



THOMAS J. VILSACK  
GOVERNOR

## OFFICE OF THE GOVERNOR

SALLY J. PEDERSON  
LT. GOVERNOR

June 2, 2006

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit **House File 2797**, an Act relating to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters, and including effective and retroactive applicability date provisions.

House File 2797 is approved on this date with the following exceptions, which I hereby disapprove:

I am unable to approve the items designated as Sec. 37 and sec. 52 in their entirety. Both provisions direct the Department of Natural Resources to borrow money from the manure management indemnity fund for database upgrades. The related legislation (HF 2755), however, did not pass both chambers so these items are no longer necessary.

I am unable to accept the item designated as Section 81 in its entirety. This provision adds "canines from licensed facilities" to the list of farm products under chapter 352 of the Iowa Code. That chapter allows counties to regulate land use through adoption of zoning ordinances if a county so chooses. To include licensed canine facilities to the list of farm products would eliminate a county's ability to address the concerns of neighbors and the impacts such operations would have on adjacent property.

Commercial dog kennels are generally the type of use that most zoning ordinances only allow as a "special use" rather than a "permitted use." Special uses generally require public hearings before a Zoning Board of Adjustments, which gives neighbors the right to know and voice input during the review process. Approval of this bill would eliminate that right.

I am unable to accept the item designated as Section 83 in its entirety. This provision adds "canines from licensed facilities" to the definition of an "agricultural product" under chapter 423.1 of the Iowa Code, thereby eliminating the sales tax on

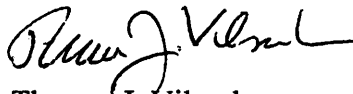


inputs for commercial dog kennels. Simply put, breeding dogs is not equivalent to any of the other activities that fall within the definition of an agricultural product, which includes "flowering, ornamental, or vegetable plants and those products of aquaculture." Moreover, other services involved in the breeding and raising companion animals must charge sales tax, including veterinary and grooming services. There is no compelling reason why commercial dog kennels should enjoy a tax advantage not offered to others in the business of raising companion animals.

Concern has been raised about the item designated as Section 87 of this bill. This provision allows for an employee of a property management company to institute a claim in small claims court on behalf of the property owner. This language was in response to a recent change in Polk County to the longstanding practice of allowing property management companies to initiate actions in small claims court. I call upon the General Assembly to review this provision next legislative session to make it clear that this change does not ease restrictions on the unauthorized practice of law in small claims court.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in **House File 2797** are hereby approved this date.

Sincerely,



Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House



HOUSE FILE 2797

AN ACT

RELATING TO STATE AND LOCAL FINANCES BY PROVIDING FOR FUNDING OF PROPERTY TAX CREDITS AND REIMBURSEMENTS, BY MAKING, INCREASING, REDUCING, AND TRANSFERRING APPROPRIATIONS, PROVIDING FOR SALARIES AND COMPENSATION OF STATE EMPLOYEES, PROVIDING FOR FEES AND PENALTIES, PROVIDING TAX EXEMPTIONS, AND PROVIDING FOR PROPERLY RELATED MATTERS, AND INCLUDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATE PROVISIONS.

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

DIVISION I

MH/MR/DD ALLOWED GROWTH FUNDING

Section 1. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ALLOCATIONS -- FISCAL YEAR 2007-2008.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2007, and ending June 30, 2008, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, as provided in this section in lieu of the provisions of section 331.438, subsection 2, and section 331.439, subsection 3, and chapter 426B:

..... \$ 43,287,141

2. The funding appropriated in this section is the allowed growth factor adjustment for fiscal year 2007-2008, and is allocated as follows:

a. For distribution to counties for fiscal year 2007-2008 in accordance with the formula in section 331.438, subsection 2, paragraph "b":

..... \$ 12,000,000

b. For deposit in the per capita expenditure target pool created in the property tax relief fund and for distribution in accordance with section 426B.5, subsection 1:

..... \$ 24,360,548

c. For deposit in the risk pool created in the property tax relief fund and for distribution in accordance with section 426B.5, subsection 2:

..... \$ 2,000,000

d. For expansion of services to persons with brain injury in accordance with the law enacted by the Eighty-first General Assembly, 2006 Session, as law providing for such expansion of services to commence in the fiscal year beginning July 1, 2006:

..... \$ 4,926,593

If 2006 Iowa Acts, House File 2772, is enacted by the Eighty-first General Assembly, 2006 Session, the allocation made in this lettered paragraph shall be transferred to the Iowa department of public health to be used for the brain injury services program created pursuant to that Act.

DIVISION II  
STANDING APPROPRIATIONS  
AND REVENUE ESTIMATE

Sec. 2. BUDGET PROCESS FOR FISCAL YEAR 2007-2008.

1. For the budget process applicable to the fiscal year beginning July 1, 2007, on or before October 1, 2006, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and paragraph "a", all departments and

establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

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

Sec. 3. GENERAL ASSEMBLY. The appropriations made pursuant to section 2.12 for the expenses of the general assembly and legislative agencies for the fiscal year beginning July 1, 2006, and ending June 30, 2007, are reduced by the following amount:

..... \$ 1,267,106

Sec. 4. LIMITATION OF STANDING APPROPRIATIONS. Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the amounts appropriated from the general fund of the state pursuant to those sections for the following designated purposes shall not exceed the following amounts:

1. For substance abuse treatment and prevention under section 123.53, subsection 3:

..... \$ 0

2. For instructional support state aid under section 257.20:

..... \$ 14,428,271

3. For at-risk children programs under section 279.51, subsection 1:

..... \$ 11,271,000

The amount of any reduction in this subsection shall be prorated among the programs specified in section 279.51, subsection 1, paragraphs "a", "b", and "c".

4. For payment for nonpublic school transportation under section 285.2:

..... \$ 8,604,714

If total approved claims for reimbursement for nonpublic school pupil transportation claims exceed the amount appropriated in this section, the department of education shall prorate the amount of each claim.

5. For the educational excellence program under section 294A.25, subsection 1:

..... \$ 55,469,053

6. For the state's share of the cost of the peace officers' retirement benefits under section 411.20:

..... \$ 2,745,784

Sec. 5. PROPERTY TAX CREDIT FUND -- PAYMENTS IN LIEU OF GENERAL FUND REIMBURSEMENT.

1. Notwithstanding section 8.57, prior to the appropriation and distribution to the senior living trust fund and the cash reserve fund of the surplus existing in the general fund of the state at the conclusion of the fiscal year beginning July 1, 2005, and ending June 30, 2006, pursuant to section 8.57, subsections 1 and 2, of that surplus, \$159,868,964 is appropriated to the property tax credit fund which shall be created in the office of the treasurer of state to be used for the purposes of this section.

2. Notwithstanding the amount of the standing appropriation from the general fund of the state in the following designated sections and notwithstanding any conflicting provisions or voting requirements of section 8.56, there is appropriated from the property tax credit fund in lieu of the appropriations in the following designated sections for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amounts for the following designated purposes:

a. For reimbursement for the homestead property tax credit under section 425.1:

..... \$102,945,379

b. For reimbursement for the agricultural land and family farm tax credits under sections 425A.1 and 426.1:

..... \$ 34,610,183

c. For reimbursement for the military service tax credit under section 426A.1A:

..... \$ 2,773,402

d. For implementing the elderly and disabled tax credit and reimbursement pursuant to sections 425.16 through 425.40:

..... \$ 19,540,000

If the director of revenue determines that the amount of claims for credit for property taxes due plus the amount of claims for reimbursement for rent constituting property taxes paid which are to be paid during the fiscal year may exceed the amount appropriated, the director shall estimate the percentage of the credits and reimbursements which will be funded by the appropriation. The county treasurer shall notify the director of the amount of property tax credits claimed by June 8, 2006. The director shall estimate the percentage of the property tax credit and rent reimbursement claims that will be funded by the appropriation and notify the county treasurer of the percentage estimate by June 15, 2006. The estimated percentage shall be used in computing for each claim the amount of property tax credit and reimbursement for rent constituting property taxes paid for that fiscal year. If the director overestimates the percentage of funding, claims for reimbursement for rent constituting property taxes paid shall be paid until they can no longer be paid at the estimated percentage of funding. Rent reimbursement claims filed after that point in time shall receive priority and shall be paid in the following fiscal year. If the director underestimates the percentage of funding, the overage shall remain in the fund established in section 425.39 for payments to be made in the next fiscal year.

Sec. 6. Section 257.35, subsection 4, Code Supplement 2005, is amended to read as follows:

4. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, ~~2005~~ 2006, shall be reduced by the department of management by ~~eleven~~ eight million ~~seven-hundred ninety-eight-thousand-seven-hundred-three~~ dollars. The reduction for each area education agency shall be ~~equal-to~~

prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

Sec. 7. 2005 Iowa Acts, chapter 179, section 7, is amended to read as follows:

SEC. 7. CASH RESERVE APPROPRIATION FOR FY 2005-2006. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the appropriation to the cash reserve fund provided in section 8.57, subsection 1, paragraph "a", shall not be made. ~~However, any surplus in the general fund of the state for the fiscal year beginning July 1, 2005, and ending June 30, 2006, shall be transferred to the cash reserve fund.~~

Sec. 8. CASH RESERVE APPROPRIATION FOR FY 2006-2007. For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the appropriation to the cash reserve fund provided in section 8.57, subsection 1, paragraph "a", shall not be made.

Sec. 9. MARCH 24, 2006, REVENUE ESTIMATE. For use by the general assembly in the budget process and the governor's approval or disapproval of the appropriations bills for the fiscal year beginning July 1, 2006, and for purposes of calculating the state general fund expenditure limitation pursuant to section 8.54 for the fiscal year beginning July 1, 2006, the revenue estimate for the fiscal year beginning July 1, 2006, that shall be used in the budget process and such calculation shall be the revenue estimate determined by the revenue estimating conference on March 24, 2006, notwithstanding the provision in section 8.22A, subsection 3, that disallows the use of a revenue estimate agreed to at a later meeting that projects a greater amount than the initial estimated amount agreed to in December 2005. This section also authorizes the use of the estimated revenue figures for the purposes or sources designated in section 8.22A, subsection 5.

Sec. 10. EFFECTIVE AND APPLICABILITY DATES.

1. The section of this division of this Act creating the property tax credit fund, being deemed of immediate importance, takes effect upon enactment.

2. The section of this division of this Act relating to the use of the March 24, 2006, revenue estimate, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 9, 2006.



3. The section of this division of this Act amending 2005 Iowa Acts, chapter 179, section 7, being deemed of immediate importance, takes effect upon enactment.

DIVISION III

SALARIES, COMPENSATION, AND RELATED MATTERS

Sec. 11. STATE COURTS -- JUSTICES, JUDGES, AND MAGISTRATES.

1. The salary rates specified in subsection 2 are for the fiscal year beginning July 1, 2006, effective for the pay period beginning June 30, 2006, and for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds appropriated or otherwise made available to the judicial branch pursuant to other Acts of the general assembly.

2. The following annual salary rates shall be paid to the persons holding the judicial positions indicated during the fiscal year beginning July 1, 2006, effective with the pay period beginning June 30, 2006, and for subsequent pay periods.

a. Chief justice of the supreme court:	
.....	\$ 150,110
b. Each justice of the supreme court:	
.....	\$ 144,000
c. Chief judge of the court of appeals:	
.....	\$ 138,960
d. Each associate judge of the court of appeals:	
.....	\$ 134,060
e. Each chief judge of a judicial district:	
.....	\$ 131,000
f. Each district judge except the chief judge of a judicial district:	
.....	\$ 126,020
g. Each district associate judge:	
.....	\$ 111,000
h. Each associate juvenile judge:	
.....	\$ 111,000
i. Each associate probate judge:	
.....	\$ 111,000
j. Each judicial magistrate:	
.....	\$ 34,200

k. Each senior judge:

..... \$ 7,100

3. Persons receiving the salary rates established under this section shall not receive any additional salary adjustments provided by this division of this Act.

4. The collective bargaining agreements negotiated pursuant to chapter 20 for employees in the judicial branch of government bargaining units and the annual pay adjustments, related benefits, and expense reimbursements of judicial branch employees not covered by a collective bargaining agreement shall be paid from funds appropriated or made available to the judicial branch as provided in subsection 1.

Sec. 12. APPOINTED STATE OFFICERS. Notwithstanding section 20.5, subsection 3, the governor shall establish a salary for appointed nonelected persons in the executive branch of state government holding a position enumerated in the section of this division of this Act that addresses the salary ranges of state officers within the range provided, by considering, among other items, the experience of the individual in the position, changes in the duties of the position, the incumbent's performance of assigned duties, and subordinates' salaries. However, the attorney general shall establish the salary for the consumer advocate, the chief justice of the supreme court shall establish the salary for the state court administrator, the Iowa public broadcasting board shall establish the salary for the administrator of the public broadcasting division of the department of education, the ethics and campaign disclosure board shall establish the salary of the executive director, and the state fair board shall establish the salary of the secretary of the state fair board, each within the salary range provided in the section of this division of this Act that addresses the salary ranges of state officers.

The governor, in establishing salaries as provided in the section of this division of this Act that addresses the salary ranges of state officers, shall take into consideration other employee benefits which may be provided for an individual including but not limited to housing.

A person whose salary is established pursuant to the section of this division of this Act that addresses the salary

ranges of state officers and who is a full-time, year-round employee of the state shall not receive any other remuneration from the state or from any other source for the performance of that person's duties unless the additional remuneration is first approved by the governor or authorized by law. However, this provision does not exclude the reimbursement for necessary travel and expenses incurred in the performance of duties or fringe benefits normally provided to employees of the state.

Sec. 13. SALARY RANGE -- STATE OFFICERS. The following annual salary ranges are effective for the positions specified in this section for the fiscal year beginning July 1, 2006, and for subsequent fiscal years until otherwise provided by the general assembly. The governor or other person designated in the section of this division of this Act relating to appointed state officers shall determine the salary to be paid to the person indicated at a rate within this salary range from funds appropriated by the general assembly for that purpose.

1. The following are salary ranges for state officers for the fiscal year beginning July 1, 2006, effective with the pay period beginning June 30, 2006:

SALARY RANGE	<u>Minimum</u>	<u>Maximum</u>
a. Range 1 .....	\$ 8,800	\$ 34,430
b. Range 2 .....	\$ 45,395	\$ 69,460
c. Range 3 .....	\$ 52,210	\$ 79,880
d. Range 4 .....	\$ 60,040	\$ 91,860
e. Range 5 .....	\$ 69,045	\$105,640
f. Range 6 .....	\$ 79,405	\$121,490
g. Range 7 .....	\$ 95,055	\$145,430

2. The following are range 1 positions: There are no range 1 positions for the fiscal year beginning July 1, 2006.

3. The following are range 2 positions: administrator of the arts division of the department of cultural affairs, administrators of the division of persons with disabilities, the division on the status of women, the division on the status of Iowans of Asian and Pacific islander heritage, the division on the status of African-Americans, the division of deaf services, and the division of Latino affairs of the department of human rights.

4. The following are range 3 positions: administrator of the division of criminal and juvenile justice planning of the department of human rights, administrator of the division of community action agencies of the department of human rights, executive director of the department of veterans affairs, and chairperson and members of the employment appeal board of the department of inspections and appeals.

5. The following are range 4 positions: director of the department of human rights, director of the Iowa state civil rights commission, executive director of the college student aid commission, director of the department for the blind, executive director of the ethics and campaign disclosure board, members of the public employment relations board, and chairperson, vice chairperson, and members of the board of parole.

6. The following are range 5 positions: state public defender, drug policy coordinator, labor commissioner, administrator of the division of homeland security and emergency management of the department of public defense, workers' compensation commissioner, director of the department of cultural affairs, director of the department of elder affairs, director of the law enforcement academy, and administrator of the historical division of the department of cultural affairs.

7. The following are range 6 positions: administrator of the alcoholic beverages division of the department of commerce, director of the department of inspections and appeals, commandant of the Iowa veterans home, commissioner of public safety, commissioner of insurance, executive director of the Iowa finance authority, director of the department of natural resources, superintendent of banking, superintendent of credit unions, director of the department of corrections, consumer advocate, and chairperson of the utilities board. The other members of the utilities board shall receive an annual salary within a range of not less than 90 percent but not more than 95 percent of the annual salary of the chairperson of the utilities board.

8. The following are range 7 positions: administrator of the state racing and gaming commission of the department of inspections and appeals, director of the department of

education, director of human services, director of the department of economic development, executive director of the Iowa telecommunications and technology commission, administrator of the public broadcasting division of the department of education, executive director of the state board of regents, director of the state department of transportation, director of the department of workforce development, director of revenue, director of public health, state court administrator, secretary of the state fair board, director of the department of management, and director of the department of administrative services.

Sec. 14. COLLECTIVE BARGAINING AGREEMENTS FUNDED -- GENERAL FUND. There is appropriated from the general fund of the state to the salary adjustment fund for distribution by the department of management to the various state departments, boards, commissions, councils, and agencies, excluding the state board of regents and the judicial branch, for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the amount of \$29,000,000, or so much thereof as may be necessary, to fully fund annual pay adjustments, expense reimbursements, and related benefits implemented pursuant to the following:

1. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the blue collar bargaining unit.

2. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the public safety bargaining unit.

3. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the security bargaining unit.

4. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the technical bargaining unit.

5. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the clerical bargaining unit.

6. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional social services bargaining unit.

7. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the community-based corrections bargaining unit.

8. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the patient care bargaining unit.

9. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the science bargaining unit.

10. The annual pay adjustments, related benefits, and expense reimbursements referred to in the section of this division of this Act addressing noncontract state employees not covered by a collective bargaining agreement.

Sec. 15. NONCONTRACT STATE EMPLOYEES -- GENERAL.

1. a. For the fiscal year beginning July 1, 2006, the maximum salary levels of all pay plans provided for in section 8A.413, subsection 2, as they exist for the fiscal year ending June 30, 2006, shall be increased by 2 percent for the pay period beginning June 30, 2006, and any additional changes in the pay plans shall be approved by the governor.

b. For the fiscal year beginning July 1, 2006, employees may receive a step increase or the equivalent of a step increase.

2. The pay plans for state employees who are exempt from chapter 8A, subchapter IV, and who are included in the department of administrative service's centralized payroll system shall be increased in the same manner as provided in subsection 1, and any additional changes in any executive branch pay plans shall be approved by the governor.

3. This section does not apply to members of the general assembly, board members, commission members, salaries of persons set by the general assembly pursuant to this division of this Act or set by the governor, other persons designated in the section of this division of this Act addressing appointed state officers, employees designated under section 8A.412, subsection 5, and employees covered by 11 IAC 53.6(3).

4. The pay plans for the bargaining eligible employees of the state shall be increased in the same manner as provided in subsection 1, and any additional changes in such executive branch pay plans shall be approved by the governor. As used in this section, "bargaining eligible employee" means an employee who is eligible to organize under chapter 20, but has not done so.

5. The policies for implementation of this section shall be approved by the governor.

Sec. 16. APPROPRIATIONS FROM ROAD FUNDS.

1. There is appropriated from the road use tax fund to the salary adjustment fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:

..... \$ 1,416,695

2. There is appropriated from the primary road fund to the salary adjustment fund, for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:

..... \$ 9,593,363

3. Except as otherwise provided in this division of this Act, the amounts appropriated in subsections 1 and 2 shall be used to fund the annual pay adjustments, expense reimbursements, and related benefits for public employees as provided in this division of this Act.

Sec. 17. SPECIAL FUNDS -- AUTHORIZATION. To departmental revolving, trust, or special funds, except for the primary road fund or the road use tax fund, for which the general assembly has established an operating budget, a supplemental expenditure authorization is provided, unless otherwise provided, in an amount necessary to fund salary adjustments as otherwise provided in this division of this Act.

Sec. 18. GENERAL FUND SALARY MONEYS. Funds appropriated for distribution from the salary adjustment fund in the section of this division of this Act providing for funding of collective bargaining agreements relate only to salaries supported from general fund appropriations of the state except for employees of the state board of regents and the judicial branch.

Sec. 19. FEDERAL FUNDS APPROPRIATED. All federal grants to and the federal receipts of the agencies affected by this

division of this Act which are received and may be expended for purposes of this division of this Act are appropriated for those purposes and as set forth in the federal grants or receipts.

Sec. 20. STATE TROOPER MEAL ALLOWANCE. The sworn peace officers in the department of public safety who are not covered by a collective bargaining agreement negotiated pursuant to chapter 20 shall receive the same per diem meal allowance as the sworn peace officers in the department of public safety who are covered by a collective bargaining agreement negotiated pursuant to chapter 20.

Sec. 21. SICK LEAVE CONVERSION. It is the intent of the general assembly that the sick leave conversion program under the collective bargaining agreement that covers the greatest number of state employees and that affects sick leave accrual and allows sick leave conversion and use upon retirement for payment of certain health insurance premiums shall be extended to employees in the executive branch, excluding state board of regents employees, not covered by a collective bargaining agreement, consistent with any legislation enacted during the 2006 Regular Session of the general assembly providing for such extension.

Sec. 22. Section 256.81, subsection 1, Code 2005, is amended to read as follows:

1. The public broadcasting division of the department of education is created. The chief administrative officer of the division is the administrator who shall be appointed by and serve at the pleasure of the Iowa public broadcasting board. The ~~governor~~ board shall set the division administrator's salary within the applicable salary range established by the general assembly unless otherwise provided by law.

Educational programming shall be the highest priority of the division. The director of the department of education and the state board of education are not liable for the activities of the division of public broadcasting.

Sec. 23. Section 256.82, subsection 1, unnumbered paragraph 1, Code 2005, is amended to read as follows:

The Iowa public broadcasting board is created to plan, establish, and operate educational radio and television facilities and other telecommunications services ~~including~~



~~narrowcast-and-broadcast-systems~~ to serve the educational needs of the state. The board shall be composed of nine members selected in the following manner:

Sec. 24. Section 256.82, subsection 1, paragraph a, subparagraphs (1) and (2), Code 2005, are amended to read as follows:

(1) One member shall be appointed from the business community other than ~~the-commercial-broadcasting-industry-and~~ the television and telecommunications industry.

(2) One member shall be appointed ~~from-the-commercial~~ broadcast with experience in or knowledge about the television industry.

Sec. 25. Section 256.82, subsection 1, paragraph b, subparagraph (4), Code 2005, is amended to read as follows:

(4) One member ~~who-is-knowledgeable-about~~ telecommunications shall be appointed by the state board of regents.

Sec. 26. Section 256.84, subsections 1 and 2, Code 2005, are amended to read as follows:

1. The board may purchase, lease, and improve property, equipment, and services for educational telecommunications including the broadcast and narrowcast systems, and may dispose of property and equipment when not necessary for its purposes. ~~The-board-and-division-administrator-may-arrange-for-joint-use-of-available-services-and-facilities.~~

2. The board shall apply for channels, frequencies, licenses, and permits, and other authorizations as necessary for the performance of the board's duties.

Sec. 27. Section 256.84, subsection 5, Code 2005, is amended by striking the subsection.

Sec. 28. Section 256.84, Code 2005, is amended by adding the following new subsections:

NEW SUBSECTION. 11. To preserve the integrity of its editorial processes, the board may select programming, content partners, and other authorized contractual services without using a competitive selection process or performance measures that may otherwise be required by law for such services. For purposes of this subsection, authorized contractual services are those services related, directly or indirectly, to the development of program production and instructional and

educational media. Authorized contractual services include but are not limited to on-air performers, producers or directors, field producers, writers, production assistants, manual laborers, mobile unit services, closed captioning services, duplication of tape services, and satellite services.

NEW SUBSECTION. 12. The board shall approve for submission the annual budget request and any supplementary budget request for the public broadcasting division of the department of education.

Sec. 29. Section 256.85, Code 2005, is amended to read as follows:

256.85 PURCHASE OF ENERGY EFFICIENCY PACKAGES.

The public broadcasting division of the department of education may use the state of Iowa facilities improvement corporation to purchase energy efficiency packages ~~for its ultrahigh-frequency-transmitters.~~

Sec. 30. Section 421.1A, subsection 6, Code Supplement 2005, is amended to read as follows:

6. The members of the property assessment appeal board shall receive compensation from the state commensurate with the salary of a district judge. The members of the board shall ~~not~~ be considered state employees for purposes of salary and benefits. The members of the board and any employees of the board, when required to travel in the discharge of official duties, shall be paid their actual and necessary expenses incurred in the performance of duties.

Sec. 31. Section 256.89, Code 2005, is repealed.

DIVISION IV  
OTHER APPROPRIATIONS  
AND RELATED MATTERS

Sec. 32. ARTS EDUCATION AND ENRICHMENT PROGRAMMING.

1. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For a study of arts education and enrichment programming for school age children in accordance with this section:

..... \$ 5,000

2. a. The department shall conduct a study of arts education and enrichment programming for school age children to evaluate the status of arts education and enrichment programming available to school age children in this state; develop a strategy for greatly expanding the availability of arts education and enrichment programming outside of school settings; and identify curricula, model programs, best practices, and other resources that may be used by programs and persons in this state that provide arts education and enrichment programming outside of school settings.

b. The department shall utilize a resource committee in conducting the study. The committee membership may include representatives of the departments of economic development, education, and human services, the Iowa after school alliance, the Iowa community education association, the Iowa library association, legislators, art educators, artists and performers, and others with relevant expertise.

c. The study may utilize regional forums through the Iowa communications network and other approaches for securing public input and discussion of the study topics.

d. The department shall report to the governor and general assembly concerning the study with findings and recommendations in December 2006.

Sec. 33. VETERANS TRUST FUND. There is appropriated from the general fund of the state to the veterans trust fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount:

..... \$ 4,500,000

Sec. 34. COUNTY GRANT PROGRAM FOR VETERANS -- APPROPRIATION. There is appropriated from the general fund of the state to the department of veterans affairs, for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For providing matching grants to counties to provide improved services to veterans:

..... \$ 1,000,000

The department shall establish a grant application process and shall require each county applying for a grant to submit a plan for utilizing the grant to improve services for veterans.

The maximum matching grant to be awarded to a county shall be \$10,000 and the amount awarded shall be matched on a dollar-for-dollar basis by the county. Each county receiving a grant shall submit a report to the department identifying the impact of the grant on increasing services to veterans. The department shall submit a report to the general assembly by October 1, 2007, concerning the impact of the grant program on increasing services to veterans.

Sec. 35. IOWA LAW ENFORCEMENT ACADEMY. There is appropriated from the general fund of the state to the Iowa law enforcement academy for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the purchase of equipment and furnishings:

..... \$ 25,000

Sec. 36. GOVERNOR AND LIEUTENANT GOVERNOR. If 2006 Iowa Acts, House File 2521, is enacted and provides for appropriations from the general fund of the state to the offices of the governor and lieutenant governor for the fiscal year beginning July 1, 2006, and ending June 30, 2007, for the following indicated purposes, those appropriations are increased by the following amounts:

1. TERRACE HILL QUARTERS

For salaries, support, maintenance and miscellaneous purposes for the governor's quarters at Terrace Hill:

..... \$ 22,676

2. NATIONAL GOVERNORS ASSOCIATION

For payment of Iowa's membership in the national governors association:

..... \$ 16,207

Sec. 37. UPDATED MANURE MANAGEMENT PLANS. There is appropriated from the manure storage indemnity fund created in section 459.501 to the department of natural resources for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the department to modify its computer database in order to provide documentation to persons required to submit updated manure management plans and updated manure management plan

*Disapproval on 6.2.06*

filing fees to the department pursuant to the schedules provided in sections 459.312 and 459.400, if amended by the Eighty-first General Assembly, 2006 Session:

..... \$ 80,000

As a condition of this appropriation, the department shall repay the manure storage indemnity fund in four equal installments by June 30 of each fiscal year for the fiscal period beginning July 1, 2007, and ending June 30, 2011.

Sec. 38. REAL ESTATE EDUCATION PROGRAM. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 2007, and ending June 30, 2008, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For allocation to the university of northern Iowa for the real estate education program:

..... \$ 200,000

The appropriation made in this section is contingent upon enactment of 2006 Iowa Acts, House File 2773, or other enactment by the Eighty-first General Assembly, 2006 Session, amending section 543B.54 to appropriate fees credited to the Iowa real estate education fund to the real estate commission in lieu of the state board of regents.

Sec. 39. STATE BOARD OF REGENTS -- GENERAL FUND ENDING BALANCE.

1. Notwithstanding section 8.62, prior to the appropriation of the surplus existing in the general fund of the state at the conclusion of the fiscal year beginning July 1, 2005, pursuant to section 8.57, subsection 1, from appropriations that remain unencumbered or unobligated and would otherwise revert on August 31, 2006, pursuant to section 8.33, up to \$2,800,000 shall be transferred to the state board of regents.

2. The transfer made in subsection 1 shall be distributed to the state board of regents in the fiscal year beginning July 1, 2006, to be used as additional funding for the fiscal year beginning July 1, 2006, for the institutions under the state board of regents.

Sec. 40. STATUS OF IOWANS OF ASIAN AND PACIFIC ISLANDER HERITAGE DIVISION. If 2006 Iowa Acts, House File 2521, is

enacted and provides for an appropriation from the general fund of the state to the department of human rights for the status of Iowans of Asian and Pacific islander heritage division for the fiscal year beginning July 1, 2006, and ending June 30, 2007, there is appropriated to supplement that appropriation as follows:

For salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent position:

.....	\$	80,000
.....	FTEs	1.00

Sec. 41. DEPARTMENT OF CULTURAL AFFAIRS. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the African-American historical museum and cultural center of Iowa in Cedar Rapids:

.....	\$	85,000
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2. For historical resource development program emergency grants for qualified historic preservation projects in gubernatorially declared natural disaster emergency areas in Johnson county, notwithstanding section 303.16, subsection 6, paragraph "d":

.....	\$	250,000
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Sec. 42. DEPARTMENT OF JUSTICE. There is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the purpose of funding farm mediation services pursuant to the farm assistance program created in sections 13.13 through 13.24:

.....	\$	100,000
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Sec. 43. SUSTAINABLE NATURAL RESOURCE FUNDING STUDY.

1. There is established a sustainable natural resource funding advisory committee for the purpose of studying how to provide a sustainable source or sources of funding for natural resources needs in Iowa. The department of natural resources

shall provide staffing for the advisory committee. The following shall be members of the advisory committee:

a. One representative from the following organizations or entities to be appointed by the governor:

- (1) Secretary of agriculture.
- (2) Iowa natural heritage foundation.
- (3) Ducks unlimited.
- (4) Pheasants forever.
- (5) Iowa association of county conservation boards.
- (6) Iowa farm bureau.
- (7) Farmers union.
- (8) The nature conservancy.
- (9) Iowa environmental council.
- (10) Iowa renewable fuels association.

b. The director of the department of natural resources, who shall be the chairperson of the advisory committee.

c. Two members of the senate, one of which is appointed by the majority leader and one of which is appointed by the minority leader.

d. Two members of the house of representatives, one of which is appointed by the majority leader and one of which is appointed by the minority leader.

2. The advisory committee shall submit a report to the governor and the general assembly by January 10, 2007. The report shall contain but is not limited to the following:

a. Information on what surrounding states have done to provide sustainable funding for natural resource conservation.

b. Outline of a conservation funding initiative agree upon by the advisory committee.

c. Outline of the amount of revenue needed and what would be accomplished if the conservation funding initiative is implemented.

d. Analysis of Iowa's citizens' willingness to pay for identified conservation funding initiative.

Sec. 44. 2001 Iowa Acts, chapter 174, section 1, subsection 2, as amended by 2002 Iowa Acts, chapter 1174, section 8, 2003 Iowa Acts, chapter 179, section 38, 2004 Iowa Acts, chapter 1175, section 270, and 2005 Iowa Acts, chapter 179, section 23, is amended to read as follows:

2. There is appropriated from the general fund of the state to the endowment for Iowa's health account of the tobacco settlement trust fund created in section 12E.12, for the designated fiscal years, the following amounts, to be used for the purposes specified in section 12E.12 for the endowment for Iowa's health account:

FY 2001-2002 .....	\$ 7,248,000
FY 2003-2004 .....	\$ 0
FY 2004-2005 .....	\$ 0
FY 2005-2006 .....	\$ 0
FY 2006-2007 .....	\$ <del>17,773,000</del>
	<u>0</u>

Sec. 45. Section 16.100, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 9. Notwithstanding any provision to the contrary, all assets held in the housing improvement fund shall be transferred to the housing trust fund created in section 16.181. On and after July 1, 2006, any moneys or assets received for deposit in the housing improvement fund shall be transferred to the housing trust fund.

Sec. 46. NEW SECTION. 137F.3A MUNICIPAL CORPORATION INSPECTIONS -- CONTINGENT APPROPRIATION.

1. If a municipal corporation operating pursuant to a chapter 28E agreement with the department of inspections and appeals to enforce this chapter and chapters 137C and 137D either fails to renew the agreement effective after July 1, 2005, but before July 1, 2007, or discontinues prior to July 1, 2007, enforcement activities in one or more jurisdictions during the agreement time frame, or the department of inspections and appeals cancels an agreement prior to July 1, 2007, due to noncompliance with the terms of the agreement, the department of inspections and appeals may employ additional full-time equivalent positions for the fiscal years ending prior to July 1, 2007, to enforce the provisions of the chapters, with the approval of the department of management. Before approval is given, the director of the department of management shall determine that the expenses exceed the funds budgeted by the general assembly for food inspections to the department of inspections and appeals. The department of inspections and appeals may hire no more than one full-time



equivalent position for each six hundred inspections required pursuant to this chapter and chapters 137C and 137D.

2. Notwithstanding chapter 137D, and sections 137C.9 and 137F.6, if the conditions described in this section are met, fees imposed pursuant to that chapter and those sections shall be retained by and are appropriated to the department of inspections and appeals for the fiscal years ending prior to July 1, 2007, to provide for salaries, support, maintenance, and miscellaneous purposes associated with the additional inspections.

3. This section is repealed July 1, 2007.

Sec. 47. Section 256D.5, subsection 4, Code Supplement 2005, is amended to read as follows:

4. For each fiscal year of the fiscal period beginning July 1, 2004, and ending June 30, ~~2006~~ 2007, the sum of twenty-nine million two hundred fifty thousand dollars.

Sec. 48. 2005 Iowa Acts, chapter 175, section 4, subsection 4, as enacted by 2006 Iowa Acts, House File 2080, section 3, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Of the amount transferred pursuant to this subsection, not more than \$50,000 shall be transferred to the department of public defense to be used for the enduring families program.

Sec. 49. REPORT. By October 1, 2009, the Iowa finance authority shall submit a written report to the general assembly regarding the status of the housing trust fund. The report shall review the program and activities under the program during the existence of the fund, an update on the housing needs in the state, and any recommendations for changes.

Sec. 50. HOUSING TRUST FUND. It is the intent of the general assembly to make appropriations from the general fund of the state to the housing trust fund created in section 16.181 for the designated fiscal years in the following amounts:

- 1. FY 2007-2008 ..... \$ 2,000,000
- 2. FY 2008-2009 ..... \$ 3,000,000
- 3. FY 2009-2010 ..... \$ 4,000,000

Sec. 51. WORLD FOOD PRIZE. It is the intent of the general assembly to make appropriations from the general fund

of the state for purposes of the world food prize for the designated fiscal years in the following amounts:

- 1. FY 2007-2008 ..... \$ 750,000
- 2. FY 2008-2009 ..... \$ 1,000,000

Sec. 52. CONTINGENT EFFECTIVE DATE. The section of this division of this Act making an appropriation from the manure storage indemnity fund to the department of natural resources is contingent upon the enactment by the Eighty-first General Assembly, 2006 Session of an Act which amends sections 459.312 and 459.400 making it necessary for the department to modify its computer database in order to provide documentation to persons required to submit updated manure management plans and updated manure management plan filing fees to the department.

Sec. 53. EFFECTIVE AND APPLICABILITY DATES.

1. The section of this division of this Act transferring moneys that would otherwise revert to the state board of regents, being deemed of immediate importance, takes effect upon enactment.

2. The section of this division of this Act enacting section 137F.3A, being deemed of immediate importance, takes effect upon enactment and applies retroactively to July 1, 2005.

DIVISION V

MISCELLANEOUS STATUTORY CHANGES

Sec. 54. Section 7D.29, Code 2005, as amended by 2006 Iowa Acts, Senate File 2273, section 7, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The executive council shall receive requests from the Iowa department of public health, relative to the purchase, storing, and distribution of vaccines and medication for prevention, prophylaxis, or treatment. Upon review and after compliance with subsection 2, the executive council may approve the request and may incur the necessary expense and pay the same out of any money in the state treasury not otherwise appropriated.

Sec. 55. Section 15E.208, subsection 3, paragraph b, subparagraph (2), Code 2005, is amended by adding the following new subparagraph subdivision:

NEW SUBPARAGRAPH SUBDIVISION. (e) Notwithstanding any provision of this division to the contrary, payments of

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principal and interest of the loan granted by the corporation to an eligible person and assigned to the department pursuant to this subparagraph during calendar year 2003 which were deferred pursuant to subparagraph subdivision (c) shall be forgiven and the total debt, including interest, shall be retired.

Sec. 56. Section 15G.119, subsection 4, paragraph c, if enacted by 2006 Iowa Acts, House File 2759, is amended to read as follows:

c. Notwithstanding section 8.33, unencumbered and unobligated moneys remaining in the infrastructure fund at the close of each fiscal year shall not revert but shall remain available in the infrastructure fund for expenditure for the same purposes ~~in the succeeding fiscal year~~ until the end of the fiscal year that begins July 1, 2011, at which time the unencumbered and unobligated moneys remaining shall revert to the funds from which appropriated.

Sec. 57. Section 22.7, subsection 52, unnumbered paragraph 1, as enacted by 2006 Iowa Acts, House File 2706, if enacted, is amended to read as follows:

The following records relating to a charitable donation made to a foundation acting solely for the support of an institution governed by the state board of regents, to a foundation acting solely for the support of an institution governed by chapter 260C, to a private foundation as defined in section 509 of the Internal Revenue Code organized for the support of a government body, or to an endow Iowa qualified community foundation, as defined in section 15E.303, organized for the support of a government body:

Sec. 58. Section 22.7, Code Supplement 2005, is amended by adding the following new subsections:

NEW SUBSECTION. 53. Individually identifiable client information contained in the records of the state database created as a homeless management information system pursuant to standards developed by the United States department of housing and urban development and utilized by the Iowa department of economic development.

NEW SUBSECTION. 54. The following information contained in the records of any governmental body relating to any form of housing assistance:

- a. An applicant's social security number.
- b. An applicant's personal financial history.
- c. An applicant's personal medical history or records.
- d. An applicant's current residential address when the applicant has been granted or has made application for a civil or criminal restraining order for the personal protection of the applicant or a member of the applicant's household.

Sec. 59. Section 29A.28, subsections 1 and 3, Code 2005, are amended to read as follows:

1. All officers and employees of the state, or a subdivision thereof, or a municipality other than employees employed temporarily for six months or less, who are members of the national guard, organized reserves or any component part of the military, naval, or air forces or nurse corps of this state or nation, or who are or may be otherwise inducted into the military service of this state or of the United States, or who are members of the civil air patrol, shall, when ordered by proper authority to state active duty, state military service, or federal service, or when performing a civil air patrol mission pursuant to section 29A.3A, be entitled to a leave of absence from such civil employment for the period of state active duty, state military service, ~~or~~ federal service, or civil air patrol duty without loss of status or efficiency rating, and without loss of pay during the first thirty days of such leave of absence. Where state active duty, state military service, ~~or~~ federal service, or civil air patrol duty is for a period of less than thirty days, a leave of absence under this section shall only be required for those days that the civil employee would normally perform services for the state, subdivision of the state, or a municipality.

3. Upon returning from a leave of absence under this section, an employee shall be entitled to return to the same position and classification held by the employee at the time of entry into state active duty, state military service, ~~or~~ federal service, or civil air patrol duty, or to the position and classification that the employee would have been entitled to if the continuous civil service of the employee had not been interrupted by state active duty, state military service, ~~or~~ federal service, or civil air patrol duty. Under this

subsection, "position" includes the geographical location of the position.

Sec. 60. Section 29A.40, unnumbered paragraph 2, Code 2005, is amended to read as follows:

Any person who, without authority under the laws of the United States or of one of the states, wears the uniform of, or a distinctive part of the uniform of the armed forces of the United States, shall be guilty of a ~~simple~~ serious misdemeanor.

Sec. 61. Section 29A.43, subsection 1, Code Supplement 2005, is amended to read as follows:

1. A person shall not discriminate against any officer or enlisted person of the national guard or organized reserves of the armed forces of the United States or any member of the civil air patrol because of that membership. An employer, or agent of an employer, shall not discharge a person from employment because of being an officer or enlisted person of the military forces of the state or member of the civil air patrol, or hinder or prevent the officer or enlisted person or member of the civil air patrol from performing any military service or civil air patrol duty the person is called upon to perform by proper authority. A member of the national guard or organized reserves of the armed forces of the United States ordered to temporary duty, as defined in section 29A.1, subsection 3, 11, or 12, or a member of the civil air patrol performing duty pursuant to section 29A.3A, for any purpose is entitled to a leave of absence during the period of the duty or service, from the member's private employment, other than employment of a temporary nature, and upon completion of the duty or service the employer shall restore the person to the position held prior to the leave of absence, or employ the person in a similar position. However, the person shall give evidence to the employer of satisfactory completion of the training or duty, and that the person is still qualified to perform the duties of the position. The period of absence shall be construed as an absence with leave, and shall in no way affect the employee's rights to vacation, sick leave, bonus, or other employment benefits relating to the employee's particular employment. A person violating a provision of this section is guilty of a simple misdemeanor.

Sec. 62. Section 29C.8, subsection 3, paragraph f, Code Supplement 2005, is amended to read as follows:

f. ~~(1)~~ Approve and support the development and ongoing operations of ~~an-urban-search-and-rescue-team~~ homeland security and emergency response teams to be deployed as a resource to supplement and enhance disrupted or overburdened local emergency and disaster operations and deployed as available to provide assistance to other states pursuant to the interstate emergency management assistance compact described in section 29C.21. The following shall apply to homeland security and emergency response teams:

~~(2)~~ (1) A member of ~~an-urban-search-and-rescue~~ a homeland security and emergency response team acting under ~~the authority this section upon the directive~~ of the administrator or pursuant to a governor's disaster proclamation as provided in section 29C.6 shall be considered an employee of the state ~~under~~ for purposes of section 29C.21 and chapter 669 and shall be afforded protection as an employee of the state under section 669.21. Disability, workers' compensation, and death benefits for team members working under the authority of the administrator or pursuant to the provisions of section 29C.6 shall be paid by the state in a manner consistent with the provisions of chapter 85, 410, or 411 as appropriate, depending on the status of the member, provided that the member is registered with the homeland security and emergency management division as a member of an approved team and is participating as a team member in a response or recovery operation initiated by the administrator or governor pursuant to this section or in a training or exercise activity approved by the administrator.

(2) Each approved homeland security and emergency management response team shall establish standards for team membership, shall provide the division with a listing of all team members, and shall update the list each time a member is removed from or added to the team. Individuals so identified as team members shall be considered to be registered as team members for purposes of subparagraph (1).

(3) Upon notification of a compensable loss to a member of a homeland security and emergency management response team, the department of administrative services shall process the

claim and seek funding from the executive council for those costs associated with covered benefits.

Sec. 63. Section 29C.20, subsection 1, paragraph a, subparagraph (5), Code Supplement 2005, is amended to read as follows:

(5) Paying the expenses incurred by and claims of ~~an-urban search-and-rescue~~ a homeland security and emergency response team when acting under the authority of ~~the-administrator-and the-provisions-of~~ section ~~29C-6~~ 29C.8 and public health response teams when acting under the provisions of section 135.143.

Sec. 64. Section 29C.20, subsection 1, paragraph b, Code Supplement 2005, is amended to read as follows:

b. When a state department or agency requests that moneys from the contingent fund be expended to repair, rebuild, or restore state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause, or to repair, rebuild, or restore state property that is fiberoptic cable and that is injured or destroyed by a wild animal, or to purchase a police service dog for the department of corrections when such a dog is injured or destroyed, or for payment of the expenses incurred by and claims of ~~an-urban-search-and-rescue~~ a homeland security and emergency response team when acting under the authority of ~~the-administrator-and-the-provisions-of~~ section ~~29C-6~~ 29C.8, the executive council shall consider the original source of the funds for acquisition of the property before authorizing the expenditure. If the original source was other than the general fund of the state, the department or agency shall be directed to utilize moneys from the original source if possible. The executive council shall not authorize the repairing, rebuilding, or restoring of the property from the disaster aid contingent fund if it determines that moneys from the original source are available to finance the project.

Sec. 65. Section 35A.5, subsection 9, Code Supplement 2005, is amended to read as follows:

9. Establish and operate a state veterans cemetery and make application to the government of the United States or any subdivision, agency, or instrumentality thereof, for funds for the purpose of establishing such a cemetery. The state may

enter into agreements with any subdivision of the state for assistance in operating the cemetery. The state shall own the land on which the cemetery is located.

PARAGRAPH DIVIDED. The department shall have the authority to accept federal grant funds, funding from state subdivisions, donations from private sources, and federal "plot allowance" payments. ~~All such funds shall be deposited into an account dedicated to the establishment, operation, and maintenance of a veterans cemetery and these funds shall be expended only for those purposes.~~ The department through the director shall have the authority to accept suitable cemetery land, in accordance with federal veterans cemetery grant guidelines, from the federal government, state government, state subdivisions, private sources, and any other source wishing to transfer land for use as a veterans cemetery. The department may lease or use property received pursuant to this subsection for any purpose so long as such leasing or use does not interfere with the use of the property for cemetery purposes and is not contrary to federal or state guidelines. All funds received pursuant to this subsection, including lease payments or funds generated from any activity engaged in on any property accepted pursuant to this subsection, shall be deposited into an account dedicated to the establishment, operation, and maintenance of a veterans cemetery and these funds shall be expended only for those purposes.

PARAGRAPH DIVIDED. Notwithstanding section 8.33, any moneys in the account for a state veterans cemetery shall not revert and, notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the account.

Sec. 66. Section 35A.13, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. It is the intent of the general assembly that beginning with the fiscal year beginning July 1, 2007, appropriations be made annually to the veterans trust fund. Prior to any additional appropriations to this fund, the commission shall provide the general assembly with information identifying immediate and long-term veteran services throughout the state and a plan for delivering those services.



Sec. 67. Section 35A.13, subsection 6, Code 2005, is amended by striking the subsection and inserting in lieu thereof the following:

6. Moneys appropriated to the commission under this section shall not be used to supplant funding provided by other sources. The moneys may be expended upon a majority vote of the commission membership for the benefit of veterans and the spouses and dependents of veterans, for any of the following purposes:

a. Travel expenses for wounded veterans directly related to follow-up medical care.

b. Job training or college tuition assistance for job retraining.

c. Unemployment assistance during a period of unemployment due to prolonged physical or mental illness or disability resulting from military service.

d. Expenses related to nursing facility or at-home care.

e. Benefits provided to children of disabled or deceased veterans.

f. Individual counseling or family counseling programs.

g. Family support group programs or programs for children of members of the military.

h. Honor guard services.

Sec. 68. Section 35A.13, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. If the commission identifies other purposes for which the moneys appropriated under this section may be used for the benefit of veterans and the spouses and dependents of veterans, the commission shall submit recommendations for the addition of such purposes to the general assembly for review.

Sec. 69. Section 68B.32A, subsection 2, unnumbered paragraph 2, Code Supplement 2005, is amended to read as follows:

The board may establish a process to assign signature codes to a person or committee for purposes of facilitating an electronic filing procedure. The assignment of signature codes shall be kept confidential, notwithstanding section 22.2. The board and persons electronically filing reports and statements shall keep assigned signature codes or subsequently

selected signature codes confidential. Signature codes shall not be subject to state security policies regarding frequency of change.

Sec. 70. NEW SECTION. 70A.15A CHARITABLE GIVING PAYROLL DEDUCTION BY OTHER THAN STATE OFFICER OR EMPLOYEE.

1. For purposes of this section, unless the context otherwise requires:

a. "Applicable public employer" means a board of directors of a school district, a county board of supervisors, or a governing body of a city.

b. "Eligible charitable organization" means a not-for-profit federation of health and human services, social welfare, or environmental agencies or associations that meets all of the following conditions:

(1) The federation is tax exempt under section 501(c)(3) of the Internal Revenue Code and contributions to the federation are deductible under section 170 of the Internal Revenue Code.

(2) The federation has had an office in this state for the last five years.

(3) The federation represents at least ten health and human services, social welfare, or environmental agencies or associations that are located in this state.

(4) The federation is governed by an active, voluntary board, which exercises administrative control over the federation.

(5) The federation is not a charitable foundation.

(6) The federation is registered with the secretary of state's office.

2. An applicable public employer may authorize deductions from the salaries or wages of its employees of an amount specified by an employee for payment to an eligible charitable organization. The authorization by an employee for deductions from the employee's salary or wages shall be evidenced by a written request signed by the employee directed to and filed with the treasurer, or official in charge of the payroll system, of the applicable public employer and the treasurer or responsible official shall deduct from the salary or wages of the employee the amount specified for payment to the eligible charitable organization. The request for the deduction may be

withdrawn by the employee at any time by filing a written notification of withdrawal with the applicable treasurer or responsible official in charge of the payroll system.

3. If an applicable public employer authorizes deductions from the salaries or wages of its employees for payment to any eligible charitable organization, the applicable public employer shall ensure that an employee shall be permitted to authorize a deduction to any eligible charitable organization.

Sec. 71. Section 103A.10, subsection 2, Code 2005, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. To all newly constructed buildings and structures the construction of which is paid for in whole or in part with moneys appropriated by the state but not wholly owned by the state.

Sec. 72. NEW SECTION. 103A.10A PLAN REVIEWS AND INSPECTIONS.

1. Beginning on January 1, 2007, all newly constructed buildings or structures, excluding any addition, renovation, or repair of a building or structure whether existing prior to January 1, 2007, or thereafter, that are owned by the state or an agency of the state, except as provided in subsection 2, shall be subject to a plan review and inspection by the commissioner or an independent building inspector appointed by the commissioner. A fee shall be assessed for the cost of plan review and the cost of inspection.

2. Beginning on July 1, 2007, all newly constructed buildings, excluding any addition, renovation, or repair of a building whether existing prior to July 1, 2007, or thereafter, that are owned by the state board of regents shall be subject to a plan review and inspection by the commissioner or the commissioner's staff or assistant. The commissioner and the state board of regents shall develop a plan to implement the requirements of this subsection, including funding recommendations related to plan review and inspection, by March 1, 2007.

3. All newly constructed buildings and structures the construction of which is paid for in whole or in part with moneys appropriated by the state but not wholly owned by the state are subject to the plan review and inspection requirements as provided in this subsection. If a

governmental subdivision has adopted a building code, electrical code, mechanical code, and plumbing code and performs inspections pursuant to such codes, such buildings or structures shall be built to comply with such codes. However, if a governmental subdivision has not adopted a building code, electrical code, mechanical code, and plumbing code, or does not perform inspections pursuant to such codes, such buildings or structures shall be built to comply with the state building code and shall be subject to a plan review and inspection by the commissioner or an independent building inspector appointed by the commissioner. A fee shall be assessed for the cost of plan review and the cost of inspection.

4. The commissioner shall administer this section notwithstanding section 103A.19. The commissioner shall establish by rule proper qualifications for an independent building inspector and for the commissioner's staff or assistant who performs inspections, and fees for plan reviews and inspections.

Sec. 73. Section 147.106, subsection 1, paragraph e, Code Supplement 2005, is amended to read as follows:

e. The referring clinical laboratory, other than the laboratory of a physician's office or group practice, that ordered the services. A laboratory of a physician's office or group practice that ordered the services may be presented a claim, bill, or demand for payment if a physician in the physician's office or group practice is performing the professional component of the anatomic pathology services.

Sec. 74. Section 147.106, subsection 5, Code Supplement 2005, is amended to read as follows:

5. This section does not prohibit claims or charges presented by to a referring clinical laboratory, other than a laboratory of a physician's office or group practice, ~~to~~ unless in accordance with subsection 1, paragraph "e", by another clinical laboratory when samples are transferred between laboratories for the provision of anatomic pathology services.

Sec. 75. Section 225C.48, subsection 1, Code 2005, if amended by both 2006 Iowa Acts, House File 845, if enacted, and by 2006 Iowa Acts, Senate File 2217, section 22, if enacted, is amended by striking the subsection and inserting in lieu thereof the following:

1. a. An eleven-member comprehensive family support council is created in the department. The members of the council shall be appointed by the governor. At least five of the members shall be family members of individuals with a disability as defined in section 225C.47. At least five of the members shall be current or former service consumers or family members of such service consumers. Members shall serve for three-year staggered terms. A vacancy on the council shall be filled in the same manner as the original appointment.

b. The members of the council are entitled to reimbursement of actual and necessary expenses incurred in the performance of their official duties. In addition, the members who are family members of individuals with a disability or current or former service consumers or family members of such service consumers are entitled to a stipend of fifty dollars for each council meeting attended, subject to a limit of one meeting per month. The expenses and stipend shall be paid from the appropriation made for purposes of the comprehensive family support program.

c. The council shall elect officers from among the council's members.

Sec. 76. Section 232.147, subsection 2, paragraph b, if enacted by 2006 Iowa Acts, House File 2651, section 1, is amended to read as follows:

b. Official juvenile court records containing a petition or complaint alleging delinquency filed on or after January 1, 2007, shall be public records subject to a confidentiality order under section 232.149A or sealing under section 232.150. ~~However, the~~ The official records shall not be available to the public or any governmental agency through the internet or in an electronic customized data report unless the child has been adjudicated delinquent. However, the following shall have access to official juvenile court records through the internet or in an electronic customized data report prior to the child being adjudicated delinquent:

(1) The judge and professional court staff, including juvenile court officers.

(2) The child's counsel or guardian ad litem.

(3) The county attorney and the county attorney's assistants.

(4) A court, court professional staff, and adult probation officers in connection with the preparation of a presentence report concerning a person who prior thereto had been the subject of a juvenile court proceeding.

(5) A state or local law enforcement agency.

(6) The state public defender.

(7) The division of criminal and juvenile justice planning of the department of human rights.

Sec. 77. Section 232.149A, subsection 3, if enacted by 2006 Iowa Acts, House File 2651, section 2, is amended by adding the following new paragraph:

NEW PARAGRAPH. i. The state public defender.

Sec. 78. NEW SECTION. 257.12 ADJUSTMENT IN STATE FOUNDATION AID.

1. If a school district is required to repay property taxes paid for school taxes levied on property originally assessed at five million dollars or more because the assessment was subsequently reduced by the action of the property assessment appeal board or judicial action and the amount of the reduction in the assessment equals at least one hundred thousand dollars or two percent of the assessed value of all taxable property in the district prior to the reduction, whichever is less, the school district is eligible for an adjustment in state foundation aid. To receive the adjustment in state foundation aid, the school district shall apply to the department of management prior to the beginning of the budget year following the budget year in which the repayment of the property taxes occurred. The department of management shall determine the amount of adjustment in state foundation aid pursuant to subsection 2.

2. The department of management shall determine the amount of state foundation aid which the school district would have received under section 257.1 if the amount of the school district's foundation property tax was determined using the reduced assessment of the applicable property. The difference between the amount of the state foundation aid using the reduced assessment and the amount of state foundation aid actually received under section 257.1 equals the amount of the

adjustment in state foundation aid to be paid to the school district.

3. The adjustment in state foundation aid under this section shall be paid as provided in section 257.16. If the application to receive an adjustment in state aid was filed prior to April 15, the adjustment shall be paid in the budget year. If the application is made after April 15, the adjustment shall be paid in the following budget year.

Sec. 79. Section 275.15, unnumbered paragraph 4, Code 2005, is amended to read as follows:

The administrator shall at once publish the decision in the same newspaper in which the original notice was published. Within twenty days after the publication, the decision rendered by the area education agency board may be appealed to the district court in the county involved by any school district affected. For purposes of appeal, only those school districts who filed reorganization petitions are school districts affected. An appeal from a decision of an area education agency board or joint area education agency boards under section 275.4, 275.16, or this section is subject to appeal procedures under this chapter and is ~~not~~ subject to appeal under procedures set forth in chapter 290.

Sec. 80. Section 314.1, subsection 2, Code 2005, as amended by 2006 Iowa Acts, House File 2713, section 27, is amended to read as follows:

2. Notwithstanding any other provision of law to the contrary, a public improvement that involves the construction, reconstruction, or improvement of a highway, bridge, or culvert and that has a cost in excess of the applicable threshold in section 73A.18, 262.34, 297.7, 309.40, 310.14, or 313.10, as modified by the bid threshold subcommittee pursuant to section 314.1B, shall be advertised and let for bid, except such public improvements that involve emergency work pursuant to section 309.40A, 313.10, or 384.103, subsection 2. For a city having a population of fifty thousand or less, a public improvement that involves the construction, reconstruction, or improvement of a highway, bridge, or culvert that has a cost in excess of twenty-five thousand dollars, as modified by the bid threshold subcommittee pursuant to section 314.1B, shall be advertised and let for bid, excluding emergency work.

However, a public improvement that has an estimated total cost to a city in excess of a threshold of fifty thousand dollars, as modified by the bid threshold subcommittee pursuant to section 314.1B, and that involves the construction, reconstruction, or improvement of a highway, bridge, or culvert that is under the jurisdiction of a city with a population of more than fifty thousand, shall be advertised and let for bid. Cities required to competitively bid highway, bridge, or culvert work shall do so in compliance with the contract letting procedures of sections 38.3 through 38.13.

Sec. 81. Section 352.2, subsection 7, Code 2005, is amended to read as follows:

7. "Farm products" means those plants and animals and their products which are useful to people and includes but is not limited to forages and sod crops, grains and feed crops, dairy and dairy products, poultry and poultry products, livestock, canines from licensed facilities, fruits, vegetables, flowers, seeds, grasses, trees, fish, honey, and other similar products, or any other plant, animal, or plant or animal product which supplies people with food, feed, fiber, or fur.

Sec. 82. Section 421.17, subsection 27, paragraph j, if enacted by 2006 Iowa Acts, House File 2521, is amended by striking the paragraph and inserting in lieu thereof the following:

j. Of the amount of debt actually collected pursuant to this subsection an amount, not to exceed the amount collected, which is sufficient to pay for salaries, support, maintenance, services, and other costs incurred by the department related to the administration of this subsection shall be retained by the department. Revenues retained by the department pursuant to this section shall be considered repayment receipts as defined in section 8.2. The director shall, in the annual budget request pursuant to section 8.23, make an estimate as to the amount of receipts to be retained and the estimated amount of additional receipts to be collected. The director shall report annually to the department of management, the legislative fiscal committee, and the legislative services agency on any additional positions added and the costs

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incurred during the previous fiscal year pursuant to this subsection.

Sec. 83. Section 423.1, subsection 3, Code Supplement 2005, is amended to read as follows:

3. "Agricultural production" includes the production of flowering, ornamental, or vegetable plants in commercial greenhouses or otherwise, and production from aquaculture or canines from licensed facilities. "Agricultural products" includes flowering, ornamental, or vegetable plants and those products of aquaculture or canines from licensed facilities.

Sec. 84. Section 427.1, subsection 21A, Code Supplement 2005, is amended by striking the subsection and inserting in lieu thereof the following:

21A. DWELLING UNIT PROPERTY OWNED BY COMMUNITY HOUSING DEVELOPMENT ORGANIZATION. Dwelling unit property owned and managed by a community housing development organization, as recognized by the state of Iowa and the federal government pursuant to criteria for community housing development organization designation contained in the HOME program of the federal National Affordable Housing Act of 1990, if the organization is also a nonprofit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and owns and manages more than one hundred and fifty dwelling units that are located in a city with a population of more than one hundred ten thousand.

Sec. 85. NEW SECTION. 441.38A NOTICE TO SCHOOL DISTRICT.

In addition to any other requirement for providing of notice, if a property owner or aggrieved taxpayer files a protest against the assessment of property valued at five million dollars or more or files an appeal to the property assessment appeal board or the district court with regard to such property, the assessor shall provide notice to the school district in which such property is located within ten days of the filing of the protest or the appeal, as applicable.

Sec. 86. Section 466A.3, subsection 1, paragraph b, Code Supplement 2005, is amended to read as follows:

b. The board shall consist of four members of the general assembly who shall serve as voting ex officio, nonvoting members. Not more than one member from each house shall be from the same political party. Two state senators shall be

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appointed, one by the majority leader of the senate and one by the minority leader of the senate. Two state representatives shall be appointed, one by the speaker of the house of representatives and one by the minority leader of the house of representatives. A member may designate another person to attend a board meeting if the member is unavailable. Only the member is eligible for per diem and expenses as provided in section 2.10.

Sec. 87. Section 631.14, Code 2005, is amended to read as follows:

631.14 REPRESENTATION IN SMALL CLAIMS ACTIONS.

1. Actions constituting small claims may be brought or defended by an individual, partnership, association, corporation, or other entity. In actions in which a person other than an individual is a party, that person may be represented by an officer or an employee.

2. In actions concerning residential rental property that is titled in the name of one or more individuals, an employee of one or more of the titled owners, or an officer or employee of a property management entity acting on behalf of one or more of the titled owners, may bring or defend an action in the name of the titled owners, the property management entity, or the name by which the property is commonly known.

Notwithstanding any other provision to the contrary, if the defendant or plaintiff has been improperly named in the petition in an action concerning residential rental property, the real party in interest shall be substituted at the time the error is identified and the action shall not be dismissed or delayed except to the extent necessary to identify and serve the real parties in interest.

3. A person who in the regular course of business takes assignments of instruments or accounts pursuant to chapter 539, which assignments constitute small claims, may bring an action on an assigned instrument or account in the person's own name and need not be represented by an attorney, provided that in an action brought to recover payment on a dishonored check or draft, as defined in section 554.3104, the action is brought in the county of residence of the maker of the check or draft or in the county where the draft or check was first presented. Any person, however, may be represented in a small claims action by an attorney.

Sec. 88. 2006 Iowa Acts, Senate File 2251, section 1, subsection 2, paragraph b, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (35) The Iowa podiatric medical society.

NEW SUBPARAGRAPH. (36) The Iowa speech-language hearing association.

Sec. 89. EFFECTIVE AND APPLICABILITY DATE PROVISIONS.

1. The section of this division of this Act amending section 7D.29, being deemed of immediate importance, takes effect upon enactment.

2. The section of this division of this Act amending section 427.1, subsection 21A, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2005, for assessment years beginning on or after that date.

3. The section of this division of this Act enacting section 441.38A takes effect January 1, 2007, and applies to assessment years beginning on or after that date.

#### DIVISION VI

##### SETTLEMENT OF STATE FINANCIAL AND TORT CLAIMS

Sec. 90. Section 8.6, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 15. STATE TORT CLAIMS -- RISK MANAGEMENT COORDINATOR. Designate a position within the department to serve as the executive branch's risk management coordinator. The risk management coordinator shall have all of the following responsibilities:

a. Coordinating and monitoring risk control policies and programs in the executive branch, including but not limited to coordination with the employees of departments who are responsible for the workers' compensation for state employees and management of state property.

b. Consulting with the attorney general with respect to the risk control policies and programs and trends in claims and liability of the state under chapter 669.

c. Coordinating the state's central data repository for claims and risk information.

The costs of salary, benefits, and support for the risk management coordinator shall be authorized by the state appeal

board established in chapter 73A and shall be paid as claims for services furnished to the state under section 25.2.

Sec. 91. Section 8A.512, subsection 1, paragraph b, subparagraph (3), Code 2005, is amended to read as follows:

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

Sec. 92. Section 22.7, subsection 32, Code Supplement 2005, is amended to read as follows:

32. Social security numbers of the owners of unclaimed property reported to the treasurer of state pursuant to section 556.11, subsection 2, included on claim forms filed with the treasurer of state pursuant to section 556.19, included in outdated warrant reports received by the treasurer of state pursuant to section ~~25.2~~ 556.2C, or stored in record systems maintained by the treasurer of state for purposes of administering chapter 556, or social security numbers of payees included on state warrants included in records systems maintained by the department of administrative services for the purpose of documenting and tracking outdated warrants pursuant to section ~~25.2~~ 556.2C.

Sec. 93. Section 25.1, subsection 1, Code 2005, is amended to read as follows:

1. ~~When~~ Except for those claims that are addressed as provided in section 25.2, subsection 2, when a claim is filed or made against the state, on which in the judgment of the director of the department of management the state would be liable except for the fact of its sovereignty or that it has no appropriation available for its payment, the director of the department of management shall deliver that claim to the state appeal board. However, this chapter does not apply to a claim as defined in section 669.2.

Sec. 94. Section 25.1, subsection 3, Code 2005, is amended by striking the subsection.

Sec. 95. Section 25.1, unnumbered paragraph 1, Code 2005, is amended by striking the unnumbered paragraph.

Sec. 96. Section 25.2, subsection 1, unnumbered paragraph 1, Code 2005, is amended to read as follows:

The state appeal board with the recommendation of the special assistant attorney general for claims may approve or reject claims against the state of less than ~~ten~~ five years involving the following:

Sec. 97. Section 25.2, subsection 1, paragraph a, Code 2005, is amended by striking the paragraph.

Sec. 98. Section 25.2, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. Notwithstanding the time period specified in subsection 1, the state appeal board may approve or reject a claim against the state of five years or more, provided an error was made by the state or the claim involves a dispute that commenced five years or more prior.

Sec. 99. Section 25.2, subsection 2, Code 2005, is amended to read as follows:

2. a. Notwithstanding subsection 1, an agency that receives a claim that is charged to a funding source other than the general fund of the state that does not revert and is based on an outdated invoice, outdated bill for merchandise, or for services furnished to the state pursuant to section 25.17-subsection-37, may on its own approve or deny the claim. The agency shall provide the state appeal board with notification of receipt of the claim and action taken on the claim by the agency. The state appeal board shall adopt rules setting forth the procedures and standards for resolution of such claims by state agencies. Claims denied by an agency shall be forwarded to the state appeal board by the agency for further consideration, in accordance with this chapter.

b. The department of administrative services staff performing financial administration duties under chapter 8A, subchapter V, shall establish reporting requirements for dealing with claims under this subsection as necessary to conform with generally accepted accounting principles.

Sec. 100. Section 25.2, subsection 4, Code 2005, is amended by striking the subsection and inserting in lieu thereof the following:

4. Outstanding state warrants that have been canceled pursuant to section 8A.519 and were charged to the general fund of the state or another state funding source shall be addressed as provided in section 556.2C.

Sec. 101. Section 25.2, subsection 5, Code 2005, is amended by striking the subsection.

Sec. 102. NEW SECTION. 556.2C OUTSTANDING STATE WARRANTS.

1. a. An unpaid, outdated warrant that is canceled pursuant to section 8A.519 shall be included in a list of outstanding state warrants maintained by the director of the department of administrative services. On or before July 1 of each year, the director of the department of administrative services shall provide the office of the treasurer of state with a consolidated list of such outstanding warrants that have not been previously reported to the office.

b. The consolidated list shall be accompanied by supporting information as specified by the treasurer of state. The treasurer of state may include information regarding the outstanding warrants in the notice published pursuant to section 556.12 and on the treasurer of state's official internet website.

c. The reporting requirements of this section do not apply to outdated warrants charged to federal grants or other nonstate funds for which funding is no longer available as described in section 25.2.

2. An agreement to pay compensation to recover or assist in the recovery of an outstanding warrant made within twenty-four months after the date the warrant is canceled is unenforceable. However, an agreement made after twenty-four months from the date the warrant is canceled is valid if the fee or compensation agreed upon is not more than fifteen percent of the recoverable property, the agreement is in writing and signed by the payee, and the writing discloses the nature and value of the property and the name and address of the person in possession. This subsection does not apply to a payee who has a bona fide fee contract with a practicing attorney regulated under chapter 602, article 10.

Sec. 103. Section 556.18, subsection 2, Code 2005, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. Any costs in connection with information on outstanding state warrants addressed pursuant to section 556.2C.

Sec. 104. Section 669.2, subsection 2, Code Supplement 2005, is amended to read as follows:

2. "Award" means any amount determined by the ~~state-appeal board~~ attorney general to be payable to a claimant under section 669.3, and the amount of any compromise or settlement under section 669.9.

Sec. 105. Section 669.3, Code 2005, is amended to read as follows:

669.3 ADJUSTMENT AND SETTLEMENT OF CLAIMS.

~~1. Authority is hereby conferred upon the state appeal board, acting~~ The attorney general, on behalf of the state of Iowa, ~~subject to the advice and approval of the attorney general, to~~ shall consider, ascertain, adjust, compromise, settle, determine, and allow any claim ~~as defined in that is~~ subject to this chapter. ~~If any claim is compromised, settled, or allowed in an amount of more than five thousand dollars, the unanimous approval of all members of the state appeal board and the attorney general shall be required and the approval of the district court of the state of Iowa for Polk county shall also be required.~~

~~2. Claims~~ A claim made under this chapter shall be filed with the director of the department of management, who shall acknowledge receipt on behalf of the state ~~appeal board~~.

~~3. The state appeal board shall adopt rules and procedures for the handling, processing, and investigation of claims, according to the provisions of the Iowa administrative procedure Act,~~ in accordance with chapter 17A.

Sec. 106. Section 669.4, unnumbered paragraph 5, Code 2005, is amended by striking the unnumbered paragraph.

Sec. 107. Section 669.5, Code 2005, is amended to read as follows:

669.5 WHEN SUIT PERMITTED -- EMPLOYEES OF THE STATE.

~~1. No~~ A suit shall ~~not~~ be permitted for a claim under this chapter unless the ~~state appeal board~~ attorney general has made final disposition of the claim, ~~except that if.~~ However, ~~if~~ the ~~state appeal board~~ attorney general does not make final disposition of a claim within six months after the claim is made in writing to the ~~state appeal board~~ director of the department of management, the claimant may, by notice in writing, withdraw the claim from consideration ~~of the state appeal board~~ and begin suit under this chapter. Disposition of or offer to settle any claim made under this chapter shall not be competent evidence of liability or amount of damages in any suit under this chapter.

~~2. a.~~ Upon certification by the attorney general that a defendant in a suit was an employee of the state acting within

the scope of the employee's office or employment at the time of the incident upon which the claim is based, the suit commenced upon the claim shall be deemed to be an action against the state under the provisions of this chapter, and if the state is not already a defendant, the state shall be substituted as the defendant in place of the employee.

b. If the attorney general refuses to certify that a defendant was acting within the scope of the defendant's office or employment as described in paragraph "a" at the time of the incident out of which the claim arose, the defendant may petition the court, with notice to the attorney general, for the court to find and certify that the defendant was an employee of the state and was acting within the scope of the defendant's office or employment. The defendant must file the petition within ninety days of the date the attorney general serves notice of the attorney general's refusal to provide certification as provided in paragraph "a". If the court issues the finding and certification, the suit shall be deemed to be brought against the state and subject to the provisions of this chapter and the state shall be substituted as the defendant party unless the state is already a defendant. If the court denies the petition for certification, the order shall not be a final order and is not subject to interlocutory appeal by the defendant.

Sec. 108. Section 669.13, Code 2005, is amended to read as follows:

669.13 LIMITATION OF ACTIONS.

1. Every A claim and or suit otherwise permitted under this chapter shall be forever barred, unless within two years after such the claim accrued, the claim is made in writing to and filed with the state-appeal-board director of the department of management under this chapter. The time to begin a suit under this chapter shall be extended for a period of six months from the date of mailing of notice to the claimant by the state-appeal-board attorney general as to the final disposition of the claim or from the date of withdrawal of the claim from-the-state-appeal-board under section 669.5, if the time to begin suit would otherwise expire before the end of such the period.



2. If a claim is made or filed under any other law of this state and a determination is made by a state agency or court that this chapter provides the exclusive remedy for the claim, the ~~time~~ two-year period authorized in subsection 1 to make a claim and to begin a suit under this chapter shall be extended for a period of six months from the date of the court order making such determination or the date of mailing of notice to the claimant of such determination by a state agency, if the time to make the claim and to begin the suit under this chapter would otherwise expire before the end of ~~such~~ the two-year period. The time to begin a suit under this chapter may be further extended as provided in ~~the preceding paragraph~~ subsection 1.

3. This section is the only statute of limitations applicable to claims as defined in this chapter.

Sec. 109. Section 669.15, Code 2005, is amended to read as follows:

669.15 ~~ATTORNEY'S~~ ATTORNEY FEES AND EXPENSES.

The court rendering a judgment for ~~the~~ a claimant under this chapter, ~~or the state appeal board, with the advice and approval of~~ the attorney general, making an award under section 669.3, ~~or the attorney general making an award under section 669.9, as the case may be,~~ shall, as a part of the judgment or award, determine and allow reasonable ~~attorney's~~ attorney fees and expenses, ~~to.~~ The attorney fees and expenses shall be paid out of but not in addition to the amount of judgment or award recovered, to the attorneys representing the claimant. Any attorney who charges, demands, receives, or collects for services rendered in connection with such claim any amount in excess of that allowed under this section, if recovery be had, shall be guilty of a serious misdemeanor.

Sec. 110. Section 669.18, Code 2005, is amended to read as follows:

669.18 EXTENSION OF TIME.

If a claim is made or a suit is begun under this chapter, and if a determination is made by the ~~state appeal board~~ attorney general or by the court that the claim or suit is not permitted under this chapter for any reason other than lapse of time, the time to make a claim or to begin a suit under any

other applicable law of this state shall be extended for a period of six months from the date of the court order making such determination or the date of mailing of notice to the claimant of such determination by the ~~state-appeal-board~~ attorney general, if the time to make the claim or begin the suit under such other law would otherwise expire before the end of such period.

Sec. 111. Section 669.19, Code 2005, is amended to read as follows:

669.19 INVESTIGATION OF CLAIMS BEFORE-APPEAL-BOARD.

~~Chapter-25-does-not-apply-to-claims-as-defined-in-this chapter.--However, any or all of the provisions of sections 25.17-25.47-and-25.5-may-be-made-applicable-to-claims-as defined-in-this-chapter-by-agreement-between-the-attorney general-and-the-state-appeal-board-from-time-to-time.~~ The attorney general shall fully investigate each claim under this chapter and may exercise the authority provided in section 25.5 in performing the investigation.

Sec. 112. Section 669.20, Code 2005, is amended to read as follows:

669.20 LIABILITY INSURANCE.

~~Whenever~~ If a claim or suit against the state is covered by liability insurance, the provisions of the liability insurance policy on defense and settlement shall be applicable notwithstanding any inconsistent provisions of this chapter. The attorney general ~~and-the-state-appeal-board~~ shall ~~co-operate~~ cooperate with the insurance company.

Sec. 113. Section 669.21, Code 2005, is amended to read as follows:

669.21 EMPLOYEES DEFENDED AND INDEMNIFIED.

1. ~~The~~ Except as otherwise provided in subsection 2, the state shall defend any employee, and shall indemnify and hold harmless an employee against any claim as defined in section 669.2, subsection 3, paragraph "b", including claims arising under the Constitution, statutes, or rules of the United States or of any state.

2. a. The duty to indemnify and hold harmless shall not apply and the state shall be entitled to restitution from an employee if the employee fails to cooperate in the investigation or defense of the claim, as defined in this

section, or if, in an action commenced by the state against the employee, it is determined that the conduct of the employee upon which a tort claim or demand was based constituted a willful and wanton act or omission or malfeasance in office.

b. The duty to indemnify and hold harmless shall not apply if, in a suit commenced against the employee, the state has been substituted as the defendant in place of the employee, as provided in section 669.5.

DIVISION VII  
CORRECTIVE PROVISIONS

Sec. 114. Section 8A.204, subsection 3, paragraph g, subparagraph (4), unnumbered paragraph 2, as enacted by 2006 Iowa Acts, House File 2705, section 1, is amended to read as follows:

The board shall keep detailed minutes of all discussion, persons present, and action occurring at a closed session, and shall also tape record all of the closed session. The minutes and the tape recording of a session closed under this subparagraph shall be made available for public examination when a final decision is made regarding whether to issue the request for proposals. All board actions and decisions regarding this information shall be made in open ~~meetings~~ session and appropriately recorded.

Sec. 115. Section 35A.14, subsection 3, if enacted by 2006 Iowa Acts, Senate File 2312, section 1, is amended to read as follows:

3. The department may receive and accept donations, grants, gifts, and contributions from any public or private source for the purpose of providing grants under this section. Moneys received by the department pursuant to this subsection shall be deposited in an injured veterans trust fund which shall be created in the state treasury under the control of the department. Moneys credited to the trust fund ~~shall be~~ are appropriated to the department for the purpose of providing injured veterans grants under this section and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the trust fund shall be credited to the trust fund.

Sec. 116. Section 70A.23, subsection 3, paragraph a, as enacted by 2006 Iowa Acts, Senate File 2231, is amended to read as follows:

a. An eligible state employee, excluding an employee covered under a collective bargaining agreement which provides otherwise or an employee of the state board of regents, who retires and receives a payment as provided in subsection 2 shall be entitled to elect to have the employee's available remaining value of sick leave ~~to be~~ used to pay the state share for the employee's continuation of state group health insurance coverage pursuant to the requirements of this subsection.

Sec. 117. Section 91.4, subsection 9, Code 2005, as amended by 2006 Iowa Acts, House File 2586, section 1, if enacted, is amended to read as follows:

9. The commissioner may establish rules pursuant to chapter 17A to assess and collect interest on fees, penalties, and other amounts due the division. The commissioner may delay, or, following written notice, deny the issuance of a license, commission, registration, certificate, or permit authorized under chapter 88A, 89, 89A, 90A, 91C, or 94A if the applicant for the license, commission, registration, certificate, or permit owes a liquidated debt to the commissioner.

Sec. 118. Section 123.3, subsection 37, as amended by 2006 Iowa Acts, Senate File 2305, section 1, is amended to read as follows:

37. "Wine" means any beverage containing more than five percent of alcohol by weight but not more than seventeen percent of alcohol by weight or twenty-one and twenty-five hundredths percent of alcohol by volume obtained by the fermentation of the natural sugar contents of fruits or other agricultural products but excluding any product containing alcohol derived from malt or by the distillation process from grain, cereal, molasses, or cactus.

Sec. 119. Section 124.506A, subsection 1, as enacted by 2006 Iowa Acts, House File 2696, section 1, is amended to read as follows:

1. Notwithstanding the provisions of section 124.506, if more than ten pounds of marijuana or more than one pound of

any other controlled substance is seized ~~in~~ as a result of a violation of this chapter, the law enforcement agency responsible for retaining the seized controlled substance may destroy the seized controlled substance if the law enforcement agency retains at least ten pounds of the marijuana seized or at least one pound of any other controlled substance seized for evidence purposes.

Sec. 120. Section 266.27, Code 2005, as amended by 2006 Iowa Acts, Senate File 2253, section 34, is amended to read as follows:

266.27 ACT ACCEPTED.

The assent of the general assembly of the state of Iowa is hereby given to the provisions and requirements of the Smith-Lever Act, 38 Stat. 372-374, approved May 18 8, 1914, and any amendments to that Act, codified at 7 U.S.C. § 341 -- 349.

Sec. 121. Section 331.756, subsection 44, Code Supplement 2005, is amended by striking the subsection.

Sec. 122. Section 455G.31, subsection 2, paragraph a, if enacted by 2006 Iowa Acts, House File 2754, section 25, is amended to read as follows:

a. For gasoline storage and dispensing infrastructure other than the dispenser, the department of natural resources under this chapter or the state fire marshal under chapter 1017-~~division-11~~ must determine that it is compatible with E-85 gasoline.

Sec. 123. Section 541A.3, subsection 1, unnumbered paragraph 1, Code 2005, as amended by 2006 Iowa Acts, House File 2644, section 5, is amended to read as follows:

Payment by the state of a savings refund on amounts of up to two thousand dollars per calendar year that an account holder deposits in the account holder's account. Moneys transferred to an individual development account from another individual development account and a savings refund received by the account holder in accordance with this section 541A-3 shall not be considered an account holder deposit for purposes of determining a savings refund. Payment of a savings refund either shall be made directly to the account holder or to an operating organization's central reserve account for later distribution to the account holder in the most appropriate manner as determined by the administrator. The state savings

refund shall be the indicated percentage of the amount deposited:

Sec. 124. Section 602.8102, subsection 38, Code Supplement 2005, is amended by striking the subsection.

Sec. 125. 2006 Iowa Acts, House File 2238, section 2, subsection 1, paragraph d, is amended to read as follows:

d. Of the amount allocated to eligible services providers under paragraph "c", 70 percent shall be distributed to the state's accredited community mental health centers established or designated by counties in accordance with law or administrative rule. If a county has not established or designated a community mental health center and has received a waiver from the mental health ~~and, mental retardation,~~ developmental disabilities, and brain injury commission, the mental health services provider designated by that county is eligible to receive funding distributed pursuant to this paragraph in lieu of a community mental health center. The funding distributed shall be used by recipients of the funding for the purpose of developing and providing evidence-based practices and emergency services to adults with a serious mental illness and children with a serious emotional disturbance. The distribution amounts shall be announced at the beginning of the federal fiscal year and distributed on a quarterly basis according to the formulas used in previous fiscal years. Recipients shall submit quarterly reports containing data consistent with the performance measures approved by the federal substance abuse and mental health services administration.

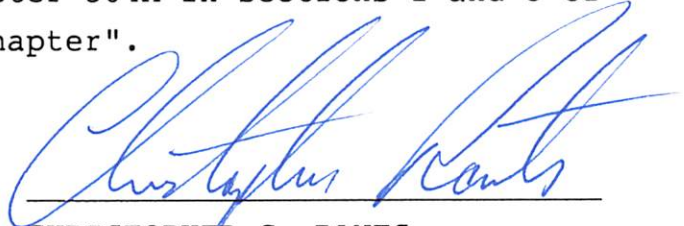
Sec. 126. CONTINGENT REPEAL -- IPERS. The section of 2006 Iowa Acts, House File 2245, amending section 97B.1A, subsection 24, paragraph "c", is repealed if the section of 2006 Iowa Acts, House File 729, amending section 97B.1A, subsection 24, paragraph "c", is enacted.

Sec. 127. 2006 Iowa Acts, House File 2713, as enacted, is amended by adding the following new section:

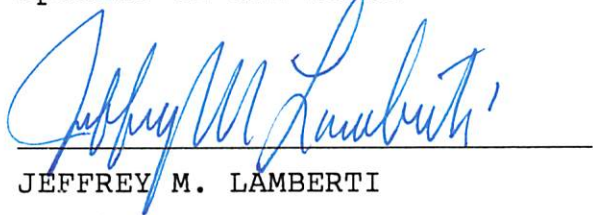
SEC. 23A. Section 256F.4, subsection 8, Code 2005, is amended to read as follows:

8. A charter school may enter into contracts in accordance with chapter 73A 38.

Sec. 128. COLLABORATIVE EDUCATIONAL FACILITY -- CODE EDITOR DIRECTIVE. The Code editor shall codify the provisions of 2006 Iowa Acts, House File 864, notwithstanding that the Act was drafted to the Code 2005 rather than to the Code Supplement 2005. The provisional numbering in that Act in section 423.3 of new subsection 85 and in section 423.4 of new subsection 4 used subsection numbers that were not assigned in the Code 2005 and their use in that Act does not imply that the subsections in sections 423.3 and 423.4, Code Supplement 2005, with those same subsection numbers, are in any way affected. In addition, the Code editor, under the authority of section 2B.13 relating to the correction of internal references to sections which have been repealed, shall insert before the references to chapter 504A in sections 2 and 3 of that Act the words "former chapter".



CHRISTOPHER C. RANTS  
Speaker of the House



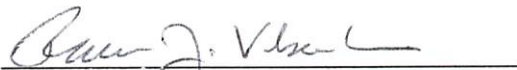
JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2797, Eighty-first General Assembly.



MARGARET THOMSON  
Chief Clerk of the House

*with exceptions noted*  
Approved June 2, 2006



THOMAS J. VILSACK  
Governor