-half cents.

17 (c) A retail dealer is not eligible for a tax  
18 credit if the retail dealer's biofuel threshold  
19 percentage disparity equals more than four percent.

20 b. For a retail dealer whose tax year is not the  
21 same as a determination period beginning on January 1  
22 and ending on December 31, the retail dealer shall  
23 calculate the tax credit twice, as follows:

24 (1) For the period beginning on the first day of  
25 the retail dealer's tax year until December 31, the  
26 retail dealer shall calculate the tax credit in the  
27 same manner as a retail dealer who calculates the tax  
28 credit on that same December 31 as provided in  
29 paragraph "a".

30 (2) For the period beginning on January 1 to the  
31 end of the retail dealer's tax year, the retail dealer

32 shall calculate the tax credit in the same manner as a  
33 retail dealer who will calculate the tax credit on the  
34 following December 31 as provided in paragraph "a."  
35 64. Page 23, line 12, by striking the word "a."  
36 65. Page 23, by striking lines 17 through 20.  
37 66. Page 24, lines 3 and 4, by striking the words  
38 "motor fuel pump",  
39 67. Page 24, by inserting after line 5 the  
40 following:  
41 "\_\_\_\_. "Motor fuel pump" means the same as defined  
42 in section 214.1."  
43 68. Page 24, line 12, by inserting after the word  
44 "claim" the following: "the tax credit".  
45 69. Page 24, by striking lines 19 and 20 and  
46 inserting the following:  
47 "\_\_\_\_. For a retail dealer whose tax year is on a  
48 calendar year basis, the retail dealer shall calculate  
49 the amount of the tax credit by multiplying a  
50 designated rate by the retail".

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1 70. Page 24, by striking line 23, and inserting  
2 the following:  
3 "\_\_\_\_. For calendar year 2006, calendar year 2007,  
4 and calendar year 2008, twenty-".  
5 71. Page 24, line 25, by striking the figures and  
6 words "2008 or calendar year 2009" and inserting the  
7 following: "2009 and calendar year 2010".  
8 72. Page 24, line 27, by striking the figure  
9 "2010" and inserting the following: "2011".  
10 73. Page 24, line 28, by striking the figure  
11 "2011" and inserting the following: "2012".  
12 74. Page 24, line 29, by striking the figure  
13 "2012" and inserting the following: "2013".  
14 75. Page 24, line 30, by striking the figure  
15 "2013" and inserting the following: "2014".  
16 76. Page 24, line 31, by striking the figure  
17 "2014" and inserting the following: "2015".  
18 77. Page 24, line 32, by striking the figure  
19 "2015" and inserting the following: "2016".  
20 78. Page 24, line 33, by striking the figure  
21 "2016" and inserting the following: "2017".  
22 79. Page 24, line 34, by striking the figure  
23 "2017" and inserting: "2018".  
24 80. Page 24, line 35, by striking the figure  
25 "2018" and inserting the following: "2019".  
26 81. Page 25, line 1, by striking the figure  
27 "2019" and inserting the following: "2020".  
28 82. Page 25, by striking lines 2 through 12 and  
29 inserting the following:  
30 "\_\_\_\_. For a retail dealer whose tax year is not on

31 a calendar year basis, the retail dealer shall  
32 calculate the tax credit twice, as follows:  
33 (1) For the period beginning on the first day of  
34 the retail dealer's tax year until December 31, the  
35 retail dealer shall calculate the tax credit in the  
36 same manner as a retail dealer who calculates the tax  
37 credit on that same December 31 as provided in  
38 subsection 3.  
39 (2) For the period beginning on January 1 to the  
40 end of the retail dealer's tax year, the retail dealer  
41 shall calculate the tax credit in the same manner as a  
42 retail dealer who will calculate the tax credit on the  
43 following December 31 as provided in subsection 3."  
44 83. Page 25, line 13, by striking the word "a."  
45 84. Page 25, by striking lines 18 through 21.  
46 85. Page 25, line 34, by striking the figure  
47 "2020" and inserting the following: "2021".  
48 86. Page 28, by striking lines 8 through 15.  
49 87. Page 28, line 19, by striking the figure  
50 "2007" and inserting the following: "2009".

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1 88. Page 29, line 18, by striking the figure  
2 "2020" and inserting the following: "2021".  
3 89. Page 30, line 1, by striking the figures  
4 "422.11N, 422,110," and inserting the following:  
5 "422.110"  
6 90. Page 30, line 2, by striking the figures  
7 "11A, 11B" and inserting the following: "11B".  
8 91. Page 30, line 8, by striking the figure  
9 "2006" and inserting the following: "2008".  
10 92. Page 30, line 9, by striking the figure  
11 "2006" and inserting the following: "2008".  
12 93. Page 30, line 15, by striking the figure  
13 "2006" and inserting the following: "2008".  
14 94. Page 30, line 19, by striking the figure  
15 "2006" and inserting the following: "2008".  
16 95. Page 31, line 1, by striking the figure  
17 "2019" and inserting the following: "2020".  
18 96. Page 31, line 2, by striking the figure  
19 "2019" and inserting the following: "2020".  
20 97. Page 31, line 8, by striking the figure  
21 "2019" and inserting the following: "2020".  
22 98. Page 31, line 12, by striking the figure  
23 "2019" and inserting the following: "2020".  
24 99. Page 32, by inserting after line 18 the  
25 following:  
26 NEW SUBSECTION. 13A. "Flexible fuel vehicle"  
27 means a motor vehicle as defined in section 321M.1  
28 which is powered by an engine capable of operating  
29 using E-85 gasoline."

- 30 100. Page 32, line 19, by striking the figure  
31 "13A." and inserting the following: "13B."  
32 101. Page 32, by striking lines 27 and 28.  
33 102. By striking page 33, line 4, through page  
34 34, line 13.  
35 103. Page 34, line 17, by striking the word "a."  
36 104. Page 34, by striking lines 19 through 32.  
37 105. Page 37, line 18, by inserting after the  
38 word "gallonage" the following: "calculated for a  
39 twelve-month period beginning January 1 and ending  
40 December 31".  
41 106. Page 37, line 25, by inserting after the  
42 word "gallonage" the following: "calculated for a  
43 twelve-month period beginning January 1 and ending  
44 December 31".  
45 107. Page 37, line 30, by inserting after the  
46 word "gallonage" the following: "calculated for a  
47 twelve-month period beginning January 1 and ending  
48 December 31".  
49 108. By striking page 37, line 31, through page  
50 38, line 7.

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- 1 109. Page 38, line 9, by striking the words  
2 "BIOFUEL CONTENT IN MOTOR FUEL" and inserting the  
3 following: "ETHANOL CONTENT IN E-85 GASOLINE".  
4 110. Page 38, line 10, by striking the figure  
5 "1."  
6 111. Page 38, by striking lines 19 through 28.  
7 112. Page 39, by inserting after line 2, the  
8 following:  
9 "\_\_\_\_. The report shall include a breakdown of the  
10 information required in paragraph "a" for each retail  
11 motor fuel site or other permanent or temporary  
12 location from which the retail dealer sells and  
13 dispenses motor fuel."  
14 113. By striking page 39, line 26, through page  
15 40, line 9.  
16 114. By striking page 40, line 30, through page  
17 41, line 26.  
18 115. Page 48, by inserting after line 20 the  
19 following:  
20 "4. The department shall consult with the  
21 renewable fuel infrastructure board created in section  
22 15G.115 in administering this section."  
23 116. By striking page 50, line 31 through page  
24 51, line 9.  
25 117. Page 52, line 21, by striking the figure  
26 "214.1,".  
27 118. Page 52, line 27, by striking the figure  
28 "214.1,".

29 119. Title page, lines 3 and 4, by striking the  
 30 words "and excise taxes".  
 31 120. By renumbering, relettering, or  
 32 redesignating and correcting internal references as  
 33 necessary.

The motion prevailed and the House concurred in the Senate amendment [H-8532](#).

S. Olson of Clinton moved that the bill, as 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?" ([H.F. 2754](#))

The ayes were, 97:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cohoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Foege
Ford	Freeman	Frevert	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	Sands	Schickel
Schueller	Shomshor	Shoultz	Smith
Soderberg	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tomenga
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Roberts, Presiding			

The nays were, 1:

Watts

Absent or not voting, 2:

Fallon

Zirkelbach

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

### CONSIDERATION OF BILLS Appropriations Calendar

**House File 2780**, a bill for an act relating to persons with mental illness, mental retardation, developmental disabilities, or brain injury by addressing purposes and quality standards for services and other support available for such persons, establishing basic financial eligibility standards, addressing state and county financial responsibility for the cost of the services and other support, and providing effective and applicability dates, was taken up for consideration.

Carroll of Poweshiek offered amendment [H-8477](#) filed by him and Heddens of Story as follows:

[H-8477](#)

- 1 Amend [House File 2780](#) as follows:
- 2 1. Page 1, lines 13 and 14, by striking the words
- 3 "restricted uniform availability of this care" and
- 4 inserting the following: "~~restricted uniform~~
- 5 ~~availability of this care~~ enabled many counties to
- 6 exceed minimum state standards for the services
- 7 resulting in an uneven level of services around the
- 8 state".
- 9 2. Page 5, by striking line 20 and inserting the
- 10 following:
- 11 "(1) The service system seeks to empower persons
- 12 to exercise their own choices".
- 13 3. Page 5, by striking line 25 and inserting the
- 14 following:
- 15 "(3) The service system seeks to provide services
- 16 and other support that are individualized,".
- 17 4. Page 5, by striking line 27 and inserting the
- 18 following:
- 19 "(4) The services system seeks to provide services
- 20 and other supports in a manner".
- 21 5. Page 6, line 2, by striking the words "each
- 22 individual" and inserting the following: "the
- 23 individuals".

24 6. Page 6, line 4, by striking the word  
25 "individual's" and inserting the following:  
26 "individuals".  
27 7. Page 6, line 13, by inserting after the word  
28 "that" the following: "either meet or".  
29 8. Page 7, line 1, by striking the word "wholly".  
30 9. Page 7, line 2, by inserting after the word  
31 "funding," the following: "However, a county may  
32 apply a copayment requirement for a particular  
33 disability service to a person with an income equal to  
34 or less than one hundred fifty percent of the federal  
35 poverty level, provided the disability service and the  
36 copayment amount both comply with rules adopted by the  
37 commission applying uniform standards with respect to  
38 copayment requirements."  
39 10. Page 7, line 9, by striking the words "based  
40 upon" and inserting the following: "derived from".  
41 11. Page 8, line 9, by striking the figure "2008"  
42 and inserting the following: "2007".  
43 12. Page 8, line 14, by inserting after the word  
44 "case." the following: "Such services and other  
45 support do not include medical assistance program  
46 services or services provided in a state institution."  
47 13. By striking page 8, line 15, through page 10,  
48 line 23, and inserting the following:  
49 "Sec.\_\_\_\_. Section 331.440, subsection 3, Code  
50 2005, is amended to read as follows:

Page 2

1 3. a. An application for services may be made  
2 through the central point of coordination process of a  
3 an adult person's county of residence. ~~However, if a~~  
4 Effective July 1, 2007, if an adult person who is  
5 subject to a central point of coordination process has  
6 legal settlement in another county, ~~or the costs of~~  
7 ~~services or other support provided to the person are~~  
8 ~~the financial responsibility of the state, an~~  
9 ~~authorization through the central point of~~  
10 ~~coordination process shall be coordinated with the~~  
11 ~~person's county of legal settlement or with the state,~~  
12 ~~as applicable. The county of residence and county of~~  
13 ~~legal settlement of a person subject to a central~~  
14 ~~point of coordination process may mutually agree that~~  
15 the central point of coordination process functions  
16 shall be performed by the central point of  
17 coordination process of the person's county of ~~legal~~  
18 ~~settlement~~ residence in accordance with the county of  
19 residence's management plan approved under section  
20 331.439 and the person's county of legal settlement is  
21 responsible for the cost of the services or other  
22 support authorized at the rates reimbursed by the

23 county of residence. At the time services or other  
 24 support are authorized, the county of residence shall  
 25 send the county of legal settlement a copy of the  
 26 authorization notice.  
 27 b. However, if the county of legal settlement  
 28 applies for and receives a temporary waiver from the  
 29 risk pool board created in section 426B.5, the county  
 30 of legal settlement may apply a waiting list  
 31 requirement in accordance with the waiver to all or a  
 32 portion of the services or other support approved for  
 33 the person. The risk pool board's approval of a  
 34 temporary waiver is subject to the risk pool board's  
 35 determination that payment for all or a portion of the  
 36 services or other support approved for the person  
 37 would create a financial risk for the county of legal  
 38 settlement. The determination shall be based on an  
 39 analysis which provides for encumbering of moneys in  
 40 the county services fund that are anticipated to be  
 41 expended for the remainder of the fiscal year for the  
 42 persons receiving services or other support funded by  
 43 the services fund at the time of the authorization  
 44 under paragraph "a". The risk pool board shall use  
 45 the requirements established in section 426B.5 for  
 46 basic eligibility for risk pool funding or other  
 47 comparable standards developed by the risk pool board  
 48 for determining whether a financial risk exists for  
 49 the county. The term of a waiver shall not extend  
 50 beyond the end of the fiscal year in which the waiver

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1 is granted.  
 2 Sec. \_\_. Section 331.440, Code 2005, is amended  
 3 by adding the following new subsection:  
 4 NEW SUBSECTION. 3A. Effective July 1, 2007, if an  
 5 adult person has no established county of legal  
 6 settlement or the legal settlement is unknown so that  
 7 the person is deemed to be a state case, the person's  
 8 eligibility and the authorization for state case  
 9 services and other support shall be determined by the  
 10 adult person's county of residence in accordance with  
 11 that county's management plan approved under section  
 12 331.439. The costs of the state case services and  
 13 other support provided for the person shall be the  
 14 responsibility of the person's county of legal  
 15 residence. The funding appropriated to the department  
 16 of human services for purposes of the state case  
 17 services and other support shall be distributed as  
 18 provided in the appropriation to the counties of  
 19 residence responsible for the costs.  
 20 Sec. \_\_. EFFECTIVE DATE – COST PROJECTIONS –  
 21 LEGISLATIVE INTENT.



22 1. Except for this section, this division of this  
23 Act takes effect July 1, 2007. This section, being  
24 deemed of immediate importance, takes effect upon  
25 enactment.

26 2. Unless a more equitable approach is identified,  
27 it is the intent of the general assembly to distribute  
28 the appropriation made for state case services and  
29 other support, as defined in this division of this  
30 Act, for the fiscal year beginning July 1, 2007, on  
31 the basis of the actual amount expended for state case  
32 services and other support provided to persons who  
33 resided in each county during the fiscal year  
34 beginning July 1, 2006, as adjusted for any increase  
35 made in the appropriation amount. It is further  
36 intended that warrants distributing the appropriation  
37 made for state case services and other support will be  
38 issued to counties in July 2007.

39 3. Each county that would need to amend the  
40 county's management plan for services approved under  
41 section 331.439 in order to implement the provisions  
42 of this division of this Act on July 1, 2007, shall  
43 develop and submit projections of the costs to the  
44 county to implement the provisions. The projections  
45 shall identify costs in the initial and succeeding  
46 fiscal years. The projections shall be submitted on  
47 December 1, 2006, along with the county's expenditure  
48 report submitted pursuant to section 331.439,  
49 subsection 1, paragraph "a". The projections, along  
50 with any findings and recommendations identified by

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1 the county, shall be submitted at the same time to the  
2 department of human services, the mental health,  
3 mental retardation, developmental disabilities, and  
4 brain injury commission, and the general assembly.

5 4. It is the intent of the general assembly to  
6 direct the department of human services to renegotiate  
7 the contract with the contractor providing managed  
8 care for mental health services under the medical  
9 assistance program so that any responsibility for the  
10 contractor to manage state case services and other  
11 support, as defined by this division of this Act, will  
12 end effective June 30, 2007."

13 14. Page 10, by striking lines 26 through 28 and  
14 inserting the following:  
15 "Sec. \_\_. IMPLEMENTATION OF ACT. Section 25B.2,  
16 subsection 3, shall not apply to this Act."  
17 15. By renumbering as necessary.

Carroll of Poweshiek offered the following amendment [H-8539](#), to amendment [H-8477](#), filed by him and Heddens of Story from the floor and moved its adoption:

[H-8539](#)

- 1 Amend the amendment, [H-8477](#), to [House File 2780](#) as
- 2 follows:
- 3 1. Page 2, line 1, by striking the word "a."
- 4 2. By striking page 2, line 27, through page 3,
- 5 line 1.
- 6 3. Page 4, by inserting after line 4 the
- 7 following:
- 8 "3A. The department of human services shall review
- 9 the funding distribution methodology for state case
- 10 funding described in this section and the cost
- 11 projections, findings, and recommendations submitted
- 12 by counties pursuant to this section and provide
- 13 departmental findings and recommendations to resolve
- 14 the issues identified. The department's findings and
- 15 recommendations shall be submitted to the governor and
- 16 general assembly on or before January 2, 2007."
- 17 4. By renumbering as necessary.

Amendment [H-8539](#) was adopted.

On motion by Carroll of Poweshiek amendment [H-8477](#), as amended, was adopted.

Winckler of Scott offered the following amendment [H-8521](#) filed by her and Whitaker of Van Buren and moved its adoption:

[H-8521](#)

- 1 Amend [House File 2780](#) as follows:
- 2 1. Page 7, by inserting after line 21 the
- 3 following:
- 4 "Sec. \_\_\_\_ . ALLOWED GROWTH FUNDING STUDY. A study
- 5 committee shall be established by the legislative
- 6 council for the 2006 legislative interim to review the
- 7 formulas used for distribution of state mental health,
- 8 mental retardation, and developmental disabilities
- 9 services allowed growth factor funding to counties.
- 10 The purpose of the review is to determine whether the
- 11 formulas are effective in distributing funds to
- 12 counties in a manner that best serves Iowans with
- 13 disabilities while enabling the state and counties to
- 14 budget effectively for providing the services. The
- 15 study committee shall hear testimony and provide an

16 opportunity for discussion with counties, advocates  
17 for persons with disabilities, and other interested  
18 parties. The membership of the study committee shall  
19 include at least six members of the senate and five  
20 members of the house of representatives."  
21 2. By renumbering as necessary.

Amendment [H-8521](#) was adopted.

Whitaker of Van Buren asked and received unanimous consent to withdraw amendment [H-8459](#) filed by him on April 4, 2006.

Heaton of Henry offered amendment [H-8541](#) filed by Heaton, Smith of Marshall, Upmeyer of Hancock, Foege of Linn, Carroll of Poweshiek and Heddens of Story from the floor as follows:

[H-8541](#)

1 Amend [House File 2780](#) as follows:  
2 1. Page 10, by inserting before line 24 the  
3 following:  
4 "DIVISION  
5 DIVISION NAME CHANGE  
6 Sec. \_\_. Section 135C.25, subsection 1, Code  
7 2005, is amended to read as follows:  
8 1. Each health care facility shall have a resident  
9 advocate committee whose members shall be appointed by  
10 the director of the department of elder affairs or the  
11 director's designee. A person shall not be appointed  
12 a member of a resident advocate committee for a health  
13 care facility unless the person is a resident of the  
14 service area where the facility is located. The  
15 resident advocate committee for any facility caring  
16 primarily for persons with mental illness, mental  
17 retardation, or a developmental disability shall only  
18 be appointed after consultation with the administrator  
19 of the division of mental health and ~~developmental~~  
20 ~~disabilities~~ disability services of the department of  
21 human services on the proposed appointments.  
22 Recommendations to the director or the director's  
23 designee for membership on resident advocate  
24 committees are encouraged from any agency,  
25 organization, or individual. The administrator of the  
26 facility shall not be appointed to the resident  
27 advocate committee and shall not be present at  
28 committee meetings except upon request of the  
29 committee.  
30 Sec. \_\_. Section 217.6, unnumbered paragraph 2,  
31 Code 2005, is amended to read as follows:

32 The department of human services may be initially  
 33 divided into the following divisions of  
 34 responsibility: the division of child and family  
 35 services, the division of mental health and  
 36 ~~developmental disabilities~~ disability services, the  
 37 division of administration, and the division of  
 38 planning, research and statistics.

39 Sec. \_\_. Section 217.10, Code 2005, is amended to  
 40 read as follows:

41 217.10 ADMINISTRATOR OF DIVISION OF MENTAL HEALTH  
 42 ~~AND DEVELOPMENTAL DISABILITIES~~ DISABILITY SERVICES.

43 The administrator of the division of mental health  
 44 and ~~developmental disabilities~~ disability services  
 45 shall be qualified as provided in section 225C.3,  
 46 subsection 3. The administrator's duties are  
 47 enumerated in section 225C.4.

48 Sec. \_\_. Section 221.2, Code 2005, is amended to  
 49 read as follows:

50 221.2 ADMINISTRATOR.

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1 Pursuant to the compact, the administrator of the  
 2 division of mental health and ~~developmental~~  
 3 ~~disabilities~~ disability services of the department of  
 4 human services shall be the compact administrator.  
 5 The compact administrator may cooperate with all  
 6 departments, agencies, and officers of this state and  
 7 its subdivisions in facilitating the proper  
 8 administration of the compact and of any supplementary  
 9 agreement entered into by this state under the  
 10 compact.

11 Sec. \_\_. Section 225C.2, subsections 1 and 7,  
 12 Code 2005, is amended to read as follows:

13 1. "Administrator" means the administrator of the  
 14 ~~division of mental health and developmental~~  
 15 ~~disabilities of the department of human services.~~

16 7. "Division" means the division of mental health  
 17 and ~~developmental disabilities~~ disability services of  
 18 the department of ~~human services.~~

19 Sec. \_\_. Section 225C.13, subsection 2, Code  
 20 Supplement 2005, is amended to read as follows:

21 2. The ~~division~~ administrator of the ~~division of~~  
 22 ~~mental health and developmental disabilities~~ may work  
 23 with the appropriate administrator of the department's  
 24 institutions to establish mental health and mental  
 25 retardation services for all institutions under the  
 26 control of the director of human services and to  
 27 establish an autism unit, following mutual planning  
 28 and consultation with the medical director of the  
 29 state psychiatric hospital, at an institution or a  
 30 facility administered by the department to provide

31 psychiatric and related services and other specific  
32 programs to meet the needs of autistic persons, and to  
33 furnish appropriate diagnostic evaluation services.  
34 Sec. \_\_. Section 230A.1, Code 2005, is amended to  
35 read as follows:  
36 230A.1 ESTABLISHMENT AND SUPPORT OF COMMUNITY  
37 MENTAL HEALTH CENTERS.  
38 A county or affiliated counties, by action of the  
39 board or boards of supervisors, with approval of the  
40 administrator of the division of mental health and  
41 ~~developmental disabilities~~ disability services of the  
42 department of human services, may establish a  
43 community mental health center under this chapter to  
44 serve the county or counties. This section does not  
45 limit the authority of the board or boards of  
46 supervisors of any county or group of counties to  
47 continue to expend money to support operation of the  
48 center, and to form agreements with the board of  
49 supervisors of any additional county for that county  
50 to join in supporting and receiving services from or

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1 through the center.  
2 Sec. \_\_. Section 230A.13, unnumbered paragraph 2,  
3 Code 2005, is amended to read as follows:  
4 Release of administrative and diagnostic  
5 information, as defined in section 228.1, ~~subsections~~  
6 ~~1 and 3~~, and demographic information necessary for  
7 aggregated reporting to meet the data requirements  
8 established by the department of human services,  
9 division of mental health and ~~developmental~~  
10 ~~disabilities~~ disability services, relating to an  
11 individual who receives services from a community  
12 mental health center through the applicable central  
13 point of coordination process, may be made a condition  
14 of support of that center by any county under this  
15 section.  
16 Sec. \_\_. Section 230A.16, unnumbered paragraph 1,  
17 Code 2005, is amended to read as follows:  
18 The administrator of the division of mental health  
19 and ~~developmental disabilities~~ disability services of  
20 the department of human services shall recommend and  
21 the mental health, mental retardation, developmental  
22 disabilities, and brain injury commission shall adopt  
23 standards for community mental health centers and  
24 comprehensive community mental health programs, with  
25 the overall objective of ensuring that each center and  
26 each affiliate providing services under contract with  
27 a center furnishes high quality mental health services  
28 within a framework of accountability to the community  
29 it serves. The standards shall be in substantial

30 conformity with those of the psychiatric committee of  
31 the joint commission on accreditation of health care  
32 organizations and other recognized national standards  
33 for evaluation of psychiatric facilities unless in the  
34 judgment of the administrator of the division of  
35 mental health and ~~developmental disabilities~~  
36 disability services, with approval of the mental  
37 health, mental retardation, developmental  
38 disabilities, and brain injury commission, there are  
39 sound reasons for departing from the standards. When  
40 recommending standards under this section, the  
41 administrator of the division shall designate an  
42 advisory committee representing boards of directors  
43 and professional staff of community mental health  
44 centers to assist in the formulation or revision of  
45 standards. At least a simple majority of the members  
46 of the advisory committee shall be lay representatives  
47 of community mental health center boards of directors.  
48 At least one member of the advisory committee shall be  
49 a member of a county board of supervisors. The  
50 standards recommended under this section shall include

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1 requirements that each community mental health center  
2 established or operating as authorized by section  
3 230A.1 shall:  
4 Sec. \_\_\_. Section 230A.16, subsection 3, Code  
5 2005, is amended to read as follows:  
6 3. Arrange for the financial condition and  
7 transactions of the community mental health center to  
8 be audited once each year by the auditor of state.  
9 However, in lieu of an audit by state accountants, the  
10 local governing body of a community mental health  
11 center organized under this chapter may contract with  
12 or employ certified public accountants to conduct the  
13 audit, pursuant to the applicable terms and conditions  
14 prescribed by sections 11.6 and 11.19 and audit format  
15 prescribed by the auditor of state. Copies of each  
16 audit shall be furnished by the accountant to the  
17 administrator of the division of mental health and  
18 ~~developmental disabilities~~, disability services and  
19 the board of supervisors supporting the audited  
20 community mental health center.  
21 Sec. \_\_\_. Section 230A.17, Code 2005, is amended  
22 to read as follows:  
23 230A.17 REVIEW AND EVALUATION.  
24 The administrator of the division of mental health  
25 and ~~developmental disabilities~~ disability services of  
26 the department of human services may review and  
27 evaluate any community mental health center upon the  
28 recommendation of the mental health, mental

29 retardation, developmental disabilities, and brain  
30 injury commission, and shall do so upon the written  
31 request of the center's board of directors, its chief  
32 medical or administrative officer, or the board of  
33 supervisors of any county from which the center  
34 receives public funds. The cost of the review shall  
35 be paid by the division.  
36 Sec. \_\_. Section 262.70, Code 2005, is amended to  
37 read as follows:  
38 262.70 EDUCATION, PREVENTION, AND RESEARCH  
39 PROGRAMS IN MENTAL HEALTH AND ~~MENTAL RETARDATION~~  
40 DISABILITY SERVICES.  
41 The division of mental health and ~~developmental~~  
42 ~~disabilities~~ disability services of the department of  
43 human services may contract with the board of regents  
44 or any institution under the board's jurisdiction to  
45 establish and maintain programs of education,  
46 prevention, and research in the fields of mental  
47 health, ~~and mental retardation,~~ developmental  
48 disabilities, and brain injury. The board may  
49 delegate responsibility for these programs to the  
50 state psychiatric hospital, the university hospital,

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1 or any other appropriate entity under the board's  
2 jurisdiction.  
3 Sec. \_\_. Section 331.440A, subsection 7,  
4 paragraph a, subparagraph (3), Code 2005, is amended  
5 to read as follows:  
6 (3) One individual designated by the division of  
7 medical services of the department of human services  
8 and one individual designated by the division of  
9 mental health and ~~developmental disabilities~~  
10 disability services of the department of human  
11 services.  
12 Sec. \_\_. Section 331.756, subsection 45, Code  
13 Supplement 2005, is amended to read as follows:  
14 45. Appear on behalf of the administrator of the  
15 division of mental health and ~~developmental~~  
16 ~~disabilities~~ disability services of the department of  
17 human services in support of an application to  
18 transfer a person with mental illness who becomes  
19 incorrigible and dangerous from a state hospital for  
20 persons with mental illness to the Iowa medical and  
21 classification center as provided in section 226.30.  
22 Sec. \_\_. CODE EDITOR – NAME CHANGE DIRECTIVE.  
23 The Code editor shall revise the headnote to section  
24 225C.3 to reflect the change in the name of the  
25 division of mental health and developmental  
26 disabilities to the division of mental health and  
27 disability services made pursuant to this division of

28 this Act.  
29 Sec.\_\_\_\_. REQUIREMENT TO REESTABLISH DIVISION.  
30 The general assembly finds that the scope and  
31 importance of the department of human services' duties  
32 under law involving mental health, mental retardation,  
33 developmental disabilities, and brain injury services  
34 justifies assigning those duties to a separate  
35 division in place of the current practice in which the  
36 duties are assigned to a division serving many  
37 disparate populations. Therefore, during the fiscal  
38 year beginning July 1, 2006, contingent upon the  
39 appropriation of funding for this purpose, the  
40 director of human services shall reestablish a  
41 separate division, to be known as the division of  
42 mental health and disability services, and shall  
43 appropriately assign to that division the department's  
44 duties under law involving such services."  
45 2. Title page, line 7, by inserting after the  
46 word "support," the following: "changing the name of  
47 a departmental division,".  
48 3. By renumbering as necessary.

The House stood at ease at 3:31 p.m., until the fall of the gavel.

The House resumed session at 3:33 p.m., Roberts of Carroll in the chair.

Smith of Marshall offered the following amendment [H-8542](#), to amendment [H-8541](#), filed by Smith, Heaton of Henry, Upmeyer of Hancock, Foege of Linn, Carroll of Poweshiek and Heddens of Story from the floor and moved its adoption:

[H-8542](#)

1 Amend the amendment, [H-8541](#), to [House File 2780](#) as  
2 follows:  
3 1. Page 5, by inserting after line 44 the  
4 following:  
5 "DIVISION\_\_\_\_  
6 REIMBURSEMENT PROVISIONS  
7 Sec.\_\_\_\_. FY 2006-2007 MEDICAL ASSISTANCE PROGRAM  
8 REIMBURSEMENT OF INPATIENT MENTAL HEALTH SERVICES,  
9 COMMUNITY MENTAL HEALTH CENTERS, AND PSYCHIATRISTS.  
10 In combination with any other reimbursement  
11 increases authorized by law for the indicated  
12 providers, the department of human services shall seek  
13 federal approval to amend the medical assistance  
14 program state plan and shall amend the contract with  
15 the department's managed care contractor for mental



16 health services under the program, in order to  
 17 increase medical assistance program reimbursement  
 18 rates beginning October 1, 2006, to not more than the  
 19 maximum amounts indicated, for all of the following  
 20 providers:  
 21 1. Inpatient mental health services provided at  
 22 hospitals at the cost of the services, subject to  
 23 Medicaid program upper payment limit rules.  
 24 2. Community mental health centers at 100 percent  
 25 of the reasonable costs for the provision of services  
 26 to recipients of medical assistance.  
 27 3. Psychiatrists at the medical assistance program  
 28 fee for service rate.  
 29 Implementation of the provisions of this section is  
 30 contingent upon receipt of federal approval and  
 31 limited to the funding made available through amending  
 32 the contract with the managed care contractor."  
 33 2. Page 5, line 47, by inserting after the word  
 34 "division," the following: "providing for an increase  
 35 in the reimbursement of certain service providers,".  
 36 3. By renumbering as necessary.

Amendment [H-8542](#) was adopted.

On motion by Heaton of Henry, amendment [H-8541](#), as amended,  
 was adopted.

Carroll of Poweshiek 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. 2780](#))

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	Frevert
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	Sands
Schickel	Schueller	Shomshor	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	Whitead	Wilderdyke	Winckler
Wise	Roberts,		
	Presiding		

The nays were, 1:

Whitaker

Absent or not voting, 1:

Zirkelbach

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

#### HOUSE FILES 2338 and 2616 WITHDRAWN

Carroll of Poweshiek asked and received unanimous consent to withdraw House Files 2338 and 2616 from further consideration by the House.

#### IMMEDIATE MESSAGES

Jacobs of Polk asked and received unanimous consent that the following bills be immediately messaged to the Senate: **House Files 2754 and 2780.**

#### Unfinished Business Calendar

[Senate File 2312](#), a bill for an act providing grants on behalf of veterans seriously injured in a combat zone, providing an income tax exclusion, and including an effective date and retroactive applicability provision, with report of committee recommending amendment and passage, was taken up for consideration.

Watts of Dallas offered the following amendment [H-8440](#) filed by the committee on ways and means and moved its adoption:

[H-8440](#)

- 1 Amend [Senate File 2312](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 6, by striking the words "at
- 4 least ninety days of" and inserting the following:
- 5 "on".
- 6 2. Page 1, line 11, by inserting after the word
- 7 "veterans." the following: "The department may
- 8 receive and accept donations, grants, gifts, and
- 9 contributions from any public or private source for
- 10 the purpose of providing grants under this section."
- 11 3. Page 1, line 12, by inserting after the words
- 12 "appropriated to" the following: "or received by".
- 13 4. Page 1, line 19, by striking the word "since"
- 14 and inserting the following: "after".
- 15 5. Page 2, line 6, by inserting after the word
- 16 "injured" the following: "after September 11, 2001,
- 17 but".

The committee amendment [H-8440](#) was adopted.

Tymeson of Madison asked and received unanimous consent to withdraw amendment [H-8540](#) filed by her and Chambers of O'Brien from the floor.

Jacobs of Polk asked and received unanimous consent that [Senate File 2312](#) be deferred and that the bill retain its place on the calendar.

#### Ways and Means Calendar

[House File 2790](#), a bill for an act providing for association group health care plans, wellness incentives for small employers, health benefit coverage for independent contractors, and a small business wellness program tax credit, providing an appropriation, and providing for effective, retroactive, and applicability dates, was taken up for consideration.

Struyk of Pottawattamie offered amendment [H-8523](#) filed by him and Hoffman of Crawford as follows:

[H-8523](#)

- 1 Amend [House File 2790](#) as follows:
- 2 1. By striking page 1, line 3, through page 3,
- 3 line 19, and inserting the following:

4 "Section 1. ASSOCIATION GROUP HEALTH CARE PLAN  
5 PILOT PROJECT.

6 1. The commissioner of insurance shall administer  
7 a pilot project for the purpose of making health  
8 insurance coverage available through an innovative and  
9 less costly association group health care plan offered  
10 by a bona fide association to employees of members of  
11 the association.

12 2. For the purposes of this section, an  
13 "association group health care plan" is a group health  
14 care plan which provides health insurance coverage as  
15 defined in section 513B.2, or a group health care plan  
16 offered pursuant to a high deductible health plan  
17 qualified under section 223(c) of the Internal Revenue  
18 Code, which allows eligibility for contribution to a  
19 health savings account on behalf of an employee of a  
20 member of the association, and which also includes  
21 wellness initiatives. For the purposes of this  
22 subsection, "health savings account" means a health  
23 savings account as defined in section 223(d) of the  
24 Internal Revenue Code.

25 3. An association group health care plan offered  
26 pursuant to this section shall meet all of the  
27 following requirements:

28 a. The association group health care plan offers  
29 group health insurance coverage to employees of  
30 members of a bona fide association and to the spouses  
31 and dependents of such employees.

32 b. The policy of group health insurance coverage  
33 is issued to a bona fide association. For the  
34 purposes of this section, a bona fide association is  
35 an association which meets all of the following  
36 requirements:

37 (1) The association is a trade, industry, or  
38 professional association which is organized in good  
39 faith as a nonprofit corporation under chapter 504 for  
40 purposes other than obtaining insurance and has been  
41 in existence and actively maintained for at least five  
42 continuous years at the time the policy is issued.

43 (2) The association accepts any person for  
44 membership in the association who qualifies for  
45 membership.

46 (3) The association does not condition membership  
47 in the association on the health status of employees  
48 of its members or the health status of the spouses and  
49 dependents of such employees.

50 (4) Group health insurance coverage offered by the

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1 association is available to all eligible employees of  
2 its members, and to the spouses and dependents of such

3 employees regardless of the health status of such  
4 employees, or their spouses and dependents. For the  
5 purposes of this section, "eligible employee" means an  
6 employee who works on a full-time basis and has a  
7 normal work week of thirty or more hours.

8 (5) Group health insurance coverage offered by the  
9 association is available only to persons who are  
10 eligible employees of an employer that is a member of  
11 the association, or to the spouses and dependents of  
12 such employees.

13 (6) Notwithstanding chapter 513B, members of the  
14 association may include small employers as defined in  
15 section 513B.2, so long as the total number of  
16 eligible employees of all of the association's members  
17 is more than fifty.

18 c. The insurance premiums are paid by members to  
19 the association but a member of the association may  
20 collect part of the premium from its insured  
21 employees, and the method of apportionment of the  
22 premium payment between the member and the member's  
23 employees shall be determined by each member.

24 d. Not less than seventy-five percent of the  
25 eligible employees of each member of the association  
26 shall be insured under an association group health  
27 care plan, excluding employees who are enrolled in or  
28 eligible for Medicare or who receive health insurance  
29 coverage under another contract or policy. Employees  
30 who receive or are eligible for the medical assistance  
31 program under chapter 249A are not excluded from this  
32 requirement.

33 e. An association group health care plan shall not  
34 exclude from coverage an employee or an employee's  
35 spouse or dependents on the basis of the eligibility  
36 of the employee or the employee's spouse or dependents  
37 for medical assistance under chapter 249A.

38 f. Premium rates for an association group health  
39 care plan shall be determined by the total number of  
40 lives insured by the plan, not the number of lives  
41 insured of each member of the association. However,  
42 the commissioner of insurance may determine premium  
43 rates by a different methodology as the commissioner  
44 deems necessary to effectuate the purposes of the  
45 pilot project pursuant to rules adopted under chapter  
46 17A.

47 g. A member of an association shall not offer any  
48 valuable consideration or inducement to any of its  
49 employees for nonparticipation in the association  
50 group health care plan offered.

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1 h. An association group health care plan offered  
2 pursuant to this section shall be considered  
3 creditable coverage for purposes of chapter 513B and  
4 qualifying previous coverage for purposes of chapter  
5 513C.

6 i. An association group health care plan offered  
7 pursuant to this section shall include wellness  
8 initiatives. The commissioner shall adopt, by rule or  
9 order, provisions allowing suspension or modification  
10 of premium rate restrictions to enable an association  
11 group health care plan to receive premium credits or  
12 discounts based on measurable reductions in costs of  
13 the association group health care plan, including but  
14 not limited to tobacco use cessation, participation in  
15 established wellness or disease management programs,  
16 and reduced administrative or distribution costs.

17 j. An association group health care plan shall not  
18 be offered pursuant to this section unless approved by  
19 the commissioner of insurance.

20 k. Health insurance coverage offered by an  
21 association group health care plan pursuant to this  
22 section may be canceled, nonrenewed, or otherwise  
23 terminated at the end of the policy term upon notice  
24 of sixty days to the association.

25 l. An association group health care plan offered  
26 pursuant to this section shall include at a minimum a  
27 basic health benefit plan as defined in section 513B.2  
28 and a high deductible health plan qualified under  
29 section 223(d) of the Internal Revenue Code.

30 4. The commissioner shall select at least three  
31 and not more than five bona fide associations to  
32 participate in the pilot project pursuant to this  
33 section. The number of enrollees in association group  
34 health care plans offered pursuant to this section  
35 shall not exceed ten percent of the number of all  
36 enrollees in health insurance coverage issued pursuant  
37 to chapter 513B.

38 5. The commissioner shall adopt rules pursuant to  
39 chapter 17A necessary to administer this section by  
40 November 1, 2006. However, the commissioner may  
41 receive an extension of time for adoption of the rules  
42 to not later than January 1, 2007, upon approval of  
43 the administrative rules review committee.

44 6. The commissioner shall submit an annual report  
45 to the general assembly and to the governor no later  
46 than January 1 of each year the pilot project is  
47 administered, concerning the status of the pilot  
48 project, including but not limited to the number of  
49 employers participating in an association group health  
50 care plan offered pursuant to this section, the number

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1 of enrollees, the types of plans offered, premium  
2 costs, and other pertinent information.

3 7. This section is repealed effective July 1,  
4 2011.

5 Sec. 2. ASSOCIATION GROUP HEALTH CARE PLAN  
6 ACTUARIAL STUDIES – APPROPRIATION.

7 1. Upon enactment of this Act, the commissioner of  
8 insurance shall initiate and conduct actuarial studies  
9 to evaluate all of the following:

10 a. The effect of authorizing association group  
11 health care plans which are not subject to chapter  
12 513B and which include both large employers with more  
13 than fifty eligible employees and small employers, as  
14 defined in section 513B.2, with two to fifty  
15 employees. The study shall include an analysis of the  
16 potential impact of removing employees of small  
17 employers who participate in such an association group  
18 health care plan from the group of enrollees who  
19 receive health insurance coverage under chapter 513B,  
20 the potential impact of such plans on the uninsured in  
21 Iowa, and the corresponding relationship of such plans  
22 to any existing or proposed plans to provide  
23 assistance with premiums.

24 b. The effect of increasing the allowable variance  
25 from the index rate in premium rates charged to small  
26 employers with similar case characteristics permitted  
27 by section 513B.4, subsection 1, paragraph "b", from  
28 twenty-five percent to thirty percent of the index  
29 rate.

30 c. The effect of making group health insurance  
31 coverage for employees of small employers, as defined  
32 in section 513B.2 which have two to five employees,  
33 subject to the requirements of the Iowa comprehensive  
34 health insurance association established by chapter  
35 514E.

36 2. The commissioner shall submit a report of the  
37 results of the studies to the general assembly and to  
38 the governor no later than September 1, 2006.

39 3. There is appropriated from the general fund of  
40 the state to the insurance division of the department  
41 of commerce the amount of sixty-five thousand dollars,  
42 or so much thereof as is necessary, for the purpose of  
43 conducting the actuarial studies."

44 2. Page 5, by inserting after line 31, the  
45 following:

46 "Sec. \_\_\_\_\_. Section 513B.4, subsection 1, paragraph  
47 c, subparagraph (2), Code 2005, is amended to read as  
48 follows:

49 (2) An adjustment, not to exceed an increase of  
50 more than fifteen percent annually and adjusted pro

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- 1 rata for rating periods of less than one year, due to
- 2 the claim experience, health status, or duration of
- 3 coverage of the employees or dependents of the small
- 4 employer as determined from the small employer
- 5 carrier's rate manual for the class of business."
- 6 3. Page 5, line 35, by striking the word
- 7 "subsections" and inserting the following:
- 8 "subsection".
- 9 4. Page 6, by striking lines 7 through 12.
- 10 5. Page 7, by inserting after line 23, the
- 11 following:
- 12 "( ) Independent contractors and their spouses and
- 13 dependents included in an employer-sponsored health
- 14 benefit plan do not in total equal more than forty-
- 15 nine percent of the total persons covered by the
- 16 health benefit plan."
- 17 6. By striking page 8, line 33, through page 11,
- 18 line 33.
- 19 7. Page 11, line 35, by striking the words ",
- 20 APPLICABILITY, AND RETROACTIVITY DATES" and inserting
- 21 the following: "DATE".
- 22 8. Page 12, by striking lines 3 through 5.
- 23 9. Title page, by striking lines 1 through 5 and
- 24 inserting the following: "An Act providing for
- 25 association group health care plans, including an
- 26 association group health care plan pilot project and
- 27 association group health care plan actuarial studies,
- 28 wellness initiatives, health benefit coverage for
- 29 independent contractors, providing an appropriation,
- 30 and providing for an effective date."
- 31 10. By renumbering as necessary.

Struyk of Pottawattamie asked and received unanimous consent to withdraw amendment [H-8527](#) to amendment [H-8523](#) filed by him on April 10, 2006.

Paulsen of Linn offered the following amendment [H-8535](#), to amendment [H-8523](#), filed by him, Struyk of Pottawattamie, and Kurtenbach of Story from the floor and moved its adoption:

[H-8535](#)

- 1 Amend the amendment, [H-8523](#), to [House File 2790](#), as
- 2 follows:
- 3 1. Page 3, by striking lines 33 through 37 and
- 4 inserting the following: "section."
- 5 2. Page 4, line 2, by inserting after the word
- 6 "information." the following: "This subsection is



- 7 repealed effective July 1, 2011."  
8 3. Page 4, by striking lines 3 and 4.

Speaker pro tempore Carroll in the chair at 4:07 p.m.

Speaker Rants in the chair at 4:09 p.m.

Roll call was requested by Paulsen of Linn and Murphy of Dubuque.

On the question "Shall amendment [H-8535](#) be adopted?" ([H.F. 2790](#))

The ayes were, 44:

Alons	Anderson	Arnold	Baudler
Boal	Carroll	Chambers	Dandekar
De Boef	Dix	Dolecheck	Drake
Elgin	Gipp	Granzow	Greiner
Heaton	Horbach	Huseman	Huser
Hutter	Kaufmann	Kurtenbach	Lalk
Lukan	May	Olson, S.	Paulsen
Raecker	Rasmussen	Rayhons	Roberts
Sands	Schickel	Soderberg	Struyk
Tjepkes	Tymeson	Upmeyer	Van Engelenhoven
Van Fossen, J.K.	Van Fossen, J.R.	Wilderdyke	Mr. Speaker
			Rants

The nays were, 55:

Bell	Berry	Bukta	Cohoon
Davitt	Eichhorn	Fallon	Foege
Ford	Freeman	Frevert	Gaskill
Heddens	Hoffman	Hogg	Hunter
Jacobs	Jacoby	Jenkins	Jochum
Jones	Kressig	Kuhn	Lensing
Lykam	Maddox	Mascher	McCarthy
Mertz	Miller	Murphy	Oldson
Olson, D.	Olson, R.	Petersen	Pettengill
Quirk	Reasoner	Reichert	Schueller
Shomshor	Shoultz	Smith	Swaim
Taylor, D.	Taylor, T.	Thomas	Tomenga
Watts	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Winckler	Wise	

Absent or not voting, 1:

Zirkelbach

Amendment [H-8535](#) lost.

Gipp of Winneshiek asked and received unanimous consent that [House File 2790](#) be deferred and that the bill retain its place on the calendar. (Amendment [H-8523](#) pending)

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 2742](#) be immediately messaged to the Senate.

#### EXPLANATION OF VOTE

I was necessarily absent from the House chamber on April 12, 2006 due to a mandatory emergency lockdown of the county courthouse by Des Moines HAZMAT Materials Unit. Had I been present, I would have voted "aye" on [House File 2562](#).

MCCARTHY of Polk

#### BILLS SIGNED BY THE GOVERNOR

A communication was received from the Governor announcing that on April 12, 2006, he approved and transmitted to the Secretary of State the following bills:

[House File 2522](#), an Act relating to the assessment of a fee when filing a praecipe.

[House File 2586](#), an Act relating to the collection of liquidated debts owed to and various authorizations issued by the labor commissioner.

[House File 2590](#), an Act providing for the confidentiality of information concerning security procedures or emergency preparedness information developed and maintained by a government body.

[House File 2632](#), an Act relating to real estate, including real estate broker and salesperson licensing and real estate disclosures.

House file 2635, an Act relating to drainage and levee districts by providing for the publication of notice and the letting of bids.

[House File 2679](#), an Act relating to agricultural drainage wells by providing for the implementation of water quality practices as an alternative to constructing alternative draining systems.

[Senate File 2320](#), an Act relating to the development of an Iowa Studies Professional Development Plan and the establishment of an Iowa Studies Committee.

[Senate File 2327](#), an Act relating to access to confidential information used to secure an arrest warrant.

[Senate File 2343](#), an Act revising the membership requirements for the child advocacy board.

[Senate File 2344](#), an act requiring development of a uniform application form for small employer group health insurance coverage.

[Senate File 2358](#), an Act relating to the administrative duties of the state board of regents.

### PRESENTATION OF VISITORS

The Speaker announced that the following visitors were present in the House chamber:

Fifty students from Sigourney High School, Sigourney, Iowa, accompanied by government teacher Mike Donnelly and teacher Barb Tornow. By De Boef of Keokuk.

### 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

- 2006\1428 Bettie Montgomery, Delta – For celebrating her 80<sup>th</sup> birthday.
- 2006\1429 Betty Miller Stoutner, Keota – For celebrating her 85<sup>th</sup> birthday.
- 2006\1430 Hannah Baker, Richland – For receiving the E. Wayne Cooley Scholarship.
- 2006\1431 Darlene Smith, Ladora – For celebrating her 85<sup>th</sup> birthday.
- 2006\1432 Roger and Mardell Hansen, Elk Horn – For celebrating their 60<sup>th</sup> wedding anniversary.
- 2006\1433 Jefferson Elementary School, Clinton – For celebrating their grand opening on April 8, 2006.
- 2006\1434 Paul and Evelyn Liles, Batavia – For celebrating their 50<sup>th</sup> wedding anniversary.
- 2006\1435 Richard and Shirley Ide, Shannon City – For receiving the Iowa Good Neighbor Award from the Iowa Department of Agriculture and Land Stewardship.

## AMENDMENTS FILED

<u>H-8533</u>	<u>S.F. 2369</u>	Dolecheck of Ringgold
<u>H-8534</u>	<u>H.F. 2794</u>	Kurtenbach of Story
<u>H-8536</u>	<u>H.F. 2750</u>	Huser of Polk
<u>H-8537</u>	<u>H.F. 2791</u>	Huser of Polk
<u>H-8538</u>	<u>S.F. 2369</u>	Dolecheck of Ringgold
<u>H-8543</u>	<u>H.F. 2794</u>	Kurtenbach of Story

On motion by Gipp of Winneshiek the House adjourned at 4:55 p.m., until 8:45 a.m., April 13, 2006.