



THOMAS J. VILSACK  
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON  
LT. GOVERNOR

May 23, 2003

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit:

**House File 534**, an Act providing for the reorganization of certain state departments by establishing a Department of Administrative Services, making related changes, providing penalties, and providing an effective date.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Thomas J. Vilsack".

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House





HOUSE FILE 534

AN ACT

PROVIDING FOR THE REORGANIZATION OF CERTAIN STATE DEPARTMENTS BY ESTABLISHING A DEPARTMENT OF ADMINISTRATIVE SERVICES, MAKING RELATED CHANGES, PROVIDING PENALTIES, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

DEPARTMENT OF ADMINISTRATIVE SERVICES

ARTICLE 1

DEPARTMENT OF ADMINISTRATIVE SERVICES

Section 1. NEW SECTION. 8A.101 DEFINITIONS.

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

1. "Agency" or "state agency" means a unit of state government, which is an authority, board, commission, committee, council, department, examining board, or independent agency as defined in section 7E.4, including but not limited to each principal central department enumerated in section 7E.5. However, "agency" or "state agency" does not mean any of the following:

a. The office of the governor or the office of an elective constitutional or statutory officer.

b. The general assembly, or any office or unit under its administrative authority.

c. The judicial branch, as provided in section 602.1102.

d. A political subdivision of the state or its offices or units, including but not limited to a county, city, or community college.

2. "Department" means the department of administrative services.

3. "Director" means the director of the department of administrative services or the director's designee.

4. "Governmental entity" means any unit of government in the executive, legislative, or judicial branch of government; an agency or political subdivision; any unit of another state government, including its political subdivisions; any unit of the United States government; or any association or other organization whose membership consists primarily of one or more of any of the foregoing.

5. "Governmental subdivision" means a county, city, school district, or combination thereof.

6. "Public records" means the same as defined in section 22.1.

Sec. 2. NEW SECTION. 8A.102 DEPARTMENT CREATED -- DIRECTOR APPOINTED.

1. The department of administrative services is created. The director of the department shall be appointed by the governor to serve at the pleasure of the governor and is subject to confirmation by the senate. If the office becomes vacant, the vacancy shall be filled in the same manner as provided for the original appointment.

2. The person appointed as director shall be professionally qualified by education and have no less than five years' experience in the field of management, public or private sector personnel administration, including the application of merit principles in employment, financial management, and policy development and implementation. The appointment shall be made without regard for political affiliation. The director shall not be a member of any local, state, or national committee of a political party, an officer or member of a committee in any partisan political club or organization, or hold or be a candidate for a paid elective public office. The director is subject to the restrictions on political activity provided in section 8A.416. The governor shall set the salary of the director within pay grade nine.

Sec. 3. NEW SECTION. 8A.103 DEPARTMENT -- PURPOSE -- MISSION.

The department is created for the purpose of managing and coordinating the major resources of state government including the human, financial, physical, and information resources of state government.

The mission of the department is to implement a world-class, customer-focused organization that provides a complement of valued products and services to the internal customers of state government.

Sec. 4. NEW SECTION. 8A.104 POWERS AND DUTIES OF THE DIRECTOR.

The director shall do all of the following:

1. Coordinate the internal operations of the department and develop and implement policies and procedures designed to ensure the efficient administration of the department.
2. Appoint all personnel deemed necessary for the administration of the department's functions as provided in this chapter.
3. Prepare an annual budget for the department.
4. Develop and recommend legislative proposals deemed necessary for the continued efficiency of the department's functions, and review legislative proposals generated outside the department which are related to matters within the department's purview.
5. Adopt rules deemed necessary for the administration of this chapter in accordance with chapter 17A.
6. Develop and maintain support systems within the department to provide appropriate administrative support and sufficient data for the effective and efficient operation of state government.
7. Enter into contracts for the receipt and provision of services as deemed necessary. The director and the governor may obtain and accept grants and receipts to or for the state to be used for the administration of the department's functions as provided in this chapter.
8. Establish the internal organization of the department and allocate and reallocate duties and functions not assigned by law to an officer or any subunit of the department to promote economic and efficient administration and operation of the department.
9. Install a records system for the keeping of records which are necessary for a proper audit and effective operation of the department.
10. Determine which risk exposures shall be self-insured or assumed by the state with respect to loss and loss exposures of state government.

11. Keep in the director's office a complete record containing an itemized account of all state property, including furniture and equipment, under the director's care and control, and plans and surveys of the public grounds, buildings, and underground constructions at the seat of government and of the state laboratories facility in Ankeny.

12. Serve as the chief information officer for the state.

13. Exercise and perform such other powers and duties as may be prescribed by law.

Sec. 5. NEW SECTION. 8A.105 PROHIBITED INTERESTS -- PENALTY.

The director shall not have any pecuniary interest, directly or indirectly, in any contract for supplies furnished to the state, or in any business enterprise involving any expenditure by the state. A violation of the provisions of this section shall be a serious misdemeanor, and upon conviction, the director shall be removed from office in addition to any other penalty.

Sec. 6. NEW SECTION. 8A.106 PUBLIC RECORDS.

1. The records of the department, except personal information in an employee's file if the publication of such information would serve no proper public purpose, shall be public records and shall be open to public inspection, subject to reasonable rules as to the time and manner of inspection which may be prescribed by the director. However, the department shall not be required to release financial information, business, or product plans which if released would give advantage to competitors and serve no public purpose, relating to commercial operations conducted or intended to be conducted by the department.

2. The state agency that is the lawful custodian of a public record shall be responsible for determining whether a record is required by federal or state statute to be confidential. The transmission of a record by a state agency by use of electronic means established, maintained, or managed by the department shall not constitute a transfer of the legal custody of the record from the individual state agency to the department or to any other person or entity.

3. The department shall not have authority to determine whether an individual state agency should automate records of which the individual state agency is the lawful custodian. However, the department may encourage state agencies to implement electronic access to public records.

4. A state agency shall not limit access to a record by requiring a citizen to receive the record electronically as the only means of providing the record. A person shall have the right to examine and copy a printed form of a public record as provided in section 22.2, unless the public record is confidential.

Sec. 7. NEW SECTION. 8A.107 OATHS AND SUBPOENAS.

The director may administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to any investigation or hearing authorized by this chapter. A person who fails to appear in response to a subpoena or produce books or papers pertinent to the investigation or hearing or who knowingly gives false testimony is guilty of a simple misdemeanor.

Sec. 8. NEW SECTION. 8A.108 ACCEPTANCE OF FUNDS.

The department may receive and accept donations, grants, gifts, and contributions in the form of moneys, services, materials, or otherwise, from the United States or any of its agencies, from this state or any of its agencies, or from any other person, and may use or expend such moneys, services, materials, or other contributions, or issue grants, in carrying out the operations of the department. All federal grants to and the federal receipts of the department are hereby appropriated for the purpose set forth in such federal grants or receipts.

Sec. 9. NEW SECTION. 8A.109 FEDERAL FUNDS.

1. Neither the provisions of this chapter nor rules adopted pursuant to this chapter shall apply in any situation where such provision or rule is in conflict with a governing federal regulation or where the provision or rule would jeopardize the receipt of federal funds.

2. If it is determined by the attorney general that any provision of this chapter would cause denial of funds or services from the United States government which would otherwise be available to an agency of this state, such provision shall be suspended as to such agency, but only to the extent necessary to prevent denial of such funds or services.

Sec. 10. NEW SECTION. 8A.110 STATE EMPLOYEE SUGGESTION SYSTEM.

1. There is created a state employee suggestion system for the purpose of encouraging state employees to develop and

submit ideas which will reduce costs and increase efficiency in state government and which will make monetary and other awards to state employees whose cost reduction ideas are adopted under the system.

2. The department shall provide necessary personnel for the efficient operation of the system. The department shall adopt rules as necessary for the administration of the system and to establish the award policy under which the system will operate. The rules shall include:

a. Eligibility standards and restrictions for both the state employee submitting the suggestion and the suggestion being submitted. The rules shall provide that suggestions relating to academic affairs, including teaching, research, and patient care programs at a university teaching hospital, are ineligible.

b. Procedures for submitting and evaluating suggestions, including the responsibilities of each person involved in the system and providing that the final decision to implement shall be made by the director of the applicable state agency.

c. The method of presentation of awards to employees.

d. The method of promoting the suggestion program in the broadest possible manner to state employees.

e. Any other policies necessary to properly administer the system.

3. a. When a suggestion is implemented and results in a direct cost reduction within state government, the suggester shall be awarded ten percent of the first year's net savings, not exceeding ten thousand dollars, and a certificate. A cash award shall not be awarded for a suggestion which saves less than one hundred dollars during the first year of implementation. The state agency head shall approve all awards and determine the amount to be awarded. Appeals of award amounts shall be submitted to the director whose decision is final.

b. Certificates shall be awarded to suggesters of implemented suggestions that result in a direct cost reduction of less than one hundred dollars. The state agency head shall make the determination as to who will receive certificates. That decision is final.

4. An award made pursuant to this section shall be paid for out of the appropriated funds of the state agency realizing the cost savings, but the payment for awards shall

not violate any state or federal contract, law, or regulation, or impair any agency contractual obligation.

5. a. A state agency shall keep records of each suggestion implemented and the cost savings resulting from the suggestion for a period of one year from the date of implementation of the suggestion.

b. The director shall file a report with the governor and the general assembly for each fiscal year, relating to the administration and implementation of the suggestion system and the benefits for the state, the state departments, and state employees.

6. The ability of employees to patent ideas submitted under this section is subject to all other agency rules and Code requirements pertaining to patents.

Sec. 11. NEW SECTION. 8A.121 FINANCING DEPARTMENT SERVICES -- CUSTOMER COUNCILS.

1. The department shall establish a process by which the department shall determine which services provided by the department shall be funded by an appropriation to the department and which services shall be funded by the governmental entity receiving the service.

2. a. For services which the department determines shall be funded by the governmental entity receiving the service, the department shall establish a process for determining whether the department shall be the sole provider of the service or not.

b. If the department determines that it shall be the sole provider of a service, the department shall establish, by rule, a customer council responsible for overseeing departmental operations with regard to the service provided to ensure that the department meets the needs of affected governmental entities and the citizens those entities serve. The rules adopted shall provide, at a minimum, for the method of appointment of members to the council by governmental entities required to receive the service from the department and for the powers and duties of the council as it relates to the service provided, which shall include the authority of approving, on an annual basis, business plans submitted by the department for performance of the service, the procedure for resolving complaints concerning the service provided, and the procedure for setting rates for the service. In addition, if the service to be provided may also be provided to the



judicial branch and legislative branch, then the rules shall provide that the chief justice of the supreme court and the legislative council may, in their discretion, each appoint a member to the applicable customer council.

3. Departmental processes required to be established pursuant to this section shall provide, at a minimum, for input from affected governmental entities as well as for a biennial review by the appropriate customer council of the decision made by the department that the department should be the sole provider of a service.

4. The department shall annually prepare a listing separately identifying services to be provided by the department and funded by an appropriation, services to be provided by the department and funded by the governmental entity receiving the service, and services which the department is authorized to provide but which governmental entities may provide on their own or obtain from another provider of the service.

Sec. 12. NEW SECTION. 8A.122 SERVICES TO GOVERNMENTAL ENTITIES.

1. The director shall enter into agreements with state agencies, and may enter into agreements with any other governmental entity, to furnish services and facilities of the department to the applicable governmental entity. The agreement shall provide for the reimbursement to the department of the reasonable cost of the services and facilities furnished. All governmental entities of this state may enter into such agreements.

2. This chapter does not affect any city civil service programs established under chapter 400.

3. The state board of regents shall not be required to obtain any service for the state board of regents or any institution under the control of the state board of regents that is provided by the department pursuant to this chapter without the consent of the state board of regents.

Sec. 13. NEW SECTION. 8A.123 DEPARTMENT INTERNAL SERVICE FUNDS.

1. Activities of the department shall be accounted for within the general fund of the state, except that the director may establish and maintain internal service funds in accordance with generally accepted accounting principles, as defined in section 8.57, subsection 4, for activities of the

department which are primarily funded from billings to governmental entities for services rendered by the department. The establishment of an internal service fund is subject to the approval of the director of the department of management and the concurrence of the auditor of state. At least ninety days prior to the establishment of an internal service fund pursuant to this section, the director shall notify in writing the general assembly, including the legislative council, legislative fiscal committee, and the legislative fiscal bureau.

2. Internal service funds shall be administered by the department and shall consist of moneys collected by the department from billings issued in accordance with section 8A.125 and any other moneys obtained or accepted by the department, including but not limited to gifts, loans, donations, grants, and contributions, which are designated to support the activities of the individual internal service funds. The director may obtain loans from the innovation fund created in section 8.63 for deposit in an internal service fund established pursuant to this section to provide seed and investment capital to enhance the delivery of services provided by the department.

3. The proceeds of an internal service fund established pursuant to this section shall be used by the department for the operations of the department consistent with this chapter. The director may appoint the personnel necessary to ensure the efficient provision of services funded pursuant to an internal service fund established under this section. However, this usage requirement shall not limit or restrict the department from using proceeds from gifts, loans, donations, grants, and contributions in conformance with any conditions, directions, limitations, or instructions attached or related thereto.

4. Section 8.33 does not apply to any moneys in internal service funds established pursuant to this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in these funds shall be credited to these funds.

5. a. The director shall annually provide internal service fund service business plans and financial reports to the department of management and the general assembly. The business plans may include the recommendation that a portion of unexpended net income be periodically returned to the appropriate funding source.

b. The department shall submit an annual report not later than October 1 to the members of the general assembly and the legislative fiscal bureau of the activities funded by and expenditures made from an internal service fund established pursuant to this section during the preceding fiscal year.

Sec. 14. NEW SECTION. 8A.124 ADDITIONAL PERSONNEL.

The department may employ, upon the approval of the department of management, such additional personnel in excess of the number of full-time equivalent positions authorized by the general assembly if such additional personnel are reasonable and necessary to perform such duties as required to meet the needs of the department to provide services to other governmental entities and as authorized by this chapter. The director shall notify in writing the department of management, the legislative fiscal committee, and the legislative fiscal bureau of any additional personnel employed pursuant to this section.

Sec. 15. NEW SECTION. 8A.125 BILLING -- CREDIT CARD PAYMENTS.

1. The director may bill a governmental entity for services rendered by the department in accordance with the duties of the department as provided in this chapter. Bills may include direct, indirect, and developmental costs which have not been funded by an appropriation to the department. The department shall periodically render a billing statement to a governmental entity outlining the cost of services provided to the governmental entity. The amount indicated on the statement shall be paid by the governmental entity and amounts received by the department shall be considered repayment receipts as defined in section 8.2, and deposited into the accounts of the department.

2. In addition to other forms of payment, a person may pay by credit card for services provided by the department, according to rules adopted by the treasurer of state. The credit card fees to be charged shall not exceed those permitted by statute. A governmental entity may adjust its payment to reflect the costs of processing as determined by the treasurer of state. The discount charged by the credit card issuer may be included in determining the fees to be paid for completing a financial transaction under this section by using a credit card. All credit card payments shall be credited to the fund used to account for the services provided.

Sec. 16. NEW SECTION. 8A.126 DEPARTMENT DEBTS AND LIABILITIES -- APPROPRIATION REQUEST.

If a service provided by the department and funded from an internal service fund established under section 8A.123 ceases to be provided and insufficient funds remain in the internal service fund to pay any outstanding debts and liabilities relating to that service, the director shall notify the general assembly and request that moneys be appropriated from the general fund of the state to pay such debts and liabilities.

ARTICLE 2  
INFORMATION TECHNOLOGY  
GENERAL PROVISIONS

Sec. 17. NEW SECTION. 8A.201 DEFINITIONS.

As used in this article, unless the context otherwise requires:

1. "Information technology" means computing and electronics applications used to process and distribute information in digital and other forms and includes information technology devices, information technology services, and value-added services.
2. "Information technology council" means the information technology council established in section 8A.204.
3. "Information technology device" means equipment or associated software, including programs, languages, procedures, or associated documentation, used in operating the equipment which is designed for utilizing information stored in an electronic format. "Information technology device" includes but is not limited to computer systems, computer networks, and equipment used for input, output, processing, storage, display, scanning, and printing.
4. "Information technology services" means services designed to do any of the following:
  - a. Provide functions, maintenance, and support of information technology devices.
  - b. Provide services including, but not limited to, any of the following:
    - (1) Computer systems application development and maintenance.
    - (2) Systems integration and interoperability.
    - (3) Operating systems maintenance and design.
    - (4) Computer systems programming.

- (5) Computer systems software support.
- (6) Planning and security relating to information technology devices.
- (7) Data management consultation.
- (8) Information technology education and consulting.
- (9) Information technology planning and standards.
- (10) Establishment of local area network and workstation management standards.

5. "Participating agency" means any agency other than any of the following:

a. The state board of regents and institutions operated under the authority of the state board of regents.

b. The public broadcasting division of the department of education.

c. The state department of transportation mobile radio network.

d. The department of public safety law enforcement communications systems and capitol complex security systems in use for the legislative branch.

e. The telecommunications and technology commission established in section 8D.3, with respect to information technology that is unique to the Iowa communications network.

f. The Iowa lottery.

g. A judicial district department of correctional services established pursuant to section 905.2.

6. "Value-added services" means services that offer or provide unique, special, or enhanced value, benefits, or features to the customer or user, including, but not limited to, services in which information technology is specially designed, modified, or adapted to meet the special or requested needs of the user or customer, services involving the delivery, provision, or transmission of information or data that require or involve additional processing, formatting, enhancement, compilation or security, services that provide the customer or user with enhanced accessibility, security or convenience, research and development services, and services that are provided to support technological or statutory requirements imposed on participating agencies and other governmental entities, businesses, and the public.

Sec. 18. NEW SECTION. 8A.202 INFORMATION TECHNOLOGY SERVICES -- MISSION -- POWERS AND DUTIES -- RESPONSIBILITIES.

1. MISSION. The mission of the department as it relates to information technology services is to provide high-quality, customer-focused information technology services and business solutions to government and to citizens.

2. POWERS AND DUTIES OF DEPARTMENT. The powers and duties of the department as it relates to information technology services shall include, but are not limited to, all of the following:

a. Providing information technology to agencies and other governmental entities.

b. Implementing the strategic information technology plan.

c. Developing and implementing a business continuity plan, as the director determines is appropriate, to be used if a disruption occurs in the provision of information technology to participating agencies and other governmental entities.

d. Prescribing standards and adopting rules relating to information technology and procurement, including but not limited to system design and systems integration and interoperability, which shall apply to all participating agencies except as otherwise provided in this chapter. The department shall implement information technology standards as established pursuant to this chapter which are applicable to information technology procurements for participating agencies.

e. Prescribing standards and adopting rules relating to standards for an electronic repository for maintaining mandated agency reports as provided in section 304.13A. Such repository shall be developed and maintained for the purpose of providing public access to such mandated reports. The department shall prescribe such standards and adopt rules relating to such standards in consultation with the state librarian.

f. Developing and maintaining security policies and systems to ensure the integrity of the state's information resources and to prevent the disclosure of confidential records.

g. Developing and implementing effective and efficient strategies for the use and provision of information technology for participating agencies and other governmental entities.

h. Coordinating the acquisition of information technology by participating agencies in furtherance of the purposes of this chapter. The department shall institute procedures to

ensure effective and efficient compliance with the applicable standards established pursuant to this article. This article shall not be construed to prohibit or limit a participating agency from entering into an agreement or contract for information technology with a qualified private entity.

i. Entering into contracts, leases, licensing agreements, royalty agreements, marketing agreements, memorandums of understanding, or other agreements as necessary and appropriate to administer this article.

j. Requesting that a participating agency provide such information as is necessary to establish and maintain an inventory of information technology used by participating agencies, and such participating agency shall provide such information to the department in a timely manner. The form and content of the information to be provided shall be determined by the department.

k. Charging reasonable fees, costs, expenses, charges, or other amounts to an agency, governmental entity, public official, or person or entity related to the provision, sale, use, or utilization of, or cost sharing with respect to, information technology and any intellectual property interests related thereto, research and development, proprietary hardware, software, and applications, and information technology architecture and design. The department may enter into nondisclosure agreements and take any other legal action reasonably necessary to secure a right to an interest in information technology development by or on behalf of the state of Iowa and to protect the state of Iowa's proprietary information technology and intellectual property interests. The provisions of chapter 23A relating to noncompetition by state agencies and political subdivisions with private enterprise shall not apply to department activities authorized under this paragraph.

l. Charging reasonable fees, costs, expenses, charges, or other amounts to an agency, governmental entity, public official, or other person or entity to or for whom information technology or other services have been provided by or on behalf of, or otherwise made available through, the department.

m. Providing, selling, leasing, licensing, transferring, or otherwise conveying or disposing of information technology, or any intellectual property or other rights with respect

thereto, to agencies, governmental entities, public officials, or other persons or entities.

n. Entering into partnerships, contracts, leases, or other agreements with public and private entities for the evaluation and development of information technology pilot projects.

o. Initiating and supporting the development of electronic commerce, electronic government, and internet applications across participating agencies and in cooperation with other governmental entities. The department shall foster joint development of electronic commerce and electronic government involving the public and private sectors, develop customer surveys and citizen outreach and education programs and material, and provide for citizen input regarding the state's electronic commerce and electronic government applications.

3. RESPONSIBILITIES. The responsibilities of the department as it relates to information technology services include the following:

a. Coordinate the activities of the department in promoting, integrating, and supporting information technology in all business aspects of state government.

b. Provide for server systems, including mainframe and other server operations, desktop support, and applications integration.

c. Provide applications development, support, and training, and advice and assistance in developing and supporting business applications throughout state government.

4. INFORMATION TECHNOLOGY CHARGES. The department shall render a statement to an agency, governmental entity, public official, or other person or entity to or for whom information technology, value-added services, or other items or services have been provided by or on behalf of, or otherwise made available through, the department. Such an agency, governmental entity, public official, or other person or entity shall pay an amount indicated on such statement in a manner determined by the department.

5. DISPUTE RESOLUTION. If a dispute arises between the department and an agency for which the department provides or refuses to provide information technology, the dispute shall be resolved as provided in section 679A.19.

Sec. 19. NEW SECTION. 8A.203 DIRECTOR -- INFORMATION TECHNOLOGY SERVICES POWERS AND DUTIES.



The director shall do all of the following as it relates to information technology services:

1. Prescribe and adopt information technology standards and rules.

2. Develop and recommend legislative proposals deemed necessary for the continued efficiency of the department in performing information technology functions, and review legislative proposals generated outside of the department which are related to matters within the department's purview.

3. Provide advice to the governor on issues related to information technology.

4. Consult with agencies and other governmental entities on issues relating to information technology.

5. Work with all governmental entities in an effort to achieve the information technology goals established by the department.

Sec. 20. NEW SECTION. 8A.204 INFORMATION TECHNOLOGY COUNCIL -- MEMBERS -- POWERS AND DUTIES.

1. MEMBERSHIP.

a. The information technology council is composed of fourteen members including the following:

(1) The chairperson of the IowaAccess advisory council established in section 8A.221, or the chairperson's designee.

(2) Two executive branch department heads appointed by the governor.

(3) Six persons appointed by the governor who are knowledgeable in information technology matters.

(4) One person representing the judicial branch appointed by the chief justice of the supreme court who shall serve in an ex officio, nonvoting capacity.

(5) Four members of the general assembly with not more than one member from each house being from the same political party. The two senators shall be designated by the president of the senate after consultation with the majority and minority leaders of the senate. The two representatives shall be designated by the speaker of the house of representatives after consultation with the majority and minority leaders of the house of representatives. Legislative members shall serve in an ex officio, nonvoting capacity. A legislative member is eligible for per diem and expenses as provided in section 2.10.

b. The members appointed pursuant to paragraph "a" shall serve four-year staggered terms and such appointments to the information technology council are subject to the requirements of sections 69.16, 69.16A, and 69.19. The four-year terms of members appointed by the governor shall be staggered as designated by the governor. Members appointed by the governor are subject to senate confirmation and may also be eligible to receive compensation as provided in section 7E.6. Members shall be reimbursed for actual and necessary expenses incurred in performance of the members' duties.

c. The information technology council shall annually elect its own chairperson from among the voting members of the council. A majority of the voting members of the council constitutes a quorum.

2. DUTIES. The information technology council shall do all of the following:

a. Advise the department in the development of recommended standards for consideration with respect to the procurement of information technology by all participating agencies.

b. Appoint advisory committees as appropriate to assist the department in developing strategies for the use and provision of information technology and establishing other advisory committees as necessary to assist the information technology council in carrying out its duties under this article. The number of advisory committees and their membership shall be determined by the information technology council to assure that the public and agencies and other governmental entities have an opportunity to comment on the services provided and the service goals and objectives of the department.

c. Advise the department in the preparation and annual update of the strategic information technology plan for the use of information technology throughout state government. The plan shall promote participation in cooperative projects with other governmental entities. The plan shall establish a mission, goals, and objectives for the use of information technology, including goals for electronic access to public records, information, and services. The plan shall be submitted annually to the governor and the general assembly.

d. Review, as deemed appropriate by the information technology council, legislative proposals recommended by the director, or other legislative proposals as developed and deemed necessary by the information technology council.

e. Review the recommendations of the IowAccess advisory council regarding rates to be charged for access to and for value-added services performed through IowAccess. The information technology council shall report the establishment of a new rate or change in the level of an existing rate to the department who will then notify the department of management, and the department of management shall notify the legislative fiscal bureau regarding the rate establishment or change.

Sec. 21. NEW SECTION. 8A.205 DIGITAL GOVERNMENT.

1. The department is responsible for initiating and supporting the development of electronic commerce, electronic government, and internet applications across participating agencies and in cooperation with other governmental entities.

2. In developing the concept of digital government, the department shall do all of the following:

a. Establish standards, consistent with other state law, for the implementation of electronic commerce, including standards for digital signatures, electronic currency, and other items associated with electronic commerce.

b. Establish guidelines for the appearance and functioning of applications.

c. Establish standards for the integration of electronic data across state agencies.

d. Foster joint development of electronic commerce and electronic government involving the public and private sectors.

e. Develop customer surveys and citizen outreach and education programs and material, and provide for citizen input regarding the state's electronic commerce and electronic government applications.

f. Provide staff support for the IowAccess advisory council.

Sec. 22. NEW SECTION. 8A.206 INFORMATION TECHNOLOGY STANDARDS.

1. The department shall develop, in consultation with the information technology council, recommended standards for consideration with respect to the procurement of information technology by all participating agencies. It is the intent of the general assembly that information technology standards be established for the purpose of guiding such procurements. Such standards, unless waived by the department, shall apply

to all information technology procurements for participating agencies.

2. The office of the governor or the office of an elective constitutional or statutory officer shall consult with the department prior to procuring information technology and consider the standards recommended by the department, and provide a written report to the department relating to the office's decision regarding such acquisitions.

Sec. 23. NEW SECTION. 8A.207 PROCUREMENT OF INFORMATION TECHNOLOGY.

1. Standards established by the department, unless waived by the department, shall apply to all information technology procurements for participating agencies.

2. The department shall institute procedures to ensure effective and efficient compliance with standards established by the department.

3. The department, by rule, may implement a prequalification procedure for contractors with which the department has entered or intends to enter into agreements regarding the procurement of information technology.

4. Notwithstanding the provisions governing purchasing as provided in article 3, the department may procure information technology as provided in this section. The department may cooperate with other governmental entities in the procurement of information technology in an effort to make such procurements in a cost-effective, efficient manner as provided in this section. The department, as deemed appropriate and cost-effective, may procure information technology using any of the following methods:

a. Cooperative procurement agreement. The department may enter into a cooperative procurement agreement with another governmental entity relating to the procurement of information technology, whether such information technology is for the use of the department or other governmental entities. The cooperative procurement agreement shall clearly specify the purpose of the agreement and the method by which such purpose will be accomplished. Any power exercised under such agreement shall not exceed the power granted to any party to the agreement.

b. Negotiated contract. The department may enter into an agreement for the purchase of information technology if any of the following applies:

(1) The contract price, terms, and conditions are pursuant to the current federal supply contract, and the purchase order adequately identifies the federal supply contract under which the procurement is to be made.

(2) The contract price, terms, and conditions are no less favorable than the contractor's current federal supply contract price, terms, and conditions; the contractor has indicated in writing a willingness to extend such price, terms, and conditions to the department; and the purchase order adequately identifies the contract relied upon.

(3) The contract is with a vendor which has a current exclusive or nonexclusive price agreement with the state for the information technology to be procured, and such information technology meets the same standards and specifications as the items to be procured and both of the following apply:

(a) The quantity purchased does not exceed the quantity which may be purchased under the applicable price agreement.

(b) The purchase order adequately identifies the price agreement relied upon.

c. Contracts let by another governmental entity. The department, on its own behalf or on the behalf of another participating agency or governmental entity, may procure information technology under a contract let by another agency or other governmental entity, or approve such procurement in the same manner by a participating agency or governmental entity.

d. Reverse auction.

(1) The department may enter into an agreement for the purchase of information technology utilizing a reverse auction process. Such process shall result in the purchase of information technology from the vendor submitting the lowest responsible bid amount for the information technology to be acquired. The department, in establishing a reverse auction process, shall do all of the following:

(a) Determine the specifications and requirements of the information technology to be acquired.

(b) Identify and provide notice to potential vendors concerning the proposed acquisition.

(c) Establish prequalification requirements to be met by a vendor to be eligible to participate in the reverse auction.

(d) Conduct the reverse auction in a manner as deemed appropriate by the department, and consistent with rules adopted by the department.

(2) Prior to conducting a reverse auction, the department shall establish a threshold amount which shall be the maximum amount which the department is willing to pay for the information technology to be acquired.

(3) The department shall enter into an agreement with a vendor who is the lowest responsible bidder which meets the specifications or description of the information technology to be procured, or the department may reject all bids and begin the process again. In determining the lowest responsible bidder, the department may consider various factors, including, but not limited to, the past performance of the vendor relative to quality of product or service, the past experience of the department in relation to the product or service, the relative quality of products or services, the proposed terms of delivery, and the best interest of the state.

e. Competitive bidding. The department may enter into an agreement for the procurement or acquisition of information technology in the same manner as provided under article III for the purchasing of service.

f. Other agreements. In addition to the competitive bidding procedure provided for under paragraph "e", the department may enter into an agreement for the purchase, disposal, or other disposition of information technology in the same manner and subject to the same limitations as otherwise provided in this chapter. The department, by rule, shall provide for such procedures.

5. The department shall adopt rules pursuant to chapter 17A to implement the procurement methods and procedures provided for in subsections 2 through 4.

#### IOWACCESS

Sec. 24. NEW SECTION. 8A.221 IOWACCESS ADVISORY COUNCIL ESTABLISHED -- DUTIES -- MEMBERSHIP.

1. ADVISORY COUNCIL ESTABLISHED. An IowAccess advisory council is established within the department for the purpose of creating and providing a service to the citizens of this state that is the gateway for one-stop electronic access to government information and transactions, whether federal, state, or local. Except as provided in this section,

IowAccess shall be a state-funded service providing access to government information and transactions. The department, in establishing the fees for value-added services, shall consider the reasonable cost of creating and organizing such government information through IowAccess.

2. DUTIES.

a. The advisory council shall do all of the following:

(1) Recommend to the information technology council rates to be charged for access to and for value-added services performed through IowAccess.

(2) Recommend to the director the priority of projects associated with IowAccess.

(3) Recommend to the director expected outcomes and effects of the use of IowAccess and determine the manner in which such outcomes are to be measured and evaluated.

(4) Review and recommend to the director the IowAccess total budget request and ensure that such request reflects the priorities and goals of IowAccess as established by the advisory council.

(5) Review and recommend to the director all rules to be adopted by the department that are related to IowAccess.

(6) Advocate for access to government information and services through IowAccess and for data privacy protection, information ethics, accuracy, and security in IowAccess programs and services.

(7) Receive status and operations reports associated with IowAccess.

(8) Other duties as assigned by the director.

b. The advisory council shall also advise the director with respect to the operation of IowAccess and encourage and implement access to government and its public records by the citizens of this state.

c. The advisory council shall serve as a link between the users of public records, the lawful custodians of such public records, and the citizens of this state who are the owners of such public records.

d. The advisory council shall ensure that IowAccess gives priority to serving the needs of the citizens of this state.

3. MEMBERSHIP.

a. The advisory council shall be composed of nineteen members including the following:

(1) Five persons appointed by the governor representing the primary customers of IowAccess.

(2) Six persons representing lawful custodians as follows:

(a) One person representing the legislative branch, who shall not be a member of the general assembly, to be appointed jointly by the president of the senate, after consultation with the majority and minority leaders of the senate, and by the speaker of the house of representatives, after consultation with the majority and minority leaders of the house of representatives.

(b) One person representing the judicial branch as designated by the chief justice of the supreme court.

(c) One person representing the executive branch as designated by the governor.

(d) One person to be appointed by the governor representing cities who shall be actively engaged in the administration of a city.

(e) One person to be appointed by the governor representing counties who shall be actively engaged in the administration of a county.

(f) One person to be appointed by the governor representing the federal government.

(3) Four members to be appointed by the governor representing a cross section of the citizens of the state.

(4) Four members of the general assembly, two from the senate and two from the house of representatives, with not more than one member from each chamber being from the same political party. The two senators shall be designated by the president of the senate after consultation with the majority and minority leaders of the senate. The two representatives shall be designated by the speaker of the house of representatives after consultation with the majority and minority leaders of the house of representatives. Legislative members shall serve in an ex officio, nonvoting capacity. A legislative member is eligible for per diem and expenses as provided in section 2.10.

b. Members appointed by the governor are subject to confirmation by the senate and shall serve four-year staggered terms as designated by the governor. The advisory council shall annually elect its own chairperson from among the voting members of the board. Members appointed by the governor are subject to the requirements of sections 69.16, 69.16A, and



69.19. Members appointed by the governor shall be reimbursed for actual and necessary expenses incurred in performance of their duties. Such members may also be eligible to receive compensation as provided in section 7E.6.

4. This section shall not be construed to impair the right of a person to contract to purchase information or data from the Iowa court information system or any other governmental entity. This section shall not be construed to affect a data purchase agreement or contract in existence on April 25, 2000.

Sec. 25. NEW SECTION. 8A.222 FINANCIAL TRANSACTIONS.

1. Moneys paid to a participating agency from persons who complete an electronic financial transaction with the agency by accessing IowAccess shall be transferred to the treasurer of state for deposit in the general fund of the state, unless the disposition of the moneys is specifically provided for under other law. The moneys may include all of the following:

- a. Fees required to obtain an electronic public record as provided in section 22.3A.
- b. Fees required to process an application or file a document, including but not limited to fees required to obtain a license issued by a licensing authority.
- c. Moneys owed to a governmental entity by a person accessing IowAccess in order to satisfy a liability arising from the operation of law, including the payment of assessments, taxes, fines, and civil penalties.

2. Moneys transferred using IowAccess may include amounts owed by a governmental entity to a person accessing IowAccess in order to satisfy a liability of the governmental entity. The moneys may include the payment of tax refunds, and the disbursement of support payments as defined in section 252D.16 or 598.1 as required for orders issued pursuant to section 252B.14.

3. In addition to other forms of payment, credit cards shall be accepted in payment for moneys owed to or fees imposed by a governmental entity in the same manner as provided in section 8A.125.

4. Notwithstanding any other provision of this section, the department may establish for the fiscal years beginning July 1, 2003, and ending June 30, 2005, a pilot project for fee collection. Fees shall be collected based on the ability to access court information from remote locations.

Sec. 26. NEW SECTION. 8A.223 AUDITS REQUIRED.

A technology audit of the electronic transmission system by which government records are transmitted electronically to the public shall be conducted not less than once annually for the purpose of determining that government records and other electronic data are not misappropriated or misused by the department or a contractor of the department.

Sec. 27. NEW SECTION. 8A.224 IOWACCESS REVOLVING FUND.

An IowAccess revolving fund is created in the state treasury. The revolving fund shall be administered by the department and shall consist of moneys collected by the department as fees, moneys appropriated by the general assembly, and any other moneys obtained or accepted by the department for deposit in the revolving fund. The proceeds of the revolving fund are appropriated to and shall be used by the department to maintain, develop, operate, and expand IowAccess consistent with this article. The department shall submit an annual report not later than January 31 to the members of the general assembly and the legislative fiscal bureau, of the activities funded by and expenditures made from the revolving fund during the preceding fiscal year. Section 8.33 does not apply to any moneys in the revolving fund and, notwithstanding section 12C.7, subsection 2, earnings or interest on moneys deposited in the revolving fund shall be credited to the revolving fund.

### ARTICLE 3

#### PHYSICAL RESOURCES

#### GENERAL PROVISIONS

Sec. 28. NEW SECTION. 8A.301 DEFINITIONS.

When used in this article, unless the context otherwise requires:

1. "Bid specification" means the standards or qualities which must be met before a contract to purchase will be awarded and any terms which the director has set as a condition precedent to the awarding of a contract.

2. "Competitive bidding procedure" means the advertisement for, solicitation of, or the procurement of bids; the manner and condition in which bids are received; and the procedure by which bids are opened, accessed, accepted, rejected, or awarded. A "competitive bidding procedure" may include a transaction accomplished in an electronic format.

3. "Life cycle cost" means the expected total cost of ownership during the life of a product.

4. "Printing" means, as used in chapter 7A and this article, the reproduction of an image from a printing surface made generally by a contact impression that causes a transfer of ink, the reproduction of an impression by a photographic process, or the reproduction of an image by electronic means and shall include binding and may include material, processes, or operations necessary to produce a finished printed product, but shall not include binding, rebinding or repairs of books, journals, pamphlets, magazines and literary articles by any library of the state or any of its offices, departments, boards, and commissions held as a part of their library collection.

5. "State buildings and grounds" excludes any building under the custody and control of the Iowa public employees' retirement system.

Sec. 29. NEW SECTION. 8A.302 DEPARTMENTAL DUTIES -- PHYSICAL RESOURCES.

The duties of the department as it relates to the physical resources of state government shall include but not necessarily be limited to the following:

1. Providing a system of uniform standards and specifications for purchasing. When the system is developed, all items of general use shall be purchased by state agencies through the department, except items used by the state department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other agencies exempted by law. However, items of general use may be purchased through the department by any governmental entity.

2. Providing for the proper maintenance of the state capitol, grounds, and equipment, and all other state buildings and grounds, and equipment at the seat of government, and of the state laboratories facility in Ankeny, except those referred to in section 216B.3, subsection 6.

3. Providing for mail services for all state officials, agencies, and departments located at the seat of government. However, postage shall not be furnished to the general assembly, its members, officers, employees, or committees.

4. Providing architectural services, contracting for construction and construction oversight for state agencies except for the state board of regents, department of transportation, national guard, natural resource commission,

and the Iowa public employees' retirement system. Capital funding appropriated to state agencies, except to the state board of regents, department of transportation, national guard, natural resource commission, and the Iowa public employees' retirement system, for property management shall be transferred for administration to the director of the department of administrative services.

5. Developing and implementing procedures to conduct transactions, including purchasing, authorized by this article in an electronic format to the extent determined appropriate by the department. The director shall adopt rules establishing criteria for competitive bidding procedures involving transactions in an electronic format, including criteria for accepting or rejecting bids which are electronically transmitted to the department, and for establishing with reasonable assurance the authenticity of the bid and the bidder's identity.

6. Providing insurance for motor vehicles owned by the state.

#### PURCHASING

Sec. 30. NEW SECTION. 8A.311 COMPETITIVE BIDDING -- PREFERENCES -- RECIPROCAL APPLICATION -- DIRECT PURCHASING.

The director shall adopt rules establishing competitive bidding procedures.

1. All equipment, supplies, or services procured by the department shall be purchased by a competitive bidding procedure. However, the director may exempt by rule purchases of noncompetitive items and purchases in lots or quantities too small to be effectively purchased by competitive bidding. Preference shall be given to purchasing Iowa products and purchases from Iowa-based businesses if the Iowa-based business bids submitted are comparable in price to bids submitted by out-of-state businesses and otherwise meet the required specifications. If the laws of another state mandate a percentage preference for businesses or products from that state and the effect of the preference is that bids of Iowa businesses or products that are otherwise low and responsive are not selected in the other state, the same percentage preference shall be applied to Iowa businesses and products when businesses or products from that other state are bid to supply Iowa requirements.

2. The director may also exempt the purchase of an item or service from a competitive bidding procedure when the director determines that the best interests of the state will be served by the exemption which shall be based on one of the following:

a. An immediate or emergency need existing for the item or service.

b. A need to protect the health, safety, or welfare of persons occupying or visiting a public improvement or property located adjacent to the public improvement.

3. a. The director may contract for the purchase of items or services by the department. Contracts for the purchase of items or services shall be awarded on the basis of the lowest competent bid. Contracts not based on competitive bidding shall be awarded on the basis of bidder competence and reasonable price.

b. Architectural and engineering services shall be procured in a reasonable manner, as the director by rule may determine, on the basis of competence and qualification for the type of services required and for a fair and reasonable price.

4. The director may refuse all bids on any item or service and request new bids.

5. The director shall establish by rule the amount of security, if any, to accompany a bid or as a condition precedent to the awarding of any contract and the circumstances under which a security will be returned to the bidder or forfeited to the state.

6. The director shall adopt rules providing a method for the various state agencies to file with the department a list of those supplies, equipment, machines, and all items needed to properly perform their governmental duties and functions.

7. The director shall furnish a list of specifications, prices, and discounts of contract items to any governmental subdivision which shall be responsible for payment to the vendor under the terms and conditions outlined in the state contract.

8. The director shall adopt rules providing that any state agency may, upon request, purchase directly from a vendor if the direct purchasing is as economical or more economical than purchasing through the department, or upon a showing that direct purchasing by the state agency would be in the best interests of the state due to an immediate or emergency need.

The rules shall include a provision permitting a state agency to purchase directly from a vendor, on the agency's own authority, if the purchase will not exceed five thousand dollars and the purchase will contribute to the agency complying with or exceeding the targeted small business procurement goals under sections 73.15 through 73.21.

Any member of the executive council may bring before the executive council for review a decision of the director granting a state agency request for direct purchasing. The executive council shall hear and review the director's decision in the same manner as an appeal filed by an aggrieved bidder, except that the three-day period for filing for review shall not apply.

9. a. When the estimated total cost of construction, erection, demolition, alteration, or repair of a public improvement exceeds twenty-five thousand dollars, the department shall solicit bids on the proposed improvement by publishing an advertisement in a print format. The advertisement shall appear in two publications in a newspaper published in the county in which the work is to be done. The first advertisement for bids appearing in a newspaper shall be not less than fifteen days prior to the date set for receiving bids. The department may publish an advertisement in an electronic format as an additional method of soliciting bids under this paragraph.

b. In awarding a contract under this subsection, the department shall let the work to the lowest responsible bidder submitting a sealed proposal. However, if the department considers the bids received not to be acceptable, all bids may be rejected and new bids requested. A bid shall be accompanied by a certified or cashier's check or bid bond in an amount designated in the advertisement for bids as security that the bidder will enter into a contract for the work requested. The department shall establish the bid security in an amount equal to at least five percent, but not more than ten percent of the estimated total cost of the work. The certified or cashier's checks or bid bonds of unsuccessful bidders shall be returned as soon as the successful bidder is determined. The certified or cashier's check or bid bond of the successful bidder shall be returned upon execution of the contract. This subsection does not apply to the construction, erection, demolition, alteration, or repair of a public

improvement when the contracting procedure for the work requested is otherwise provided for in law.

10. The state and its political subdivisions shall give preference to purchasing Iowa products and purchasing from Iowa-based businesses if the bids submitted are comparable in price to those submitted by other bidders and meet the required specifications.

11. The director shall adopt rules which require that each bid received for the purchase of items purchased by the department includes a product content statement which provides the percentage of the content of the item which is reclaimed material.

12. The director shall review and, where necessary, revise specifications used by state agencies to procure products in order to ensure all of the following:

a. The procurement of products containing recovered materials, including but not limited to lubricating oils, retread tires, building insulation materials, and recovered materials from waste tires. The specifications shall be revised if they restrict the use of alternative materials, exclude recovered materials, or require performance standards which exclude products containing recovered materials unless the agency seeking the product can document that the use of recovered materials will hamper the intended use of the product.

b. The procurement by state agencies of bio-based hydraulic fluids, greases, and other industrial lubricants manufactured from soybeans in accordance with the requirements of section 8A.316.

13. A bidder awarded a state construction contract shall disclose the names of all subcontractors, who will work on the project being bid, within forty-eight hours after the award of the contract.

If a subcontractor named by a bidder awarded a state construction contract is replaced, or if the cost of work to be done by a subcontractor is reduced, the bidder shall disclose the name of the new subcontractor or the amount of the reduced cost.

14. A state agency shall make every effort to purchase those products produced for sale by sheltered workshops, work activity centers, and other special programs funded in whole or in part by public moneys that employ persons with mental

retardation or other developmental disabilities or mental illness if the products meet the required specifications.

15. A state agency shall make every effort to purchase products produced for sale by employers of persons in supported employment.

16. The department shall not award a contract to a bidder for a construction, reconstruction, demolition, or repair project or improvement with an estimated cost that exceeds twenty-five thousand dollars in which the bid requires the use of inmate labor supplied by the department of corrections, but not employed by private industry pursuant to section 904.809, to perform the project or improvement.

17. This section does not apply to Iowa technology center contracts in support of activities performed for another governmental entity, either state or federal. The Iowa technology center is an entity created by a chapter 28E agreement entered into by the department of public defense.

18. Life cycle cost and energy efficiency shall be included in the criteria used by the department, institutions under the control of the state board of regents, the department of transportation, the department for the blind, and other state agencies in developing standards and specifications for purchasing energy-consuming products. For purposes of this subsection, the life cycle costs of American motor vehicles shall be reduced by five percent in order to determine if the motor vehicle is comparable to foreign-made motor vehicles. "American motor vehicles" includes those vehicles manufactured in this state and those vehicles in which at least seventy percent of the value of the motor vehicle was manufactured in the United States or Canada and at least fifty percent of the motor vehicle sales of the manufacturer are in the United States or Canada. In determining the life cycle costs of a motor vehicle, the costs shall be determined on the basis of the bid price, the resale value, and the operating costs based upon a useable life of five years or seventy-five thousand miles, whichever occurs first.

19. Preference shall be given to purchasing American-made products and purchases from American-based businesses if the life cycle costs are comparable to those products of foreign businesses and which most adequately fulfill the department's need.

Sec. 31. NEW SECTION. 8A.312 COOPERATIVE PURCHASING.



The director may purchase items through the department of transportation, institutions under the control of the state board of regents, and any other agency exempted by law from centralized purchasing. These state agencies shall upon request furnish the director with a list of and specifications for all items of office equipment, furniture, fixtures, motor vehicles, heavy equipment, and other related items to be purchased during the next quarter and the date by which the director must file with the agency the quantity of items to be purchased by the state agency for the department. The department shall be liable to the state agency for the proportionate costs the items purchased for the department bear to the total purchase price. When items purchased have been delivered, the state agency shall notify the director and after receipt of the purchase price shall release the items to the director or upon the director's order.

Sec. 32. NEW SECTION. 8A.313 DISPUTES INVOLVING PURCHASING FROM IOWA STATE INDUSTRIES.

Disputes arising between the department of corrections and a purchasing department or agency over the procurement of products from Iowa state industries as described in section 904.808 shall be referred to the director. The decision of the director is final unless a written appeal is filed with the executive council within five days of receipt of the decision of the director, excluding Saturdays, Sundays, and legal holidays. If an appeal is filed, the executive council shall hear and determine the appeal within thirty days. The decision of the executive council is final.

Sec. 33. NEW SECTION. 8A.314 PURCHASING REVOLVING FUND.

1. A purchasing revolving fund is established within the department. The director shall keep an accurate itemized account for each state agency purchasing through the department, using services provided for by the department, and using postage supplied by the department.

2. At the end of each month the director shall render a statement to each state agency for the actual cost of items purchased through the department, and the actual cost of services and postage used by the agency. The monthly statement shall also include a fair proportion of the administrative costs of the department during the month. The portion of administrative costs shall be determined by the director subject to review by the executive council upon complaint from any state agency adversely affected.

3. Statements rendered to the various state agencies shall be paid by the state agencies in the manner determined by the department. When the statements are paid the sums shall be credited to the purchasing revolving fund. If any funds accrue to the revolving fund in excess of two hundred twenty-five thousand dollars and there is no anticipated need or use for such funds, the governor shall order the excess funds credited to the general fund of the state.

Sec. 34. NEW SECTION. 8A.315 STATE PURCHASES -- RECYCLED PRODUCTS -- SOYBEAN-BASED INKS.

1. When purchasing paper products other than printing and writing paper, the department shall, when the price is reasonably competitive and the quality as intended, purchase the recycled product. The department shall also purchase, when the price is reasonably competitive and the quality as intended, and in keeping with the schedule established in this subsection, soybean-based inks and plastic products with recycled content including but not limited to plastic garbage can liners.

a. One hundred percent of the purchases of inks which are used for newsprint printing services performed internally or contracted for by the department shall be soybean-based.

b. One hundred percent of the purchases of inks, other than inks which are used for newsprint printing services, and which are used internally or contracted for by the department, shall be soybean-based to the extent formulations for such inks are available.

c. A minimum of ten percent of the purchases of garbage can liners made by the department shall be plastic garbage can liners with recycled content. The percentage shall increase by ten percent annually until fifty percent of the purchases of garbage can liners are plastic garbage can liners with recycled content.

d. The department shall report to the general assembly on February 1 of each year the following:

(1) A listing of plastic products which are regularly purchased by the department and other state agencies for which recycled content product alternatives are available, including the cost of the plastic products purchased and the cost of the recycled content product alternatives.

(2) Information relating to soybean-based inks and plastic garbage can liners with recycled content regularly purchased

by the department and other state agencies, including the cost of purchasing soybean-based inks and plastic garbage can liners with recycled content and the percentages of soybean-based inks and plastic garbage can liners with recycled content that have been purchased.

e. For purposes of this subsection, "recycled content" means that the content of the product contains a minimum of thirty percent postconsumer material.

2. a. Except as otherwise provided in this section, the department shall purchase and use recycled printing and writing paper so that ninety percent of the volume of printing and writing paper purchased is recycled paper. The recycled printing and writing paper shall meet the requirements for procuring recycled printing and writing paper set forth in 40 C.F.R. pt. 247, and in related recovered materials advisory notices issued by the United States environmental protection agency.

b. The department shall establish a prioritization procedure for the purchase of recycled paper which provides for a five percent differential in the cost of the purchase of paper which has been recycled through the use of a nonchlorinated process.

c. If a provision under this subsection results in the limitation of sources for the purchase of printing and writing paper to three or fewer sources, the department may waive the requirement in order to purchase necessary amounts of printing and writing paper.

d. Notwithstanding the requirements of this subsection regarding the purchase of recycled printing and writing paper, the department shall purchase acid-free permanent paper in the amount necessary for the production or reproduction of documents, papers, or similar materials produced or reproduced for permanent preservation pursuant to law.

3. The department, in conjunction with the department of natural resources, shall review the procurement specifications currently used by the state to eliminate, wherever possible, discrimination against the procurement of products manufactured with recovered materials and soybean-based inks.

4. The department of natural resources shall assist the department in locating suppliers of recycled products and soybean-based inks and collecting data on recycled content and soybean-based ink purchases.

5. Information on recycled content shall be requested on all bids for paper products other than printing and writing paper issued by the state and on other bids for products which could have recycled content such as oil, plastic products, including but not limited to compost materials, aggregate, solvents, soybean-based inks, and rubber products. Except for purchases of printing and writing paper made pursuant to subsection 2, paragraphs "c" and "d", the department shall require persons submitting bids for printing and writing paper to certify that the printing and writing paper proposed complies with the requirements referred to in subsection 2, paragraph "a".

6. The department, in conjunction with the department of natural resources, shall adopt rules to administer this section.

7. All state agencies shall fully cooperate with the department and with the department of natural resources in all phases of implementing this section.

8. The department, whenever technically feasible, shall purchase and use degradable loose foam packing material manufactured from grain starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources. For the purposes of this subsection, "packing material" means material, other than an exterior packing shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

Sec. 35. NEW SECTION. 8A.316 LUBRICANTS AND OILS -- PREFERENCES.

The department shall do all of the following:

1. Revise its procedures and specifications for the purchase of lubricating oil and industrial oil to eliminate exclusion of recycled oils and any requirement that oils be manufactured from virgin materials.

2. Require that purchases of lubricating oil and industrial oil be made from the seller whose oil product contains the greatest percentage of recycled oil, unless one of the following circumstances regarding a specific oil product containing recycled oil exists:

a. The product is not available within a reasonable period of time or in quantities necessary or in container sizes appropriate to meet a state agency's needs.

b. The product does not meet the performance requirements or standards recommended by the equipment or vehicle manufacturer, including any warranty requirements.

c. The product is available only at a cost greater than one hundred five percent of the cost of comparable virgin oil products.

3. Establish and maintain a preference program for procuring oils containing the maximum content of recycled oil. The preference program shall include but is not limited to all of the following:

a. The inclusion of the preferences for recycled oil products in publications used to solicit bids from suppliers.

b. The provision of a description of the recycled oil procurement program at bidders' conferences.

c. Discussion of the preference program in lubricating oil and industrial oil procurement solicitations or invitations to bid.

d. Efforts to inform industry trade associations about the preference program.

4. a. Provide that when purchasing hydraulic fluids, greases, and other industrial lubricants, the department or a state agency authorized by the department to directly purchase hydraulic fluids, greases, and other industrial lubricants shall give preference to purchasing bio-based hydraulic fluids, greases, and other industrial lubricants manufactured from soybeans.

b. Provide for the implementation of requirements necessary in order to carry out this subsection by the department or state agency making the purchase, which shall include all of the following:

(1) Including the preference requirements in publications used to solicit bids for hydraulic fluids, greases, and other industrial lubricants.

(2) Describing the preference requirements at bidders' conferences in which bids for the sale of hydraulic fluids, greases, and other industrial lubricants are sought by the department or authorized state agency.

(3) Discussing the preference requirements in procurement solicitations or invitations to bid for hydraulic fluids, greases, and other industrial lubricants.

(4) Informing industry trade associations about the preference requirements.

c. As used in this subsection, unless the context otherwise requires:

(1) "Bio-based hydraulic fluids, greases, and other industrial lubricants" means the same as defined by the United States department of agriculture, if the department has adopted such a definition. If the United States department of agriculture has not adopted a definition, "bio-based hydraulic fluids, greases, and other industrial lubricants" means hydraulic fluids, greases, and other lubricants containing a minimum of fifty-one percent soybean oil.

(2) "Other industrial lubricants" means lubricants used or applied to machinery.

PHYSICAL RESOURCES AND FACILITY MANAGEMENT

Sec. 36. NEW SECTION. 8A.321 PHYSICAL RESOURCES AND FACILITY MANAGEMENT -- DIRECTOR DUTIES -- APPROPRIATION.

In managing the physical resources of government, the director shall perform all of the following duties:

1. Provide for supervision over the custodians, and other employees of the department in and about the capitol and other state buildings, and the state laboratories facility in Ankeny, except the buildings and grounds referred to in section 216B.3, subsection 6, at the seat of government.

2. Institute, in the name of the state, and with the advice and consent of the attorney general, civil and criminal proceedings against any person for injury or threatened injury to any public property, including but not limited to intangible and intellectual property, under the person's control.

3. Under the direction of the governor, provide, furnish, and pay for public utilities service, heat, maintenance, minor repairs, and equipment in operating and maintaining the official residence of the governor of Iowa.

4. Contract, with the approval of the executive council, for the repair, remodeling, or, if the condition warrants, demolition of all buildings and grounds of the state at the seat of government, at the state laboratories facility in Ankeny, and the institutions of the department of human services and the department of corrections for which no specific appropriation has been made, if the cost of repair, remodeling, or demolition will not exceed one hundred thousand dollars when completed. The cost of repair projects for which no specific appropriation has been made shall be paid from the fund provided in section 7D.29.

5. Dispose of all personal property of the state under the director's control as provided by section 8A.324 when it becomes unnecessary or unfit for further use by the state. If the director concludes that the personal property is contaminated, contains hazardous waste, or is hazardous waste, the director may charge the state agency responsible for the property for removal and disposal of the personal property. The director shall adopt rules establishing the procedures for inspecting, selecting, and removing personal property from state agencies or from state storage.

6. a. Lease all buildings and office space necessary to carry out the provisions of this article or necessary for the proper functioning of any state agency at the seat of government. For state agencies at the seat of government, the director may lease buildings and office space in Polk county or in a county contiguous to Polk county. If no specific appropriation has been made, the proposed lease shall be submitted to the executive council for approval. The cost of any lease for which no specific appropriation has been made shall be paid from the fund provided in section 7D.29.

b. When the general assembly is not in session, the director may request moneys from the executive council for moving state agencies located at the seat of government from one location to another. The request may include moving costs, telecommunications costs, repair costs, or any other costs relating to the move. The executive council may approve and shall pay the costs from funds provided in section 7D.29 if it determines the agency or department has no available funds for these expenses.

c. Coordinate the leasing of buildings and office space by state agencies throughout the state and develop cooperative relationships with the state board of regents in order to promote the collocation of state agencies.

7. Unless otherwise provided by law, coordinate the location, design, plans and specifications, construction, and ultimate use of the real or personal property to be purchased by a state agency for whose benefit and use the property is being obtained. If the purchase of real or personal property is to be financed pursuant to section 12.28, the department shall cooperate with the treasurer of state in providing the information necessary to complete the financing of the property.

A contract for acquisition, construction, erection, demolition, alteration, or repair by a private person of real or personal property to be lease-purchased by the treasurer of state pursuant to section 12.28 is exempt from section 8A.311, subsections 1 and 9, unless the lease-purchase contract is funded in advance by a deposit of the lessor's moneys to be administered by the treasurer of state under a lease-purchase contract which requires rent payments to commence upon delivery of the lessor's moneys to the lessee.

8. With the authorization of a constitutional majority of each house of the general assembly and approval by the governor, dispose of real property belonging to the state and its state agencies upon terms, conditions, and consideration as the director may recommend. If real property subject to sale under this subsection has been purchased or acquired from appropriated funds, the proceeds of the sale shall be deposited with the treasurer of state and credited to the general fund of the state or other fund from which appropriated. There is appropriated from that same fund, with the prior approval of the executive council and in cooperation with the director, a sum equal to the proceeds so deposited and credited to the state agency to which the disposed real property belonged or by which it was used, for purposes of the state agency.

9. Subject to the selection procedures of section 12.30, employ financial consultants, banks, insurers, underwriters, accountants, attorneys, and other advisors or consultants necessary to implement the provisions of subsection 7.

10. Prepare annual status reports for all ongoing capital projects of all state agencies, as defined in section 8.3A, and submit the status reports to the legislative capital projects committee.

11. Call upon any state agency, as defined in section 8.3A, for assistance the director may require in performing the director's duties under subsection 10 regarding capital project status reports. All state agencies, upon the request of the director and with the approval of the director of the department of management, shall assist the director and are authorized to make available to the director any existing studies, surveys, plans, data, and other materials in the possession of the state agencies which are relevant to the director's duties.



12. In carrying out the requirements of section 64.6, purchase an individual or a blanket surety bond insuring the fidelity of state officers. The department may self-assume or self-insure fidelity exposures for state officials and employees. A state official is deemed to have furnished surety if the official has been covered by a program of insurance or self-insurance established by the department. To the extent possible, all bonded state employees shall be covered under one or more blanket bonds or position schedule bonds.

13. Review the management of state property loss exposures and state liability risk exposures for the capitol complex. Insurance coverage may include self-insurance or any type of insurance protection sold by insurers, including, but not limited to, full coverage, partial coverage, coinsurance, reinsurance, and deductible insurance coverage.

14. Establish a monument maintenance account in the state treasury under the control of the department. Funds for the maintenance of a state monument, whether received by gift, devise, bequest, or otherwise, shall be deposited in the account. Funds in the account shall be deposited in an interest-bearing account. Notwithstanding section 12C.7, interest earned on the account shall be deposited in the account and shall be used to maintain the designated monument. Any maintenance funds for a state monument held by the state and interest earned on the funds shall be used to maintain the designated monument. Notwithstanding section 8.33, funds in the monument maintenance account at the end of a fiscal year shall not revert to the general fund of the state.

Sec. 37. NEW SECTION. 8A.322 BUILDINGS AND GROUNDS -- SERVICES -- PUBLIC USE.

1. The director shall provide necessary lighting, fuel, and water services for the state buildings and grounds located at the seat of government, and for the state laboratories facility in Ankeny, except the buildings and grounds referred to in section 216B.3, subsection 6.

2. Except for buildings and grounds described in section 216B.3, subsection 6; section 2.43, unnumbered paragraph 1; and any buildings under the custody and control of the Iowa public employees' retirement system, the director shall assign office space at the capitol, other state buildings, and elsewhere in the city of Des Moines, and the state

laboratories facility in Ankeny, for all executive and judicial state agencies. Assignments may be changed at any time. The various officers to whom rooms have been so assigned may control the same while the assignment to them is in force. Official apartments shall be used only for the purpose of conducting the business of the state. The term "capitol" or "capitol building" as used in the Code shall be descriptive of all buildings upon the capitol grounds. The capitol building itself is reserved for the operations of the general assembly, the governor, and the courts and the assignment and use of physical facilities for the general assembly shall be pursuant to section 2.43.

3. The director shall establish, publish, and enforce rules regulating and restricting the use by the public of the capitol buildings and grounds and of the state laboratories facility in Ankeny. The rules when established shall be posted in conspicuous places about the capitol buildings and grounds and the state laboratories facility, as applicable. Any person violating any rule, except a parking regulation, shall be guilty of a simple misdemeanor.

Sec. 38. NEW SECTION. 8A.323 PARKING REGULATIONS.

1. The director shall establish, publish, and enforce rules regulating, restricting, or prohibiting the use by state officials, state employees, and the public, of motor vehicle parking facilities at the state capitol complex and at the state laboratories facility in Ankeny. The assignment of legislative parking spaces shall be under the control of the legislative council. The rules established by the director may establish fines for violations and a procedure for payment of the fines. The director may order payment of a fine and enforce the order in the district court.

2. Motor vehicles parked in violation of the rules may be removed without the owner's or operator's consent and at the owner's or operator's expense. Motor vehicles removed and not claimed within thirty days of their removal or vehicles abandoned within the capitol grounds may be disposed of in accordance with the provisions of sections 321.85 through 321.91.

3. The parking rules established shall be posted in conspicuous places at the capitol complex and at the state laboratories facility in Ankeny, as applicable. Copies of the rules shall be made available to all state officials and

employees and any other person who requests a copy of the rules.

4. All fines collected by the department shall be forwarded to the treasurer of state and deposited in the general fund of the state.

Sec. 39. NEW SECTION. 8A.324 DISPOSAL OF PERSONAL PROPERTY.

The director may dispose of personal property of the state under the director's control by any of the following means:

1. The director may dispose of unfit or unnecessary personal property by sale. Proceeds from the sale of personal property shall be deposited in the general fund of the state.

2. If the director concludes that the personal property has little or no value, the director may enter into an agreement with a not-for-profit organization or governmental agency to dispose of the personal property. The not-for-profit organization or governmental agency may charge the state agency in control of the property with the cost of removing and transporting the property. Title to the personal property shall transfer when the personal property is in the possession of the not-for-profit organization or governmental agency. If a governmental agency adds value to the property transferred to it and sells it, the proceeds from the sale shall be deposited with the governmental agency and not in the general fund of the state.

3. The director may dispose of presses, printing equipment, printing supplies, and other machinery or equipment used in the printing operation.

Sec. 40. NEW SECTION. 8A.325 SERVICES AND COMMODITIES ACCEPTED.

The director may accept services, commodities, and surplus property and make provision for warehousing and distribution to various departments and governmental subdivisions of the state, and such other agencies, institutions, and authorized recipients within the state as may be from time to time designated in federal statutes and rules.

Sec. 41. NEW SECTION. 8A.326 TERRACE HILL COMMISSION.

1. The Terrace Hill commission is created consisting of nine persons, appointed by the governor, who are knowledgeable in business management and historic preservation and renovation. The governor shall appoint the chairperson. The terms of the commission members are for three years beginning on July 1 and ending on June 30.

2. The Terrace Hill commission may consult with the Terrace Hill society, Terrace Hill foundation, the executive and legislative branches of this state, and other persons interested in the property.

3. The Terrace Hill commission may enter into contracts, subject to this chapter, to execute its purposes.

4. The commission may adopt rules to administer the programs of the commission. The decision of the commission is final agency action under chapter 17A.

Sec. 42. NEW SECTION. 8A.327 RENT REVOLVING FUND CREATED -- PURPOSE.

1. A rent revolving fund is created in the state treasury under the control of the department to be used by the department to pay the lease or rental costs of all buildings and office space necessary for the proper functioning of any state agency at the seat of state government as provided in section 8A.321, subsection 6, except that this fund shall not be used to pay the rental or lease costs of a state agency which has not received funds budgeted for rental or lease purposes.

2. The director shall pay the lease or rental fees to the renter or lessor and submit a monthly statement to each state agency for which building and office space is rented or leased. If the director pays the lease or rental fees on behalf of a state agency, the state agency's payment to the department shall be credited to the rent revolving fund established by this section. With the approval of the director, a state agency may pay the lease or rental cost directly to the person who is due the payment under the lease or rental agreement.

Sec. 43. NEW SECTION. 8A.328 RECYCLING REVOLVING FUND.

A recycling revolving fund is created within the state treasury under the control of the department. The fund shall consist of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the department from the federal government or private sources for placement in the fund. The assets of the fund shall be used by the department only for supporting recycling operations. Moneys in the fund shall be drawn upon the written requisition of the director or an authorized representative of the director. The fund is subject to an annual audit by the auditor of state. Section 8.33 does not apply to any moneys

in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

Sec. 44. NEW SECTION. 8A.329 WASTEPAPER RECYCLING PROGRAM.

1. The department in accordance with recommendations made by the department of natural resources shall require all state agencies to establish an agency wastepaper recycling program. The director shall adopt rules which require a state agency to develop a program to ensure the recycling of the wastepaper generated by the agency. All state employees shall practice conservation of paper materials.

2. For the purposes of this section, "agency wastepaper" means wastepaper or wastepaper products generated by the agency.

3. The rules adopted by the director shall provide for the continuation of existing state agency contracts which provide for alternative waste management not including incineration or land burial of agency wastepaper.

PRINTING

Sec. 45. NEW SECTION. 8A.341 STATE PRINTING -- DUTIES.

The director shall do all of the following as it relates to printing:

1. Provide general supervision of all matters pertaining to public printing, including the enforcement of contracts for printing, except as otherwise provided by law. The supervision shall include providing guidelines for the letting of contracts for printing, the manner, form, style, and quantity of public printing, and the specifications and advertisements for public printing. In addition, the director shall have charge of office equipment and supplies and of the stock, if any, required in connection with printing contracts.

2. If money is appropriated for this purpose, by November 1 of each year supply a report which contains the name, gender, county, or city of residence when possible, official title, salary received during the previous fiscal year, base salary as computed on July 1 of the current fiscal year, and traveling and subsistence expense of the personnel of each of the departments, boards, and commissions of the state government except personnel who receive an annual salary of less than one thousand dollars. The number of the personnel and the total amount received by them shall be shown for each

department in the report. All employees who have drawn salaries, fees, or expense allowances from more than one department or subdivision shall be listed separately under the proper departmental heading. On the request of the director, the head of each department, board, or commission shall furnish the data covering that agency. The report shall be distributed upon request without charge to each caucus of the general assembly, the legislative service bureau, the legislative fiscal bureau, the chief clerk of the house of representatives, and the secretary of the senate. Copies of the report shall be made available to other persons in both print or electronic medium upon payment of a fee, which shall not exceed the cost of providing the copy of the report. Sections 22.2 through 22.6 apply to the report. All funds from the sale of the report shall be deposited in the printing revolving fund established in section 8A.345. Requests for print publications shall be handled only upon receipt of postage by the director.

3. Deposit receipts from the sale of presses, printing equipment, printing supplies, and other machinery or equipment used in the printing operation in the printing revolving fund established in section 8A.345.

Sec. 46. NEW SECTION. 8A.342 CONTRACTS WITH STATE INSTITUTIONS.

The director may, without advertising for bids, enter into contracts or make provision for doing any of the work coming under the provisions of chapter 7A and this article at any school or institution under the ownership or control of the state. The work shall be done under conditions substantially the same as those provided for in the case of contracts with individuals and the same standard of quality or product shall be required.

Sec. 47. NEW SECTION. 8A.343 SPECIFICATIONS AND REQUIREMENTS.

The director shall, from time to time, adopt and print specifications and requirements covering all matters relating to printing that are the subject of contracts.

Sec. 48. NEW SECTION. 8A.344 PUBLIC PRINTING -- BIDDING PROCEDURES.

1. The director shall advertise for bids for public printing. Advertisements shall state where and how specifications and other necessary information may be

obtained, the time during which the director will receive bids, and the day, hour, and place when bids will be publicly opened or accessed, and the manner by which the contracts will be awarded.

2. The director shall supply prospective bidders and others on request with the specifications and requirements, blank forms for bids, samples of printing so far as possible, and all other information pertaining to the subject.

3. The specifications shall be kept on file in the office of the director, open to public inspection, together with samples so far as possible, of the work to be done or the material to be furnished.

4. Bids submitted must be:

a. Secured in writing, by telephone, by facsimile, or in a format prescribed by the director as indicated in the bid specifications.

b. Signed by the bidder, or if a telephone or electronic bid, confirmed by the bidder in a manner prescribed by the director.

c. Submitted in a format prescribed by the director which reasonably assures the authenticity of the bid and the bidder's identity.

d. Submitted to the department as specified by the date and time established in the advertisements for bids.

5. When a bidder submits a bid to the department, the director may require the bidder to file a bid bond or a certified or cashier's check payable to the treasurer of state in an amount to be fixed in the bid specifications, either covering all classes or items or services, or separate certified or cashier's checks for each bid in case the bidder makes more than one bid. In lieu of a certified or cashier's check, the bidder may furnish a yearly bond in an amount to be established by the director. Certified or cashier's checks deposited by unsuccessful bidders, and by successful bidders when they have entered into the contract, shall be returned to them.

6. All bids shall be publicly opened or accessed and read and the contracts awarded in the manner designated in the bid specifications. In the award of a contract, due consideration shall be given to the price bid, mechanical and other equipment proposed to be used by the bidder, the financial responsibility of the bidder, the bidder's ability and

experience in the performance of similar contracts, and any other factors that the department determines are relevant and that are included in the bid specifications.

7. The director shall have the right to reject any or all bids, and in case of rejection or because of failure of a bidder to enter into a contract, the director may advertise for and secure new bids.

8. When the director is satisfied that bidders have presented bids pursuant to an agreement, understanding, or combination to prevent free competition, the director shall reject all of them and readvertise for bids as in the first instance.

Sec. 49. NEW SECTION. 8A.345 PRINTING REVOLVING FUND.

A revolving fund is created in the state treasury under the control of the department and may be used in making payments for supplying paper stock, offset printing, copy preparation, binding, distribution costs, and original payment of printing and binding claims for any of the state departments, bureaus, commissions, or institutions. All salaries and expenses properly chargeable to the fund shall be paid from the fund. The director may also use the fund for the purchase of replacement or additional equipment, if a sufficient balance will remain in the fund to enable the continued operation of the printing operations of the department.

DOCUMENT MANAGEMENT

Sec. 50. NEW SECTION. 8A.351 DISTRIBUTION OF DOCUMENTS  
-- GENERAL PROVISIONS.

If money is appropriated for this purpose, the director shall do all of the following:

1. The director shall require from officials or heads of departments mailing lists, or addressed labels or envelopes, for use in distribution of reports and documents. The director shall revise such lists, eliminating duplications and adding to the lists libraries, institutions, public officials, and persons having actual use for the material. The director shall arrange the lists so as to reduce to the minimum the postage or other cost for delivery. Requests for publications shall be handled only upon receipt of postage by the director from the requesting agency or department.

2. The director shall furnish the various officials and departments with copies of their reports needed for office use or to be distributed to persons requesting the reports.



Requests for publications shall be handled only upon receipt of postage by the director.

3. The director may send additional copies of publications to other state officials, individuals, institutions, libraries, or societies that may request them. Requests for publications shall be handled only upon receipt of postage by the director.

FLEET MANAGEMENT

Sec. 51. NEW SECTION. 8A.361 VEHICLE ASSIGNMENT -- AUTHORITY IN DEPARTMENT.

The department shall provide for the assignment of all state-owned motor vehicles to all state officers and employees, and to all state offices, departments, bureaus, and commissions, except the department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other agencies exempted by law.

Sec. 52. NEW SECTION. 8A.362 FLEET MANAGEMENT -- POWERS AND DUTIES -- FUEL ECONOMY REQUIREMENTS.

1. The director may provide for the assignment to a state officer or employee or to a state agency, of one or more motor vehicles which may be required by the state officer or employee or state agency, after the state officer or employee or state agency has shown the necessity for such transportation. The director may assign a motor vehicle either for part-time or full-time use. The director may revoke the assignment at any time.

2. The director may cause all state-owned motor vehicles to be inspected periodically. Whenever the inspection reveals that repairs have been improperly made on the motor vehicle or that the operator is not giving the motor vehicle the proper care, the director shall report this fact to the head of the state agency to which the motor vehicle has been assigned, together with recommendation for improvement.

3. The director shall provide for a record system for the keeping of records of the total number of miles state-owned motor vehicles are driven and the per-mile cost of operation of each motor vehicle. Every state officer or employee shall keep a record book to be furnished by the director in which the officer or employee shall enter all purchases of gasoline, lubricating oil, grease, and other incidental expense in the operation of the motor vehicle assigned to the officer or

employee, giving the quantity and price of each purchase, including the cost and nature of all repairs on the motor vehicle. Each operator of a state-owned motor vehicle shall promptly prepare a report at the end of each month on forms furnished by the director and forwarded to the director, giving the information the director may request in the report. Each month the director shall compile the costs and mileage of state-owned motor vehicles from the reports and keep a cost history for each motor vehicle and the costs shall be reduced to a cost-per-mile basis for each motor vehicle. The director shall call to the attention of an elected official or the head of any state agency to which a motor vehicle has been assigned any evidence of the mishandling or misuse of a state-owned motor vehicle which is called to the director's attention.

A motor vehicle operated under this subsection shall not operate on gasoline other than gasoline blended with at least ten percent ethanol, unless under emergency circumstances. A state-issued credit card used to purchase gasoline shall not be valid to purchase gasoline other than gasoline blended with at least ten percent ethanol, if commercially available. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on gasoline blended with ethanol. However, the sticker is not required to be affixed to an unmarked vehicle used for purposes of providing law enforcement or security.

4. a. The director shall provide for the purchase of all motor vehicles for all branches of the state government, except the department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other state agency exempted by law. The director shall purchase new vehicles in accordance with competitive bidding procedures for items or services as provided in this article. The director may purchase used or preowned vehicles at governmental or dealer auctions if the purchase is determined to be in the best interests of the state.

b. The director, and any other state agency, which for purposes of this subsection includes but is not limited to community colleges and institutions under the control of the state board of regents, or local governmental subdivisions purchasing new motor vehicles, shall purchase new passenger

vehicles and light trucks so that the average fuel efficiency for the fleet of new passenger vehicles and light trucks purchased in that year equals or exceeds the average fuel economy standard for the vehicles' model year as established by the United States secretary of transportation under 15 U.S.C. § 2002. This paragraph does not apply to vehicles purchased for law enforcement purposes or used for off-road maintenance work, or work vehicles used to pull loaded trailers.

c. Not later than February 15 of each year, the director shall report compliance with the corporate average fuel economy standards published by the United States secretary of transportation for new motor vehicles, other than motor vehicles purchased by the department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other state agency exempted from the requirements of this subsection. The report of compliance shall classify the vehicles purchased for the current vehicle model year using the following categories: passenger automobiles, enforcement automobiles, vans, and light trucks. The director shall deliver a copy of the report to the department of natural resources. As used in this paragraph, "corporate average fuel economy" means the corporate average fuel economy as defined in 49 C.F.R. § 533.5.

d. The director shall assign motor vehicles available for use to maximize the average passenger miles per gallon of motor vehicle fuel consumed. In assigning motor vehicles, the director shall consider standards established by the director, which may include but are not limited to the number of passengers traveling to a destination, the fuel economy of and passenger capacity of vehicles available for assignment, and any other relevant information, to assure assignment of the most energy-efficient vehicle or combination of vehicles for a trip from those vehicles available for assignment. The standards shall not apply to special work vehicles and law enforcement vehicles. The standards shall apply to the following agencies:

(1) Department of transportation.

(2) Institutions under the control of the state board of regents.

(3) Department for the blind.

(4) Any other state agency exempted from obtaining vehicles for use through the department.

e. As used in paragraph "d", "fuel economy" means the average number of miles traveled by an automobile per gallon of gasoline consumed as determined by the United States environmental protection agency administrator in accordance with 26 U.S.C. § 4064(c).

5. Of all new passenger vehicles and light pickup trucks purchased by the director, a minimum of ten percent of all such vehicles and trucks purchased shall be equipped with engines which utilize alternative methods of propulsion including but not limited to any of the following:

a. A flexible fuel, which is any of the following:

(1) A fuel blended with not more than fifteen percent gasoline and at least eighty-five percent ethanol.

(2) A fuel which is a mixture of diesel fuel and processed soybean oil. At least twenty percent of the mixed fuel by volume must be processed soybean oil.

(3) A renewable fuel approved by the office of renewable fuels and coproducts pursuant to section 159A.3.

b. Compressed or liquefied natural gas.

c. Propane gas.

d. Solar energy.

e. Electricity.

This subsection does not apply to vehicles and trucks purchased and directly used for law enforcement or purchased and used for off-road maintenance work or to pull loaded trailers.

6. All used motor vehicles turned in to the director shall be disposed of by public auction, and the sales shall be advertised in a newspaper of general circulation one week in advance of sale, and the receipts from the sale shall be deposited in the depreciation fund to the credit of the state agency turning in the vehicle; except that, in the case of a used motor vehicle of special design, the director may, instead of selling it at public auction, authorize the motor vehicle to be traded for another vehicle of similar design. If a vehicle sustains damage and the cost to repair exceeds the wholesale value of the vehicle, the director may dispose of the motor vehicle by obtaining two or more written salvage bids and the vehicle shall be sold to the highest responsible bidder.

7. The director may authorize the establishment of motor pools consisting of a number of state-owned motor vehicles under the director's supervision. The director may store the motor vehicles in a public or private garage. If the director establishes a motor pool, any state officer or employee desiring the use of a state-owned motor vehicle on state business shall notify the director of the need for a vehicle within a reasonable time prior to actual use of the motor vehicle. The director may assign a motor vehicle from the motor pool to the state officer or employee. If two or more state officers or employees desire the use of a state-owned motor vehicle for a trip to the same destination for the same length of time, the director may assign one vehicle to make the trip.

8. The director shall require that a sign be placed on each state-owned motor vehicle in a conspicuous place which indicates its ownership by the state. This requirement shall not apply to motor vehicles requested to be exempt by the director or by the commissioner of public safety. All state-owned motor vehicles shall display registration plates bearing the word "official" except motor vehicles requested to be furnished with ordinary plates by the director or by the commissioner of public safety pursuant to section 321.19. The director shall keep an accurate record of the registration plates used on all state-owned motor vehicles.

9. All fuel used in state-owned automobiles shall be purchased at cost from the various installations or garages of the department of transportation, state board of regents, department of human services, or state motor pools throughout the state, unless the state-owned sources for the purchase of fuel are not reasonably accessible. If the director determines that state-owned sources for the purchase of fuel are not reasonably accessible, the director shall authorize the purchase of fuel from other sources. The director may prescribe a manner, other than the use of the revolving fund, in which the purchase of fuel from state-owned sources is charged to the state agency responsible for the use of the motor vehicle. The director shall prescribe the manner in which oil and other normal motor vehicle maintenance for state-owned motor vehicles may be purchased from private sources, if they cannot be reasonably obtained from a state motor pool. The director may advertise for bids and award

contracts in accordance with competitive bidding procedures for items and services as provided in this article for furnishing fuel, oil, grease, and vehicle replacement parts for all state-owned motor vehicles. The director and other state agencies, when advertising for bids for gasoline, shall also seek bids for ethanol blended gasoline.

Sec. 53. NEW SECTION. 8A.363 PRIVATE USE PROHIBITED -- RATE FOR STATE BUSINESS.

1. A state officer or employee shall not use a state-owned motor vehicle for personal private use. A state officer or employee shall not be compensated for driving a privately owned motor vehicle unless it is done on state business with the approval of the director. In that case the state officer or employee shall receive an amount to be determined by the director. The amount shall not exceed the maximum allowable under the federal internal revenue service rules per mile, notwithstanding established mileage requirements or depreciation allowances. However, the director may authorize private motor vehicle rates in excess of the rate allowed under the federal internal revenue service rules for state business use of substantially modified or specially equipped privately owned vehicles required by persons with disabilities. A statutory provision establishing reimbursement for necessary mileage, travel, or actual expenses to a state officer falls under the private motor vehicle mileage rate limitation provided in this section unless specifically provided otherwise. Any peace officer employed by the state as defined in section 801.4 who is required to use a private motor vehicle in the performance of official duties shall receive the private vehicle mileage rate at the rate provided in this section. However, the director may delegate authority to officials of the state, and department heads, for the use of private vehicles on state business up to a yearly mileage figure established by the director. If a state motor vehicle has been assigned to a state officer or employee, the officer or employee shall not collect mileage for the use of a privately owned motor vehicle unless the state motor vehicle assigned is not useable.

2. This section does not apply to any of the following:

- a. Officials and employees of the state whose mileage is paid other than by a state agency.
- b. Elected officers of the state.

c. Judicial officers or court employees.

d. Members and employees of the general assembly who shall be governed by policies relating to motor vehicle travel, including but not limited to reimbursement for expenses, if such policies are otherwise established by the general assembly.

Sec. 54. NEW SECTION. 8A.364 FLEET MANAGEMENT REVOLVING FUND -- REPLENISHMENT.

1. A fleet management revolving fund is created in the state treasury under the control of the department. There is appropriated from moneys in the state treasury not otherwise appropriated the sum of twenty-five thousand dollars to the revolving fund. All purchases of gasoline, oil, tires, repairs, and all other general expenses incurred in the operation of state-owned motor vehicles, and all salaries and expenses of employees providing fleet management services shall be paid from this fund.

2. At the end of each month the director shall render a statement to each state department or agency for the actual cost of operation of all motor vehicles assigned to such department or agency, together with a fair proportion of the administrative costs for providing fleet management services during such month, as determined by the director, all subject to review by the executive council upon complaint of any state department or agency adversely affected. Such expenses shall be paid by the state departments or agencies in the same manner as other expenses of such department are paid, and when such expenses are paid, such sums shall be credited to the fleet management revolving fund. If any surplus accrues to the revolving fund in excess of twenty-five thousand dollars for which there is no anticipated need or use, the governor may order such surplus transferred to the general fund of the state.

Sec. 55. NEW SECTION. 8A.365 VEHICLE REPLACEMENT -- DEPRECIATION FUND.

1. The director shall maintain a depreciation fund for the purchase of replacement motor vehicles and additions to the fleet. The director's records shall show the total funds deposited by and credited to each department or agency. At the end of each month, the director shall render a statement to each state department or agency for additions to the fleet and total depreciation credited to that department or agency.

Such depreciation expense shall be paid by the state departments or agencies in the same manner as other expenses are paid, and shall be deposited in the depreciation fund to the credit of the department or agency. The funds credited to each department or agency shall remain the property of the department or agency. However, at the end of each biennium, the director shall cause to revert to the fund from which it accumulated any unassigned depreciation.

2. The department of corrections is not obligated to pay the depreciation expense otherwise required by this section.

Sec. 56. NEW SECTION. 8A.366 VIOLATIONS -- WITHDRAWING USE OF VEHICLE.

If any state officer or employee violates any of the provisions of sections 8A.361 through 8A.365, the director may withdraw the assignment of any state-owned motor vehicle to any such state officer or employee.

#### ARTICLE 4

#### HUMAN RESOURCES

#### STATE HUMAN RESOURCE MANAGEMENT -- OPERATIONS

Sec. 57. NEW SECTION. 8A.401 DEFINITIONS.

As used in this article, unless the context otherwise requires:

1. "Appointing authority" means the chairperson or person in charge of any state agency including, but not limited to, boards, bureaus, commissions, and departments, or an employee designated to act for an appointing authority.

2. "Merit system" means the merit system established under this article.

Sec. 58. NEW SECTION. 8A.402 STATE HUMAN RESOURCE MANAGEMENT -- RESPONSIBILITIES.

1. The department is the central agency responsible for state human resource management, including the following:

a. Policy and program development, workforce planning, and research.

b. Employment activities and transactions, including recruitment, examination, and certification of personnel seeking employment or promotion.

c. Compensation and benefits, including position classification, wages and salaries, and employee benefits. Employee benefits include, but are not limited to, group medical, dental, life, and long-term disability insurance, workers' compensation, unemployment benefits, sick leave,



deferred compensation, holidays and vacations, tuition reimbursement, and educational leaves.

d. Equal employment opportunity, affirmative action, and workforce diversity programs.

e. Education, training, and workforce development programs.

f. Personnel records and administration, including the audit of all personnel-related documents.

g. Employment relations, including the negotiation and administration of collective bargaining agreements on behalf of the executive branch of the state and its departments and agencies as provided in chapter 20. However, the state board of regents, for the purposes of implementing and administering collective bargaining pursuant to chapter 20, shall act as the exclusive representative of the state with respect to its faculty, scientific, and other professional staff.

h. The coordination and management of the state's human resource information system, except as otherwise required for those employees governed by chapter 262.

2. The department, as it relates to the human resources of state government, shall do the following:

a. Establish and maintain a list of all employees in the executive branch of state government and set forth, as to each employee, the class title, pay, status, and other pertinent data. For employees governed by chapter 262, the director shall work collaboratively with the state board of regents to collect such information.

b. Foster and develop, in cooperation with appointing authorities and others, programs for the improvement of employee effectiveness, including training, safety, health, counseling, and welfare.

c. Encourage and exercise leadership in the development of effective personnel administration within the several state agencies, and to make available the facilities of the department to this end.

d. The director may delegate any or all aspects of the recruitment, examination, and selection processes to an agency in the executive branch upon request by that agency. The director shall oversee all activities delegated to that agency.

e. Utilize appropriate persons, including officers and employees in the executive branch, to assist in the

recruitment and examination of applicants for employment. These officers and employees are not entitled to extra pay for their services, but shall be paid their necessary traveling and other expenses.

3. The human resource management powers and duties of the department do not extend to the legislative branch or the judicial branch of state government, except for functions related to administering compensation and benefit programs.

MERIT SYSTEM

Sec. 59. NEW SECTION. 8A.411 MERIT SYSTEM ESTABLISHED -- COLLECTIVE BARGAINING -- APPLICABILITY.

1. The general purpose of this article is to establish for the state of Iowa a system of human resource administration based on merit principles and scientific methods to govern the appointment, compensation, promotion, welfare, development, transfer, layoff, removal, and discipline of its civil employees, and other incidents of state employment.

2. It is also the purpose of this article to promote the coordination of personnel rules and policies with collective bargaining agreements negotiated under chapter 20.

3. All appointments and promotions to positions covered by the state merit system shall be made solely on the basis of merit and fitness, to be ascertained by examinations or other appropriate screening methods, except as otherwise specified in this article.

4. Provisions of this article pertaining to qualifications, examination, certification, probation, and just cause apply only to employees covered by the merit system.

Sec. 60. NEW SECTION. 8A.412 MERIT SYSTEM -- APPLICABILITY -- EXCEPTIONS.

The merit system shall apply to all employees of the state and to all positions in state government now existing or hereafter established. In addition, the director shall negotiate an agreement with the director of the department for the blind concerning the applicability of the merit system to the professional employees of the department for the blind. However, the merit system shall not apply to the following:

1. The general assembly, employees of the general assembly, other officers elected by popular vote, and persons appointed to fill vacancies in elective offices.

2. All judicial officers and court employees.

3. The staff of the governor.
4. All board members and commissioners whose appointments are provided for by the Code.
5. All presidents, deans, directors, teachers, professional and scientific personnel, and student employees under the jurisdiction of the state board of regents. The state board of regents shall adopt rules not inconsistent with the objectives of this chapter for all of its employees not cited specifically in this subsection. The rules are subject to approval by the director. If at any time the director determines that the state board of regents merit system rules do not comply with the intent of this chapter, the director may direct the board to correct the rules. The rules of the board are not in compliance until the corrections are made.
6. All appointments which are by law made by the governor.
7. All personnel of the armed services under state jurisdiction.
8. Persons who are paid a fee on a contract-for-services basis.
9. Seasonal employees appointed during a state agency's designated six-month seasonal employment period during the same annual twelve-month period, as approved by the director.
10. Residents, patients, or inmates working in state institutions, or persons on parole working in work experience programs.
11. Professional employees under the supervision of the attorney general, the state public defender, the auditor of state, the treasurer of state, and the public employment relations board. However, employees of the consumer advocate division of the department of justice, other than the consumer advocate, are subject to the merit system.
12. Production and engineering personnel under the jurisdiction of the Iowa public broadcasting board.
13. Members of the Iowa state patrol and other peace officers employed by the department of public safety. The commissioner of public safety shall adopt rules not inconsistent with the objectives of this article for the persons described in this subsection.
14. Professional employees of the arts division of the department of cultural affairs.
15. The chief deputy administrative officer and each division administrator of each state agency not otherwise

specifically provided for in this section, and physicians not otherwise specifically provided for in this section. As used in this subsection, "division administrator" means a principal administrative or policymaking position designated by a chief administrative officer and approved by the director or as specified by law.

16. All confidential employees.

17. Other employees specifically exempted by law.

18. The administrator and the deputy administrator of the credit union division of the department of commerce, all members of the credit union review board, and all employees of the credit union division.

19. The superintendent and the deputy superintendent of the banking division of the department of commerce, all members of the state banking board, and all employees of the banking division.

20. Chief deputy industrial commissioners.

21. The appointee serving as the coordinator of the office of renewable fuels and coproducts, as provided in section 159A.3.

22. All employees of the Iowa state fair authority.

23. Up to six nonprofessional employees designated at the discretion of each statewide elected official.

24. The position classifications of employees of statewide elected officials that were exempt from the merit system as of June 30, 1994, shall remain exempt and any employees subsequently hired to fill any exempt position vacancies shall be classified as exempt employees.

Sec. 61. NEW SECTION. 8A.413 STATE HUMAN RESOURCE MANAGEMENT -- RULES.

The department shall adopt rules for the administration of this article pursuant to chapter 17A. Rulemaking shall be carried out with due regard to the terms of collective bargaining agreements. A rule shall not supersede a provision of a collective bargaining agreement negotiated under chapter 20. The rules shall provide:

1. For the preparation, maintenance, and revision of a job classification plan that encompasses each job in the executive branch, excluding job classifications under the state board of regents, based upon assigned duties and responsibilities, so that the same general qualifications may reasonably be required for and the same pay plan may be equitably applied to

all jobs in the same job classification. The director shall classify the position of every employee in the executive branch, excluding employees of the state board of regents, into one of the classes in the plan. An appointing authority or employee adversely affected by a classification or reclassification decision may file an appeal with the director. Appeals of a classification or reclassification decision shall be exempt from the provisions of section 17A.11 and shall be heard by a committee appointed by the director. The classification or reclassification of a position that would cause the expenditure of additional salary funds shall not become effective if the expenditure of funds would be in excess of the total amount budgeted for the department of the appointing authority until budgetary approval has been obtained from the director of the department of management.

When the public interest requires a decrease or increase of employees in any position or type of employment not otherwise provided by law, or the creation or abolishment of any position or type of employment, the director, acting in good faith, shall so notify the governor. Thereafter, the position or type of employment shall stand abolished or created and the number of employees therein reduced or increased.

2. For pay plans covering all employees in the executive branch, excluding employees of the state board of regents, after consultation with the governor and appointing authorities, and consistent with the terms of collective bargaining agreements negotiated under chapter 20.

3. For examinations to determine the relative fitness of applicants for employment. Such examinations shall be practical in character and shall relate to such matters as will fairly assess the ability of the applicant to discharge the duties of the position to which appointment is sought.

Where the Code of Iowa establishes certification, registration, or licensing provisions, such documents shall be considered prima facie evidence of basic skills accomplishment and such persons shall be exempt from further basic skills examination.

Vacancies shall be announced publicly at least ten days in advance of the date fixed for the filing of applications for the vacancies, and shall be advertised through the communications media. The director may, however, in the director's discretion, continue to receive applications and

examine candidates for a period adequate to assure a sufficient number of eligibles to meet the needs of the system, and may add the names of successful candidates to existing eligible lists.

4. For promotions which shall give appropriate consideration to the applicant's qualifications, record of performance, and conduct. A promotion means a change in the status of an employee from a position in one class to a position in another class having a higher pay grade.

5. For the establishment of lists for appointment and promotion, upon which lists shall be placed the names of successful candidates.

6. For the rejection of applicants who fail to meet reasonable requirements.

7. For the appointment by the appointing authority of a person on the appropriate list to fill a vacancy.

8. For a probation period of six months, excluding educational or training leave, before appointment may be made complete, and during which period a probationer may be discharged or reduced in class or pay. If the employee's services are unsatisfactory, the employee shall be dropped from the payroll on or before the expiration of the probation period. If satisfactory, the appointment shall be deemed permanent. The determination of the appointing authority shall be final and conclusive.

9. For temporary employment for not more than seven hundred eighty hours in a fiscal year.

10. For provisional employment when there is no appropriate list available. Such provisional employment shall not continue longer than one hundred eighty calendar days.

11. For transfer from a position in one state agency to a similar position in the same state agency or another state agency involving similar qualifications, duties, responsibilities, and salary ranges. Whenever an employee transfers or is transferred from one state agency to another state agency, the employee's seniority rights, any accumulated sick leave, and accumulated vacation time, as provided in the law, shall be transferred to the new place of employment and credited to the employee. Employees who are subject to contracts negotiated under chapter 20 which include transfer provisions shall be governed by the contract provisions.

12. For reinstatement of persons who have attained permanent status and who resign in good standing or who are laid off from their positions without fault or delinquency on their part.

13. For establishing in cooperation with the appointing authorities a performance management system for all employees in the executive branch, excluding employees of the state board of regents, which shall be considered in determining salary increases; as a factor in promotions; as a factor in determining the order of layoffs and in reinstatement; as a factor in demotions, discharges, and transfers; and for the regular evaluation, at least annually, of the qualifications and performance of those employees.

14. For layoffs by reason of lack of funds or work, or reorganization, and for the recall of employees so laid off, giving consideration in layoffs to the employee's performance record and length of service. An employee who has been laid off may be on a recall list for one year, which list shall be exhausted by the organizational unit enforcing the layoff before selection of an employee may be made from the promotional or nonpromotional list in the employee's classification. Employees who are subject to contracts negotiated under chapter 20 which include layoff and recall provisions shall be governed by the contract provisions.

15. For imposition, as a disciplinary measure, of a suspension from service without pay.

16. For discharge, suspension, or reduction in job classification or pay grade for any of the following causes: failure to perform assigned duties; inadequacy in performing assigned duties; negligence; inefficiency; incompetence; insubordination; unrehabilitated alcoholism or narcotics addiction; dishonesty; unlawful discrimination; failure to maintain a license, certificate, or qualification necessary for a job classification or position; any act or conduct which adversely affects the employee's performance or the employing agency; or any other good cause for discharge, suspension, or reduction. The person discharged, suspended, or reduced shall be given a written statement of the reasons for the discharge, suspension, or reduction within twenty-four hours after the discharge, suspension, or reduction. All persons concerned with the administration of this article shall use their best efforts to ensure that this article and the rules adopted

pursuant to this article shall not be a means of protecting or retaining unqualified or unsatisfactory employees, and shall discharge, suspend, or reduce in job classification or pay grade all employees who should be discharged, suspended, or reduced for any of the causes stated in this subsection.

17. For establishment of a uniform plan for resolving employee grievances and complaints. Employees who are subject to contracts negotiated under chapter 20 which include grievance and complaint provisions shall be governed by the contract provisions.

18. For attendance regulations, and special leaves of absence, with or without pay, or reduced pay, in the various classes of positions in the executive branch, excluding positions under the state board of regents. Employees who are subject to contracts negotiated under chapter 20 which include leave of absence provisions shall be governed by the contract provisions. Annual sick leave and vacation time shall be granted in accordance with section 70A.1.

19. For the development and operation of programs to improve the work effectiveness and morale of employees in the executive branch, excluding employees of the state board of regents, including training, safety, health, welfare, counseling, recreation, and employee relations.

20. Notwithstanding any provisions to the contrary, a rule or regulation shall not be adopted by the department which would deprive the state of Iowa, or any of its agencies or institutions, of federal grants or other forms of financial assistance.

21. For veterans preference through a provision that veterans, as defined in section 35.1, shall have five points added to the grade or score attained in qualifying examinations for appointment to jobs.

Veterans who have a service-connected disability or are receiving compensation, disability benefits, or pension under laws administered by the veterans administration shall have ten points added to the grades attained in qualifying examinations. A veteran who has been awarded the purple heart for disabilities incurred in action shall be considered to have a service-connected disability.

22. For acceptance of the qualifications, requirements, regulations, and general provisions established under other sections of the Code pertaining to professional registration, certification, and licensing.



Sec. 62. NEW SECTION. 8A.414 EXPERIMENTAL RESEARCH PROJECTS.

The director may conduct experimental or research personnel-related projects of limited duration designed to improve the quality of the employment system. The provisions of section 8A.413 or administrative rules adopted pursuant to that section are waived for the purposes of such projects. Projects adopted under this authority shall not violate existing collective bargaining agreements. Any projects that relate to issues covered by such agreements or issues that are mandatory subjects of collective bargaining are subject to negotiations as applicable. The director shall notify the chairpersons of the standing committees on appropriations of the senate and the house of representatives and the chairpersons of the appropriate subcommittees of those committees of the proposed projects. The notice from the director shall include the purpose of the project, a description of the project, and how the project will be evaluated. Chairpersons notified shall be given at least two weeks to review and comment on the proposal before the project is implemented. The director shall report the results of the experimental research projects conducted in the preceding fiscal year to the legislative council by September 30 of each year.

Sec. 63. NEW SECTION. 8A.415 GRIEVANCES AND DISCIPLINE RESOLUTION.

1. GRIEVANCES. An employee, except an employee covered by a collective bargaining agreement which provides otherwise, who has exhausted the available agency steps in the uniform grievance procedure provided for in the department rules may, within seven calendar days following the date a decision was received or should have been received at the second step of the grievance procedure, file the grievance at the third step with the director. The director shall respond within thirty calendar days following receipt of the third step grievance.

If not satisfied, the employee may, within thirty calendar days following the director's response, file an appeal with the public employment relations board. The hearing shall be conducted in accordance with the rules of the public employment relations board and the Iowa administrative procedure Act, chapter 17A. Decisions rendered shall be based upon a standard of substantial compliance with this article

and the rules of the department. Decisions by the public employment relations board constitute final agency action.

For purposes of this subsection, "uniform grievance procedure" does not include procedures for discipline and discharge.

2. DISCIPLINE RESOLUTION. A merit system employee, except an employee covered by a collective bargaining agreement, who is discharged, suspended, demoted, or otherwise reduced in pay, except during the employee's probationary period, may bypass steps one and two of the grievance procedure and appeal the disciplinary action to the director within seven calendar days following the effective date of the action. The director shall respond within thirty calendar days following receipt of the appeal.

If not satisfied, the employee may, within thirty calendar days following the director's response, file an appeal with the public employment relations board. The employee has the right to a hearing closed to the public, unless a public hearing is requested by the employee. The hearing shall otherwise be conducted in accordance with the rules of the public employment relations board and the Iowa administrative procedure Act, chapter 17A. If the public employment relations board finds that the action taken by the appointing authority was for political, religious, racial, national origin, sex, age, or other reasons not constituting just cause, the employee may be reinstated without loss of pay or benefits for the elapsed period, or the public employment relations board may provide other appropriate remedies. Decisions by the public employment relations board constitute final agency action.

Sec. 64. NEW SECTION. 8A.416 DISCRIMINATION, POLITICAL ACTIVITY, USE OF OFFICIAL INFLUENCE PROHIBITED.

1. A person shall not be appointed or promoted to, or demoted or discharged from, any position in the merit system, or in any way favored or discriminated against with respect to employment in the merit system because of the person's political or religious opinions or affiliations or race or national origin or sex, or age.

2. A person holding a position in the classified service shall not, during the person's working hours or when performing the person's duties or when using state equipment or at any time on state property, take part in any way in

soliciting any contribution for any political party or any person seeking political office, and such employee shall not engage in any political activity that will impair the employee's efficiency during working hours or cause the employee to be tardy or absent from work. This section does not preclude any employee from holding any office for which no pay is received or any office for which only token pay is received.

3. A person shall not seek or attempt to use any political endorsement in connection with any appointment to a position in the merit system.

4. A person shall not use or promise to use, directly or indirectly, any official authority or influence, whether possessed or anticipated, to secure or attempt to secure for any person an appointment or advantage in appointment to a position in the merit system, or an increase in pay or other advantage in employment in any such position, for the purpose of influencing the vote or political action of any person or for any consideration.

5. An employee shall not use the employee's official authority or influence for the purpose of interfering with an election or affecting the results thereof.

6. Any officer or employee who violates this section shall be subject to suspension, dismissal, or demotion subject to the right of appeal provided in this article.

7. The director shall adopt any rules necessary for further restricting political activities of employees in the executive branch, but only to the extent necessary to comply with federal standards. Employees retain the right to vote as they please and to express their opinions on all subjects.

Sec. 65. NEW SECTION. 8A.417 PROHIBITED ACTIONS.

1. A person shall not make any false statement, certificate, mark, rating, or report with regard to any examination or appointment made under this article or in any manner commit or attempt to commit any fraud preventing the impartial execution of this article and the rules adopted pursuant to this article.

2. A person shall not, directly or indirectly, give, render, pay, offer, solicit, or accept any money, service, or other valuable consideration for or on account of any appointment, proposed appointment, promotion, or proposed promotion to, or any advantage in, a position in the merit system.

3. An employee of the department or any other person shall not defeat, deceive, or obstruct any person in the person's right to examination or appointment under this article, or furnish to any person any special or secret information for the purpose of affecting the rights or prospects of any person with respect to employment in the merit system.

4. A person shall not discharge an employee from or take or fail to take action regarding an employee's appointment or proposed appointment to, promotion or proposed promotion to, or any advantage in, a position in a merit system administered by, or subject to approval of, the director as a reprisal for a failure by that employee to inform the person that the employee made a disclosure of information permitted by this section, or for a disclosure of any information by that employee to a member or employee of the general assembly, or for a disclosure of information to any other public official or law enforcement agency if the employee reasonably believes the information evidences a violation of law or rule, mismanagement, a gross abuse of funds, an abuse of authority, or a substantial and specific danger to public health or safety. However, an employee may be required to inform the person that the employee made a disclosure of information permitted by this section if the employee represented that the disclosure was the official position of the employee's immediate supervisor or employer. This subsection does not apply if the disclosure of the information is prohibited by statute.

Sec. 66. NEW SECTION. 8A.418 FEDERAL PROGRAMS EXEMPTION EXCEPTIONS -- PENALTY.

1. Notwithstanding the provisions of this article to the contrary, a person employed under a temporary, emergency employment utilization program funded by the federal government which program does not exceed one year and which program is not subject to merit system standards by federal law, shall be exempt from this article except as provided in this section.

2. A person employed as provided in this section shall be subject to the provisions of section 8A.416 relating to political activity and the civil penalties contained in such section and, consistent with subsection 1, the provisions of section 8A.417 relating to prohibited actions.

3. A person violating this section shall be subject to the penalty provided for in section 8A.458.

EMPLOYEE BENEFITS

Sec. 67. NEW SECTION. 8A.431 IOWA MANAGEMENT TRAINING SYSTEM -- TRAINING REVOLVING FUND.

1. The department shall establish and administer an Iowa management training system for the state.

2. A training revolving fund is created in the state treasury under the control of the department. The moneys credited to the fund shall be used for the purpose of paying actual and necessary expenses incurred by the department in administering the training system. All fees, grants, or specific appropriations for this purpose shall be credited to the fund. The fees for the training system courses shall be set by the director to cover the costs of course development, training materials, facilities and equipment, professional instructors, and administration. The fees shall be paid to the department by the state agency sending the employees for training and the payment shall be credited to the training revolving fund. Notwithstanding section 8.33, moneys in the revolving fund shall not revert. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

Sec. 68. NEW SECTION. 8A.432 COMBINED CHARITABLE CAMPAIGN PROGRAM, FEES, REVOLVING FUND.

1. The department shall establish and administer a combined charitable campaign program for state employees.

2. A combined charitable campaign revolving fund is created in the state treasury under the control of the department. The moneys credited to the fund shall be used for the purpose of paying actual and necessary expenses incurred by the department in administering the program.

Administrative expenses shall not exceed five percent of the contributions pledged the previous year. All fees, grants, or specific appropriations for this purpose shall be credited to the fund. The fees for the program shall be set by the director to cover only the cost of administration and materials and shall not cover salaries of state employees involved in the administration of the program. The fees shall be paid to the department from the voluntary employee contributions and the payment shall be credited to the revolving fund. Notwithstanding section 8.33, any moneys in

the fund shall not revert. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

Sec. 69. NEW SECTION. 8A.433 DEFERRED COMPENSATION PLAN.

The department shall make available to eligible state employees the option of utilizing mutual funds as an investment alternative to the state's deferred compensation plan established under section 509A.12. Participating employees shall, to the extent permitted by law, be allowed to transfer moneys deferred under the plan to a mutual fund offered pursuant to section 509A.12. The department may make the deferred compensation plan established pursuant to this section available to governmental employees of a public entity authorized to establish a deferred compensation program pursuant to section 509A.12.

Sec. 70. NEW SECTION. 8A.434 IOWA STATE EMPLOYEE DEFERRED COMPENSATION TRUST FUND.

1. A separate, special Iowa state employee deferred compensation trust fund is created in the state treasury under the control of the department. The fund shall consist of all moneys deposited in the fund pursuant to this section, any other assets that must be held in trust for the exclusive benefit of participants in the state's deferred compensation program as required by section 457 of the federal Internal Revenue Code, and interest and earnings thereon, and shall be used for the exclusive benefit of participants in a deferred compensation program established by the state under section 509A.12.

2. The director is the trustee of the fund and shall administer the fund. Any loss to the fund shall be charged against the fund and the director shall not be personally liable for such loss. In addition, the director is the trustee of any trusts referenced in section 457(g) of the federal Internal Revenue Code. Any loss to the trusts shall be charged against the trusts and the director shall not be personally liable for such loss.

3. Any compensation or portion of compensation reduced by a participant in conjunction with a deferred compensation program established by the state under section 509A.12 and any earnings or income thereon shall be held in trust and used for the exclusive benefit of the participant or the participant's beneficiary as provided by section 457 of the federal Internal Revenue Code.

4. For purposes of this section, custodial accounts, annuity contracts, and any other contracts referenced in section 457(g) of the federal Internal Revenue Code shall be treated as trusts for purposes of section 457 of the federal Internal Revenue Code.

5. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

Sec. 71. NEW SECTION. 8A.435 STATE EMPLOYEE DEFERRED COMPENSATION MATCH TRUST FUND.

1. A separate, special Iowa state employee deferred compensation match trust fund is created in the state treasury under the control of the department. The trust fund shall consist of all moneys deposited in the fund, and other assets that must be held in trust for the exclusive benefit of participants in the state's deferred compensation match program as required by section 401(a) of the federal Internal Revenue Code, and interest and earnings thereon, and shall be used for the exclusive benefit of participants and their beneficiaries in a deferred compensation match program established by the state under section 509A.12.

2. The director is the trustee of the fund and shall administer the fund. Any loss to the fund shall be charged against the trust and the director shall not be personally liable for such loss.

3. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

Sec. 72. NEW SECTION. 8A.436 STATE EMPLOYEE DEPENDENT CARE SPENDING ACCOUNT TRUST FUND.

1. A separate, special Iowa state employee dependent care spending account trust fund is created in the state treasury under the control of the department. The trust fund consists of all moneys, including monthly administrative charges paid by a state department or agency as authorized by section 8A.451, held in trust for the exclusive benefit of participants in the state's dependent care spending account plan. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest and earnings from moneys in the trust fund shall be credited to the trust fund and shall be used exclusively for the benefit of plan participants.

2. The director shall serve as trustee of the trust fund and shall administer the fund as required by sections 125 and 129 of the federal Internal Revenue Code. Any loss to the fund shall be charged against the fund and the director shall not be personally liable for such loss. The director has the authority to direct expenditures as deemed appropriate to the exclusive benefit of the plan participants.

Sec. 73. NEW SECTION. 8A.437 STATE EMPLOYEE HEALTH FLEXIBLE SPENDING ACCOUNT TRUST FUND.

1. The director shall establish for state employees a health flexible spending account plan which offers multiple benefits to state employees. The state's health flexible spending account plan shall be established to meet the conditions of section 125 of the Internal Revenue Code of 1986.

2. A separate, special Iowa state employee health flexible spending account trust fund is created in the state treasury under the control of the department. The trust fund consists of all moneys appropriated to the fund, all monthly administrative charges paid by a state department or agency as authorized by section 8A.451, and any other assets directed to be held in trust for the exclusive benefit of participants in the state's health flexible spending account plan. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest and earnings from moneys in the trust fund shall be credited to the trust fund and shall be used exclusively for the benefit of plan participants.

3. The director shall serve as trustee of the trust fund and has the authority to direct expenditures as deemed appropriate to the exclusive benefit of the plan participants.

Sec. 74. NEW SECTION. 8A.438 ANNUITY CONTRACTS.

1. At the request of an employee of a state agency through contractual agreement, the director may arrange for the purchase of group or individual annuity contracts for any of the employees of that agency, which annuity contracts are issued by a nonprofit corporation issuing retirement annuities exclusively for educational institutions and their employees or are purchased from any company the employee chooses that is authorized to do business in this state or through an Iowa-licensed salesperson that the employee selects, on a group or individual basis, for retirement or other purposes, and may make payroll deductions in accordance with the arrangements



for the purpose of paying the entire premium due and to become due under the contract. The deductions shall be made in the manner which will qualify the annuity premiums for the benefits afforded under section 403(b) of the Internal Revenue Code, as defined in section 422.3. The employee's rights under the annuity contract are nonforfeitable except for the failure to pay premiums. As used in this section, unless the context otherwise requires, "annuity contract" includes any custodial account which meets the requirements of section 403(b)(7) of the Internal Revenue Code, as defined in section 422.3.

2. Whenever an existing tax-sheltered annuity contract is to be replaced by a new contract, the agent or representative of the company shall send a letter of intent by registered mail at least thirty days prior to any action to the company being replaced, to the commissioner of insurance of this state, to the agent's own company, and to the director. The letter of intent shall contain the policy number and description of the contract being replaced and a description of the replacement contract.

Sec. 75. NEW SECTION. 8A.439 LONGEVITY PAY PROHIBITED -- EXCEPTION.

A state employee subject to the provisions of this article shall not be entitled to longevity pay except for those employees granted longevity pay pursuant to section 307.48.

STATE HUMAN RESOURCE MANAGEMENT OPERATIONS

MISCELLANEOUS PROVISIONS

Sec. 76. NEW SECTION. 8A.451 HUMAN RESOURCES ADMINISTRATIVE COSTS.

1. The department may quarterly render a statement to each department or agency which operates in whole or in part from other than general fund appropriations for a pro rata share of the cost of administration of the department, or a portion thereof, as it relates to the state human resources management duties of the department pursuant to this article. The expense shall be paid by the state department or agency in the same manner as other expenses of that department or agency are paid and all moneys received shall be deposited in the general fund of the state.

2. The department shall render monthly a statement to each state department or agency for a pro rata share of the cost of administration of the state employee flexible spending

accounts. The expense shall be paid by the state department or agency in the same manner as other expenses of that state department or agency are paid and all moneys received for administration costs shall be deposited in the appropriate fund.

Sec. 77. NEW SECTION. 8A.452 USE OF PUBLIC BUILDINGS.

All officers and employees of the state and of political subdivisions of the state shall allow the department the reasonable use of public buildings under their control, and furnish heat, light, and furniture for any examination, hearing, or investigation authorized by this article. The department shall pay to a political subdivision the reasonable cost of any such facilities furnished.

Sec. 78. NEW SECTION. 8A.453 AID BY STATE EMPLOYEES -- RECORDS AND INFORMATION.

1. All officers and employees of the state shall comply with and aid in all proper ways in carrying out the provisions of this article and the rules and orders under this article. All officers and employees shall furnish any records or information which the director requires for any purpose of this article. The director may institute and maintain any action or proceeding at law or in equity that the director considers necessary or appropriate to secure compliance with this article and the rules and orders under this article.

2. The director may delegate to a person in any department, agency, board, commission, or office, located away from the seat of government, any of the duties imposed by this article upon the director.

Sec. 79. NEW SECTION. 8A.454 HEALTH INSURANCE ADMINISTRATION FUND.

1. A separate, special Iowa state health insurance administration fund is created in the state treasury under the control of the department. The fund shall consist of all moneys deposited in the fund from proceeds of a monthly per contract administrative charge assessed and collected by the department. Moneys deposited in the fund shall be expended by the department for health insurance program administration costs. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2. A monthly per contract administrative charge shall be assessed by the department on all health insurance plans

administered by the department in which the contract holder has a state employer to pay the charge. The amount of the administrative charge shall be established by the general assembly. The department shall collect the administrative charge from each department utilizing the centralized payroll system and shall deposit the proceeds in the fund. In addition, the state board of regents, all library service areas, the state fair board, the state department of transportation, and each judicial district department of correctional services shall remit the administrative charge on a monthly basis to the department and shall submit a report to the department containing the number and type of health insurance contracts held by each of its employees whose health insurance is administered by the department.

3. The expenditure of moneys from the fund in any fiscal year shall not exceed the amount of the monthly charge established by the general assembly multiplied by the number of health insurance contracts in effect at the beginning of the same fiscal year in which the expenditures shall be made. Any unencumbered or unobligated moneys in the fund at the end of the fiscal year shall not revert but shall be transferred to the health insurance premium reserve fund established pursuant to section 509A.5.

4. This section is repealed July 1, 2007.

Sec. 80. NEW SECTION. 8A.455 CERTIFICATION OF PAYROLLS  
-- ACTIONS.

1. A state disbursing or auditing officer shall not make or approve or take part in making or approving a payment for personnel services to any person unless the payroll voucher or account of the pay bears the certification of the director, or of the director's authorized agent, that the persons named have been appointed and employed in accordance with this article and the rules and orders under this article, and that funds are available for the payment of the persons.

2. The director may, for proper cause, withhold certification from an entire payroll or from any specific item or items on a payroll. The director may, however, provide that certification of payrolls may be made once every year, and such certification shall remain in effect except in the case of any officer or employee whose status has changed after the last certification of the officer's or employee's payroll. In the latter case a voucher for payment of salary to such

employee shall not be issued or payment of salary shall not be made without further certification by the director.

3. Any citizen may maintain an action in accordance with chapter 17A to restrain a disbursing officer from making any payment in contravention of this article, or rule or order under this article. Any sum paid contrary to this article or any rule or order under this article may be recovered in an action in accordance with chapter 17A maintained by any citizen, from any officer who made, approved, or authorized such payment or who signed or countersigned a voucher, payroll, check, or warrant for such payment, or from the sureties on the official bond of any such officer. All moneys recovered in any such action shall be paid into the state treasury.

4. Any person appointed or employed in contravention of this article or of any rule or order under this article who performs service for which the person is not paid may maintain an action in accordance with chapter 17A against the officer or officers who purported so to appoint or employ the person to recover the agreed pay for such services or the reasonable value of the services if no pay was agreed upon. An officer shall not be reimbursed by the state at any time for any sum paid to such person on account of such services.

5. If the director wrongfully withholds certification of the payroll voucher or account of any employee, such employee may maintain a proceeding in accordance with chapter 17A in the courts to compel the director to certify such a payroll voucher or account.

Sec. 81. NEW SECTION. 8A.456 ACCESS TO RECORDS.

1. An employee subject to the provisions of this article shall have access to the employee's personal file.

2. An applicant for a position subject to the provisions of this article shall be permitted to review, in accordance with such rules as the director may prescribe, any evaluation resulting from the application for employment.

Sec. 82. NEW SECTION. 8A.457 WORKERS' COMPENSATION CLAIMS.

The director shall employ appropriate staff to handle and adjust claims of state employees for workers' compensation benefits pursuant to chapters 85, 85A, 85B, and 86, or with the approval of the executive council contract for the services or purchase workers' compensation insurance coverage

for state employees or selected groups of state employees. A state employee workers' compensation fund is created in the state treasury under the control of the department to pay state employee workers' compensation claims and administrative costs. The department shall establish a rating formula and assess premiums to all agencies, departments, and divisions of the state including those which have not received an appropriation for the payment of workers' compensation insurance and which operate from moneys other than from the general fund of the state. The department shall collect the premiums and deposit them into the state employee workers' compensation fund. Notwithstanding section 8.33, moneys deposited in the state employee workers' compensation fund shall not revert to the general fund of the state at the end of any fiscal year, but shall remain in the state employee workers' compensation fund and be continuously available to pay state employee workers' compensation claims. The director may, to the extent practicable, contract with a private organization to handle the processing and payment of claims and services rendered under the provisions of this section.

Sec. 83. NEW SECTION. 8A.458 PENALTY.

A person who willfully violates this article or any rules adopted pursuant to this article, where no other penalty is prescribed, is guilty of a simple misdemeanor.

#### ARTICLE 5

##### FINANCIAL ADMINISTRATION

Sec. 84. NEW SECTION. 8A.502 FINANCIAL ADMINISTRATION DUTIES.

The department shall provide for the efficient management and administration of the financial resources of state government and shall have and assume the following powers and duties:

1. CENTRALIZED ACCOUNTING SYSTEM. To assume the responsibilities related to a centralized accounting system for state government.

2. SETOFF PROCEDURES. To establish and maintain a setoff procedure as provided in section 8A.504.

3. COST ALLOCATION SYSTEM. To establish a cost allocation system as provided in section 8A.505.

4. COLLECTION AND PAYMENT OF FUNDS -- MONTHLY PAYMENTS. To control the payment of all moneys into the state treasury, and all payments from the state treasury by the preparation of

appropriate warrants, or warrant checks, directing such collections and payment, and to advise the treasurer of state monthly in writing of the amount of public funds not currently needed for operating expenses. Whenever the state treasury includes state funds that require distribution to counties, cities, or other political subdivisions of this state, and the counties, cities, and other political subdivisions certify to the director that warrants will be stamped for lack of funds within the thirty-day period following certification, the director may partially distribute the funds on a monthly basis. Whenever the law requires that any funds be paid by a specific date, the director shall prepare a final accounting and shall make a final distribution of any remaining funds prior to that date.

5. PREAUDIT SYSTEM. To establish and fix a reasonable imprest cash fund for each state department and institution for disbursement purposes where needed. These revolving funds shall be reimbursed only upon vouchers approved by the director. It is the purpose of this subsection to establish a preaudit system of settling all claims against the state, but the preaudit system is not applicable to any of the following:

- a. Institutions under the control of the state board of regents.
- b. The state fair board as established in chapter 173.
- c. The Iowa dairy industry commission as established in chapter 179, the Iowa beef cattle producers association as established in chapter 181, the Iowa pork producers council as established in chapter 183A, the Iowa egg council as established in chapter 184, the Iowa turkey marketing council as established in chapter 184A, the Iowa soybean promotion board as established in chapter 185, and the Iowa corn promotion board as established in chapter 185C.

6. AUDIT OF CLAIMS. To set rules and procedures for the preaudit of claims by individual agencies or organizations. The director reserves the right to refuse to accept incomplete or incorrect claims and to review, preaudit, or audit claims as determined by the director.

7. CONTRACTS. To certify, record, and encumber all formal contracts to prevent overcommitment of appropriations and allotments.

8. ACCOUNTS. To keep the central budget and proprietary control accounts of the general fund of the state and special

funds, as defined in section 8.2, of the state government. Upon elimination of the state deficit under generally accepted accounting principles, including the payment of items budgeted in a subsequent fiscal year which under generally accepted accounting principles should be budgeted in the current fiscal year, the recognition of revenues received and expenditures paid and transfers received and paid within the time period required pursuant to section 8.33 shall be in accordance with generally accepted accounting principles. Budget accounts are those accounts maintained to control the receipt and disposition of all funds, appropriations, and allotments. Proprietary accounts are those accounts relating to assets, liabilities, income, and expense. For each fiscal year, the financial position and results of operations of the state shall be reported in a comprehensive annual financial report prepared in accordance with generally accepted accounting principles, as established by the governmental accounting standards board.

9. FAIR BOARD AND BOARD OF REGENTS. To control the financial operations of the state fair board and the institutions under the state board of regents:

a. By charging all warrants issued to the respective educational institutions and the state fair board to an advance account to be further accounted for and not as an expense which requires no further accounting.

b. By charging all collections made by the educational institutions and state fair board to the respective advance accounts of the institutions and state fair board, and by crediting all such repayment collections to the respective appropriations and special funds.

c. By charging all disbursements made to the respective allotment accounts of each educational institution or state fair board and by crediting all such disbursements to the respective advance and inventory accounts.

d. By requiring a monthly abstract of all receipts and of all disbursements, both money and stores, and a complete account current each month from each educational institution and the state fair board.

10. ENTITIES REPRESENTING AGRICULTURAL PRODUCERS. To control the financial operations of the Iowa dairy industry commission as provided in chapter 179, the Iowa beef cattle producers association as provided in chapter 181, the Iowa

pork producers council as provided in chapter 183A, the Iowa egg council as provided in chapter 184, the Iowa turkey marketing council as provided in chapter 184A, the Iowa soybean promotion board as provided in chapter 185, and the Iowa corn promotion board as provided in chapter 185C.

11. CUSTODY OF RECORDS. To have the custody of all books, papers, records, documents, vouchers, conveyances, leases, mortgages, bonds, and other securities appertaining to the fiscal affairs and property of the state, which are not required to be kept in some other office.

12. INTEREST OF THE PERMANENT SCHOOL FUND. To transfer the interest of the permanent school fund to the credit of the interest for Iowa schools fund.

13. FORMS. To prescribe all accounting and business forms and the system of accounts and reports of financial transactions by all departments and agencies of the state government other than those of the legislative branch.

14. FEDERAL CASH MANAGEMENT AND IMPROVEMENT ACT ADMINISTRATOR. To serve as administrator for state actions relating to the federal Cash Management and Improvement Act of 1990, Pub. L. No. 101-453, as codified in 31 U.S.C. § 6503. The director shall perform the following duties relating to the federal law:

a. Act as the designated representative of the state in the negotiation and administration of contracts between the state and federal government relating to the federal law.

b. Modify the centralized statewide accounting system and develop, or require to be developed by the appropriate departments of state government, the necessary reports and procedures necessary to complete the managerial and financial reports required to comply with the federal law.

There is annually appropriated from the general fund of the state to the department an amount sufficient to pay interest costs that may be due the federal government as a result of implementation of the federal law. This paragraph does not authorize the payment of interest from the general fund of the state for any departmental revolving, trust, or special fund where monthly interest earnings accrue to the credit of the departmental revolving, trust, or special fund. For any departmental revolving, trust, or special fund where monthly interest is accrued to the credit of the fund, the director may authorize a supplemental expenditure to pay interest costs



from the individual fund which are due the federal government as a result of implementation of the federal law.

Sec. 85. NEW SECTION. 8A.503 RULES -- DEPOSIT OF DEPARTMENTAL MONEYS.

The director shall prescribe by rule the manner and methods by which all departments and agencies of the state who collect money for and on behalf of the state shall cause the money to be deposited with the treasurer of state or in a depository designated by the treasurer of state. All such moneys collected shall be deposited at such times and in such depositories to permit the state of Iowa to deposit the funds in a manner consistent with the state's investment policies. All such moneys shall be promptly deposited, as directed, even though the individual amount remitted may not be correct. If any individual amount remitted is in excess of the amount required, the department or agency receiving the same shall refund the excess amount. If the individual amount remitted is insufficient, the person, firm, or corporation concerned shall be immediately billed for the amount of the deficiency.

Sec. 86. NEW SECTION. 8A.504 SETOFF PROCEDURES.

1. DEFINITIONS. As used in this section, unless the context otherwise requires:

a. "Collection entity" means the department of administrative services and any other state agency that maintains a separate accounting system and elects to establish a debt collection setoff procedure for collection of debts owed to the state or its agencies.

b. "Person" does not include a state agency.

c. "Qualifying debt" includes, but is not limited to, the following:

(1) Any debt, which is assigned to the department of human services, or which the child support recovery unit is otherwise attempting to collect, or which the foster care recovery unit of the department of human services is attempting to collect on behalf of a child receiving foster care provided by the department of human services.

(2) An amount that is due because of a default on a guaranteed student or parental loan under chapter 261.

(3) Any debt which is in the form of a liquidated sum due, owing, and payable to the clerk of the district court.

d. "State agency" means a board, commission, department, including the department of administrative services, or other

administrative office or unit of the state of Iowa or any other state entity reported in the Iowa comprehensive annual financial report. "State agency" does include the clerk of the district court as it relates to the collection of a qualifying debt. "State agency" does not include the general assembly, the governor, or any political subdivision of the state, or its offices and units.

2. SETOFF PROCEDURE. The collection entity shall establish and maintain a procedure to set off against any claim owed to a person by a state agency any liability of that person owed to a state agency, a support debt being enforced by the child support recovery unit pursuant to chapter 252B, or such other qualifying debt. The procedure shall only apply when at the discretion of the director it is feasible. The procedure shall meet the following conditions:

a. Before setoff, a person's liability to a state agency and the person's claim on a state agency shall be in the form of a liquidated sum due, owing, and payable.

b. Before setoff, the state agency shall obtain and forward to the collection entity the full name and social security number of the person liable to it or to whom a claim is owing who is a natural person. If the person is not a natural person, before setoff, the state agency shall forward to the collection entity the information concerning the person as the collection entity shall, by rule, require. The collection entity shall cooperate with other state agencies in the exchange of information relevant to the identification of persons liable to or claimants of state agencies. However, the collection entity shall provide only relevant information required by a state agency. The information shall be held in confidence and used for the purpose of setoff only. Section 422.72, subsection 1, does not apply to this paragraph.

c. Before setoff, a state agency shall, at least annually, submit to the collection entity the information required by paragraph "b" along with the amount of each person's liability to and the amount of each claim on the state agency. The collection entity may, by rule, require more frequent submissions.

d. Before setoff, the amount of a person's claim on a state agency and the amount of a person's liability to a state agency shall constitute a minimum amount set by rule of the collection entity.

e. Upon submission of an allegation of liability by a state agency, the collection entity shall notify the state agency whether the person allegedly liable is entitled to payment from a state agency, and, if so entitled, shall notify the state agency of the amount of the person's entitlement and of the person's last address known to the collection entity. Section 422.72, subsection 1, does not apply to this paragraph.

f. Upon notice of entitlement to a payment, the state agency shall send written notification to that person of the state agency's assertion of its rights to all or a portion of the payment and of the state agency's entitlement to recover the liability through the setoff procedure, the basis of the assertion, the opportunity to request that a jointly or commonly owned right to payment be divided among owners, and the person's opportunity to give written notice of intent to contest the amount of the allegation. The state agency shall send a copy of the notice to the collection entity. A state agency subject to chapter 17A shall give notice, conduct hearings, and allow appeals in conformity with chapter 17A.

However, upon submission of an allegation of the liability of a person which is owing and payable to the clerk of the district court and upon the determination by the collection entity that the person allegedly liable is entitled to payment from a state agency, the collection entity shall send written notification to the person which states the assertion by the clerk of the district court of rights to all or a portion of the payment, the clerk's entitlement to recover the liability through the setoff procedure, the basis of the assertions, the person's opportunity to request within fifteen days of the mailing of the notice that the collection entity divide a jointly or commonly owned right to payment between owners, the opportunity to contest the liability to the clerk by written application to the clerk within fifteen days of the mailing of the notice, and the person's opportunity to contest the collection entity's setoff procedure.

g. Upon the timely request of a person liable to a state agency or of the spouse of that person and upon receipt of the full name and social security number of the person's spouse, a state agency shall notify the collection entity of the request to divide a jointly or commonly owned right to payment. Any jointly or commonly owned right to payment is rebuttably

presumed to be owned in equal portions by its joint or common owners.

h. The collection entity shall, after the state agency has sent notice to the person liable or, if the liability is owing and payable to the clerk of the district court, the collection entity has sent notice to the person liable, set off the amount owed to the agency against any amount which a state agency owes that person. The collection entity shall refund any balance of the amount to the person. The collection entity shall periodically transfer amounts set off to the state agencies entitled to them. If a person liable to a state agency gives written notice of intent to contest an allegation, a state agency shall hold a refund or rebate until final disposition of the allegation. Upon completion of the setoff, a state agency shall notify in writing the person who was liable or, if the liability is owing and payable to the clerk of the district court, shall comply with the procedures as provided in paragraph "j".

i. The department of revenue and finance's existing right to credit against tax due or to become due under section 422.73 is not to be impaired by a right granted to or a duty imposed upon the collection entity or other state agency by this section. This section is not intended to impose upon the collection entity or the department of revenue and finance any additional requirement of notice, hearing, or appeal concerning the right to credit against tax due under section 422.73.

j. If the alleged liability is owing and payable to the clerk of the district court and setoff as provided in this section is sought, all of the following shall apply:

(1) The judicial branch shall prescribe procedures to permit a person to contest the amount of the person's liability to the clerk of the district court.

(2) The collection entity shall, except for the procedures described in subparagraph (1), prescribe any other applicable procedures concerning setoff as provided in this subsection.

(3) Upon completion of the setoff, the collection entity shall file, at least monthly, with the clerk of the district court a notice of satisfaction of each obligation to the full extent of all moneys collected in satisfaction of the obligation. The clerk shall record the notice and enter a satisfaction for the amounts collected and a separate written notice is not required.

3. In the case of multiple claims to payments filed under this section, priority shall be given to claims filed by the child support recovery unit or the foster care recovery unit, next priority shall be given to claims filed by the college student aid commission, next priority shall be given to claims filed by the investigations division of the department of inspections and appeals, next priority shall be given to claims filed by a clerk of the district court, and last priority shall be given to claims filed by other state agencies. In the case of multiple claims in which the priority is not otherwise provided by this subsection, priority shall be determined in accordance with rules to be established by the director.

4. The director shall have the authority to enter into reciprocal agreements with the departments of revenue of other states that have enacted legislation that is substantially equivalent to the setoff procedure provided in this section for the recovery of an amount due because of a default on a guaranteed student or parental loan under chapter 261. A reciprocal agreement shall also be approved by the college student aid commission. The agreement shall authorize the department to provide by rule for the setoff of state income tax refunds or rebates of defaulters from states with which Iowa has a reciprocal agreement and to provide for sending lists of names of Iowa defaulters to the states with which Iowa has a reciprocal agreement for setoff of that state's income tax refunds.

5. Under substantive rules established by the director, the department shall seek reimbursement from other state agencies to recover its costs for setting off liabilities.

Sec. 87. NEW SECTION. 8A.505 COST ALLOCATION SYSTEM.

The department shall develop and administer an indirect cost allocation system for state agencies. The system shall be based upon standard cost accounting methodologies and shall be used to allocate both direct and indirect costs of state agencies or state agency functions in providing centralized services to other state agencies. A cost that is allocated to a state agency pursuant to this system shall be billed to the state agency and the cost is payable to the general fund of the state. The source of payment for the billed cost shall be any revenue source except for the general fund of the state. If a state agency is authorized by law to bill and recover

direct expenses, the state agency shall recover indirect costs in the same manner.

Sec. 88. NEW SECTION. 8A.506 ACCOUNTING.

The director may at any time require any person receiving money, securities, or property belonging to the state, or having the management, disbursement, or other disposition of them, an account of which is kept in the department, to render statements of them and information in reference to them.

Sec. 89. NEW SECTION. 8A.507 STATING ACCOUNT.

If an officer who is accountable to the state treasury for any money or property neglects to render an account to the director within the time prescribed by law, or, if no time is so prescribed, within twenty days after being required to do so by the director, the director shall state an account against the officer from the books of the officer's office, charging ten percent damages on the whole sum appearing due, and interest at the rate of six percent per annum on the aggregate from the time when the account should have been rendered; all of which may be recovered by action brought on the account, or on the official bond of the officer.

Sec. 90. NEW SECTION. 8A.508 COMPELLING PAYMENT.

If an officer fails to pay into the state treasury the amount received by the officer within the time prescribed by law, or, having settled with the director, fails to pay the amount found due, the director shall charge the officer with twenty percent damages on the amount due, with interest on the aggregate from the time the amount became due at the rate of six percent per annum, and the whole may be recovered by an action brought on the account, or on the official bond of the officer, and the officer shall forfeit the officer's commission.

Sec. 91. NEW SECTION. 8A.509 DEFENSE TO CLAIM.

The penal provisions in sections 8A.507 and 8A.508 are subject to any legal defense which the officer may have against the account as stated by the director, but judgment for costs shall be rendered against the officer in the action, whatever its result, unless the officer rendered an account within the time named in those sections.

Sec. 92. NEW SECTION. 8A.510 REQUESTED CREDITS -- OATH REQUIRED.

When a county treasurer or other receiver of public money seeks to obtain credit on the books of the department for

payment made to the county treasurer, before giving such credit the director shall require that person to take and subscribe an oath that the person has not used, loaned, or appropriated any of the public money for the person's private benefit, nor for the benefit of any other person.

Sec. 93. NEW SECTION. 8A.511 REQUISITION FOR INFORMATION.

In those cases where the director is authorized to call upon persons or officers for information, or statements, or accounts, the director may issue a requisition therefor in writing to the person or officer called upon, allowing reasonable time, which, having been served and return made to the director, as a notice in a civil action, is evidence of the making of the requisition.

Sec. 94. NEW SECTION. 8A.512 LIMITS ON CLAIMS.

The director is limited in authorizing the payment of claims, as follows:

1. FUNDING LIMIT.

a. A claim shall not be allowed by the department if the appropriation or fund of certification available for paying the claim has been exhausted or proves insufficient.

b. The authority of the director is subject to the following exceptions:

(1) Claims by state employees for benefits pursuant to chapters 85, 85A, 85B, and 86 are subject to limitations provided in those chapters.

(2) Claims for medical assistance payments authorized under chapter 249A are subject to the time limits imposed by rule adopted by the department of human services.

(3) Claims approved by an agency according to the provisions of sections 25.1 and 25.2.

2. CONVENTION EXPENSES. Claims for expenses in attending conventions, meetings, conferences, or gatherings of members of an association or society organized and existing as a quasi-public association or society outside the state of Iowa shall not be allowed at public expense, unless authorized by the executive council; and claims for these expenses outside of the state shall not be allowed unless the voucher is accompanied by the portion of the minutes of the executive council, certified to by its secretary, showing that the expense was authorized by the council. This section does not apply to claims in favor of the governor, attorney general,

utilities board members, or to trips referred to in sections 97B.7A and 217.20.

3. PAYMENT FROM FEES. Claims for per diem and expenses payable from fees shall not be approved for payment in excess of those fees if the law provides that such expenditures are limited to the special funds collected and deposited in the state treasury.

Sec. 95. NEW SECTION. 8A.513 CLAIMS -- APPROVAL.

The director before approving a claim on behalf of the department shall determine:

1. That the creation of the claim is clearly authorized by law. Statutes authorizing the expenditure may be referenced through account coding authorized by the director.

2. That the claim has been authorized by an officer or official body having legal authority to so authorize and that the fact of authorization has been certified to the director by such officer or official body.

3. That all legal requirements have been observed, including notice and opportunity for competition, if required by law.

4. That the claim is in proper form as the director may provide.

5. That the charges are reasonable, proper, and correct and no part of the claim has been paid.

Sec. 96. NEW SECTION. 8A.514 VOUCHERS -- INTEREST -- PAYMENT OF CLAIMS.

1. Before a warrant or its equivalent is issued for a claim payable from the state treasury, the department shall file an itemized voucher showing in detail the items of service, expense, item furnished, or contract for which payment is sought. However, the director may authorize the prepayment of claims when the best interests of the state are served under rules adopted by the director. The claimant's original invoice shall be attached to a department's approved voucher. The director shall adopt rules specifying the form and contents for invoices submitted by a vendor to a department. The requirements apply to acceptance of an invoice by a department. A department shall not impose additional or different requirements on submission of invoices than those contained in rules of the director unless the director exempts the department from the invoice requirements or a part of the requirements upon a finding that compliance would result in poor accounting or management practices.



2. Vouchers for postage, stamped envelopes, and postal cards may be audited as soon as an order for them is entered.

3. The departments, the general assembly, and the courts shall pay their claims in a timely manner. If a claim for services, supplies, materials, or a contract which is payable from the state treasury remains unpaid after sixty days following the receipt of the claim or the satisfactory delivery, furnishing, or performance of the services, supplies, materials, or contract, whichever date is later, the state shall pay interest at the rate of one percent per month on the unpaid amount of the claim. This subsection does not apply to claims against the state under chapters 25 and 669 or to claims paid by federal funds. The interest shall be charged to the appropriation or fund to which the claim is certified. Departments may enter into contracts for goods or services on payment terms of less than sixty days if the state may obtain a financial benefit or incentive which would not otherwise be available from the vendor. The department, in consultation with other affected departments, shall develop policies to promote consistency and fiscal responsibility relating to payment terms authorized under this subsection. The director shall adopt rules under chapter 17A relating to the administration of this subsection.

Sec. 97. NEW SECTION. 8A.515 WARRANTS -- FORM.

A warrant shall bear on its face the signature of the director or its facsimile, or the signature of an assistant or its facsimile in case of a vacancy in the office of the director; a proper number, date, amount, and name of payee; a reference to the law under which it is drawn; whether for salaries or wages, services, or supplies, and what kind of supplies; and from what office or department, or for what other general or special purposes; or in lieu thereof, a coding system may be used, which particulars shall be entered in a warrant register kept for that purpose in the order of issuance; and as soon as practicable after issuing a warrant register, the director shall certify a duplicate of it to the treasurer of state.

Sec. 98. NEW SECTION. 8A.516 REQUIRED PAYEE.

All warrants shall be drawn to the order of the person entitled to payment or compensation, except that when goods or materials are purchased in foreign countries, warrants may be drawn upon the treasurer of state, payable to the bearer for

the net amount of invoice and current exchange, and the treasurer of state shall furnish a foreign draft payable to the order of the person from whom purchase is made.

Sec. 99. NEW SECTION. 8A.517 PROHIBITED PAYEE.

In no case shall warrants be drawn in the name of the certifying office, department, board, or institution, or in the name of an employee, except for personal service rendered or expense incurred by the employee, unless express statutory authority exists therefor.

Sec. 100. NEW SECTION. 8A.518 CLAIMS EXCEEDING APPROPRIATIONS.

A claim shall not be allowed when the claim will exceed the amount specifically appropriated for the claim.

Sec. 101. NEW SECTION. 8A.519 CANCELLATION OF STATE WARRANTS.

On the last business day of each month, the director shall cancel and request the treasurer of state to stop payment on all state warrants which have been outstanding and unredeemed by the treasurer of state for six months or longer.

#### DIVISION II

##### CONFORMING AND MISCELLANEOUS CHANGES

Sec. 102. Section 2.9, Code 2003, is amended to read as follows:

#### 2.9 JOURNALS -- BILLS AND AMENDMENTS.

1. a. The senate and house of representatives shall each publish a daily journal of the transactions of their respective bodies. The secretary of the senate and the chief clerk of the house shall each determine the format and manner of the journal's publication, the procurement procedures for the journal's publication, and the journal's distribution for their respective bodies.

b. The secretary of the senate and the clerk of the house of representatives shall each preserve copies of the printed daily journals of their respective bodies, as corrected, certify to their correctness, and file them with the secretary of state at the adjournment of each session of the general assembly. The secretary of state shall ~~cause the journals to be bound and preserved as~~ preserve the original journals of the senate and the house in the manner specified by the majority leader of the senate and speaker of the house.

2. a. The senate and house of representatives shall each publish bills and amendments of their respective bodies. The

secretary of the senate and the chief clerk of the house shall each determine the procurement procedures for the publication of the bills and amendments and the distribution of the bills and amendments for their respective bodies.

b. A bill that seeks to legalize the acts of any official or board or other official body, in regard to any matter of public nature or for any person or persons, company, or corporation, shall not be considered by the senate or house of representatives until the bill is published and distributed to members of the general assembly, and the publication shall be without expense to the state. The senate and house shall not order any such bill published until the secretary of the senate or chief clerk of the house has received a deposit to cover the cost of the publication. The newspaper publication of such bill shall be without expense to the state, and the bill shall not be published in a newspaper until the costs of the newspaper publication has been paid to the secretary of state.

Sec. 103. Section 2.10, subsection 1, Code 2003, is amended to read as follows:

1. Every member of the general assembly except the presiding officer of the senate, the speaker of the house, the majority and minority floor leader of each house, and the president pro tempore of the senate and speaker pro tempore of the house, shall receive an annual salary of twenty thousand one hundred twenty dollars for the year 1997 and subsequent years while serving as a member of the general assembly. In addition, each such member shall receive the sum of eighty-six dollars per day for expenses of office, except travel, for each day the general assembly is in session commencing with the first day of a legislative session and ending with the day of final adjournment of each legislative session as indicated by the journals of the house and senate, except that if the length of the first regular session of the general assembly exceeds one hundred ten calendar days and the second regular session exceeds one hundred calendar days, the payments shall be made only for one hundred ten calendar days for the first session and one hundred calendar days for the second session. Members from Polk county shall receive sixty-five dollars per day. Each member shall receive a two hundred dollar per month allowance for legislative district constituency postage, travel, telephone costs, and other expenses. Travel expenses

shall be paid at the rate established by section ~~18-117~~ 8A.363 for actual travel in going to and returning from the seat of government by the nearest traveled route for not more than one time per week during a legislative session unless the general assembly otherwise provides.

Sec. 104. Section 2.43, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The legislative council in cooperation with the officers of the senate and house shall have the duty and responsibility for preparing for each session of the general assembly. Pursuant to such duty and responsibility, the legislative council shall assign the use of areas in the state capitol except for the areas used by the governor as of January 1, 1986, and by the courts as of ~~November-17-2002~~ July 1, 2003, and, in consultation with the director of the department of general services and the capitol planning commission, may assign areas in other state office buildings for use of the general assembly or legislative agencies. The legislative council may authorize the renovation, remodeling and preparation of the physical facilities used or to be used by the general assembly or legislative agencies subject to the jurisdiction of the legislative council and award contracts pursuant to such authority to carry out such preparation. The legislative council may purchase supplies and equipment deemed necessary for the proper functioning of the legislative branch of government.

Sec. 105. Section 2.47A, subsection 1, paragraph c, Code 2003, is amended to read as follows:

c. Receive annual status reports for all ongoing capital projects of state agencies, pursuant to section ~~18-12~~ 8A.321, subsection ~~14~~ 10.

Sec. 106. Section 7A.1, unnumbered paragraph 4, Code 2003, is amended to read as follows:

This section shall not be construed as depriving the ~~state printing-administrator~~ director of the department of administrative services of the right to edit and revise said report.

Sec. 107. Section 7A.2, unnumbered paragraph 2, Code 2003, is amended to read as follows:

Reports after being filed with the governor and considered by the governor shall be delivered to the ~~state-printing administrator~~ director of the department of administrative services.

Sec. 108. Section 7A.3, subsection 1, Code 2003, is amended to read as follows:

1. Director of ~~revenue-and-finance~~ the department of administrative services on the fiscal condition of the state.

Sec. 109. Section 7A.3, subsection 6, Code 2003, is amended by striking the subsection.

Sec. 110. Section 7A.3, subsection 10, Code 2003, is amended to read as follows:

10. Department of ~~general~~ administrative services.

Sec. 111. Section 7A.14, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The annual and biennial reports shall be published, printed, and bound in such number as the ~~state-printing administrator~~ director of the department of administrative services may order. The officials and heads of departments shall furnish the ~~administrator~~ director with information necessary to determine the number of copies to be printed.

Sec. 112. Section 7A.23, Code 2003, is amended to read as follows:

7A.23 PRICE OF DEPARTMENTAL REPORTS.

The ~~state-printing-administrator~~ director of the department of administrative services shall establish and fix a selling price for all state departmental reports and any other state publications the ~~administrator~~ director may designate, which price per volume shall be the amount charged any person, other than public officials, who purchases the publication. The price shall cover the cost of printing and distribution. The ~~administrator~~ director may distribute gratis to state or local public officials or offices, as the ~~administrator~~ director deems necessary, copies of departmental annual reports.

Sec. 113. Section 7A.27, Code 2003, is amended to read as follows:

7A.27 OTHER NECESSARY PUBLICATIONS -- WHEN NECESSARY TO SELL.

~~There-may-be-published-other~~ Other miscellaneous documents, reports, bulletins, books, and booklets may be published that are needed for the use of the various officials and departments of state, or are of value for the information of the general assembly or the public, in form and number most useful and convenient, to be determined by the ~~state-printing administrator~~ director of the department of administrative services.

When such publications, except supplements to the Iowa administrative code, paid for by public funds furnished by the state, contain reprints of statutes or rules, or both, they shall be sold and distributed at cost by the department ordering ~~same~~ the publication if the cost per publication is one dollar or more, unless a central library or depository is established. Such publications shall be obtained from the ~~state-printing-administrator~~ director of the department of administrative services on requisition by the department ordering the publication and the selling price, if any, shall be determined by the ~~administrator~~ director of the department of administrative services by dividing the total cost of printing, paper, distribution, and binding by the number printed. ~~Said~~ The price shall be set at the nearest multiple of ten to the quotient thus obtained. Distribution of such publications shall be made by the ~~administrator~~ director gratis to public officers, purchasers of licenses from state departments required by statute and departments. Funds from the sale of such publications shall be deposited monthly in the general fund of the state except the cost of distribution shall be deposited in the permanent printing revolving fund established in section ~~18-57~~ 8A.345.

Sec. 114. Section 7A.28, Code 2003, is amended to read as follows:

7A.28 GOVERNOR MAY FIX FILING DATE.

The governor shall have the right to fix a date for the completion of or filing of any copy or manuscript for any miscellaneous document or other publication, or for any portion of the manuscript, and to compel compliance with such orders the same as in the case of the official reports. The ~~state-printing-administrator~~ director of the department of administrative services shall report to the governor any failure to furnish manuscript or other delay affecting any publication.

Sec. 115. Section 7A.29, Code 2003, is amended to read as follows:

7A.29 TITLE PAGES -- COMPLIMENTARY INSERTIONS.

The ~~state-printing-administrator~~ director of the department of administrative services shall provide the necessary printer's copy for a suitable title page for each publication requiring such title which shall contain the name of the author, but ~~no~~ such title shall not have written or printed

thereon or attached thereto the words "Compliments of" followed by the name of the author, nor any other words of similar import.

Sec. 116. Section 7E.5, subsection 1, paragraph b, Code 2003, is amended to read as follows:

b. The department of ~~personnel~~ administrative services, created in section ~~19A.7~~ 8A.102, which has primary responsibility for ~~personnel~~ the management and coordination of the major resources of state government.

Sec. 117. Section 7E.5, subsection 1, paragraph c, Code 2003, is amended by striking the paragraph.

Sec. 118. Section 7E.5, subsection 1, paragraph d, Code 2003, is amended to read as follows:

d. The department of revenue ~~and-finance~~, created in section 421.2, which has primary responsibility for revenue collection and revenue law compliance, ~~financial-management and-assistance~~, and the Iowa lottery.

Sec. 119. Section 7E.5, subsection 1, paragraph x, Code 2003, is amended by striking the paragraph.

Sec. 120. Section 7F.1, subsection 3, Code 2003, is amended to read as follows:

3. OFFICE ESTABLISHED. A state-federal relations office is established as an independent agency. The office shall be located in Washington D.C. and shall be administered by the director of the office who is appointed by the governor, subject to confirmation by the senate, and who serves at the pleasure of the governor. The office and its personnel are exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4.

Sec. 121. Section 8.31, unnumbered paragraph 6, Code 2003, is amended to read as follows:

The procedure to be employed in controlling the expenditures and receipts of the state fair board and the institutions under the state board of regents, whose collections are not deposited in the state treasury, is that outlined in section ~~421.31~~ 8A.502, subsection 6 9.

Sec. 122. Section 8.36A, Code 2003, is amended to read as follows:

8.36A FULL-TIME EQUIVALENT ~~POSITION~~ POSITIONS.

1. For purposes of making appropriations and financial reports and as used in appropriations statutes, "full-time equivalent position" means a budgeting and monitoring unit

that equates the aggregate of full-time positions, part-time positions, a vacancy and turnover factor, and other adjustments. One full-time equivalent position represents two thousand eighty working hours, which is the regular number of hours one full-time person works in one fiscal year. The number of full-time equivalent positions shall be calculated by totaling the regular number of hours that could be annually worked by persons in all authorized positions, reducing those hours by a vacancy and turnover factor and dividing that amount by two thousand eighty hours. In order to achieve the full-time equivalent position level, the number of filled positions may exceed the number of full-time equivalent positions during parts of the fiscal year to compensate for time periods when the number of filled positions is below the authorized number of full-time equivalent positions.

2. If a department or establishment has reached or anticipates reaching the full-time equivalent position level authorized for the department but determines that conversion of a contract position to a full-time equivalent position would result in cost savings while providing comparable or better services, the department or establishment may request the director of the department of management to approve the conversion and addition of the full-time equivalent position. The request shall be accompanied by evidence demonstrating how the cost savings and service quality will be achieved through the conversion. If approved by the director of the department of management, the department's or establishment's authorized full-time equivalent position level shall be increased accordingly and the revised level shall be reported to the fiscal committee of the legislative council and the legislative fiscal bureau.

Sec. 123. Section 8.47, subsection 1, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The department of ~~general~~ administrative services, in cooperation with the office of attorney general, and the department of management, ~~the department of personnel, and the department of revenue and finance,~~ shall adopt uniform terms and conditions for service contracts executed by a department or establishment benefiting from service contracts. The terms and conditions shall include but are not limited to all of the following:



Sec. 124. Section 8.47, subsection 2, Code 2003, is amended to read as follows:

2. Departments or establishments, with the approval of the department of management acting in cooperation with the office of attorney general, ~~the department of general services, the department of personnel,~~ and the department of ~~revenue and finance~~ administrative services, may adopt special terms and conditions for use by the departments or establishments in their service contracts.

Sec. 125. Section 8.63, Code 2003, is amended to read as follows:

8.63 INNOVATIONS FUND.

1. An innovations fund is created in the state treasury under the control of the department of management for the purpose of stimulating and encouraging innovation and entrepreneurship in state government by the awarding of repayable loans to state agencies.

2. The director of the department of management shall establish an eight-member committee to be called the state innovations fund committee. The committee shall review all requests for funds and approve loans of funds if the committee determines that the loan meets the requirements for a project loan or an enterprise loan as provided in this section.

3. A project loan can be funded if the committee determines that an agency request would result in cost savings or added revenue to the general fund of the state. Eligible projects are projects which cannot be funded from an agency's operating budget without adversely affecting the agency's normal service levels. Projects may include, but are not limited to, purchase of advanced technology, contracting for expert services, and acquisition of equipment or supplies.

4. An enterprise loan can be funded if the committee determines that the agency or business unit has a viable business plan and the capability to use the loan to provide internal services to government. The enterprise is expected to receive payment for services from its customers and use those payments to cover its expenses, including repayment of the loan.

~~3~~ 5. A state agency seeking a loan from the innovations fund shall complete an application form designed by the state innovations fund committee which employs, for projects, a return on investment concept and demonstrates how state

general fund expenditures will be reduced or how state general fund revenues will increase, or, for enterprises, a business plan that shows how the enterprise will meet customer needs, provide value to customers, and demonstrate financial viability. Minimum loan requirements for state agency requests shall be determined by the committee. As an incentive to increase state general fund revenues, an agency may retain up to fifty percent of savings realized in connection with a project loan from the innovations fund. The amount retained shall be determined by the innovations fund committee.

~~4~~ 6. a. In order for the innovations fund to be self-supporting, the innovations fund committee shall establish repayment schedules for each ~~innovation~~ innovations fund loan awarded. Agencies shall repay the funds over a period not to exceed five years with interest, at a rate to be determined by the innovations fund committee.

b. If the department of management and the department of revenue ~~and-finance~~ certify that the savings from a proposed innovations fund project will result in a net increase in the balance of the general fund of the state without a corresponding cost savings to the requesting agency, and if the requesting agency meets all other eligibility requirements, the innovations fund committee may approve the loan for the project and not require repayment by the requesting agency. There is appropriated from the general fund of the state to the department of ~~revenue-and-finance~~ management for deposit in the innovations fund an amount sufficient to repay the loan amount.

~~5~~ 7. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the innovations fund shall be credited to the innovations fund. Notwithstanding section 8.33, moneys remaining in the innovations fund at the end of a fiscal year shall not revert to the general fund of the state.

Sec. 126. Section 8D.4, Code 2003, is amended to read as follows:

8D.4 EXECUTIVE DIRECTOR APPOINTED.

The commission, in consultation with the director of the department of administrative services shall appoint an executive director of the commission, subject to confirmation by the senate. Such individual shall not serve as a member of

the commission. The executive director shall serve at the pleasure of the commission. The executive director shall be selected primarily for administrative ability and knowledge in the field, without regard to political affiliation. The governor shall establish the salary of the executive director within range nine as established by the general assembly. The salary and support of the executive director shall be paid from funds deposited in the Iowa communications network fund.

Sec. 127. Section 9.3, Code 2003, is amended to read as follows:

9.3 COMMISSIONS.

All commissions issued by the governor shall be countersigned by the secretary, who shall register each commission in a book to be kept for that purpose, specifying the office, name of officer, date of commission, and tenure of office, and forthwith forward to the directors of the departments of management and of ~~revenue-and-finance~~ administrative services copies of the registration.

Sec. 128. Section 10A.104, subsection 2, Code 2003, is amended to read as follows:

2. Appoint the administrators of the divisions within the department and all other personnel deemed necessary for the administration of this chapter, except the state public defender, assistant state public defenders, administrator of the racing and gaming commission, members of the employment appeal board, and administrator of the child advocacy board created in section 237.16. All persons appointed and employed in the department are covered by the provisions of chapter ~~19A~~ 8A, article 4, but persons not appointed by the director are exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4.

Sec. 129. Section 10A.601, subsections 1 and 7, Code 2003, are amended to read as follows:

1. A full-time employment appeal board is created within the department of inspections and appeals to hear and decide contested cases under chapter 8A, article 4, and chapters ~~19A~~ 80, 88, 89A, 91C, 96, and 97B.

7. An application for rehearing before the appeal board shall be filed pursuant to section 17A.16, unless otherwise provided in chapter ~~19A~~ 8A, article 4, or chapter ~~80, 88, 89A, 91C, 96, or 97B.~~ A petition for judicial review of a decision of the appeal board shall be filed pursuant to

section 17A.19. The appeal board may be represented in any such judicial review by an attorney who is a regular salaried employee of the appeal board or who has been designated by the appeal board for that purpose, or at the appeal board's request, by the attorney general. Notwithstanding the petitioner's residency requirement in section 17A.19, subsection 2, a petition for judicial review may be filed in the district court of the county in which the petitioner was last employed or resides, provided that if the petitioner does not reside in this state, the action shall be brought in the district court of Polk county, Iowa, and any other party to the proceeding before the appeal board shall be named in the petition. Notwithstanding the thirty-day requirement in section 17A.19, subsection 6, the appeal board shall, within sixty days after filing of the petition for judicial review or within a longer period of time allowed by the court, transmit to the reviewing court the original or a certified copy of the entire records of a contested case. The appeal board may also certify to the court, questions of law involved in any decision by the appeal board. Petitions for judicial review and the questions so certified shall be given precedence over all other civil cases except cases arising under the workers' compensation law of this state. No bond shall be required for entering an appeal from any final order, judgment, or decree of the district court to the supreme court.

Sec. 130. Section 10A.801, subsection 3, paragraph a, Code 2003, is amended to read as follows:

a. The department shall employ a sufficient number of administrative law judges to conduct proceedings for which agencies are required, by section 17A.11 or any other provision of law, to use an administrative law judge employed by the division. An administrative law judge employed by the division shall not perform duties inconsistent with the judge's duties and responsibilities as an administrative law judge and shall be located in an office that is separated from the offices of the agencies for which that person acts as a presiding officer. Administrative law judges shall be covered by the merit system provisions of chapter ~~19A~~ 8A, article 4.

Sec. 131. Section 11.2, subsection 1, unnumbered paragraph 3, Code 2003, is amended to read as follows:

Provided further, that a preliminary audit of the educational institutions and the state fair board shall be

made periodically, at least quarterly, to check the monthly reports submitted to the director of ~~revenue-and-finance~~ the department of administrative services as required by section ~~421-31~~ 8A.502, subsection ~~4~~ 9, and that a final audit of such state agencies shall be made at the close of each fiscal year.

Sec. 132. Section 12E.8, subsection 2, Code 2003, is amended to read as follows:

2. The authority is exempt from the requirements of chapter ~~18~~ 8A, article 3.

Sec. 133. Section 13.13, subsection 2, Code 2003, is amended to read as follows:

2. The farm assistance program coordinator shall contract with a nonprofit organization chartered in this state to provide mediation services as provided in chapters 654A, 654B, and 654C. The contract may be terminated by the coordinator upon written notice and for good cause. The organization awarded the contract is designated as the farm mediation service for the duration of the contract. The organization may, upon approval by the coordinator, provide mediation services other than as provided by law. The farm mediation service is not a state agency for the purposes of chapter 8A, article 4, and chapters 19A7 207 and 669.

Sec. 134. Section 13.22, subsection 6, Code 2003, is amended to read as follows:

6. Cooperate to the fullest extent feasible with the existing informational and referral networks among farmers, farmer advocates, and others concerned with the economic crisis in agricultural areas. The legal services provider is not a state agency for the purposes of chapter 8A, article 4, and chapters 19A7 207 and 669.

Sec. 135. Section 13.34, subsection 4, Code 2003, is amended to read as follows:

4. The contracting nonprofit organization is not a state agency for the purposes of chapter 8A, article 4, and chapters 19A7 207 and 669.

Sec. 136. Section 13B.5, Code 2003, is amended to read as follows:

13B.5 STAFF.

The state public defender may appoint assistant state public defenders who, subject to the direction of the state public defender, shall have the same duties as the state public defender and shall not engage in the private practice

of law. The salaries of the staff shall be fixed by the state public defender. The state public defender and the state public defender's staff shall receive actual and necessary expenses, including travel at the state rate set forth in section ~~18-117~~ 8A.363.

Sec. 137. Section 15.106, subsection 2, Code 2003, is amended to read as follows:

2. Employ personnel as necessary to carry out the duties and responsibilities of the department, consistent with the merit system provisions of chapter ~~19A~~ 8A, article 4, for nonprofessional employees. Professional staff of the department are exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4.

Sec. 138. Section 15.108, subsection 9, paragraph c, Code 2003, is amended to read as follows:

c. Except as otherwise provided in sections ~~7D-33~~ 8A.110, 260C.14, and 262.9, provide that an inventor whose research is funded in whole or in part by the state shall assign to the state a proportionate part of the inventor's rights to a letter patent resulting from that research. Royalties or earnings derived from a letter patent shall be paid to the treasurer of state and credited by the treasurer to the general fund of the state. However, the department in conjunction with other state agencies, including the board of regents, shall provide incentives to inventors whose research is funded in whole or in part by the state for having their products produced in the state. These incentives may include taking a smaller portion of the inventor's royalties or earnings than would otherwise occur under this paragraph or other provisions of the law.

Sec. 139. Section 16.2, subsection 1, unnumbered paragraph 2, Code 2003, is amended to read as follows:

A title guaranty division is created within the authority. The powers of the division relating to the issuance of title guaranties are vested in and shall be exercised by a division board of five members appointed by the governor subject to confirmation by the senate. The membership of the board shall include an attorney, an abstractor, a real estate broker, a representative of a mortgage-lender, and a representative of the housing development industry. The executive director of the authority shall appoint an attorney as director of the title guaranty division who shall serve as an ex officio

member of the board. The appointment of and compensation for the division director are exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4.

Sec. 140. Section 16A.5, subsection 2, Code 2003, is amended to read as follows:

2. The executive director is a nonvoting ex officio member of the board, and shall advise the authority on matters relating to finance, carry out all directives from the authority, and hire and supervise the authority's staff pursuant to its directions and under the merit system provisions of chapter ~~19A~~ 8A, article 4, except that principal administrative assistants with responsibilities in operating loan programs, accounting, and processing of applications for interest reduction are exempt from the merit system.

Sec. 141. Section 17A.6, subsection 5, Code 2003, is amended to read as follows:

5. The Iowa administrative code, its supplements, and the Iowa administrative bulletin shall be made available upon request to all persons who subscribe to any of them ~~through the-state-printing-division. Copies-of-this-code-so-made available-shall-be-kept-current-by-the-division.~~

Sec. 142. Section 19B.5, subsection 2, Code 2003, is amended to read as follows:

2. The department of ~~personnel~~ administrative services shall submit a report on the condition of affirmative action, diversity, and multicultural programs in state agencies covered by subsection 1 by September 30 of each year to the governor and the general assembly. ~~The-report-shall-include information-identifying-funding-sources-and-itemized-costs, including-administrative-costs, for-these-programs.~~

Sec. 143. Section 19B.12, subsection 4, Code 2003, is amended to read as follows:

4. The department of ~~personnel~~ administrative services for all state agencies, and the state board of regents for its institutions, shall adopt rules and appropriate internal, confidential grievance procedures to implement this section, and shall adopt procedures for determining violations of this section and for ordering appropriate dispositions that may include, but are not limited to, discharge, suspension, or reduction in rank or grade as defined in section ~~19A-9~~ 8A.413, subsection 16.

Sec. 144. Section 20.5, subsection 4, Code 2003, is amended to read as follows:

4. The board may employ such persons as are necessary for the performance of its functions. Personnel of the board shall be employed pursuant to the provisions of chapter ~~19A~~ 8A, article 4.

Sec. 145. Section 20.18, unnumbered paragraph 2, Code 2003, is amended to read as follows:

Public employees of the state or public employees covered by civil service shall follow either the grievance procedures provided in a collective bargaining agreement, or in the event that grievance procedures are not provided, shall follow grievance procedures established pursuant to chapter ~~19A~~ 8A, article 4, or chapter 400, as applicable.

Sec. 146. Section 23A.2, subsection 10, paragraph o, Code 2003, is amended to read as follows:

o. The performance of an activity authorized pursuant to section ~~14B-102~~ 8A.202, subsection 2, paragraph ~~"j"~~ "k".

Sec. 147. Section 29A.13, Code 2003, is amended to read as follows:

29A.13 APPROPRIATED FUNDS.

Operating expenses for the national guard including the purchase of land, maintenance of facilities, improvement of state military reservations, installations, and weapons firing ranges owned or leased by the state of Iowa or the United States shall be paid from funds appropriated for the support and maintenance of the national guard. Claims for payment of such expenses shall be subject to the approval of the adjutant general. Upon approval of the adjutant general the claim shall be submitted to the director of ~~revenue-and-finance-in accordance-with-the-procedures-established-by-the-director-of revenue-and-finance-under-chapter-421~~ the department of administrative services.

Payment for personnel compensation and authorized benefits shall be approved by the adjutant general prior to submission to the director of ~~revenue-and-finance~~ the department of administrative services for payment.

Sec. 148. Section 35A.8, subsection 3, Code 2003, is amended to read as follows:

3. Except for the employment duties and responsibilities assigned to the commandant for the Iowa veterans home, the executive director shall employ such personnel as are



necessary for the performance of the duties and responsibilities assigned to the commission. All employees shall be selected on a basis of fitness for the work to be performed with due regard to training and experience and shall be subject to the provisions of chapter ~~19A~~ 8A, article 4.

Sec. 149. Section 35A.10, Code 2003, is amended to read as follows:

35A.10 MULTIYEAR CONSTRUCTION PROGRAM -- CONSTRUCTION, REPAIR, AND IMPROVEMENT PROJECTS.

1. The commission shall work with the department of ~~general~~ administrative services to prepare and submit to the director of the department of management, as provided in section 8.23, a multiyear construction program including estimates of the expenditure requirements for the construction, repair, or improvement of buildings, grounds, or equipment at the commission of veterans affairs building at Camp Dodge and the Iowa veterans home in Marshalltown.

2. The commandant and the commission shall have plans and specifications prepared by the department of ~~general~~ administrative services for authorized construction, repair, or improvement projects in excess of twenty-five thousand dollars. An appropriation for a project shall not be expended until the department of ~~general~~ administrative services has adopted plans and specifications and has completed a detailed estimate of the cost of the project, prepared under the supervision of a registered architect or registered professional engineer.

3. The director of the department of ~~general~~ administrative services shall, in writing, let all contracts for authorized improvements in excess of twenty-five thousand dollars in accordance with chapter ~~18~~ 8A, article 3. The director of the department of ~~general~~ administrative services shall not authorize payment for construction purposes until satisfactory proof has been furnished by the proper officer or supervising architect that the parties have complied with the contract.

Sec. 150. Section 35D.14, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The commandant or the commandant's designee shall employ such personnel as are necessary for the performance of the duties and responsibilities assigned to the commandant. All employees shall be selected on a basis of fitness for the work

to be performed with due regard to training and experience and shall be subject to the provisions of chapter ~~19A~~ 8A, article 4.

Sec. 151. Section 42.1, subsection 5, paragraph b, Code 2003, is amended to read as follows:

b. An elective office in the executive or legislative branch of the government of this state, or an office which is filled by appointment and is exempt from the merit system under section ~~19A-3~~ 8A.412.

Sec. 152. Section 47.8, subsection 3, unnumbered paragraph 2, Code 2003, is amended to read as follows:

The commission may authorize the registrar to employ such additional staff personnel as it deems necessary to permit the duties of the registrar's office to be adequately and promptly discharged. Such personnel shall be employed pursuant to chapter ~~19A~~ 8A, article 4.

Sec. 153. Section 55.1, unnumbered paragraph 2, Code 2003, is amended to read as follows:

A leave of absence for a person regularly employed pursuant to chapter ~~19A~~ 8A, article 4, is subject to section ~~19A-18~~ 8A.416.

Sec. 154. Section 55.4, unnumbered paragraph 1, Code 2003, is amended to read as follows:

Any public employee who becomes a candidate for any elective public office shall, upon request of the employee and commencing any time within thirty days prior to a contested primary, special, or general election and continuing until after the day following that election, automatically be given a period of leave. If the employee is under chapter ~~19A~~ 8A, article 4, the employee may choose to use accrued vacation leave, accrued compensatory leave or leave without pay to cover these periods. The appointing authority may authorize other employees to use accrued vacation leave or accrued compensatory leave instead of leave without pay to cover these periods. An employee who is a candidate for any elective public office shall not campaign while on duty as an employee.

Sec. 155. Section 68B.32, subsection 5, Code 2003, is amended to read as follows:

5. The board shall employ a full-time executive director who shall be the board's chief administrative officer. The board shall employ or contract for the employment of legal counsel notwithstanding section 13.7, and any other personnel

as may be necessary to carry out the duties of the board. The board's legal counsel shall be the chief legal officer of the board, and shall advise the board on all legal matters relating to the administration of this chapter and chapter 56. The state may be represented by the board's legal counsel in any civil action regarding the enforcement of this chapter or chapter 56, or, at the board's request, the state may be represented by the office of the attorney general.

Notwithstanding section ~~19A.3~~ 8A.412, all of the board's employees, except for the executive director and legal counsel, shall be employed subject to the merit system provisions of chapter ~~19A~~ 8A, article 4. The salary of the executive director shall be fixed by the board, within the range established by the general assembly. The salary of the legal counsel shall be fixed by the board, within a salary range established by the department of personnel for a position requiring similar qualifications and experience.

Sec. 156. Section 70A.38, subsection 8, Code 2003, is amended to read as follows:

8. This section is repealed June 30, ~~2003~~ 2008.

Sec. 157. Section 84A.7, subsection 5, Code 2003, is amended to read as follows:

5. PARTICIPANT ELIGIBILITY. Notwithstanding any contrary provision of ~~chapters-19A~~ chapter 8A, article 4, and chapter 96, a person employed through an Iowa conservation corps program shall be exempt from merit system requirements and shall not be eligible to receive unemployment compensation benefits.

Sec. 158. Section 86.2, subsection 1, Code 2003, is amended to read as follows:

1. Chief deputy workers' compensation commissioners for whose acts the commissioner is responsible, who are exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4, and who shall serve at the pleasure of the commissioner.

Sec. 159. Section 88.2, subsection 3, Code 2003, is amended to read as follows:

3. Personnel administering the chapter shall be employed pursuant to chapter ~~19A~~ 8A, article 4.

Sec. 160. Section 88A.6, Code 2003, is amended to read as follows:

88A.6 PERSONNEL.

The commissioner may employ inspectors and any other personnel deemed necessary to carry out the provisions of this chapter, subject to the provisions of chapter ~~19A~~ 8A, article 4.

Sec. 161. Section 89.1, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The labor commissioner shall enforce the provisions of this chapter and may employ qualified personnel under the provisions of chapter ~~19A~~ 8A, article 4, to administer the provisions of this chapter.

Sec. 162. Section 89A.4, Code 2003, is amended to read as follows:

89A.4 COMMISSIONER'S DUTIES AND PERSONNEL.

The commissioner shall enforce the provisions of this chapter. The commissioner shall employ personnel for the administration of this chapter pursuant to chapter ~~19A~~ 8A, article 4.

Sec. 163. Section 91A.9, subsection 3, Code 2003, is amended to read as follows:

3. The commissioner may employ such qualified personnel as are necessary for the enforcement of this chapter. Such personnel shall be employed pursuant to chapter ~~19A~~ 8A, article 4.

Sec. 164. Section 96.11, subsection 16, Code 2003, is amended to read as follows:

16. Reimbursement of setoff costs. The department shall include in the amount set off in accordance with section ~~421-177-subsection-29~~ 8A.504, for the collection of an overpayment created pursuant to section 96.3, subsection 7, or section 96.16, subsection 4, an additional amount for the reimbursement of setoff costs incurred by the department of ~~revenue-and-finance~~ administrative services.

Sec. 165. Section 97.51, subsection 1, Code 2003, is amended to read as follows:

1. The treasurer of state is the custodian and trustee of this fund and shall administer the fund in accordance with the directions of the ~~department-of-personnel~~ Iowa public employees' retirement system created in section 97B.1. It is the duty of the trustee:

a. To hold said trust funds.

b. Under the direction of the department and as designated by the department, invest such portion of said trust funds as

are not needed for current payment of benefits, in interest-bearing securities issued by the United States, or interest-bearing bonds issued by the state of Iowa, or bonds issued by counties, school districts or general obligations or limited levy bonds issued by municipal corporations in this state as authorized by law; also to sell and dispose of same when needed for the payment of benefits.

c. To disburse the trust funds upon warrants drawn by the director of revenue and finance pursuant to the order of the ~~department-of-personnel~~ Iowa public employees' retirement system created in section 97B.1.

Sec. 166. Section 97.51, subsection 3, Code 2003, is amended to read as follows:

3. The ~~department-of-personnel~~ Iowa public employees' retirement system created in section 97B.1 shall administer the Iowa old-age and survivors' insurance liquidation fund and shall also administer all other provisions of this chapter.

Sec. 167. Section 97.52, Code 2003, is amended to read as follows:

97.52 ADMINISTRATION AGREEMENTS.

The ~~department-of-personnel~~ Iowa public employees' retirement system created in section 97B.1 may enter into agreements whereby services performed by the ~~department~~ system and its employees under chapters 97, 97B, and 97C shall be equitably apportioned among the funds provided for the administration of those chapters. The money spent for personnel, rentals, supplies, and equipment used by the ~~department~~ system in administering the chapters shall be equitably apportioned and charged against the funds.

Sec. 168. Section 97A.5, subsections 5 and 6, Code 2003, are amended to read as follows:

5. STAFF. The department of ~~personnel~~ public safety shall provide administrative services to the board of trustees. Investments shall be administered through the office of the treasurer of state.

6. DATA -- RECORDS -- REPORTS.

a. The department of ~~personnel~~ public safety shall keep in convenient form the data necessary for actuarial valuation of the various funds of the system and for checking the expense of the system. The ~~director-of-the-department~~ commissioner of personnel public safety shall keep a record of all the acts and proceedings of the board, which records shall be open to

public inspection. The board of trustees shall biennially make a report to the general assembly showing the fiscal transactions of the system for the preceding biennium, the amount of the accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the system.

b. The ~~director-of-the-department~~ commissioner of ~~personnel~~ public safety shall maintain records, including but not limited to names, addresses, ages, and lengths of service, salaries and wages, contributions, designated beneficiaries, benefit amounts, if applicable, and other information pertaining to members as necessary in the administration of this chapter, as well as the names, addresses, and benefit amounts of beneficiaries. For the purpose of obtaining these facts, the ~~director~~ commissioner of ~~personnel~~ public safety shall have access to the records of the various departments of the state and the departments shall provide such information upon request. Member and beneficiary records containing personal information are not public records for the purposes of chapter 22. However, summary information concerning the demographics of the members and general statistical information concerning the system is subject to chapter 22, as well as aggregate information by category.

Sec. 169. Section 97A.7, subsection 4, Code 2003, is amended to read as follows:

4. A member of the board of trustees or an employee of the department of ~~personnel~~ public safety shall not have a direct interest in the gains or profits of any investment made by the board of trustees. A trustee shall not receive any pay or emolument for the trustee's services. A trustee or employee of the department of ~~personnel~~ public safety shall not directly or indirectly use the assets of the system except to make current and necessary payments as authorized by the board of trustees, nor shall a trustee or employee of the department of ~~personnel~~ public safety become an endorser or surety or become in any manner an obligor for moneys loaned by or borrowed from the board of trustees.

Sec. 170. Section 97B.1, Code 2003, is amended to read as follows:

97B.1 SYSTEM CREATED -- ORGANIZATIONAL DEFINITIONS.

1. The "Iowa Public Employees' Retirement System" is ~~created~~ established as an independent agency within the executive branch of state government. The Iowa public employees' retirement system ~~division, a separate and distinct division within the department of personnel,~~ shall administer the retirement system established under this chapter.

2. As used in this chapter, unless the context requires otherwise:

a. "Board" means the investment board created by section 97B.8A.

b. "Chief executive officer" means the chief executive officer of the Iowa public employees' retirement system ~~division, notwithstanding section 7E.2, subsection 3, paragraph "c", subparagraph (1).~~

c. "Committee" means the benefits advisory committee created by section 97B.8B.

~~d. "Division" means the Iowa public employees' retirement system division.~~

~~e.~~ d. "System" means the Iowa public employees' retirement system.

Sec. 171. Section 97B.1A, subsection 23, Code 2003, is amended to read as follows:

~~23.~~ 19A. "System" "Retirement system" means the retirement plan as contained herein in this chapter or as duly amended.

Sec. 172. Section 97B.4, subsection 2, paragraph c, Code 2003, is amended to read as follows:

c. In administering this chapter, the ~~division shall~~ system may enter into a biennial agreement with the department of ~~personnel~~ administrative services concerning the sharing of resources between the ~~division system~~ system and department which are of benefit to each and which are consistent with the mission of the ~~division system~~ system and the department. The budget program for the ~~division system~~ system shall be established by the chief executive officer in consultation with the board and other staff of the ~~division system~~ system and shall be compiled ~~by the department of personnel in collaboration with the division~~ and submitted ~~on behalf of the division~~ by the ~~department system~~ system pursuant to section 8.23.

Sec. 173. Section 97B.4, subsection 3, paragraphs a, b, c, and d, Code 2003, are amended to read as follows:

a. CHIEF INVESTMENT OFFICER. The chief executive officer, following consultation with the board, shall employ a chief

investment officer who shall be appointed pursuant to chapter ~~19A~~ 8A, article 4, and shall be responsible for administering the investment program for the retirement fund pursuant to the investment policies of the board.

b. CHIEF BENEFITS OFFICER. The chief executive officer, following consultation with the benefits advisory committee, shall employ a chief benefits officer who shall be appointed pursuant to chapter ~~19A~~ 8A, article 4, and shall be responsible for administering the benefits and other services provided under the retirement system.

c. ACTUARY. The ~~division~~ system shall employ an actuary who shall be selected by the board and shall serve at the pleasure of the board. The actuary shall be the technical advisor for the system on matters regarding the operation of the retirement fund.

d. DIVISION SYSTEM EMPLOYEES. Subject to other provisions of this chapter, the ~~division~~ system may employ all other personnel as necessary for the administration of the retirement system. The maximum number of full-time equivalent employees specified by the general assembly for the ~~division~~ system for administration of the retirement system for a fiscal year shall not be reduced by any authority other than the general assembly. The personnel of the ~~division~~ system shall be appointed pursuant to chapter ~~19A~~ 8A, article 4. The ~~division~~ system shall not appoint or employ a person who is an officer or committee member of a political party organization or who holds or is a candidate for a partisan elective public office.

Sec. 174. Section 97B.7A, subsection 5, Code 2003, is amended to read as follows:

5. TRAVEL. In the administration of the investment of moneys in the retirement fund, employees of the ~~division~~ system and members of the board may travel outside the state for the purpose of meeting with investment firms and consultants and attending conferences and meetings to fulfill their fiduciary responsibilities. This travel is not subject to section ~~421-38~~ 8A.512, subsection 2.

Sec. 175. Section 97B.43, unnumbered paragraph 1, Code 2003, is amended to read as follows:

Each member in service on July 4, 1953, who made contributions under the abolished system, and who has not applied for and qualified for benefit payments under the



abolished system, shall receive credit for years of prior service in the determination of retirement allowance payments under this chapter, if the member elects to become a member on or before October 1, 1953, the member has not made application for a refund of the part of the member's contributions under the abolished system which are payable under sections 97.50 to 97.53, and the member gives written authorization prior to October 1, 1953, to the commission to credit to the retirement fund the amount of the member's contribution which would be subject to a claim for refund. The amount so credited shall, after transfer, be considered as a contribution to the retirement system made as of July 4, 1953, by the member and shall be included in the determination of the amount of moneys payable under this chapter. However, an employee who was under a contract of employment as a teacher in the public schools of the state of Iowa at the end of the school year 1952-1953, or any person covered by section 97B.1A, subsection 20, paragraph "c" or "d", shall be considered as in service as of July 4, 1953, if they were members of the abolished system.

Sec. 176. Section 97B.49B, subsection 1, paragraph e, subparagraph (3), Code 2003, is amended to read as follows:

(3) A correctional officer or correctional supervisor employed by the Iowa department of corrections, and any other employee of that department whose primary purpose is, through ongoing direct inmate contact, to enforce and maintain discipline, safety, and security within a correctional facility. The Iowa department of corrections and the ~~personnel~~-~~division-of-the~~ department of ~~personnel~~ administrative services shall jointly determine which job classifications are covered under this subparagraph.

Sec. 177. Section 97B.49B, subsection 1, paragraph e, subparagraph (7), Code 2003, is amended to read as follows:

(7) An employee covered by the merit system as provided in chapter ~~±9A~~ 8A, article 4, whose primary duty is providing airport security and who carries or is licensed to carry a firearm while performing those duties.

Sec. 178. Section 97B.49F, subsection 2, paragraph c, subparagraph (5), Code 2003, is amended to read as follows:

(5) As used in this paragraph, "favorable actuarial experience" means the difference, if positive, between the anticipated and actual experience of the retirement system's actuarial assets and liabilities as measured by the system's

actuary in the most recent annual actuarial valuation of the retirement system pursuant to rules adopted by the division system.

Sec. 179. Section 97B.50, subsection 2, paragraph c, Code 2003, is amended to read as follows:

c. A vested member who terminated service due to a disability, who has been issued payment for a refund pursuant to section 97B.53, and who subsequently commences receiving disability benefits as a result of that disability pursuant to the federal Social Security Act, 42 U.S.C. § 423 et seq. or the federal Railroad Retirement Act, 45 U.S.C. § 231 et seq., may receive credit for membership service for the period covered by the refund payment, upon repayment to the division system of the actuarial cost of receiving service credit for the period covered by the refund payment, as determined by the division system. For purposes of this paragraph, the actuarial cost of the service purchase shall be determined as provided in section 97B.74. The payment to the division system as provided in this paragraph shall be made within ninety days after July 1, 2000, or the date federal disability payments commenced, whichever occurs later. For purposes of this paragraph, the date federal disability payments commence shall be the date that the member actually receives the first such payment, regardless of any retroactive payments included in that payment. A member who repurchases service credit under this paragraph and applies for retirement benefits shall have the member's monthly allowance, including retroactive adjustment payments, determined in the same manner as provided in paragraph "a" or "b", as applicable. This paragraph shall not be implemented until the system has received a determination letter from the federal internal revenue service approving the system's plan's qualified status under Internal Revenue Code section 401(a).

Sec. 180. Section 97B.64, Code 2003, is amended to read as follows:

97B.64 INSURANCE LAWS NOT APPLICABLE.

None of the laws of this state regulating insurance or insurance companies shall apply to the division system or to the ~~Iowa-public-employees~~ retirement system or any of its funds.

Sec. 181. Section 97C.2, subsection 8, Code 2003, is amended to read as follows:

8. The term "state agency" means the ~~department-of personnel~~ Iowa public employees' retirement system created in section 97B.1.

Sec. 182. Section 99E.3, subsection 3, Code 2003, is amended to read as follows:

3. The commissioner may employ, with the approval of the director, clerks, stenographers, inspectors, agents, and other employees pursuant to chapter ~~19A~~ 8A, article 4, as necessary to carry out this chapter, except as provided in section 99E.14. The commissioner may require a background investigation to be conducted in connection with the employment of lottery employees. The board shall define, by rule, the employment categories subject to investigation. The background investigation by the division of criminal investigation of the department of public safety may include a national criminal history record check through the federal bureau of investigation. The screening of lottery employees through the federal bureau of investigation shall be conducted by submission of fingerprints through the state criminal history record repository to the federal bureau of investigation.

Sec. 183. Section 99E.14, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The commissioner shall designate three administrative positions within the division which require specific areas of expertise relating to the operation of the lottery. These three administrative positions are exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4. The commissioner shall designate one of these three administrators to serve as acting commissioner in the commissioner's absence.

Sec. 184. Section 103A.6, Code 2003, is amended to read as follows:

103A.6 MERIT SYSTEM.

Employees of the commissioner, if required by federal statutes, are covered by the merit system provisions of chapter ~~19A~~ 8A, article 4.

Sec. 185. Section 123.20, subsection 4, Code 2003, is amended to read as follows:

4. To appoint clerks, agents, or other employees required for carrying out the provisions of this chapter; to dismiss employees for cause; to assign employees to bureaus as created by the administrator within the division; and to designate

their title, duties, and powers. All employees of the division are subject to chapter ~~19A~~ 8A, article 4, unless exempt under section ~~19A-3~~ 8A.412.

Sec. 186. Section 135.2, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The governor shall appoint the director of the department, subject to confirmation by the senate. The director shall serve at the pleasure of the governor. The director is exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4. The governor shall set the salary of the director within the range established by the general assembly.

Sec. 187. Section 135C.16, subsection 1, Code 2003, is amended to read as follows:

1. In addition to the inspections required by sections 135C.9 and 135C.38, the department shall make or cause to be made such further unannounced inspections as it deems necessary to adequately enforce this chapter. At least one general unannounced inspection shall be conducted for each health care facility within a thirty-month period. The inspector shall show identification to the person in charge of the facility and state that an inspection is to be made before beginning the inspection. An employee of the department who gives unauthorized advance notice of an inspection made or planned to be made under this subsection or section 135C.38 shall be disciplined as determined by the director, except that if the employee is employed pursuant to the merit system provisions of chapter ~~19A~~ 8A, article 4, the discipline shall not exceed the discipline authorized pursuant to that ~~chapter~~ article.

Sec. 188. Section 135C.18, Code 2003, is amended to read as follows:

135C.18 EMPLOYEES.

The department may employ, pursuant to chapter ~~19A~~ 8A, article 4, such assistants and inspectors as may be necessary to administer and enforce the provisions of this chapter.

Sec. 189. Section 137.6, subsection 4, Code 2003, is amended to read as follows:

4. Employ persons as necessary for the efficient discharge of its duties. Employment practices shall meet the requirements of chapter ~~19A~~ 8A, article 4, or any civil service provision adopted under chapter 400.

Sec. 190. Section 142A.5, subsection 1, paragraph b, Code 2003, is amended to read as follows:

b. Employ a division administrator who shall be responsible for the administration and oversight of the division. The division administrator shall report to and shall serve at the pleasure of the director. The administrator shall be exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4.

Sec. 191. Section 142A.6, subsection 5, Code 2003, is amended to read as follows:

5. Procurement of goods and services necessary to implement the initiative is subject to approval of the commission. Notwithstanding chapter ~~18~~ 8A, article 3, or any other provision of law to the contrary, such procurement may be accomplished by the commission under its own competitive bidding process which shall provide for consideration of such factors as price, bidder competence, and expediency in procurement.

Sec. 192. Section 147.98, Code 2003, is amended to read as follows:

147.98 SECRETARY OF PHARMACY EXAMINERS.

The pharmacy examiners shall have the right to employ a full-time secretary, who shall not be a member of the examining board, at such compensation as may be fixed pursuant to chapter ~~19A~~ 8A, article 4, but the provisions of section 147.22 providing for a secretary for each examining board shall not apply to the pharmacy examiners.

Sec. 193. Section 147.102, Code 2003, is amended to read as follows:

147.102 PSYCHOLOGISTS, CHIROPRACTORS, AND DENTISTS.

Notwithstanding the provisions of this subtitle, every application for a license to practice psychology, chiropractic, or dentistry shall be made directly to the chairperson, executive director, or secretary of the examining board of such profession, and every reciprocal agreement for the recognition of any such license issued in another state shall be negotiated by the examining board for such profession. All examination, license, and renewal fees received from persons licensed to practice any of such professions shall be paid to and collected by the chairperson, executive director, or secretary of the examining board of such profession, who shall transmit the fees to the treasurer

of state for deposit into the general fund of the state. The salary of the secretary shall be established by the governor with the approval of the executive council pursuant to section ~~19A-9~~ 8A.413, subsection 2, under the pay plan for exempt positions in the executive branch of government.

Sec. 194. Section 147.103, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The board of physician assistant examiners may appoint investigators, who shall not be members of the examining board, to administer and aid in the enforcement of the provisions of law relating to physician assistants. The amount of compensation for the investigators shall be determined pursuant to chapter ~~19A~~ 8A, article 4.

Sec. 195. Section 147.103A, subsections 3 and 4, Code 2003, are amended to read as follows:

3. The board may appoint investigators, who shall not be members of the examining board, and whose compensation shall be determined pursuant to chapter ~~19A~~ 8A, article 4. Investigators appointed by the board have the powers and status of peace officers when enforcing this chapter and chapters 148, 150, 150A, and 272C.

4. Applications for a license shall be made to the chairperson, executive director, or secretary of the board. All examination, license, and renewal fees shall be paid to and collected by the chairperson, executive director, or secretary of the board, who shall transmit the fees to the treasurer of state for deposit in the general fund of the state. The salary of the executive director of the board shall be established by the governor with approval of the executive council pursuant to section ~~19A-9~~ 8A.413, subsection 2, under the pay plan for exempt positions in the executive branch of government.

Sec. 196. Section 147.114, Code 2003, is amended to read as follows:

147.114 INSPECTOR.

An inspector may be appointed by the board of dental examiners pursuant to the provisions of chapter ~~19A~~ 8A, article 4.

Sec. 197. Section 152.2, Code 2003, is amended to read as follows:

152.2 EXECUTIVE DIRECTOR -- ASSISTANTS.

The board shall appoint a full-time executive director. The executive director shall be a registered nurse and shall not be a member of the board. The governor, with the approval of the executive council pursuant to section ~~19A.9~~ 8A.413, subsection 2, under the pay plan for exempt positions in the executive branch of government, shall set the salary of the executive director.

Sec. 198. Section 152.3, subsection 6, Code 2003, is amended to read as follows:

6. To appoint assistants to the director and persons necessary to administer this ~~Act~~ chapter. Any appointments shall be merit appointments made pursuant to chapter ~~19A~~ 8A, article 4.

Sec. 199. Section 152.11, Code 2003, is amended to read as follows:

152.11 INVESTIGATORS FOR NURSES.

The board of nursing may appoint investigators, who shall not be members of the board, to administer and aid in the enforcement of the provisions of law related to those licensed to practice nursing. The amount of compensation for the investigators shall be determined pursuant to chapter ~~19A~~ 8A, article 4. Investigators authorized by the board of nursing have the powers and status of peace officers when enforcing this chapter and chapters 147 and 272C.

Sec. 200. Section 153.33, subsection 2, Code 2003, is amended to read as follows:

2. To appoint investigators, who shall not be members of the examining board, to administer and aid in the enforcement of the provisions of law relating to those persons licensed to practice dentistry and dental hygiene, and persons registered as dental assistants. The amount of compensation for the investigators shall be determined pursuant to chapter ~~19A~~ 8A, article 4. Investigators authorized by the board of dental examiners have the powers and status of peace officers when enforcing this chapter and chapters 147 and 272C.

Sec. 201. Section 157.7, Code 2003, is amended to read as follows:

157.7 INSPECTORS AND CLERICAL ASSISTANTS.

The department of inspections and appeals shall employ personnel ~~under~~ pursuant to chapter 19A 8A, article 4, to perform duties related to inspection functions under this chapter. The department of inspections and appeals shall,

when possible, integrate inspection efforts under this chapter with inspections conducted under chapter 158.

The Iowa department of public health may employ clerical assistants ~~under~~ pursuant to chapter 19A 8A, article 4, to administer and enforce this chapter. The costs and expenses of the clerical assistants shall be paid from funds appropriated to the department of public health.

Sec. 202. Section 158.6, Code 2003, is amended to read as follows:

158.6 INSPECTORS AND CLERICAL ASSISTANTS.

The department of inspections and appeals shall employ personnel ~~under~~ pursuant to chapter 19A 8A, article 4, to perform duties related to inspection functions under this chapter. The department of inspections and appeals shall, when possible, integrate inspection efforts under this chapter with inspections conducted under chapter 157.

The Iowa department of public health may employ clerical assistants ~~under~~ pursuant to chapter 19A 8A, article 4, to administer and enforce this chapter. The costs and expenses of the clerical assistants shall be paid from funds appropriated to the department of public health.

Sec. 203. Section 175.7, subsection 3, Code 2003, is amended to read as follows:

3. The executive director shall advise the authority on matters relating to agricultural land and property and agricultural finance, and carry out all directives from the authority, and shall hire and supervise the authority's staff pursuant to its directions and under the merit system provisions of chapter 19A 8A, article 4, except that principal administrative assistants with responsibilities in beginning farm loan programs, accounting, mortgage loan processing, and investment portfolio management are exempt from the merit system.

Sec. 204. Section 189.2, subsection 4, Code 2003, is amended to read as follows:

4. Issue from time to time, bulletins showing the results of inspections, analyses, and prosecutions under this subtitle, excluding chapters 203, 203A, 203C, 203D, 207, and 208. These bulletins shall be printed in such numbers as may be approved by the ~~state-printing-administrator~~ director of the department of administrative services and shall be distributed to the newspapers of the state and to all interested persons.



Sec. 205. Section 216A.2, unnumbered paragraph 2, Code 2003, is amended to read as follows:

The governor shall appoint the administrators of each of the divisions subject to confirmation by the senate. Each administrator shall serve at the pleasure of the governor and is exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4. The governor shall set the salary of the division administrators within the ranges set by the general assembly.

Sec. 206. Section 216A.145, Code 2003, is amended to read as follows:

216A.145 EMPLOYEES AND RESPONSIBILITY.

The administrator shall be the administrative officer of the division and shall be responsible for implementing policies and programs. The administrator may employ, in accordance with chapter ~~19A~~ 8A, article 4, other persons necessary to carry out the programs of the division.

Sec. 207. Section 216B.3, subsections 14 and 17, Code 2003, are amended to read as follows:

14. Purchase and use recycled printing and writing paper in accordance with the schedule established in section ~~18-18~~ 8A.315; establish a wastepaper recycling program ~~7-by-January~~ ~~17-1990~~ in accordance with the recommendations made by the department of natural resources and requirements of section ~~18-20~~ 8A.329; and, in accordance with section ~~18-6~~ 8A.311, require product content statements and compliance with requirements regarding contract bidding.

17. Comply with the requirements for the purchase of lubricating oils, industrial oils, greases, and hydraulic fluids as established pursuant to section ~~18-22~~ 8A.316.

Sec. 208. Section 217.23, subsection 1, Code 2003, is amended to read as follows:

1. The director of human services or the director's designee, shall employ such personnel as are necessary for the performance of the duties and responsibilities assigned to the department. All employees shall be selected on a basis of fitness for the work to be performed with due regard to training and experience and shall be subject to the provisions of chapter ~~19A~~ 8A, article 4.

Sec. 209. Section 217.34, Code 2003, is amended to read as follows:

217.34 DEBT SETOFF.

The investigations division of the department of inspections and appeals and the department of human services shall provide assistance to set off against a person's or provider's income tax refund or rebate any debt which has accrued through written contract, subrogation, departmental recoupment procedures, or court judgment and which is in the form of a liquidated sum due and owing the department of human services. The department of inspections and appeals, with approval of the department of human services, shall adopt rules under chapter 17A necessary to assist the department of ~~revenue-and-finance~~ administrative services in the implementation of the setoff under section ~~421-177-subsection 21~~ 8A.504 in regard to money owed to the state for public assistance overpayments. The department of human services shall adopt rules under chapter 17A necessary to assist the department of ~~revenue-and-finance~~ administrative services in the implementation of the setoff under section ~~421-177-subsection-21~~ 8A.504, in regard to collections by the child support recovery unit and the foster care recovery unit.

Sec. 210. Section 218.10, Code 2003, is amended to read as follows:

218.10 SUBORDINATE OFFICERS AND EMPLOYEES.

The administrator in charge of a particular institution, with the consent and approval of the director of human services, shall determine the number of subordinate officers and employees for the institution. Subject to this chapter, the officers and employees shall be appointed and discharged by the superintendent or business manager pursuant to chapter ~~19A~~ 8A, article 4. The superintendent shall keep, in the record of each subordinate officer and employee, the date of employment, the compensation, and the date of each discharge, and the reasons for discharge.

Sec. 211. Section 218.58, subsections 3 and 5, Code 2003, are amended to read as follows:

3. The department of ~~general~~ administrative services shall let all contracts under chapter ~~18~~ 8A, article 3, for authorized construction, repair, or improvement of departmental buildings, grounds, or equipment.

5. A claim for payment relating to a project shall be itemized on a voucher form pursuant to section ~~421-40~~ 8A.514, certified by the claimant and the architect or engineer in charge, and audited and approved by the department of ~~general~~

administrative services. Upon approval by the department of ~~general~~ administrative services, the ~~voucher shall be forwarded to the~~ director of ~~revenue and finance,~~ ~~who the~~ department of administrative services shall draw a warrant to be paid by the treasurer of state from funds appropriated for the project. A partial payment made before completion of the project does not constitute final acceptance of the work or a waiver of any defect in the work.

Sec. 212. Section 218.85, Code 2003, is amended to read as follows:

218.85 UNIFORM SYSTEM OF ACCOUNTS.

The director of human services through the administrators in control of the institutions shall install in all the institutions the most modern, complete, and uniform system of accounts, records, and reports possible. The system shall be prescribed by the director of ~~revenue and finance~~ the department of administrative services as authorized in section ~~421.31~~ 8A.502, subsection ~~10~~ 13, and, among other matters, shall clearly show the detailed facts relative to the handling and uses of all purchases.

Sec. 213. Section 218.100, Code 2003, is amended to read as follows:

218.100 CENTRAL WAREHOUSE AND SUPPLY DEPOT.

The department of human services shall establish a fund for maintaining and operating a central warehouse as a supply depot and distribution facility for surplus government products, carload canned goods, paper products, other staples and such other items as determined by the department. The fund shall be permanent and shall be composed of the receipts from the sales of merchandise, recovery of handling, operating and delivery charges of such merchandise and from the funds contributed by the institutions now in a contingent fund being used for this purpose. All claims for purchases of merchandise, operating and salary expenses shall be subject to the provisions of sections 218.86 to ~~218.89~~ 218.88.

Sec. 214. Section 231.22, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The governor, subject to confirmation by the senate, shall appoint a director of the department of elder affairs who shall, subject to chapter ~~19A~~ 8A, article 4, employ and direct staff as necessary to carry out the powers and duties created by this chapter. The director shall serve at the pleasure of

the governor. However, the director is subject to reconfirmation by the senate as provided in section 2.32, subsection 8. The governor shall set the salary for the director within the range set by the general assembly.

Sec. 215. Section 231.58, subsection 4, paragraph d, Code 2003, is amended to read as follows:

d. Develop procedures for coordination at the local and state level among the providers of long-term care, including when possible co-campusing of services. The director of the department of ~~general~~ administrative services shall give particular attention to this section when arranging for office space pursuant to section ~~18.12~~ 8A.321 for these three departments.

Sec. 216. Section 234.8, Code 2003, is amended to read as follows:

234.8 FEES FOR CHILD WELFARE SERVICES.

The department of human services may charge a fee for child welfare services to a person liable for the cost of the services. The fee shall not exceed the reasonable cost of the services. The fee shall be based upon the person's ability to pay and consideration of the fee's impact upon the liable person's family and the goals identified in the case permanency plan. The department may assess the liable person for the fee and the means of recovery shall include a setoff against an amount owed by a state agency to the person assessed pursuant to section ~~421.17, subsection 29~~ 8A.504. In addition the department may establish an administrative process to recover the assessment through automatic income withholding. The department shall adopt rules pursuant to chapter 17A to implement the provisions of this section. This section does not apply to court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141 and services for which the department has established a support obligation pursuant to section 234.39.

Sec. 217. Section 235A.15, subsection 5, Code 2003, is amended to read as follows:

5. Access to disposition data subject to placement in the central registry pursuant to section 232.71D is authorized to the department of personnel or to the personnel office of a public employer, as defined in section 20.3, as necessary for presentation in grievance or arbitration procedures provided for in sections ~~19A.14~~ 8A.415 and 20.18. Disposition data

introduced into a grievance or arbitration proceeding shall not be considered a part of the public record of a case.

Sec. 218. Section 236.15B, unnumbered paragraph 5, Code 2003, is amended to read as follows:

The department of ~~revenue-and-finance~~ administrative services shall consult the crime victim assistance board concerning the adoption of rules to implement this section. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of ~~revenue-and-finance~~ administrative services and accounts identified as owing under section ~~421-17~~ 8A.504 and the political contribution allowed under section 56.18 shall be satisfied.

Sec. 219. Section 252B.5, subsection 4, Code 2003, is amended to read as follows:

4. Assistance to set off against a debtor's income tax refund or rebate any support debt, which is assigned to the department of human services or which the child support recovery unit is attempting to collect on behalf of any individual not eligible as a public assistance recipient, which has accrued through written contract, subrogation, or court judgment, and which is in the form of a liquidated sum due and owing for the care, support, or maintenance of a child. Unless the periodic payment plan provisions for a retroactive modification pursuant to section 598.21, subsection 8, apply, the entire amount of a judgment for accrued support, notwithstanding compliance with a periodic payment plan or regardless of the date of entry of the judgment, is due and owing as of the date of entry of the judgment and is delinquent for the purposes of setoff, including for setoff against a debtor's federal income tax refund or other federal nontax payment. The department of human services shall adopt rules pursuant to chapter 17A necessary to assist the department of ~~revenue-and-finance~~ administrative services in the implementation of the child support setoff as established under section ~~421-17-subsection 2~~ 8A.504.

Sec. 220. Section 252B.5, subsection 8, Code 2003, is amended to read as follows:

8. a. Assistance, in consultation with the department of ~~revenue-and-finance~~ administrative services, in identifying and taking action against self-employed individuals as identified by the following conditions:

(1) The individual owes support pursuant to a court or administrative order being enforced by the unit and is delinquent in an amount equal to or greater than the support obligation amount assessed for one month.

(2) The individual has filed a state income tax return in the preceding twelve months.

(3) The individual has no reported tax withholding amount on the most recent state income tax return.

(4) The individual has failed to enter into or comply with a formalized repayment plan with the unit.

(5) The individual has failed to make either all current support payments in accordance with the court or administrative order or to make payments against any delinquency in each of the preceding twelve months.

b. Notwithstanding section 252B.9, the unit may forward information to the department of ~~revenue-and-finance~~ administrative services as necessary to implement this subsection, including but not limited to both of the following:

(1) The name and social security number of the individual.

(2) Support obligation information in the specific case, including the amount of the delinquency.

Sec. 221. Section 255.27, Code 2003, is amended to read as follows:

255.27 FACULTY TO PREPARE BLANKS -- PRINTING.

The medical faculty of the state university hospital shall from time to time prepare blanks containing questions and requiring information that it finds necessary and proper to be obtained by the physician who examines a patient under order of court. The blanks shall be printed by the state, and a sufficient supply shall be furnished by the ~~state-printing administrator~~ director of the department of administrative services to the clerk of each juvenile court in the state. The cost of printing the blanks shall be audited, allowed, and paid in the same manner as other bills for public printing.

Sec. 222. Section 256.9, subsection 4, Code 2003, is amended to read as follows:

4. Employ personnel and assign duties and responsibilities of the department. The director shall appoint a deputy director and division administrators deemed necessary. They shall be appointed on the basis of their professional qualifications, experience in administration, and background.

Members of the professional staff are not subject to the merit system provisions of chapter ~~19A~~ 8A, article 4, and are subject to section 256.10.

Sec. 223. Section 256.52, subsection 3, paragraph d, Code 2003, is amended to read as follows:

d. Appoint and approve the technical, professional, excepting the medical librarian and the law librarian, secretarial, and clerical staff necessary to accomplish the purposes of the division subject to chapter ~~19A~~ 8A, article 4.

Sec. 224. Section 256.54, subsection 1, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The medical library shall be administered by a medical librarian, appointed by the director subject to chapter ~~19A~~ 8A, article 4, who shall do all of the following:

Sec. 225. Section 256.54, subsection 2, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The law library shall be administered by a law librarian appointed by the director subject to chapter ~~19A~~ 8A, article 4, who shall do all of the following:

Sec. 226. Section 257C.6, subsection 11, Code 2003, is amended to read as follows:

11. The authority is exempt from chapter ~~18~~ 8A, article 3.

Sec. 227. Section 260C.19B, Code 2003, is amended to read as follows:

260C.19B PURCHASE OF BIO-BASED HYDRAULIC FLUIDS, GREASES, AND OTHER INDUSTRIAL LUBRICANTS.

Hydraulic fluids, greases, and other industrial lubricants purchased by or used under the direction of the board of directors to provide services to a merged area shall be purchased in compliance with the preference requirements for purchasing bio-based hydraulic fluids, greases, and other industrial lubricants as provided pursuant to section ~~18-22~~ 8A.316.

Sec. 228. Section 261.37, subsection 7, Code 2003, is amended to read as follows:

7. To establish an effective system for the collection of delinquent loans, including the adoption of an agreement with the Iowa department of ~~revenue-and-finance~~ administrative services to set off against a defaulter's income tax refund or rebate the amount that is due because of a default on a guaranteed or parental loan made under this division. The commission shall adopt rules under chapter 17A necessary to

assist the department of ~~revenue-and-finance~~ administrative services in the implementation of the student loan setoff program as established under section ~~421-177-subsection-23~~ 8A.504.

Sec. 229. Section 261A.6, subsection 10, Code 2003, is amended to read as follows:

10. All employees of the authority are exempt from ~~chapters-19A~~ chapter 8A, article 4, and chapter 97B.

Sec. 230. Section 262.9, subsection 6, Code 2003, is amended to read as follows:

6. Purchase and use recycled printing and writing paper, with the exception of specialized paper when no recyclable product is available, in accordance with the schedule established in section ~~18-18~~ 8A.315; establish a wastepaper recycling program for all institutions governed by the board in accordance with recommendations made by the department of natural resources and the requirements of section ~~18-20~~ 8A.329; shall, in accordance with the requirements of section ~~18-6~~ 8A.311, require product content statements and compliance with requirements regarding procurement specifications; and shall comply with the requirements for the purchase of lubricating oils and industrial oils as established pursuant to section ~~18-22~~ 8A.316.

Sec. 231. Section 262.25A, subsection 1, Code 2003, is amended to read as follows:

1. Institutions under the control of the state board of regents shall purchase only new automobiles which have at least the fuel economy required for purchase of new automobiles by the ~~state-fleet-administrator~~ director of the department of administrative services under section ~~18-115~~ 8A.362, subsection 4. This subsection does not apply to automobiles purchased for law enforcement purposes.

Sec. 232. Section 262.25B, Code 2003, is amended to read as follows:

262.25B PURCHASE OF BIO-BASED HYDRAULIC FLUIDS, GREASES, AND OTHER INDUSTRIAL LUBRICANTS.

The state board of regents and institutions under the control of the board purchasing hydraulic fluids, greases, and other industrial lubricants shall give preference to purchasing bio-based hydraulic fluids, greases, and other industrial lubricants as provided in section ~~18-22~~ 8A.316.



Sec. 233. Section 272C.7, subsection 1, Code 2003, is amended to read as follows:

1. As an alternative to authority contained elsewhere in this chapter, a licensing board may employ within the limits of available funds an executive secretary, one or more inspectors, and such clerical personnel as may be necessary for the administration of the duties of the board. Employees of the board shall be employed subject to chapter ~~19A~~ 8A, article 4. The qualifications of the executive secretary shall be determined by the board.

Sec. 234. Section 298.14, Code 2003, is amended to read as follows:

298.14 SCHOOL DISTRICT INCOME SURTAXES.

For each fiscal year, the cumulative total of the percents of surtax approved by the board of directors of a school district and collected by the department of revenue ~~and finance~~ under sections 257.21, 257.29, and 298.2, and the enrichment surtax under section 442.15, Code 1989, and an income surtax collected by a political subdivision under chapter 422D, shall not exceed twenty percent.

A school district income surtax fund is created in the office of treasurer of state. Income surtaxes collected by the department of revenue ~~and finance~~ under sections 257.21, 257.29, and 298.2 and section 442.15, Code 1989, shall be deposited in the school district income surtax fund to the credit of each school district. A separate accounting of each surtax, by school district, shall be maintained.

The director of ~~revenue-and-finance~~ the department of administrative services shall draw warrants in payment of the surtaxes collected in each school district. Warrants shall be payable in two installments to be paid on approximately the first day of December and the first day of February following collection of the taxes and shall be delivered to the respective school districts.

Sec. 235. Section 303.1A, subsection 5, Code 2003, is amended to read as follows:

5. Appoint and approve the technical, professional, secretarial, and clerical staff necessary to accomplish the purposes of the department subject to chapter ~~19A~~ 8A, article 4.

Sec. 236. Section 303.2, subsection 2, paragraph i, Code 2003, is amended to read as follows:

i. Buy or receive by other means historical materials including, but not limited to, artifacts, art, books, manuscripts, and images. Such materials are not personal property under ~~section 18.12~~ sections 8A.321 and 8A.324 and shall be received and cared for under the rules of the department. The historical division may sell or otherwise dispose of those materials according to the rules of the department and be credited for any revenues credited by the disposal less the costs incurred.

Sec. 237. Section 303.9, subsection 2, Code 2003, is amended to read as follows:

2. The department may sell mementos and other items relating to Iowa history and historic sites on the premises of property under control of the department and at the state capitol. Notwithstanding sections ~~18.12~~ 8A.321 and ~~18.16~~ 8A.327, the department may directly and independently enter into rental and lease agreements with private vendors for the purpose of selling mementos. All fees and income produced by the sales and rental or lease agreements shall be credited to the account of the department. The mementos and other items sold by the department or vendors under this subsection are exempt from section ~~18.6~~ 8A.311. The department is not a retailer under chapter 422 and the sale of such mementos and other items by the department is not a retail sale under chapter 422 and is exempt from the sales tax.

Sec. 238. Section 304.3, subsections 8 and 9, Code 2003, are amended to read as follows:

8. The director of the department of ~~general~~ administrative services.

~~9. The director of the information technology department.~~

Sec. 239. Section 307.12, subsection 2, Code 2003, is amended to read as follows:

2. Employ personnel as necessary to carry out the duties and responsibilities of the department, consistent with chapter ~~19A~~ 8A, article 4.

Sec. 240. Section 307.12, unnumbered paragraph 2, Code 2003, is amended to read as follows:

If in the interest of the state, the director may allow a subsistence expense to an employee under the supervision of the department's administrator for highways for continuous stay in one location while on duty away from established headquarters and place of domicile for a period not to exceed

forty-five days; and allow automobile expenses in accordance with section ~~18-117~~ 8A.363, for moving an employee and the employee's family from place of present domicile to new domicile, and actual transportation expense for moving of household goods. The household goods for which transportation expense is allowed shall not include pets or animals.

Sec. 241. Section 307.21, subsection 4, paragraphs a and b, Code 2003, are amended to read as follows:

a. Provide centralized purchasing services for the department, in cooperation with the department of ~~general~~ administrative services. The administrator shall, when the price is reasonably competitive and the quality as intended, purchase soybean-based inks and plastic products with recycled content, including but not limited to plastic garbage can liners, and shall purchase these items in accordance with the schedule established in section ~~18-18~~ 8A.315. However, the administrator need not purchase garbage can liners in accordance with the schedule if the liners are utilized by a facility approved by the environmental protection commission created under section 455A.6, for purposes of recycling. For purposes of this subsection, "recycled content" means that the content of the product contains a minimum of thirty percent postconsumer material.

b. The administrator shall do all of the following:

(1) Purchase and use recycled printing and writing paper in accordance with the schedule established in section ~~18-18~~ 8A.315.

(2) Establish a wastepaper recycling program ~~by January 17~~ ~~1990~~ in accordance with recommendations made by the department of natural resources and the requirements of section ~~18-20~~ 8A.329.

(3) Require in accordance with section ~~18-6~~ 8A.311 product content statements and compliance with requirements regarding procurement specifications.

(4) Comply with the requirements for the purchase of lubricating oils, industrial oils, greases, and hydraulic fluids as established pursuant to section ~~18-22~~ 8A.316.

Sec. 242. Section 307.21, unnumbered paragraph 2, Code 2003, is amended to read as follows:

The administrator of administrative services may purchase items from the department of ~~general~~ administrative services and may cooperate with the director of ~~general~~ the department

of administrative services by providing ~~centralized~~ purchasing services for the department of ~~general~~ administrative services.

Sec. 243. Section 313.4, subsection 3, Code 2003, is amended to read as follows:

3. There is appropriated from funds appropriated to the department which would otherwise revert to the primary road fund pursuant to the provisions of the Act appropriating the funds or chapter 8, an amount sufficient to pay the increase in salaries, which increase is not otherwise provided for by the general assembly in an appropriation bill, resulting from the annual review of the merit pay plan as provided in ~~subsection 2 of section 19A.9~~ 8A.413, subsection 2. The appropriation herein provided shall be in effect from the effective date of the revised pay plan to the end of the fiscal biennium in which it becomes effective.

Sec. 244. Section 321.19, subsection 1, unnumbered paragraph 2, Code 2003, is amended to read as follows:

The department shall furnish, on application, free of charge, distinguishing plates for vehicles thus exempted, which plates except plates on Iowa state patrol vehicles shall bear the word "official" and the department shall keep a separate record. Registration plates issued for Iowa state patrol vehicles, except unmarked patrol vehicles, shall bear two red stars on a yellow background, one before and one following the registration number on the plate, which registration number shall be the officer's badge number. Registration plates issued for county sheriff's patrol vehicles shall display one seven-pointed gold star followed by the letter "S" and the call number of the vehicle. However, the director of ~~general~~ the department of administrative services or the director of transportation may order the issuance of regular registration plates for any exempted vehicle used by peace officers in the enforcement of the law, persons enforcing chapter 124 and other laws relating to controlled substances, persons in the department of justice, the alcoholic beverages division of the department of commerce, disease investigators of the Iowa department of public health, the department of inspections and appeals, and the department of revenue ~~and finance~~, who are regularly assigned to conduct investigations which cannot reasonably be conducted with a vehicle displaying "official" state

registration plates, persons in the lottery division of the department of revenue and finance whose regularly assigned duties relating to security or the carrying of lottery tickets cannot reasonably be conducted with a vehicle displaying "official" registration plates, and persons in the department of economic development who are regularly assigned duties relating to existing industry expansion or business attraction. For purposes of sale of exempted vehicles, the exempted governmental body, upon the sale of the exempted vehicle, may issue for in-transit purposes a pasteboard card bearing the words "Vehicle in Transit", the name of the official body from which the vehicle was purchased, together with the date of the purchase plainly marked in at least one-inch letters, and other information required by the department. The in-transit card is valid for use only within forty-eight hours after the purchase date as indicated on the bill of sale which shall be carried by the driver.

Sec. 245. Section 321.30, subsection 13, Code 2003, is amended to read as follows:

13. The department or the county treasurer knows that an applicant for renewal of a registration has a delinquent account, charge, fee, loan, taxes, or other indebtedness owed to or being collected by the state, from information received pursuant to ~~section~~ sections 421.17 and 8A.504. An applicant may contest this action by requesting a contested case proceeding from the agency that referred the debt for collection pursuant to ~~section 421.17~~ 8A.504. This subsection shall apply only to a renewal of registration and shall not apply to the issuance of an original registration or to the issuance of a certificate of title.

Sec. 246. Section 321.31, subsection 1, unnumbered paragraph 3, Code 2003, is amended to read as follows:

The director shall maintain a records system of delinquent accounts owed to the state using information provided through the computerized data bank established in section 421.17. The department and county treasurers shall use the information maintained in the records system to determine if applicants for renewal of registration have delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by the state as provided pursuant to ~~section 421.17~~ 8A.504. The director, the director of the department of administrative services, and the director of revenue and

~~finance~~ shall establish procedures for updating the delinquent accounts records to add and remove accounts, as applicable.

Sec. 247. Section 321.35, unnumbered paragraph 2, Code 2003, is amended to read as follows:

The department shall not enter into any contract requiring an expenditure of at least five hundred thousand dollars for the manufacture of motor vehicle registration plates to be reissued to owners under this chapter unless competitive bidding procedures as provided in chapter ~~18~~ 8A, article 3, are followed.

Sec. 248. Section 321.40, unnumbered paragraph 6, Code 2003, is amended to read as follows:

The county treasurer shall refuse to renew the registration of a vehicle registered to the applicant if the county treasurer knows that the applicant has a delinquent account, charge, fee, loan, taxes, or other indebtedness owed to or being collected by the state, from information provided pursuant to ~~section~~ sections 8A.504 and 421.17. An applicant may contest this action by requesting a contested case proceeding from the agency that referred the debt for collection pursuant to ~~section 421.17~~ 8A.504.

Sec. 249. Section 321.149, Code 2003, is amended to read as follows:

321.149 BLANKS.

The department shall not later than November 15 of each year prepare and furnish the treasurer of each county all blank books, blank forms, and all supplies required for the administration of this chapter, including applications for registration and transfer of vehicles, quintuple receipts, and original remittance sheets to be used in remitting fees to the department, in such form as the department may prescribe. Contracts for the blank books, blank forms, and supplies shall be awarded by the ~~state-printing-administrator~~ director of the department of administrative services to persons, firms, partnerships, or corporations engaged in the business of printing in Iowa unless, or through them, the persons, firms, partnerships or corporations cannot provide the required printing set forth in this section. In lieu of purchasing under competitive bids the ~~state-printing-administrator~~ director of the department of administrative services shall have authority to arrange with the director of the department of corrections to furnish the supplies as can be made in the state institutions.

Sec. 250. Section 321.210B, Code 2003, is amended to read as follows:

321.210B NONRENEWAL OR SUSPENSION FOR FAILURE TO PAY INDEBTEDNESS OWED TO THE STATE.

The department shall suspend or refuse to renew the driver's license of a person who has a delinquent account owed to the state according to records provided by the department of revenue ~~and-finance~~ pursuant to section 421.17. A license shall be suspended or shall not be renewed until such time as the department of ~~revenue-and-finance~~ administrative services notifies the state department of transportation that the licensee has made arrangements for payment of the debt with the agency which is owed or is collecting the debt. This section is only applicable to those persons residing in a county which is participating in the driver's license indebtedness clearance pilot project.

Sec. 251. Section 331.502, subsection 3, Code 2003, is amended by striking the subsection.

Sec. 252. Section 331.552, subsection 5, Code 2003, is amended to read as follows:

5. Account for, report, and pay into the state treasury any money, property, or securities received on behalf of the state as provided in sections ~~421-32~~ 8A.506 to ~~421-34~~ 8A.508.

Sec. 253. Section 405A.10, Code 2003, is amended to read as follows:

405A.10 FRANCHISE TAX REVENUE ALLOCATION.

For the fiscal year beginning July 1, 1997, and each subsequent fiscal year, there is appropriated from the general fund of the state to the department of revenue and finance the sum of eight million eight hundred thousand dollars which shall be paid quarterly on warrants by the director of the department of administrative services as allocated pursuant to section 422.65.

Sec. 254. Section 421.17, subsections 21, 23, 24, 25, 26, 28, 29, 30, and 33, Code 2003, are amended by striking the subsections.

Sec. 255. Section 422.12A, subsection 2, Code 2003, is amended to read as follows:

2. The director of revenue ~~and-finance~~ shall draft the income tax form to allow the designation of contributions to the keep Iowa beautiful fund on the tax return. The department of revenue ~~and-finance~~, on or before January 31,

shall certify the total amount designated on the tax return forms due in the preceding calendar year and shall report the amount to the treasurer of state. The treasurer of state shall credit the amount to the keep Iowa beautiful fund. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of revenue ~~and-finance~~ and accounts identified as owing under section 421.17 and the political contribution allowed under section 56.18 shall be satisfied.

Sec. 256. Section 422.20, subsection 3, unnumbered paragraph 1, Code 2003, is amended to read as follows:

Unless otherwise expressly permitted by section 8A.504, section 421.17, subsections ~~21~~, 22, 22A, ~~23-25-29~~ and 32, sections 252B.9, 421.19, 421.28, 422.72, and 452A.63, and this section, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

Sec. 257. Section 422.72, subsection 3, unnumbered paragraph 1, Code 2003, is amended to read as follows:

Unless otherwise expressly permitted by section 8A.504, section 421.17, subsections ~~21~~, 22, 22A, ~~23-25-29~~ and 32, sections 252B.9, 421.19, 421.28, 422.20, and 452A.63, and this section, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

Sec. 258. Section 425.1, subsection 1, Code 2003, is amended to read as follows:

1. A homestead credit fund is created. There is appropriated annually from the general fund of the state to the department of revenue ~~and-finance~~ to be credited to the homestead credit fund, an amount sufficient to implement this chapter.

The director of ~~revenue-and-finance~~ the department of administrative services shall issue warrants on the homestead credit fund payable to the county treasurers of the several counties of the state under this chapter.

Sec. 259. Section 432.13, unnumbered paragraph 2, Code 2003, is amended to read as follows:



Premiums received for benefits acquired by the department of ~~personnel~~ administrative services on behalf of state employees pursuant to section ~~19A.7~~ 8A.402, subsection ~~2~~ 1, are exempt from premium tax.

Sec. 260. Section 450.84, Code 2003, is amended to read as follows:

450.84 COSTS CHARGED AGAINST ESTATE -- EXCEPTIONS.

If an estate or interest in an estate passes so as to be liable to taxation under this chapter, all costs of the proceedings for the assessment of the tax are chargeable to the estate as other costs in probate proceedings and, to discharge the lien, all costs as well as the taxes must be paid. In all other cases the costs are to be paid as ordered by the court. When a decision adverse to the state has been rendered, with an order that the state pay the costs, the clerk of the court in which the action was pending shall certify the amount of the costs to the director of revenue ~~and finance~~, who shall, if the costs are correctly certified and the case has been finally terminated and the tax, if any is due, has been paid, audit the claim and direct the department of administrative services to issue a warrant on the treasurer of state in payment of the costs.

Sec. 261. Section 452A.77, unnumbered paragraph 1, Code 2003, is amended to read as follows:

All fees, taxes, interest and penalties imposed under this chapter must be paid to the department of revenue ~~and-finance~~ or the state department of transportation, whichever is responsible for the collection. The appropriate state agency shall transmit each payment daily to the treasurer of state. Such payments shall be deposited by the treasurer of state in a fund, hereby created, within the state treasury which shall be known as the "motor fuel tax fund," the net proceeds of which fund, after deductions by lawful transfers and refunds, shall be known as the "motor vehicle fuel tax fund". The department of revenue ~~and-finance~~ and the state department of transportation shall certify monthly to the director of ~~revenue-and-finance~~ the department of administrative services amounts of refunds of tax approved during each month, and the director of ~~revenue-and-finance~~ the department of administrative services shall draw warrants in such amounts on the motor fuel tax fund and transmit them. There is hereby appropriated out of the money received under the provisions of

this chapter and deposited in the motor fuel tax fund sufficient funds to pay such refunds as may be authorized in this chapter.

Sec. 262. Section 455A.4, subsection 1, paragraph e, Code 2003, is amended to read as follows:

e. Employ personnel as necessary to carry out the functions vested in the department consistent with chapter ~~19A~~ 8A, article 4, unless the positions are exempt from that ~~chapter~~ article.

Sec. 263. Section 455G.3, subsection 5, Code 2003, is amended to read as follows:

5. For purposes of payment of refunds of the environmental protection charge under section 424.15 by the department of revenue ~~and-finance~~, the treasurer of state shall allocate to the department of ~~revenue-and-finance~~ administrative services the total amount budgeted by the fund's board for environmental protection charge refunds. Any unused funds shall be remitted to the treasurer of state.

Sec. 264. Section 459.505, subsection 2, paragraph b, Code 2003, is amended to read as follows:

b. Obtain a lower fixed amount bid for the work from another qualified person, other than a governmental entity, and pay the amount of the claim required in this section, based on the fixed amount in this bid upon completion of the work. The department is not required to comply with section ~~18-6~~ 8A.311 in implementing this section.

Sec. 265. Section 474.1, unnumbered paragraph 2, Code 2003, is amended to read as follows:

The utilities board shall organize by appointing an executive secretary, who shall take the same oath as the members. The board shall set the salary of the executive secretary within the limits of the pay plan for exempt positions provided for in section ~~19A-9~~ 8A.413, subsection 2, unless otherwise provided by the general assembly. The board may employ additional personnel as it finds necessary. Subject to confirmation by the senate, the governor shall appoint a member as the chairperson of the board. The chairperson shall be the administrator of the utilities division. The appointment as chairperson shall be for a two-year term which begins and ends as provided in section 69.19.

Sec. 266. Section 474.10, Code 2003, is amended to read as follows:

474.10 GENERAL COUNSEL.

The board shall employ a competent attorney to serve as its general counsel, and assistants to the general counsel as it finds necessary for the full and efficient discharge of its duties. The general counsel is the attorney for, and legal advisor of, the board and is exempt from the merit system provisions of chapter ~~19A~~ 8A, article 4. Assistants to the general counsel are subject to the merit system provisions of chapter ~~19A~~ 8A, article 4. The general counsel or an assistant to the general counsel shall provide the necessary legal advice to the board in all matters and represent the board in all actions instituted in a state or federal court challenging the validity of a rule or order of the board. The existence of a fact which disqualifies a person from election or from acting as a utilities board member disqualifies the person from employment as general counsel or assistant general counsel. The general counsel shall devote full time to the duties of the office. During employment the counsel shall not be a member of a political committee, contribute to a political campaign fund other than through the income tax checkoff for contributions to the Iowa election campaign fund and the presidential election campaign fund, participate in a political campaign, or be a candidate for a political office.

Sec. 267. Section 475A.3, subsection 2, Code 2003, is amended to read as follows:

2. EMPLOYEES. The consumer advocate may employ attorneys, legal assistants, secretaries, clerks, and other employees the consumer advocate finds necessary for the full and efficient discharge of the duties and responsibilities of the office. The consumer advocate may employ consultants as expert witnesses or technical advisors pursuant to contract as the consumer advocate finds necessary for the full and efficient discharge of the duties of the office. Employees of the consumer advocate division, other than the consumer advocate, are subject to merit employment, except as provided in section ~~19A-3~~ 8A.412.

Sec. 268. Section 502.601, subsection 1, Code 2003, is amended to read as follows:

1. This chapter shall be administered by the commissioner of insurance of the state of Iowa. The administrator shall appoint a deputy administrator who shall be exempt from the merit system provided for in chapter ~~19A~~ 8A, article 4. The deputy administrator is the principal operations officer of

the securities bureau and is responsible to the administrator for the routine administration of the chapter and the management of the securities bureau. In the absence of the administrator, whether because of vacancy in the office, by reason of absence, physical disability, or other cause, the deputy administrator shall be the acting administrator and shall, for the time being, have and exercise the authority conferred upon the administrator. The administrator may by order from time to time delegate to the deputy administrator any or all of the functions assigned to the administrator in this chapter. The administrator shall employ officers, attorneys, accountants, and other employees as needed for the administration of the chapter.

Sec. 269. Section 505.4, unnumbered paragraph 2, Code 2003, is amended to read as follows:

The commissioner may appoint a deputy commissioner for supervision whom the commissioner may appoint as supervisory or special deputy pursuant to chapter 507C and who shall perform such other duties as may be assigned by the commissioner. The deputy commissioner for supervision shall receive a salary to be fixed by the commissioner. The deputy commissioner for supervision shall be an exempt employee from the merit system provisions of chapter 8A, article 4, under section ~~19A-3~~ 8A.412, subsection 17.

Sec. 270. Section 507.5, Code 2003, is amended to read as follows:

507.5 CHIEF EXAMINER.

The commissioner may appoint a chief examiner who shall supervise insurance company examinations and perform such other duties as may be assigned by the commissioner. The chief examiner shall receive a salary to be fixed by the commissioner. The chief examiner shall be an exempt employee from the merit system provisions of chapter 8A, article 4, under section ~~19A-3~~ 8A.412, subsection 17.

Sec. 271. Section 602.1204, subsection 3, Code 2003, is amended to read as follows:

3. The supreme court shall compile and publish all procedures and directives relating to the supervision and administration of the internal affairs of the judicial branch, and shall distribute a copy of the compilation and all amendments to each operating component of the judicial branch. ~~Copies also shall be distributed to agencies referred to in section 18.97 upon request.~~

Sec. 272. Section 602.8102, subsection 58A, Code 2003, is amended to read as follows:

58A. Assist the department of ~~revenue-and-finance~~ administrative services in setting off against debtors' income tax refunds or rebates under section ~~421.177-subsection-25~~ 8A.504, debts which are due, owing, and payable to the clerk of the district court as criminal fines, civil penalties, surcharges, or court costs.

Sec. 273. Section 602.8107, subsection 4, unnumbered paragraph 2, Code 2003, is amended to read as follows:

This subsection does not apply to amounts collected for victim restitution, the victim compensation fund, criminal penalty surcharge, law enforcement initiative surcharge, amounts collected as a result of procedures initiated under subsection 5 or under section ~~421.177-subsection-25~~ 8A.504, or sheriff's room and board fees.

Sec. 274. Section 618.11, Code 2003, is amended to read as follows:

618.11 FEES FOR PUBLICATION.

The compensation, when not otherwise fixed, for the publication in a newspaper of any notice, order, citation, or other publication required or allowed by law shall be at a rate of thirty-four cents for one insertion and twenty-three cents for each subsequent insertion for each line of eight point type two inches in length, or its equivalent. Beginning June 1, 2001, and each June 1 thereafter, the ~~state-printing administrator~~ director of the department of administrative services shall calculate a new rate for the following fiscal year as prescribed in this section, and shall publish this rate as a notice in the Iowa administrative bulletin prior to the first day of the following calendar month. The new rate shall be effective on the first day of the calendar month following its publication. The rate shall be calculated by applying the percentage change in the consumer price index for all urban consumers for the last available twelve-month period published in the federal register by the federal department of labor, bureau of labor statistics, to the existing rate as an increase or decrease in the rate rounded to the nearest one-tenth of a cent. The calculation and publication of the rate by the ~~state-printing-administrator~~ director of the department of administrative services shall be exempt from the provisions of chapters 17A and 25B.

Sec. 275. Section 625.29, subsection 1, paragraph g, Code 2003, is amended to read as follows:

g. The proceeding involved the department of ~~personnel~~ under administrative services under chapter 19A 8A, article 4.

Sec. 276. Section 691.1, Code 2003, is amended to read as follows:

691.1 LABORATORY CREATED.

There is hereby created under the control, direction and supervision of the commissioner of public safety a state criminalistics laboratory. The commissioner of public safety may assign the criminalistics laboratory to a division or bureau within the public safety department. The laboratory shall, within its capabilities, conduct analyses, comparative studies, fingerprint identification, firearms identification, questioned documents studies, and other studies normally performed by a criminalistics laboratory when requested by a county attorney, medical examiner, or law enforcement agency of this state to aid in any criminal investigation. Agents of the division of criminal investigation and bureau of identification may be assigned to the criminalistics laboratory by the commissioner. New employees shall be appointed pursuant to chapter ~~19A~~ 8A, article 4, and need not qualify as agents for the division of criminal investigation and bureau of identification, and shall not participate in the peace officers' retirement plan established pursuant to chapter 97A.

Sec. 277. Section 809A.17, subsection 4, Code 2003, is amended to read as follows:

4. Forfeited property which is not used by the department of justice in the enforcement of the law may be requisitioned by the department of public safety or any law enforcement agency within the state for use in enforcing the criminal laws of this state. Forfeited property not requisitioned may be delivered to the director of the department of general services to be disposed of in the same manner as property received pursuant to section ~~18-15~~ 8A.325.

Sec. 278. Section 904.108, subsection 1, paragraph e, Code 2003, is amended to read as follows:

e. Employ, assign, and reassign personnel as necessary for the performance of duties and responsibilities assigned to the department. Employees shall be selected on the basis of fitness for work to be performed with due regard to training and experience and are subject to chapter ~~19A~~ 8A, article 4.

Sec. 279. Section 904.108, subsection 3, Code 2003, is amended to read as follows:

3. The director may establish a sales bonus system for the sales representatives for prison industry products. If a sales bonus system is established, the system shall not affect the status of the sales representatives under chapter ~~19A~~ 8A, article 4.

Sec. 280. Section 904.303, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The director shall determine the number and compensation of subordinate officers and employees for each institution subject to chapter ~~19A~~ 8A, article 4. Subject to this chapter, the officers and employees shall be appointed and discharged by the superintendent who shall keep in the record of each subordinate officer and employee, the date of employment, the compensation, and the date of and the reasons for each discharge.

Sec. 281. Section 904.312B, Code 2003, is amended to read as follows:

904.312B PURCHASE OF BIO-BASED HYDRAULIC FLUIDS, GREASES, AND OTHER INDUSTRIAL LUBRICANTS.

The department when purchasing hydraulic fluids, greases, and other industrial lubricants shall give preference to purchasing bio-based hydraulic fluids, greases, and other industrial lubricants as provided in section ~~18-22~~ 8A.316.

Sec. 282. Section 904.315, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The director of the department of ~~general~~ administrative services shall, in writing, let all contracts for authorized improvements costing in excess of twenty-five thousand dollars under chapter ~~18~~ 8A, article 3. Upon prior authorization by the director, improvements costing five thousand dollars or less may be made by the superintendent of any institution.

Sec. 283. Section 904.706, unnumbered paragraph 1, Code 2003, is amended to read as follows:

A revolving farm fund is created in the state treasury in which the department shall deposit receipts from agricultural products, nursery stock, agricultural land rentals, and the sale of livestock. However, before any agricultural operation is phased out, the department which proposes to discontinue this operation shall notify the governor, chairpersons and ranking members of the house and senate appropriations

committees, and cochairpersons and ranking members of the subcommittee in the senate and house of representatives which has handled the appropriation for this department in the past session of the general assembly. Before the department sells farmland under the control of the department, the director shall notify the governor, chairpersons and ranking members of the house and senate appropriations committees, and cochairpersons and ranking members of the joint appropriations subcommittee that handled the appropriation for the department during the past session of the general assembly. The department may pay from the fund for the operation, maintenance, and improvement of farms and agricultural or nursery property under the control of the department. A purchase order for five thousand dollars or less payable from the fund is exempt from the general purchasing requirements of chapter ~~18~~ 8A, article 3. Notwithstanding section 8.33, unencumbered or unobligated receipts in the revolving farm fund at the end of a fiscal year shall not revert to the general fund of the state.

Sec. 284. Section 904.808, subsection 1, paragraph b, Code 2003, is amended to read as follows:

b. When the state director releases, in writing, the obligation of the department or agency to purchase the product from Iowa state industries, after determining that Iowa state industries is unable to meet the performance characteristics of the purchase request for the product, and a copy of the release is attached to the request to the director of ~~revenue and-finance~~ the department of administrative services for payment for a similar product, or when Iowa state industries is unable to furnish needed products, comparable in both quality and price to those available from alternative sources, within a reasonable length of time. Any disputes arising between a purchasing department or agency and Iowa state industries regarding similarity of products, or comparability of quality or price, or the availability of the product, shall be referred to the director of the department of ~~general~~ administrative services, whose decision shall be subject to appeal as provided in section ~~18-7~~ 8A.313. However, if the purchasing department is the department of ~~general~~ administrative services, any matter which would be referred to the director under this paragraph shall be referred to the executive council in the same manner as if the matter were to



be heard by the director of the department of ~~general~~  
administrative services. The decision of the executive  
council is final.

Sec. 285. Section 904A.4B, subsection 3, Code 2003, is  
amended to read as follows:

3. Hire and supervise all of the board's staff pursuant to  
the provisions of chapter ~~19A~~ 8A, article 4.

Sec. 286. AMENDMENTS CHANGING TERMINOLOGY -- DIRECTIVE TO  
CODE EDITOR. Except as otherwise provided in this Act:

1. a. The Iowa Code editor is directed to strike the  
words "information technology department" and insert the words  
"department of administrative services" wherever the words  
"information technology department" appear in the Iowa Code  
unless a contrary intent is clearly evident.

b. The Iowa Code editor is directed to strike the words  
"director of the information technology department" or  
"information technology department director" and insert the  
words "director of the department of administrative services"  
wherever the words "director of the information technology  
department" or "information technology department director"  
appear in the Iowa Code unless a contrary intent is clearly  
evident.

2. a. The Iowa Code editor is directed to strike the  
words "department of general services" and insert the words  
"department of administrative services" wherever the words  
"department of general services" appear in the Iowa Code  
unless a contrary intent is clearly evident.

b. The Iowa Code editor is directed to strike the words  
"director of the department of general services" or "general  
services department director" and insert the words "director  
of the department of administrative services" wherever the  
words "director of the department of general services" or  
"general services department director" appear in the Iowa Code  
unless a contrary intent is clearly evident.

3. a. The Iowa Code editor is directed to strike the  
words "department of personnel" and insert the words  
"department of administrative services" wherever the words  
"department of personnel" appear in the Iowa Code unless a  
contrary intent is clearly evident.

b. The Iowa Code editor is directed to strike the words  
"director of the department of personnel" or "personnel  
department director" and insert the words "director of the

department of administrative services" wherever the words "director of the department of personnel" or "personnel department director" appear in the Iowa Code unless a contrary intent is clearly evident.

4. a. Sections 1.15, 2.10, subsection 4, 2.12, 2.13, 2B.10, subsection 4, 7.13, 7D.13, 7D.14, 8.35A, 11.20, 12.3, 12.4, 12.5, 12.6, 12.8, 12.15, 12.26, 12B.16, 12B.17, 12B.18, 15.354, 15E.112, 15E.117, 16.31, 17A.4, 25.2, 29C.14, 35.10, 49A.9, 53.50, 56.3A, 56.22, 56.23, 74.9, 96.7, subsection 7, 96.9, 96.14, 97.51, 97A.8, 97A.11, 97B.7, 97B.33, 100B.11, 123.53, 152.3, 159.21, 159.23, 159A.7, 161.7, 161C.5, 169A.13A, 175.22, subsection 3, 179.5, 186.5, 218.50, 218.57, 218.86, 218.87, 225.22, 225.23, 225.28, 225.30, 225C.12, 227.7, 229.35, 233B.14, 234.6, 249.8, 251.5, 255.24, 255.26, 257B.11, 257B.18, 257B.35, 257B.37, 257B.39, 257B.40, 257B.42, 257C.9, subsection 3, 261.4, 262.22, 262.29, 270.5, 270.6, 270.7, 272.11, 272C.7, 298.11, 304A.29, 310.7, 313.18, 313.19, 313.20, 313.28, 314.3, 315.7, 324A.5, 331.555, 452A.72, 455B.107, 455B.183A, 455B.246, 456A.19, 456A.21, 459.401, 459.501, 460.303, 473.11, 504A.63, 515.129, 518B.2, 518B.5, 524.209, 533.62, 534.403, 546.10, 568.16, 568.20, 568.24, 569.4, 602.1304, 602.9109, 641.5, 663.44, 679B.7, 820.24, and 904.311, Code 2003, are amended by striking from the applicable section or subsection the words "director of revenue and finance" and inserting in lieu thereof the following: "director of the department of administrative services".

b. Sections 2.49, subsection 5, 8.34, 8.61, 8D.13, subsection 11, 11.28, 12.6, 12.14, 12.28, 12B.2, 12B.17, 16.31, 16A.13, 22.7, subsection 32, 25.6, 74.9, 100B.11, 175.22, 179.5, 181.13, 183A.7, 184.13, 184A.4, 185.26, 185C.26, 252B.22, 255.24A, 256.12, 256.19, 256.20, 256D.4, 257.32, 257B.1B, 257C.9, subsection 4, 260C.18B, subsection 4, 260C.24, 282.28, 282.31, 283.1, 285.2, 294A.6, 294A.9, 294A.22, 303.14, 313.7, 405A.9, 455G.5, 541A.3, 541A.5, 602.8102, subsection 4, 602.9104, 633.545, 804.28, and 904.507A, Code 2003, are amended by striking from the sections the words "department of revenue and finance" and inserting in lieu thereof the following: "department of administrative services".

c. Except as otherwise provided in this Act, the Iowa Code editor is directed to strike the words "revenue and finance"

and insert the word "revenue" wherever the words "revenue and finance" appear in the Iowa Code and the reference to "revenue and finance" means the department of revenue and finance or the director of revenue and finance unless a contrary intent is clearly evident.

5. a. Except as otherwise provided in this Act, the Iowa Code editor is directed to strike the words "division" and "division's" and insert the words "system" and "system's" wherever the words "division" and "division's" appear in chapter 97B of the Iowa Code and the reference means the Iowa public employee's retirement system division of the department of personnel unless a contrary intent is clearly evident.

b. Except as otherwise provided in this Act, the Iowa Code editor is directed to strike the word "system" and insert the words "retirement system" in the following sections wherever "system" but not "retirement system" appears in chapter 97B of the Iowa Code and the reference means the retirement plan established under chapter 97B:

Sections 97B.1A, subsections 3, 7, 9, 11, 14, 26; 97B.4; 97B.7A, subsection 1; 97B.8A, subsection 3, paragraph "b", 97B.8A, subsections 4 and 5; 97B.8B; 97B.11; 97B.17; 97B.42A, subsections 3, 4, and 5; 97B.49F; 97B.49G; 97B.49H; 97B.50; 97B.50A, subsections 2 and 3; 97B.52A, subsection 3; 97B.53, unnumbered paragraph 1; 97B.65; 97B.66; 97B.72; 97B.72A; 97B.73; 97B.73A; 97B.74; 97B.80; 97B.80A; 97B.80B; 97B.80C; 97B.81; 97B.82.

Sec. 287. ADMINISTRATIVE RULES -- TRANSITION PROVISIONS.

1. Any rule, regulation, form, order, or directive promulgated by any state agency mentioned in this Act, including any agency abolished, merged, or altered in this Act, and in effect on the effective date of this Act shall continue in full force and effect until amended, repealed, or supplemented by affirmative action of the appropriate state agency under the duties and powers of state agencies as established in this Act and under the procedure established in subsection 2.

Any license or permit issued by any state agency mentioned in this Act, including any agency abolished, merged, or altered in this Act, and in effect on the effective date of this Act shall continue in full force and effect until expiration or renewal.

2. In regard to updating references and format in the Iowa administrative code in order to correspond to the restructuring of state government as established in this Act, the administrative rules coordinator and the administrative rules review committee, in consultation with the administrative code editor, shall jointly develop a schedule for the necessary updating of the Iowa administrative code.

Sec. 288. MISCELLANEOUS TRANSITION PROVISIONS.

1. Any personnel in the state merit system of employment who are mandatorily transferred due to the effect of this Act shall be so transferred without any loss in salary, benefits, or accrued years of service.

2. Any funds in any account or fund of a department eliminated due to the effect of this Act shall be transferred to the comparable fund or account as provided by this Act.

3. Any cause of action or statute of limitation relating to a department or division transferred to another department or division as provided by this Act shall not be affected as a result of the transfer and such cause or statute of limitation shall apply to the successor department or division.

4. Any replacement of signs, logos, stationery, insignia, uniforms, and related items that is made due to the effect of this Act should be done as part of the normal replacement cycle for such items.

Sec. 289. DEPARTMENT PROGRESS REPORTS. The department of administrative services shall report to the committees on government oversight of the senate and house of representatives on or before each July 31 and January 31 between July 1, 2003, and February 1, 2006, regarding the activities of the department in implementing the requirements of this Act, including but not limited to the department's decisions concerning which services should be provided solely by the department and which services should be available from a variety of providers.

Sec. 290. STATE ADMINISTRATIVE SERVICES -- MISCELLANEOUS PROVISIONS.

1. As used in this section, unless the context otherwise requires:

a. "Agency" or "state agency" means as defined in section 8A.101. "Agency" includes the state board of regents subject to the requirements of section 8A.122.

b. "Designated state service" means one of the following services provided to state agencies: printing, information technology, mail, human resource benefits and payroll, financial accounting, property management, fleet management, and purchasing services.

c. "Managed competition" means a process that allows both state agencies and other entities to submit competitive bids to provide designated state services, which process takes into account the true cost-accounting costs for state agencies. Managed competition may result in multiple providers, which may be state agencies or nongovernmental entities, of the same designated state service to state agencies. The use of managed competition shall not preclude the use of other entrepreneurial steps in any area.

2. The following duties relating to state administrative services shall be performed, subject to the requirements of chapter 8A, as provided by this subsection:

a. (1) The department of administrative services shall, pursuant to the requirements of this section, select a designated state service and conduct a pilot project to determine the feasibility of conducting a managed competition for delivery of the service and shall submit a report, with its findings and recommendations, to the legislative fiscal bureau and the committees on government oversight of the senate and house of representatives by July 1, 2005.

(2) In addition, the department of administrative services may, pursuant to the requirements of this section, determine how the designated state services of all executive branch agencies, community-based corrections districts, and other state governmental entities shall be delivered.

b. By July 1, 2005, the department of administrative services shall submit a request for proposals for a managed competition for printing services unless more efficient results can be obtained through the use of other entrepreneurial methods as authorized by chapter 8A. The request for proposals shall allow for the awarding of all or parts of printing services to the department or another governmental agency or nongovernmental entity.

c. By September 1, 2004, the department of administrative services, with the assistance of the department of management, shall conduct a comprehensive study of the impact of transferring all state agency employees delivering information

technology services to the department of administrative services and of the impact of physically merging the data centers of the department, the state department of transportation, and the department of workforce development, into one data center. The study shall include an assessment of advantages and disadvantages, economies of scale, cost, and space availability, and shall solicit input from outside vendors, both public and private. The department shall report to the legislative fiscal bureau and the committees on government oversight of the senate and house of representatives on the department's findings and recommendations by November 1, 2004.

d. The department of administrative services may limit unified fleet management responsibilities to cars and small trucks. By July 1, 2005, the fleet management operations shall be subject to a managed competition process conducted by the department of administrative services unless more efficient results can be obtained through the use of other entrepreneurial methods as authorized by chapter 8A. The request for proposals shall allow for the awarding of all or parts of fleet management to the department of administrative services, other governmental agencies, or nongovernmental entities.

3. The auditor of state shall be consulted regarding the process for issuance of requests for proposals for managed competition. The role of the auditor of state is to provide advice as to whether an approach offers the best opportunity for reducing state government costs.

Sec. 291.

1. Sections 7A.15, 7A.16, 7A.17, 7A.18, 7A.19, 7A.21, 7A.22, 7A.25, 7A.26, 7D.33, 218.89, 421.6, 421.31, 421.32, 421.33, 421.34, 421.35, 421.36, 421.37, 421.38, 421.39, 421.40, 421.41, 421.42, 421.43, 421.44, 421.45, Code 2003, are repealed.

2. Chapters 14B, 18, and 19A, Code 2003, are repealed.

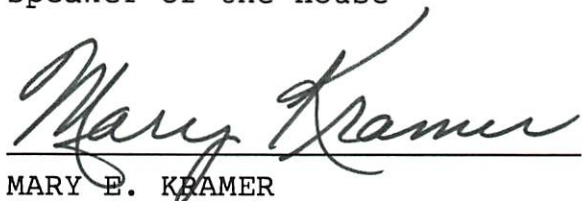
Sec. 292. PREVAILING PROVISIONS. The provisions of House File 636 relating to legislative branch consolidation of functions, or a similar bill enacted by the Eightieth General Assembly, 2003 Regular Session, which provisions relate to official legal and other publications, procurements, special distribution of legal publications, and restrictions on free distributions by the legislative service bureau or its

successor agency, shall prevail over any conflicting provisions of this Act.

Sec. 293. EFFECTIVE DATE. The sections of this Act amending sections 8.63 and 70A.38, and enacting section 8A.204, being deemed of immediate importance, take effect upon enactment.



CHRISTOPHER C. RANTS  
Speaker of the House



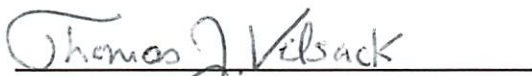
MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 534, Eightieth General Assembly.



MARGARET THOMSON  
Chief Clerk of the House

Approved May 23, 2003



THOMAS J. VILSACK  
Governor