



TERRY E. BRANSTAD  
GOVERNOR

## OFFICE OF THE GOVERNOR

KIM REYNOLDS  
LT. GOVERNOR

May 25, 2012

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit House File 2465, an Act relating to state and local finances by making and adjusting appropriations, providing for funding of property tax credits and reimbursements and for other matters pertaining to taxation, providing for fees and criminal penalties, providing for legal responsibilities, providing for certain insurance and employee benefits, and providing for properly related matters, and including effective date and retroactive and other applicability provisions.

House File 2465 is approved on this date with the following exception, which I hereby disapprove.

I am unable to approve of the item designated as Division VIII in its entirety. This item allows a city subject to a judgment, where the city is required to return previously collected franchise fees revenue, the ability to impose a franchise fee at the rate of up to 7.5%. A referendum approving this increase must be passed by the voters before a rate greater than 5.0% can be imposed. I am committed to continuing a tax and jobs policy discussion with the House and Senate to adopt a package of tax reductions that facilitates our long-term economic growth and job creation. It is my desire to approach tax policy in a comprehensive and holistic manner. As such, I urge members of the House and Senate to continue to work with my office on an overall tax reduction package that both fits within our sound budgeting principles while reducing those taxes that are impeding our state's ability to compete for new business and jobs.

For the above reasons, I respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2465 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad".

TERRY E. BRANSTAD  
Governor



House File 2465

AN ACT

RELATING TO STATE AND LOCAL FINANCES BY MAKING AND ADJUSTING APPROPRIATIONS, PROVIDING FOR FUNDING OF PROPERTY TAX CREDITS AND REIMBURSEMENTS AND FOR OTHER MATTERS PERTAINING TO TAXATION, PROVIDING FOR FEES AND CRIMINAL PENALTIES, PROVIDING FOR LEGAL RESPONSIBILITIES, PROVIDING FOR CERTAIN INSURANCE AND EMPLOYEE BENEFITS, AND PROVIDING FOR PROPERLY RELATED MATTERS, AND INCLUDING EFFECTIVE DATE AND RETROACTIVE AND OTHER APPLICABILITY PROVISIONS.

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

DIVISION I

STANDING APPROPRIATIONS AND RELATED MATTERS

Section 1. GENERAL ASSEMBLY. The appropriations made pursuant to section 2.12 for the expenses of the general assembly and the legislative agencies for the fiscal year beginning July 1, 2012, and ending June 30, 2013, are reduced by the following amount:

..... \$ 1,672,924

Sec. 2. 2011 Iowa Acts, chapter 131, section 42, is amended to read as follows:

SEC. 42. LIMITATION OF STANDING APPROPRIATIONS.

Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not exceed the following amounts:

1. For operational support grants and community cultural

grants under section 99F.11, subsection 3, paragraph "d", subparagraph (1):

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

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

..... \$ 405,153  
810,306

~~3. For the center for congenital and inherited disorders central registry under section 144.13A, subsection 4, paragraph "a":~~

~~..... \$ 85,560~~

~~4. For primary and secondary child abuse prevention programs under section 144.13A, subsection 4, paragraph "a":~~

~~..... \$ 108,886~~

5. For programs for at-risk children under section 279.51:

..... \$ 5,364,446  
10,728,891

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".

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

..... \$ 7,060,931

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

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

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

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

..... \$106,983,518

Sec. 3. Section 97A.11A, subsection 1, Code 2011, is amended to read as follows:

1. Beginning with the fiscal year commencing July 1, ~~2012~~ 2013, and ending June 30 of the fiscal year during which the board determines that the system's funded ratio of assets to liabilities is at least eighty-five percent, there is appropriated from the general fund of the state for each fiscal year to the retirement fund described in section 97A.8, an

amount equal to five million dollars.

DIVISION II

MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

Sec. 4. WATERSHED IMPROVEMENT FUND — APPROPRIATION. There is appropriated from the rebuild Iowa infrastructure fund to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated, notwithstanding section 8.57, subsection 6, paragraph "c":

For deposit in the watershed improvement fund created in section 466A.2:

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

Sec. 5. TUITION GRANTS — FOR-PROFIT ACCREDITED PRIVATE INSTITUTIONS.

1. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For tuition grants for students attending for-profit accredited private institutions located in Iowa under 261.25, subsection 2:

..... \$ 500,000

2. Moneys appropriated in this section shall supplement and not supplant moneys appropriated in section 261.25, subsection 2, for the fiscal year beginning July 1, 2012, and ending June 30, 2013.

Sec. 6. IOWA READING RESEARCH CENTER. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For establishing an Iowa reading research center pursuant to 2012 Iowa Acts, Senate File 2284, if enacted:

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

Sec. 7. JOINT STATE-FEDERAL MORTGAGE SERVICING SETTLEMENT MONEYS — APPROPRIATIONS.

1. A mortgage servicing settlement fund is established, separate and apart from all other public moneys or funds of the state, under the control of the department of justice. The department of justice shall deposit moneys received by the department from the joint state-federal mortgage

servicing settlement into the fund. The department of justice is authorized to make expenditures of moneys in the fund consistent with the terms of the consent decree signed in federal court on April 5, 2012. Any unencumbered or unobligated moneys remaining in the fund on June 30, 2015, shall be transferred to the general fund of the state.

2. A banking division mortgage servicing settlement fund is established, separate and apart from all other public moneys or funds of the state, under the control of the division of banking of the department of commerce. The banking division shall deposit moneys received by the division from the joint state-federal mortgage servicing settlement into the fund. Moneys deposited in the fund are appropriated to the banking division to be used as provided in a financial plan developed by the superintendent of banking and approved by the department of management to support state financial regulation, including oversight of mortgage lending and mortgage servicing, real estate and real estate appraisal, state chartered banks, and other financial services regulated by the division of banking. Moneys in the fund may also be used to support financial literacy efforts. The financial plan may be updated periodically as provided by the superintendent and approved by the department of management. Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the close of a fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2014. Any unencumbered or unobligated moneys remaining in the fund on June 30, 2015, shall be transferred to the general fund of the state.

3. There is appropriated from the mortgage servicing settlement fund to the department of management for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For deposit in the rebuild Iowa infrastructure fund:

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

4. a. The department of justice shall submit a report to the general assembly detailing the expenditure of moneys from the mortgage servicing settlement fund by the department of justice for the previous calendar year and how the expenditures related to the implementation, monitoring, or enforcement of the settlement and how expenditures in the current and

succeeding calendar year will be used for implementation, monitoring, or enforcement of the settlement. The initial report shall be submitted on or before January 15, 2013.

b. The division of banking shall submit a report to the general assembly detailing the expenditure of moneys from the banking division mortgage servicing settlement fund by the division of banking for the previous calendar year and how the expenditures related to the implementation, monitoring, or enforcement of the settlement and how expenditures in the current and succeeding calendar year will be used for implementation, monitoring, or enforcement of the settlement. The initial report shall be submitted on or before January 15, 2013.

Sec. 8. DEPARTMENT OF PUBLIC HEALTH — IOWA YOUTH SUICIDE PREVENTION PROGRAM. There is appropriated from the general fund of the state to the department of public health for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To contract for a program to develop an Iowa youth suicide prevention program:

..... \$ 50,000

1. The department shall establish a request for proposals process which shall be based upon specifications established under a suicide prevention plan for youth who are targets of bullying, which was developed in partnership with the department during the 2011-2012 fiscal year and shall include but is not limited to an antibullying internet site, internet-based communications including texting capabilities, and a telephone hotline.

2. The department shall submit to the general assembly a progress report on or before January 15, 2013, providing a detailed analysis of the program, its budgetary requirements, and the department's findings and recommendations for continuation of the program.

Sec. 9. PLUMBERS — LICENSE EXTENSIONS. Until January 1, 2013, the plumbing and mechanical systems board shall grant a one-time renewal of an expired license if the person holding the expired license demonstrates successful passage of a municipal or block examination. For any licensee receiving a renewal under this section, the board shall clearly state in any correspondence for succeeding license renewals that the provisions of Code section 105.20 shall apply.

Sec. 10. 2007 Iowa Acts, chapter 219, section 2, subsection 2, paragraph a, as enacted by 2011 Iowa Acts, chapter 133, section 32, is amended to read as follows:

a. Notwithstanding section 8.33, moneys appropriated in section 1, subsection 1, paragraphs "a" and "f" of this division of this Act that remain unencumbered or unobligated at the close of the fiscal year for which they were appropriated shall not revert but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, ~~2011~~ 2012, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 11. 2010 Iowa Acts, chapter 1193, section 29, subsection 2, as enacted by 2011 Iowa Acts, chapter 127, section 54, is amended to read as follows:

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year ending June 30, 2011, shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year ending June 30, ~~2012~~ 2013.

Sec. 12. 2011 Iowa Acts, chapter 127, section 72, subsection 4, paragraph b, unnumbered paragraph 1, as amended by 2012 Iowa Acts, Senate File 2313, section 13, if enacted, is amended to read as follows:

The department shall, in coordination with the health facilities division, make the following information available to the public by December 31, 2012, as part of the department's development efforts to revise the department's internet website:

Sec. 13. 2012 Iowa Acts, House File 675, section 28, subsection 2, is amended to read as follows:

2. The notice provisions contained in this Act relating to residential construction apply only to material furnished or labor performed after the effective date of this Act.

Sec. 14. 2012 Iowa Acts, Senate File 2289, as enacted, is amended by adding the following new section:

SEC. \_\_\_\_ . EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 15. NEW SECTION. 15E.71 **Executive council action.**

Notwithstanding section 7D.29, subsection 1, the executive council in full consultation with the attorney general, and with the agreement of the attorney general, shall take any action deemed necessary to protect the interests of the

state with respect to any certificates, tax credits, entities created, or action taken in relation to this division. Such actions may include but are not limited to initiation of legal action, commencement of special investigations, institution of special audits of any involved entity, or establishment of receiverships. If such action is taken, the council may incur the necessary expense to perform such a duty or cause such a duty to be performed, and pay the same out of any money in the state treasury not otherwise appropriated.

Sec. 16. Section 16.27, subsections 4 and 5, Code 2011, are amended by striking the subsections.

Sec. 17. Section 16.27, subsection 6, Code 2011, is amended to read as follows:

6. The authority shall cause to be delivered to the legislative fiscal committee within ninety days of the close of its fiscal year its annual report certified by an independent certified public accountant (who may be the accountant or a member of the firm of accountants who regularly audits the books and accounts of the authority) selected by the authority. ~~In the event that the principal amount of any bonds or notes deposited in a bond reserve fund is withdrawn for payment of principal or interest thereby reducing the amount of that fund to less than the bond reserve fund requirement, the authority shall immediately notify the general assembly of this event and shall thereafter take steps to restore such bond reserve to the bond reserve fund requirement for that fund from any amounts available, other than principal of a bond issue, which are not pledged to the payment of other bonds or notes.~~

Sec. 18. NEW SECTION. 17A.6A Rulemaking internet site.

1. Subject to the direction of the administrative rules coordinator, each agency shall make available to the public a uniform, searchable, and user-friendly rules database, published on an internet site.

2. An agency's rulemaking internet site shall also make available to the public all of the following:

a. A brief summary of the rulemaking process, including a description of any opportunity for public participation in the process.

b. Process forms for filing comments or complaints concerning proposed or adopted rules.

c. Process forms and instructions for filing a petition for rulemaking, a petition for a declaratory order, or a request for a waiver of an administrative rule.

*d.* Any other material prescribed by the administrative rules coordinator.

3. To the extent practicable, the administrative rules coordinator shall create a uniform format for rulemaking internet sites.

Sec. 19. Section 17A.7, subsection 2, Code 2011, is amended by striking the subsection and inserting in lieu thereof the following:

2. Beginning July 1, 2012, over each five-year period of time, an agency shall conduct an ongoing and comprehensive review of all of the agency's rules. The goal of the review is the identification and elimination of all rules of the agency that are outdated, redundant, or inconsistent or incompatible with statute or its own rules or those of other agencies. An agency shall commence its review by developing a plan of review in consultation with major stakeholders and constituent groups. When the agency completes its five-year review of its rules, the agency shall provide a summary of the results to the administrative rules coordinator and the administrative rules review committee.

Sec. 20. Section 17A.8, subsection 4, Code 2011, is amended to read as follows:

4. *a.* The committee shall ~~choose a chairperson from its membership and~~ prescribe its rules of procedure. The committee may employ a secretary or may appoint the administrative code editor or a designee to act as secretary.

*b.* The chairperson of the committee shall be chosen as provided in this paragraph. For the term commencing with the convening of the first regular session of each general assembly and ending upon the convening of the second regular session of that general assembly, the chairperson shall be chosen by the committee from its members who are members of the house of representatives. For the term commencing with the convening of the second regular session of each general assembly and ending upon the convening of the first regular session of the next general assembly, the chairperson shall be chosen by the committee from its members who are members of the senate. A vacancy shall be filled in the same manner as the original appointment and shall be for the remainder of the unexpired term of the vacancy.

Sec. 21. Section 97B.52A, subsection 1, paragraph c, subparagraph (2), subparagraph division (b), Code 2011, is amended to read as follows:

(b) For a member whose first month of entitlement is July 2004 or later, but before July ~~2012~~ 2014, covered employment does not include employment as a licensed health care professional by a public hospital as defined in section 249J.3, with the exception of public hospitals governed pursuant to chapter 226.

Sec. 22. Section 123.49, subsection 2, paragraph d, Code Supplement 2011, is amended to read as follows:

d. (1) Keep on premises covered by a liquor control license any alcoholic liquor in any container except the original package purchased from the division, and except mixed drinks or cocktails mixed on the premises for immediate consumption on the licensed premises or as otherwise provided by this paragraph "d". This prohibition does not apply to common carriers holding a class "D" liquor control license.

(2) Mixed drinks or cocktails mixed on the premises that are not for immediate consumption may be consumed on the licensed premises subject to the requirements of this subparagraph pursuant to rules adopted by the division. The rules shall provide that the mixed drinks or cocktails be stored, for no longer than seventy-two hours, in a labeled container in a quantity that does not exceed three gallons. The rules shall also provide that added flavors and other nonbeverage ingredients included in the mixed drinks or cocktails shall not include hallucinogenic substances or added caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine. In addition, the rules shall require that the licensee keep records as to when the contents in a particular container were mixed and the recipe used for that mixture.

Sec. 23. Section 256C.4, subsection 1, Code 2011, is amended by adding the following new paragraphs:

NEW PARAGRAPH. g. For the fiscal year beginning July 1, 2011, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not more than five percent may be used by the school district for administering the district's approved local program.

NEW PARAGRAPH. h. For the fiscal year beginning July 1, 2012, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not less than ninety-five percent of the per pupil amount shall be passed through to a community-based provider for each pupil enrolled

in the district's approved local program. For the fiscal year beginning July 1, 2011, and each succeeding fiscal year, not more than five percent of the amount of preschool foundation aid passed through to a community-based provider may be used by the community-based provider for administrative costs.

Sec. 24. Section 257.35, subsection 7, Code Supplement 2011, is amended to read as follows:

7. 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, 2012, and ending June 30, 2013, shall be reduced by the department of management by ~~ten~~ twenty million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

Sec. 25. Section 257.37, subsections 1 and 2, Code 2011, are amended to read as follows:

1. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for media services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for media services in the base year, ~~including the cost for media resource material which shall only be used for the purchase or replacement of material required in section 273.6, subsection 1, paragraphs "a", "b", and "c",~~ shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the department of management shall compute the state media services cost per pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the allowable growth for media services in the budget year by multiplying the state media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the allowable growth for media services in the budget year times the enrollment served in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.

2. ~~Thirty~~ Up to thirty percent of the budget of an area

for media services ~~shall~~ may be expended for media resource material ~~which shall only be used for~~ including the purchase or replacement of material required in section 273.6, subsection 1. Funds shall be paid to area education agencies as provided in section 257.35.

Sec. 26. Section 261.93, Code 2011, is amended to read as follows:

**261.93 Program established — who qualified.**

1. An Iowa grant program is established.

2. a. A grant may be awarded to a resident of Iowa who is admitted and in attendance as a full-time or part-time resident student at an accredited higher education institution and who establishes financial need.

b. Top priority in awarding program grants shall be given to a qualified student who is a resident of Iowa; is under the age of twenty-six, or the age of thirty if the student is a veteran who is eligible for benefits, or has exhausted the benefits, under the federal Post-9/11 Veterans Educational Assistance Act of 2008; is not a convicted felon as defined in section 910.15; and who meets any of the following criteria:

(1) Is the child of a peace officer, as defined in section 97A.1, who was killed in the line of duty as determined by the board of trustees of the Iowa department of public safety peace officers' retirement, accident, and disability system in accordance with section 97A.6, subsection 16.

(2) Is the child of a police officer or a fire fighter, as defined in section 411.1, who was killed in the line of duty as determined by the statewide fire and police retirement system in accordance with section 411.6, subsection 15.

(3) Is the child of a sheriff or deputy sheriff as defined in section 97B.49C, who was killed in the line of duty as determined by the Iowa public employees' retirement system in accordance with section 97B.52, subsection 2.

(4) Is the child of a fire fighter included under section 97B.49B, who was killed in the line of duty as determined by the Iowa public employees' retirement system in accordance with section 97B.52, subsection 2.

3. Grants awarded shall be distributed to the appropriate accredited higher education institution for payment of educational expenses, including tuition, room, board, and mandatory fees, with any balance to be distributed to the student for whom the grant is awarded.

Sec. 27. Section 261.93A, Code 2011, is amended to read as

follows:

**261.93A Appropriation — percentages.**

1. Of the funds appropriated to the college student aid commission to be allocated for the Iowa grant program for each fiscal year, thirty-seven moneys shall be distributed for grants awarded to qualified students who meet the criteria established pursuant to section 261.93, subsection 2, and the funds remaining shall be distributed as follows:

a. Thirty-seven and six-tenths percent shall be reserved for students attending regents institutions, ~~twenty-five.~~

b. Twenty-five and nine-tenths percent shall be reserved for students attending community colleges, ~~and thirty-six.~~

c. Thirty-six and five-tenths percent shall be reserved for students attending private colleges and universities.

2. Funds appropriated for the Iowa grant program shall be used to supplement, not supplant, funds appropriated for other existing programs at the eligible institutions.

Sec. 28. Section 261.95, subsection 1, Code 2011, is amended to read as follows:

1. The amount of a grant to a qualified full-time student for an academic year shall be ~~the~~ as follows:

a. For a student who qualifies under section 261.93, subsection 2, paragraph "a", the lesser of the student's financial need for that period or up to one thousand dollars.

b. For a student who qualifies under section 261.93, subsection 2, paragraph "b", the lesser of the student's financial need for that period or not more than the resident tuition rate established for institutions of higher learning under the control of the state board of regents.

Sec. 29. Section 321.20B, subsection 6, Code 2011, is amended to read as follows:

6. This section does not apply to a ~~snowmobile or all-terrain vehicle or to a~~ motor vehicle identified in section 321.18, ~~subsections 1 through 6, and~~ subsection 1, 2, 3, 4, 5, 6, or 8.

Sec. 30. Section 418.4, subsection 3, paragraph b, as enacted by 2012 Iowa Acts, Senate File 2217, section 5, is amended to read as follows:

b. For projects proposing to use sales tax increment revenues or approved by the board to use sales tax increment revenues, the project, or an earlier phase of the project, has been approved to receive financial assistance in an amount equal to at least twenty percent of the total project

cost or thirty million dollars, whichever is less, under a financial assistance program administered by the United States environmental protection agency, the federal Water Resources Development Act, the federal Clean Water Act as defined in section 455B.291, or other federal program providing assistance specifically for hazard mitigation.

Sec. 31. Section 422.11D, subsection 2, Code 2011, is amended to read as follows:

2. An individual may claim a historic preservation and cultural and entertainment district tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, limited liability company, S corporation, estate, or trust except when low-income housing tax credits authorized under section 42 of the Internal Revenue Code are used to assist in the financing of the housing development in which case the amount claimed by a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company shall be based on the amounts designated by the eligible partnership, S corporation, or limited liability company. For tax credits reserved for a fiscal year beginning on or after July 1, 2012, the amount claimed by a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company shall be based on the amounts designated by the eligible partnership, S corporation, or limited liability company.

Sec. 32. Section 476C.3, subsection 4, paragraph b, Code Supplement 2011, is amended to read as follows:

b. The maximum amount of energy production capacity equivalent of all other facilities the board may find eligible under this chapter shall not exceed a combined output of fifty-three megawatts of nameplate generating capacity and one hundred sixty-seven billion British thermal units of heat for a commercial purpose. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, no more than ten megawatts of nameplate generating capacity or energy production capacity equivalent shall be allocated to any one facility. Of the maximum amount of energy production capacity equivalent of all

other facilities found eligible under this chapter, fifty-five billion British thermal units of heat for a commercial purpose shall be reserved for an eligible facility that is a refuse conversion facility for processed, engineered fuel from a multicounty solid waste management planning area. The maximum amount of energy production capacity the board may find eligible for a single refuse conversion facility is fifty-five billion British thermal units of heat for a commercial purpose. ~~Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, an amount equivalent to ten megawatts of nameplate generating capacity shall be reserved for eligible renewable energy facilities incorporated within or associated with an ethanol cogeneration plant engaged in the sale of ethanol to states to meet a low carbon fuel standard.~~

Sec. 33. Section 476C.3, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. Notwithstanding the definition of "*eligible renewable energy facility*" in section 476C.1, subsection 6, unnumbered paragraph 1, of the maximum amount of energy production capacity equivalent of all other facilities found eligible pursuant to subsection 4, paragraph "b", an amount equivalent to ten megawatts of nameplate generating capacity shall be reserved for natural gas cogeneration facilities incorporated within or associated with an ethanol plant to assist the ethanol plant in meeting a low carbon fuel standard.

Sec. 34. Section 507.14, subsection 4, Code 2011, is amended to read as follows:

4. Confidential documents, materials, information, administrative or judicial orders, or other actions may be disclosed to a regulatory official of any state, federal agency, or foreign country provided that the recipients are required, under their law, to maintain their confidentiality. Confidential records may be disclosed to the national association of insurance commissioners, the international association of insurance supervisors, and the bank for international settlements provided that the ~~association~~ certifies associations and bank certify by written statement that the confidentiality of the records will be maintained.

Sec. 35. Section 511.8, subsection 19, Code Supplement 2011, is amended to read as follows:

19. *Other foreign government or corporate obligations.*

a. Bonds or other evidences of indebtedness, not to include currency, issued, assumed, or guaranteed by a foreign government other than Canada, or by a corporation incorporated under the laws of a foreign government other than Canada. Such governmental obligations must be valid, legally authorized and issued, and on the date of acquisition have predominantly investment qualities and characteristics as provided by rule. Such corporate obligations must meet the qualifications established in subsection 5 for bonds and other evidences of indebtedness issued, assumed, or guaranteed by a corporation incorporated under the laws of the United States or Canada. Foreign investments authorized by this subsection are not eligible in excess of ~~twenty~~ twenty-five percent of the legal reserve of the life insurance company or association. Investments in obligations of a foreign government, other than Canada ~~and~~, the United Kingdom, and foreign governments rated AAA by Standard and Poor's division of McGraw-Hill companies, inc., or Aaa by Moody's investors services, inc., are not eligible in excess of two percent of the legal reserve in the securities of foreign governments of any one foreign nation. Investments in obligations of the United Kingdom are not eligible in excess of four percent of the legal reserve. Investments in obligations of foreign governments rated either AAA by Standard and Poor's division of McGraw-Hill companies, inc., or Aaa by Moody's investors services, inc., are not eligible in excess of five percent of the legal reserve. Investments in a corporation incorporated under the laws of a foreign government other than Canada are not eligible in excess of two percent of the legal reserve in the securities of any one foreign corporation.

b. Eligible investments in foreign obligations under this subsection are limited to the types of obligations specifically referred to in this subsection. This subsection in no way limits or restricts investments in Canadian obligations and securities specifically authorized in other subsections of this section.

c. This subsection shall not authorize investment in evidences of indebtedness issued, assumed, or guaranteed by a foreign government which engages in a consistent pattern of gross violations of human rights.

Sec. 36. NEW SECTION. 514C.29 Services provided by a doctor of chiropractic.

1. Notwithstanding the uniformity of treatment requirements

of section 514C.6, a policy, contract, or plan providing for third-party payment or prepayment of health or medical expenses shall not impose a copayment or coinsurance amount on an insured for services provided by a doctor of chiropractic licensed pursuant to chapter 151 that is greater than the copayment or coinsurance amount imposed on the insured for services provided by a person engaged in the practice of medicine and surgery or osteopathic medicine and surgery under chapter 148 for the same or a similar diagnosed condition even if a different nomenclature is used to describe the condition for which the services are provided.

2. This section applies to the following classes of third-party payment provider policies, contracts, or plans delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2012:

a. Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.

b. An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.

c. An individual or group health maintenance organization contract regulated under chapter 514B.

d. A plan established pursuant to chapter 509A for public employees.

e. An organized delivery system licensed by the director of public health.

3. This section shall not apply to accident-only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

Sec. 37. Section 598.41, subsection 3, Code 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. k. Whether a parent has allowed a person custody or control of, or unsupervised access to a child after knowing the person is required to register or is on the sex offender registry as a sex offender under chapter 692A.

Sec. 38. REPEAL. 2012 Iowa Acts, House File 2168, section 5, is repealed.

Sec. 39. HOUSING ENTERPRISE ZONE TAX CREDIT ISSUANCE.

1. Notwithstanding section 15E.193B, subsection 4, the

authority may issue a tax credit to an eligible housing business for a project not completed within two years from the time the business began construction if a city failed to file the appropriate paperwork with the authority requesting an extension for the project pursuant to section 15E.193B, subsection 4.

2. The authorization described in subsection 1 only applies to projects for which a city failed to file an extension between January 1, 2007, and January 1, 2008, and only to benefits earned for a project between February 8, 2005, and February 8, 2008.

Sec. 40. CODE EDITOR DIRECTIVE. Sections 572.1, 572.8, 572.10, 572.13, 572.18, 572.22, and 572.24, Code and Code Supplement 2011, as amended by 2012 Iowa Acts, House File 675, sections 2, 4, 6, 8, 15, 16, and 18, if enacted, are amended as follows:

1. By striking from the sections the words "state construction registry" and inserting in lieu thereof the words "mechanics' notice and lien registry".

Sec. 41. CODE EDITOR DIRECTIVE. Sections 572.13A, 572.13B, and 572.34, if enacted by 2012 Iowa Acts, House File 675, sections 9, 10, and 25, are amended as follows:

1. By striking from the sections the words "state construction registry" and inserting in lieu thereof the words "mechanics' notice and lien registry".

Sec. 42. EFFECTIVE UPON ENACTMENT. The following provision or provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act enacting section 256C.4, subsection 1, paragraphs "g" and "h".

2. The section of this division of this Act amending section 418.4, subsection 3, paragraph "b", as enacted by 2012 Iowa Acts, Senate File 2217, section 5.

3. The section of this division of this Act amending 2012 Iowa Acts, Senate File 2289.

4. The section of this division of this Act amending 2010 Iowa Acts, chapter 1193, section 29, subsection 2, as enacted by 2011 Iowa Acts, chapter 127, section 54.

5. The section of this division of this Act amending 2007 Iowa Acts, chapter 219, section 2, subsection 2, paragraph a, as enacted by 2011 Iowa Acts, chapter 133, section 32.

6. The section of this division of this Act relating to joint state-federal mortgage servicing settlement moneys.

Sec. 43. EFFECTIVE DATE. The sections of this division of this Act amending sections 572.1, 572.8, 572.10, 572.13, 572.13A, 572.13B, 572.18, 572.22, 572.24, and 572.34, take effect January 1, 2013.

Sec. 44. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to April 19, 2012:

1. The section of this division of this Act amending section 418.4, subsection 3, paragraph "b", as enacted by 2012 Iowa Acts, Senate File 2217, section 5.

Sec. 45. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to April 12, 2012:

1. The section of this division of this Act amending 2012 Iowa Acts, Senate File 2289.

### DIVISION III

#### CORRECTIVE PROVISIONS

Sec. 46. Section 9B.2, subsection 10, paragraph a, if enacted by 2012 Iowa Acts, Senate File 2265, section 2, is amended to read as follows:

a. "*Personal appearance*" means an act of a party to physically appear within the presence of a ~~notary public~~ notarial officer at the time the ~~notarization occurs~~ notarial act is performed.

Sec. 47. Section 105.2, subsection 8, Code Supplement 2011, as amended by 2012 Iowa Acts, House File 2285, section 1, if enacted, is amended to read as follows:

8. "*Hydronic*" means a heating or cooling system that transfers heating or cooling by circulating fluid through a closed system, including boilers, pressure vessels, refrigerated equipment in connection with chilled water systems, all steam piping, hot or chilled water piping together with all control devices and accessories, installed as part of, or in connection with, any heating or cooling system or appliance whose primary purpose is to provide comfort using a liquid, water, or steam as the heating or cooling media. "*Hydronic*" includes all low-pressure and high-pressure systems and all natural, propane, liquid propane, or other gas lines associated with any component of a hydronic system. For purposes of this definition, "*primary purpose is to provide comfort*" means a system or appliance in which at least fifty-one percent of the capacity generated by its operation, on an annual average, is dedicated to comfort heating or cooling.

Sec. 48. Section 135.156E, subsection 1, paragraph b, if enacted by 2012 Iowa Acts, Senate File 2318, section 14, is amended to read as follows:

b. Require authentication controls to verify the ~~identify~~ identity and role of the participant using the Iowa health information network.

Sec. 49. Section 135C.6, subsection 8, paragraphs a and b, Code 2011, as amended by 2012 Iowa Acts, Senate File 2247, section 15, are amended to read as follows:

a. Residential programs providing care to not more than four individuals and receiving moneys appropriated to the department of human services under provisions of a federally approved home and community-based services waiver for persons with an intellectual ~~disabilities~~ disability or other medical assistance program under chapter 249A. In approving a residential program under this paragraph, the department of human services shall consider the geographic location of the program so as to avoid an overconcentration of such programs in an area. In order to be approved under this paragraph, a residential program shall not be required to involve the conversion of a licensed residential care facility for persons with an intellectual disability.

b. Not more than forty residential care facilities for persons with an intellectual disability that are licensed to serve not more than five individuals may be authorized by the department of human services to convert to operation as a residential program under the provisions of a medical assistance home and community-based services waiver for persons with an intellectual ~~disabilities~~ disability. A converted residential program operating under this paragraph is subject to the conditions stated in paragraph "a" except that the program shall not serve more than five individuals.

Sec. 50. Section 144D.3, subsection 4, as enacted by 2012 Iowa Acts, House File 2165, section 4, is amended to read as follows:

4. In the absence of actual notice of the revocation of a POST form, a health care provider, hospital, health care facility, or any other person who complies with a POST form shall not be subject to civil or criminal liability or professional disciplinary action for actions taken under this chapter which are in accordance with reasonable medical standards. A health care provider, hospital, health care facility, or other person against whom criminal or civil

liability or professional disciplinary action is asserted because of conduct in compliance with this chapter may interpose the restriction on liability in this ~~paragraph~~ subsection as an absolute defense.

Sec. 51. Section 152B.2, subsection 1, paragraph a, subparagraph (2), Code 2011, as amended by 2012 Iowa Acts, Senate File 2248, section 2, if enacted, is amended to read as follows:

(2) Direct and indirect respiratory care services including but not limited to the administration of pharmacological and diagnostic and therapeutic agents related to respiratory care procedures necessary to implement a treatment, disease prevention, pulmonary rehabilitative, or diagnostic regimen prescribed by a licensed physician, or surgeon, or a qualified health care professional prescriber.

Sec. 52. Section 152B.3, subsection 1, unnumbered paragraph 1, Code 2011, as amended by 2012 Iowa Acts, Senate File 2248, section 5, if enacted, is amended to read as follows:

The performance of respiratory care shall be in accordance with the prescription of a licensed physician, or surgeon, or a qualified health care professional prescriber and includes but is not limited to the diagnostic and therapeutic use of the following:

Sec. 53. Section 152B.3, subsection 2, Code 2011, as amended by 2012 Iowa Acts, Senate File 2248, section 6, if enacted, is amended to read as follows:

2. A respiratory care practitioner may transcribe and implement a written or verbal order from a licensed physician, or surgeon, or a qualified health care professional prescriber pertaining to the practice of respiratory care.

Sec. 54. Section 152B.4, Code 2011, as amended by 2012 Iowa Acts, Senate File 2248, section 7, if enacted, is amended to read as follows:

**152B.4 Location of respiratory care.**

The practice of respiratory care may be performed in a hospital as defined in section 135B.1, subsection 3, and other settings where respiratory care is to be provided in accordance with a prescription of a licensed physician, or surgeon, or a qualified health care professional prescriber. Respiratory care may be provided during transportation of a patient and under circumstances where an emergency necessitates respiratory care.

Sec. 55. Section 161A.63, Code 2011, as amended by 2012 Iowa

Acts, Senate File 2311, section 16, if enacted, is amended to read as follows:

**161A.63 Right of purchaser of agricultural land to obtain information.**

A prospective purchaser of an interest in agricultural land located in this state is entitled to obtain from the seller, or from the office of the soil and water conservation district in which the land is located, a copy of the most recently updated farm unit soil conservation plan, developed pursuant to section 161A.62, subsection 2, which ~~are~~ is applicable to the agricultural land proposed to be purchased. A prospective purchaser of an interest in agricultural land located in this state is entitled to obtain additional copies ~~of either or both~~ of the ~~documents~~ document referred to in this section from the office of the soil and water conservation district in which the land is located, promptly upon request, at a fee not to exceed the cost of reproducing them. All persons who identify themselves to the commissioners or staff of a soil and water conservation district as prospective purchasers of agricultural land in the district shall be given information, prepared in accordance with rules of the department, which clearly explains the provisions of section 161A.76.

Sec. 56. Section 203C.14, Code 2011, as amended by 2012 Iowa Acts, Senate File 2311, section 107, if enacted, is amended to read as follows:

**203C.14 Suit — claims — notice of revocation.**

1. A person injured by the breach of an obligation of a warehouse operator, for the performance of which a bond on agricultural products other than bulk grain, a deficiency bond, or an irrevocable letter of credit has been given under any of the provisions of this chapter, may sue on the bond on agricultural products other than bulk grain, deficiency bond, or irrevocable letter of credit in the person's own name in a court of competent jurisdiction to recover any damages the person has sustained by reason of the breach.

2. a. Upon the cessation of a warehouse operator's license due to revocation, cancellation, or expiration, a claim against the warehouse operator arising under this chapter shall be made in writing with the warehouse operator, with the issuer of a bond on agricultural products other than bulk grain, a deficiency bond, or an irrevocable letter of credit, and, if the claim relates to bulk grain, with the department. The claim must be made within one hundred twenty days after the

cessation of the license. The failure to make a timely claim relieves the issuer and, if the claim relates to bulk grain, the grain depositors and sellers indemnity fund provided in chapter 203D of all obligations to the claimant.

3. b. Upon revocation of a warehouse license, the department shall cause notice of the revocation to be published once each week for two consecutive weeks in a newspaper of general circulation in each of the counties in which the licensee maintains a business location and in a newspaper of general circulation within the state. The notice shall state the name and address of the warehouse operator and the effective date of revocation. The notice shall also state that any claims against the warehouse operator shall be made in writing and sent by ordinary mail to the warehouse operator, to the issuer of a bond on agricultural products other than bulk grain, deficiency bond, or an irrevocable letter of credit, and to the department within one hundred twenty days after revocation, and the notice shall state that the failure to make a timely claim does not relieve the warehouse operator from liability to the claimant.

c. This ~~paragraph~~ subsection does not apply if a receiver is appointed as provided in this chapter pursuant to a petition which is filed by the department prior to the expiration of one hundred twenty days after ~~revocation, termination, or cancellation~~ cessation of warehouse operator's license.

Sec. 57. Section 249A.12, subsection 5, paragraph a, unnumbered paragraph 1, Code 2011, as amended by 2012 Iowa Acts, Senate File 2247, section 101, is amended to read as follows:

The mental health and disability services commission shall recommend to the department the actions necessary to assist in the transition of individuals being served in an intermediate care facility for persons with an intellectual disability, who are appropriate for the transition, to services funded under a medical assistance home and community-based services waiver for persons with an intellectual disability in a manner which maximizes the use of existing public and private facilities. The actions may include but are not limited to submitting any of the following or a combination of any of the following as a request for a revision of the medical assistance home and community-based services waiver for persons with an intellectual ~~disabilities~~ disability:

Sec. 58. Section 261.115, subsection 3, paragraphs c and d,

if enacted by 2012 Iowa Acts, House File 2458, section 1, are amended to read as follows:

*c.* Complete ~~their~~ the residency program requirement with an Iowa-based residency program.

*d.* Within nine months of graduating from ~~their~~ the residency program and receiving a permanent license in accordance with paragraph "b", engage in the full-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, or general surgery for a period of sixty consecutive months in the service commitment area specified under subsection 6, unless the loan repayment recipient receives a waiver from the commission to complete the months of practice required under the agreement in another service commitment area pursuant to subsection 6.

Sec. 59. Section 261.115, subsection 8, if enacted by 2012 Iowa Acts, House File 2458, section 1, is amended to read as follows:

*8. Part-time practice — agreement amended.* A person who entered into an agreement pursuant to subsection 3 may apply to the commission to amend the agreement to allow the person to engage in less than the full-time practice specified in the agreement and under subsection 3, paragraph "d". If the commission determines exceptional circumstances exist, the commission and the person may consent to amend the agreement under which the person shall engage in less than full-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, or general surgery in a service commitment area for an extended period of part-time practice determined by the commission to be proportional to the amount of full-time practice remaining under the original agreement.

Sec. 60. Section 261.115, subsection 9, paragraph b, if enacted by 2012 Iowa Acts, House File 2458, section 1, is amended to read as follows:

*b.* Except for a postponement under paragraph "a", subparagraph (6), an obligation to engage in practice under an agreement entered into pursuant to subsection 3, shall not be postponed for more than two years from the time the full-time practice was to have commenced under the agreement.

Sec. 61. Section 273.2, subsection 3, Code Supplement 2011, as amended by 2012 Iowa Acts, Senate File 2203, section 38, if enacted, is amended to read as follows:

3. The area education agency board shall furnish educational services and programs as provided in ~~sections~~ section 273.1, this section, sections 273.3 to 273.9, and chapter 256B to the pupils enrolled in public or nonpublic schools located within its boundaries which are on the list of accredited schools pursuant to section 256.11. The programs and services provided shall be at least commensurate with programs and services existing on July 1, 1974. The programs and services provided to pupils enrolled in nonpublic schools shall be comparable to programs and services provided to pupils enrolled in public schools within constitutional guidelines.

Sec. 62. Section 321.188, subsection 6, paragraph c, if enacted by 2012 Iowa Acts, House File 2403, section 1, is amended to read as follows:

c. An applicant who obtains a skills test waiver under this subsection shall take and successfully pass the knowledge test required pursuant to subsection ~~2~~ 1.

Sec. 63. Section 321.323A, subsection 3, paragraph c, subparagraph (1), if enacted by 2012 Iowa Acts, House File 2228, section 3, is amended to read as follows:

(1) For a violation causing damage to the property of another person, but not resulting in bodily injury to or death of ~~to~~ another person, the department shall suspend the violator's driver's license or operating privileges for ninety days.

Sec. 64. Section 321.457, subsection 2, paragraph n, subparagraph (4), if enacted by 2012 Iowa Acts, House File 2428, section 1, is amended to read as follows:

(4) For purposes of this paragraph "n", "full trailer" means as defined in 49 C.F.R. § ~~390~~ 390.5.

Sec. 65. Section 321I.7, subsection 3, Code 2011, as amended by 2012 Iowa Acts, House File 2467, section 39, is amended to read as follows:

3. Duplicate registrations may be issued by a county recorder or a license agent ~~and~~ upon the payment of a five dollar fee plus a writing fee as provided in section 321I.29.

Sec. 66. Section 322.5, subsection 6, paragraph b, subparagraph (2), if enacted by 2012 Iowa Acts, Senate File 2249, section 4, is amended to read as follows:

(2) The state in which the person is licensed as a motor vehicle dealer allows a motor vehicle dealer licensed in Iowa to be issued a permit substantially similar to the temporary permit authorized under this ~~section~~ subsection.

Sec. 67. Section 326.3, subsection 19, if enacted by 2012 Iowa Acts, Senate File 2216, section 18, is amended to read as follows:

19. *“Operational records”* means source documents that evidence distance traveled by a fleet in each member jurisdiction, such as ~~fuel~~ fuel reports, trip sheets, and driver logs, including those which may be generated through on-board devices and maintained electronically, as required by the audit procedures manual.

Sec. 68. Section 418.4, subsection 1, paragraph b, if enacted by 2012 Iowa Acts, Senate File 2217, section 5, is amended to read as follows:

b. A governmental entity as defined in section 418.1, subsection 4, paragraph “c”, shall have the power to construct, acquire, own, repair, improve, operate, and maintain a project, may sue and be sued, contract, and acquire and hold real and personal property, subject to the limitation in paragraph “c”, and shall have such other powers as may be included in the chapter 28E agreement. Such a governmental entity may contract with a city or the county participating in the chapter 28E agreement to perform any governmental service, activity, or undertaking that the city or county is authorized by law to perform, including but not limited to contracts for administrative services.

Sec. 69. Section 418.5, subsection 7, if enacted by 2012 Iowa Acts, Senate File 2217, section 6, is amended to read as follows:

7. A majority of the ~~board~~ voting members constitutes a quorum.

Sec. 70. Section 418.9, subsection 2, paragraph g, if enacted by 2012 Iowa Acts, Senate File 2217, section 10, is amended to read as follows:

g. Whether the project plan is consistent with the applicable comprehensive, ~~countywide~~ emergency ~~operations~~ plan in effect and other applicable local hazard mitigation plans.

Sec. 71. Section 504.719, subsection 3, as enacted by 2012 Iowa Acts, Senate File 2260, section 8, is amended to read as follows:

3. An inspector may, but is not required to, be a director, ~~member of a designated body~~, member, officer, or employee of the corporation. A person who is a candidate for an office to be filled at the meeting shall not be an inspector at that meeting.

Sec. 72. Section 508.37, subsection 5, paragraph c, Code 2011, as amended by 2012 Iowa Acts, Senate File 2203, section 105, if enacted, is amended to read as follows:

c. The adjusted premiums for a policy providing term insurance benefits by rider or supplemental policy provision shall be equal to (1) the adjusted premiums for an otherwise similar policy issued at the same age without such term insurance benefits, increased during the period for which premiums for such term insurance benefits are payable, by (2) the adjusted premiums for such term insurance, the foregoing items (1) and (2) being calculated separately and as specified in paragraphs "a" and "b" of this subsection except that, for the purposes of ~~of~~ paragraph "a", subparagraph (1), subparagraph divisions (b), (c), and (d), the amount of insurance or equivalent uniform amount of insurance used in the calculation of the adjusted premiums referred to in item (2) in this paragraph shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in item (1) in this paragraph.

Sec. 73. Section 515I.1, subsection 2, if enacted by 2012 Iowa Acts, House File 2145, section 1, is amended to read as follows:

2. This ~~division~~ chapter shall be liberally construed to promote these purposes.

Sec. 74. Section 536A.10, Code 2011, as amended by 2012 Iowa Acts, Senate File 2203, section 139, if enacted, is amended to read as follows:

**536A.10 Issuance of license.**

1. ~~If~~ The superintendent shall approve the application and issue to the applicant a license to engage in the industrial loan business in accordance with the provisions of this chapter, if the superintendent shall find:

a. That the financial responsibility, experience, character and general fitness of the applicant and of the officers thereof are such as to command the confidence of the community, and to warrant the belief that the business will be operated honestly, fairly and efficiently within the purpose of this chapter;

b. That a reasonable necessity exists for a new industrial loan company in the community to be served;

c. That the applicant has available for the operation of the business at the specified location paid-in capital and surplus

as required by section 536A.8; and

d. That the applicant is a corporation organized for pecuniary profit under the laws of the state of Iowa.

2. ~~The superintendent shall approve the application and issue to the applicant a license to engage in the industrial loan business in accordance with the provisions of this chapter.~~ The superintendent shall approve or deny an application for a license within one hundred twenty days from the date of the filing of such application.

Sec. 75. Section 602.9202, subsection 4, Code 2011, as amended by 2012 Iowa Acts, Senate File 2285, section 106, is amended to read as follows:

4. "*Senior judge retirement age*" means seventy-eight years of age or, if the senior judge is reappointed as a senior judge for an additional one-year term upon attaining seventy-eight years of age, and then to a succeeding one-year term, pursuant to section 602.9203, eighty years of age.

Sec. 76. Section 617.11, subsection 3, unnumbered paragraph 1, if enacted by 2012 Iowa Acts, House File 2370, section 1, is amended to read as follows:

If a claim of interest against the property is acquired prior to the indexing of a petition or municipal infraction citation affecting real estate and filed by a city and such claim is not indexed or filed of record prior to the indexing of the petition or citation, it is subject to the pending action as provided in subsection 1, unless either of the following occurs:

Sec. 77. EFFECTIVE DATE. The section of this division of this Act amending section 9B.2, subsection 10, paragraph a, takes effect January 1, 2013.

Sec. 78. EFFECTIVE UPON ENACTMENT. The section of this division of this Act amending section 105.2, subsection 8, being deemed of immediate importance, takes effect upon enactment.

Sec. 79. RETROACTIVE APPLICABILITY. The section of this division of this Act amending section 105.2, subsection 8, applies retroactively to the effective date of 2012 Iowa Acts, House File 2285.

Sec. 80. EFFECTIVE UPON ENACTMENT. The section of this division of this Act amending section 135.156E, subsection 1, paragraph "b", being deemed of immediate importance, takes effect upon enactment.

Sec. 81. RETROACTIVE APPLICABILITY. The section of this

division of this Act amending section 135.156E, subsection 1, paragraph "b", applies retroactively to the effective date of 2012 Iowa Acts, Senate File 2318.

Sec. 82. EFFECTIVE UPON ENACTMENT. The section of this division of this Act amending section 322.5, subsection 6, paragraph "b", subparagraph (2), being deemed of immediate importance, takes effect upon enactment.

Sec. 83. RETROACTIVE APPLICABILITY. The section of this division of this Act amending section 322.5, subsection 6, paragraph "b", subparagraph (2), applies retroactively to the effective date of 2012 Iowa Acts, Senate File 2249.

Sec. 84. EFFECTIVE UPON ENACTMENT. The sections of this division of this Act amending section 418.4, subsection 1, paragraph "b", section 418.5, subsection 7, and section 418.9, subsection 2, paragraph "g", being deemed of immediate importance, take effect upon enactment.

Sec. 85. RETROACTIVE APPLICABILITY. The sections of this division of this Act amending section 418.4, subsection 1, paragraph "b", section 418.5, subsection 7, and section 418.9, subsection 2, paragraph "g", apply retroactively to the effective date of 2012 Iowa Acts, Senate File 2217.

Sec. 86. EFFECTIVE UPON ENACTMENT. The section of this division of this Act amending section 515I.1, subsection 2, being deemed of immediate importance, takes effect upon enactment.

Sec. 87. RETROACTIVE APPLICABILITY. The section of this division of this Act amending section 515I.1, subsection 2, applies retroactively to the effective date of 2012 Iowa Acts, House File 2145.

DIVISION IV

CARRY FORWARD APPROPRIATIONS

Sec. 88. IOWA STATE MEMORIAL — RESTORATION. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the preservation and restoration of the Iowa state memorial at Vicksburg national military park:  
..... \$ 320,000

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for

expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2013.

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

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

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

Sec. 90. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION V  
TIME SERVED

Sec. 91. Section 907.3, subsection 3, unnumbered paragraph 1, Code Supplement 2011, is amended to read as follows:

By record entry at the time of or after sentencing, the court may suspend the sentence and place the defendant on probation upon such terms and conditions as it may require including commitment to an alternate jail facility or a community correctional residential treatment facility to be followed by a period of probation as specified in section 907.7, or commitment of the defendant to the judicial district department of correctional services for supervision or services under section 901B.1 at the level of sanctions which the district department determines to be appropriate and the payment of fees imposed under section 905.14. A person so committed who has probation revoked shall not be given credit for such time served. However, the a person committed to an alternate jail

facility or a community correctional residential treatment facility who has probation revoked shall be given credit for time served in the facility. The court shall not suspend any of the following sentences:

Sec. 92. APPLICABILITY AND WAIVER OF RIGHTS. A person who commits an offense prior to the effective date of this division of this Act may expressly state to the court, at the time of sentencing, that the person waives any rights under Anderson v. State, 801 N.W.2d 1, relating to the calculation of credit for time served, and agree to be sentenced using credits as calculated under section 907.3, as amended by this division of this Act. If the court finds the waiver voluntary, the sentencing order shall reference the person's waiver of rights under Anderson, and order that credit for time served be calculated under section 907.3, as amended by this division of this Act.

Sec. 93. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VI  
COUNTY TREASURERS

Sec. 94. Section 161A.35, unnumbered paragraph 1, Code 2011, is amended to read as follows:

If the owner of any premises against which a levy exceeding ~~one~~ five hundred dollars has been made and certified shall, within thirty days from the date of such levy, agree in writing in a separate agreement, that in consideration of having a right to pay the owner's assessment in installments, the owner will not make any objection as to the legality of the assessment for benefit, or the levy of the taxes against the owner's property, then such owner shall have the following options:

Sec. 95. Section 311.17, subsection 1, Code 2011, is amended to read as follows:

1. If an owner other than the state or a county or city, of any tracts of land on which the assessment is more than ~~one~~ five hundred dollars, shall, within twenty days from the date of the assessment, agree in writing filed in the office of the county auditor, that in consideration of the owner having the right to pay the assessment in installments, the owner will not make any objection of illegality or irregularity as to the assessment upon the real estate, and will pay the assessment plus interest, the assessment shall be payable in

ten equal installments. The first installment shall be payable on the date of the agreement. The other installments shall be paid annually at the same time and in the same manner as the September semiannual payment of ordinary taxes with interest accruing as provided in section 384.65, subsection 3. The rate of interest shall be as established by the board, but not exceeding that permitted by chapter 74A.

Sec. 96. Section 311.19, unnumbered paragraph 1, Code 2011, is amended to read as follows:

Assessments of ~~one~~ five hundred dollars or less against any tract of land, and assessments against lands owned by the state, county, or city, shall be due and payable from the date of levy by the board of supervisors, or in the case of any appeal, from the date of final confirmation of the levy by the court.

Sec. 97. Section 331.384, subsection 3, Code 2011, is amended to read as follows:

3. If any amount assessed against property under this section exceeds ~~one~~ five hundred dollars, a county may permit the assessment to be paid in up to ten annual installments in the same manner and with the same interest rates provided for assessments against benefited property under chapter 384, division IV.

Sec. 98. Section 357.20, Code 2011, is amended to read as follows:

**357.20 Due date — bonds.**

Assessments of ~~less than one~~ five hundred dollars or less will come due at the first taxpaying date after the approval of the final assessment, and assessments of ~~one hundred dollars or more~~ than five hundred dollars may be paid in ten annual installments with interest on the unpaid balance at a rate not exceeding that permitted by chapter 74A. The board of supervisors shall issue bonds against the completed assessment in an amount equal to the total cost of the project, so that the amount of the assessment will be approximately ten percent greater than the amount of the bonds.

Sec. 99. Section 358.16, subsection 3, Code 2011, is amended to read as follows:

3. If any amount assessed against property pursuant to this section will exceed ~~one~~ five hundred dollars, the board of trustees may permit the assessment to be paid in up to ten annual installments, in the manner and with the same interest rates as provided for assessments against benefited property

under chapter 384, division IV.

Sec. 100. Section 364.13, Code 2011, is amended to read as follows:

**364.13 Installments.**

If any amount assessed against property under section 364.12 will exceed ~~one~~ five hundred dollars, a city may permit the assessment to be paid in up to ten annual installments, in the same manner and with the same interest rates provided for assessments against benefited property under chapter 384, division IV.

Sec. 101. Section 384.60, subsection 1, paragraph b, Code 2011, is amended to read as follows:

b. State the number of annual installments, not exceeding fifteen, into which assessments of ~~one~~ more than five hundred dollars ~~or more~~ are divided.

Sec. 102. Section 384.65, subsection 1, Code 2011, is amended to read as follows:

1. The first installment of each assessment, or the total amount if ~~less than one~~ five hundred dollars or less, is due and payable on July 1 next succeeding the date of the levy, unless the assessment is filed with the county treasurer after May 31 in any year. The first installment shall bear interest on the whole unpaid assessment from the date of acceptance of the work by the council to the first day of December following the due date.

Sec. 103. Section 435.24, subsection 6, paragraph b, Code 2011, is amended to read as follows:

b. Partial payment of taxes which are delinquent may be made to the county treasurer. For the installment being paid, payment shall first be applied toward any interest, fees, and costs accrued and the remainder applied to the tax due. A partial payment must equal or exceed the interest, fees, and costs of the installment being paid. A partial payment made under this paragraph shall be apportioned in accordance with section 445.57, however, such partial payment may, at the discretion of the county treasurer, be apportioned either on or before the tenth day of the month following the receipt of the partial payment or on or before the tenth day of the month following the due date of the next semiannual tax installment. If the payment does not include the whole of any installment of the delinquent tax, the unpaid tax shall continue to accrue interest pursuant to section 445.39. Partial payment shall not be permitted in lieu of redemption if the property has been

sold for taxes under chapter 446 and under any circumstances shall not constitute an extension of the time period for a sale under chapter 446.

Sec. 104. Section 445.36A, subsection 2, Code 2011, is amended to read as follows:

2. Partial payment of taxes which are delinquent may be made to the county treasurer. For the installment being paid, payment shall first be applied to any interest, fees, and costs accrued and the remainder applied to the taxes due. A partial payment must equal or exceed the amount of interest, fees, and costs of the installment being paid. A partial payment made under this subsection shall be apportioned in accordance with section 445.57, however, such partial payment may, at the discretion of the county treasurer, be apportioned either on or before the tenth day of the month following the receipt of the partial payment or on or before the tenth day of the month following the due date of the next semiannual tax installment. If the payment does not include the whole of any installment of the delinquent tax, the unpaid tax shall continue to accrue interest pursuant to section 445.39. Partial payment shall not be permitted in lieu of redemption if the property has been sold for taxes under chapter 446 and under any circumstances shall not constitute an extension of the time period for a sale under chapter 446.

Sec. 105. Section 445.57, unnumbered paragraph 1, Code 2011, is amended to read as follows:

On or before the tenth day of each month, the county treasurer shall apportion all taxes collected during the preceding month, except partial payment amounts collected pursuant to section 445.36A, subsection 1 and, partial payments collected and not yet designated by the county treasurer for apportionment pursuant to section 445.36A, subsection 2, partial payments collected pursuant to section 435.24, subsection 6, paragraph "a", and partial payments collected and not yet designated by the county treasurer for apportionment pursuant to section 435.24, subsection 6, paragraph "b", among the several funds to which they belong according to the amount levied for each fund, and shall apportion the interest, fees, and costs on the taxes to the general fund, and shall enter those amounts upon the treasurer's cash account, and report the amounts to the county auditor.

Sec. 106. Section 446.32, Code 2011, is amended to read as follows:

**446.32 Payment of subsequent taxes by purchaser.**

The county treasurer shall provide to the purchaser of a parcel sold at tax sale a receipt for the total amount paid by the purchaser after the date of purchase for a subsequent year. Taxes for a subsequent year may be paid by the purchaser beginning one month and fourteen days following the date from which an installment becomes delinquent as provided in section 445.37. Notwithstanding any provision to the contrary, a subsequent payment must be received and recorded by the treasurer in the county system no later than ~~five~~ 5:00 p.m. on the last business day of the month for interest for that month to accrue and be added to the amount due under section 447.1. However, the treasurer may establish a deadline for receipt of subsequent payments that is other than ~~five~~ 5:00 p.m. on the last business day of the month to allow for timely processing of the subsequent payments. Late interest shall be calculated through the date that the subsequent payment is recorded by the treasurer in the county system. In no instance shall the date of postmark of a subsequent payment be used by a treasurer either to calculate interest or to determine whether interest shall accrue on the subsequent payment.

Sec. 107. Section 468.57, subsection 1, Code Supplement 2011, is amended to read as follows:

1. If the owner of any land against which a levy exceeding ~~one~~ five hundred dollars has been made and certified shall, within thirty days from the date of such levy, agree in writing endorsed upon any improvement certificate referred to in section 468.70, or in a separate agreement, that in consideration of having a right to pay the owner's assessment in installments, the owner will not make any objection as to the legality of the assessment for benefit, or the levy of the taxes against the property, then such owner shall have the following options:

a. To pay one-third of the amount of the assessment at the time of filing the agreement; one-third within twenty days after the engineer in charge certifies to the auditor that the improvement is one-half completed; and the remaining one-third within twenty days after the improvement has been completed and accepted by the board. All installments shall be without interest if paid at said times, otherwise the assessments shall bear interest from the date of the levy at a rate determined by the board notwithstanding chapter 74A, payable annually, and be collected as other taxes on real estate, with like interest

for delinquency.

b. To pay the assessments in not less than ten nor more than twenty equal installments, with the number of payments and interest rate determined by the board, notwithstanding chapter 74A. The first installment of each assessment, or the total amount if ~~less than one~~ five hundred dollars or less, is due and payable on July 1 next succeeding the date of the levy, unless the assessment is filed with the county treasurer after May 31 in any year. The first installment shall bear interest on the whole unpaid assessment from the date of the levy as set by the board to the first day of December following the due date. The succeeding annual installments, with interest on the whole unpaid amount, to the first day of December following the due date, are respectively due on July 1 annually, and must be paid at the same time and in the same manner as the first semiannual payment of ordinary taxes. All future installments of an assessment may be paid on any date by payment of the then outstanding balance plus interest to the next December 1, or additional annual installments may be paid after the current installment has been paid before December 1 without interest. A payment must be for the full amount of the next installment. If installments remain to be paid, the next annual installment with interest added to December 1 will be due. After December 1, if a drainage assessment is not delinquent, a property owner may pay one-half or all of the next annual installment of principal and interest of a drainage assessment prior to the delinquency date of the installment. When the next installment has been paid in full, successive principal installments may be prepaid. The county treasurer shall accept the payments of the drainage assessment, and shall credit the next annual installment or future installments of the drainage assessment to the extent of the payment or payments, and shall remit the payments to the drainage fund. If a property owner elects to pay one or more principal installments in advance, the pay schedule shall be advanced by the number of principal installments prepaid. Each installment of an assessment with interest on the unpaid balance is delinquent from October 1 after its due date. However, when the last day of September is a Saturday or Sunday, that amount shall be delinquent from the second business day of October. Taxes assessed pursuant to this chapter which become delinquent shall bear the same delinquent interest as ordinary taxes. When collected, the interest must be credited to the same drainage fund as the

drainage special assessment.

DIVISION VII  
BOARDS AND COMMISSIONS

Sec. 108. Section 28B.1, subsection 1, unnumbered paragraph 1, Code 2011, is amended to read as follows:

The In accordance with a resolution adopted for this purpose by the legislative council, an Iowa commission on interstate cooperation is hereby established shall be appointed to address the charge and other responsibilities for the commission outlined in the resolution. ~~It~~ The commission shall consist of thirteen members to be appointed as follows:

Sec. 109. Section 28B.4, Code 2011, is amended to read as follows:

**28B.4 Report.**

1. The commission shall report to the governor and to the legislature within fifteen days after the convening of each general assembly general assembly in accordance with the commission's charge, and at may report at other times as it deems deemed appropriate by the commission.

2. Its The commission's members and the members of all committees which it establishes shall be reimbursed for their travel and other necessary expenses in carrying out their obligations under this chapter and legislative members shall be paid a per diem as specified in section 7E.6 for each day in which engaged in the performance of their duties, the per diem and legislators' expenses to be paid from funds appropriated by sections 2.10 and 2.12. Expenses of administrative officers, state officials, or state employees who are members of the Iowa commission on interstate cooperation or a committee appointed by the commission shall be paid from funds appropriated to the agencies or departments which persons represent except as may otherwise be provided by the general assembly. Expenses of citizen members who may be appointed to committees of the commission may be paid from funds as authorized by the general assembly. Expenses of the secretary or employees of the secretary and support services in connection with the administration of the commission shall be paid from funds appropriated to the legislative services agency unless otherwise provided by the general assembly. Expenses of commission members shall be paid upon approval of the chairperson or the secretary of the commission.

Sec. 110. Section 216A.132, subsection 1, paragraph c, Code 2011, is amended to read as follows:

c. (1) The chief justice of the supreme court shall designate one member who is a district judge and one member who is either a district associate judge or associate juvenile judge. ~~The chairperson and ranking member of the senate committee on judiciary shall be members. In alternating four year intervals, the chairperson and ranking member of the house committee on judiciary or of the house committee on public safety shall be members, with the chairperson and ranking member of the house committee on public safety serving during the initial interval.~~ Nonlegislative The members appointed pursuant to this paragraph subparagraph shall serve as ex officio, nonvoting members for four-year terms beginning and ending as provided in section 69.19, unless the member ceases to serve as a district court judge.

(2) The chairperson and ranking member of the senate committee on judiciary shall be ex officio, nonvoting members. In alternating two-year terms, beginning and ending as provided in section 69.16B, the chairperson and ranking member of the house committee on judiciary or of the house committee on public safety shall be ex officio, nonvoting members, with the chairperson and ranking member of the house committee on public safety serving during the term beginning in January 2011.

Sec. 111. REPEAL. Section 249A.36, Code 2011, is repealed.

~~TEB C~~ DIVISION VIII

CITY FRANCHISE FEES

~~Sec. 112. Section 364.2, subsection 4, paragraph f, Code 2011, is amended to read as follows:~~

~~f. (1) (a) A franchise fee assessed by a city may be based upon a percentage of gross revenues generated from sales of the franchisee within the city not to exceed five percent, except as provided in subparagraph division (b), without regard to the city's cost of inspecting, supervising, and otherwise regulating the franchise.~~

~~(b) For franchise fees assessed and collected during fiscal years beginning on or after July 1, 2012, but before July 1, 2030, by a city that is the subject of a judgment, court-approved settlement, or court-approved compromise providing for payment of restitution, a refund, or a return described in section 384.3A, subsection 3, paragraph "j", the rate of the franchise fee shall not exceed seven and one-half percent of gross revenues generated from sales of the franchisee in the city, and franchise fee amounts assessed and collected during such fiscal years in excess of five percent~~

~~of gross revenues generated from sales shall be used solely for the purpose specified in section 384.3A, subsection 3, paragraph "j". A city may assess and collect a franchise fee in excess of five percent of gross revenues generated from the sales of the franchisee pursuant to this subparagraph division (b) for a period not to exceed seven consecutive fiscal years once the franchise fee is first imposed at a rate in excess of five percent. An ordinance increasing the franchise fee rate to greater than five percent pursuant to this subparagraph division (b) shall not become effective unless approved at an election. After passage of the ordinance, the council shall submit the proposal at a special election held on a date specified in section 39.2, subsection 4, paragraph "b". If a majority of those voting on the proposal approves the proposal, the city may proceed as proposed. The complete text of the ordinance shall be included on the ballot and the full text of the ordinance posted for the voters pursuant to section 52.25. All absentee voters shall receive the full text of the ordinance along with the absentee ballot. This subparagraph division is repealed July 1, 2030.~~

~~(2) Franchise fees collected pursuant to an ordinance in effect on May 26, 2009, shall be deposited in the city's general fund and such fees collected in excess of the amounts necessary to inspect, supervise, and otherwise regulate the franchise may be used by the city for any other purpose authorized by law. Franchise fees collected pursuant to an ordinance that is adopted or amended on or after May 26, 2009, to increase the percentage rate at which franchise fees are assessed shall be credited to the franchise fee account within the city's general fund and used pursuant to section 384.3A. If a city franchise fee is assessed to customers of a franchise, the fee shall not be assessed to the city as a customer. Before a city adopts or amends a franchise fee rate ordinance or franchise ordinance to increase the percentage rate at which franchise fees are assessed, a revenue purpose statement shall be prepared specifying the purpose or purposes for which the revenue collected from the increased rate will be expended. If property tax relief is listed as a purpose, the revenue purpose statement shall also include information regarding the amount of the property tax relief to be provided with revenue collected from the increased rate. The revenue purpose statement shall be published as provided in section 362.3.~~

~~Sec. 113. Section 384.3A, subsection 3, Code 2011, is amended by adding the following new paragraph:~~

~~NEW PARAGRAPH. j. For franchise fees assessed and collected by a city in excess of five percent of gross revenues generated from sales of the franchisee within the city pursuant to section 364.2, subsection 4, paragraph "f", subparagraph (1), subparagraph division (b), during fiscal years beginning on or after July 1, 2012, but before July 1, 2030, the adjustment, renewing, or extension of any part or all of the legal indebtedness of a city, whether evidenced by bonds, warrants, court-approved settlements, court-approved compromises, or judgments, or the funding or refunding of the same, if such legal indebtedness relates to restitution, a refund, or a return ordered by a court of competent jurisdiction for franchise fees assessed and collected by the city before the effective date of this division of this Act. This paragraph is repealed July 1, 2030.~~

~~Sec. 114. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.~~ ] TEB

#### DIVISION IX

##### EARLY INTERVENTION BLOCK GRANT PROGRAM

Sec. 115. Section 256D.9, Code 2011, is amended to read as follows:

##### 256D.9 Future repeal.

This chapter is repealed effective July 1, ~~2012~~ 2013.

Sec. 116. EFFECTIVE DATE. This division of this Act takes effect June 30, 2012.

#### DIVISION X

##### STATE BOARD OF REGENTS

Sec. 117. Section 8D.10, Code 2011, is amended to read as follows:

##### 8D.10 Report of savings by state agencies.

A state agency which is a part of the network shall annually provide a written report to the general assembly certifying the identified savings associated with the state agency's use of the network. The report shall be delivered on or before January 15 for the previous fiscal year of the state agency. This section does not apply to the state board of regents or to any institution under control of the state board of regents.

Sec. 118. Section 262.93, Code 2011, is amended to read as follows:

##### 262.93 Reports to general assembly.

The college student aid commission and the state board of regents each shall submit to the general assembly, by January 15 of each year, a report on the progress and implementation of the programs which they administer under sections 261.102 through 261.105, ~~262.82~~, and 262.92. By January 31 of each year, the state board of regents shall submit a report to the general assembly regarding the progress and implementation of the program administered pursuant to section 262.82. The reports shall include, but are not limited to, the numbers of students and educators participating in the programs and allocation of funds appropriated for the programs.

Sec. 119. Section 263.19, Code 2011, is amended to read as follows:

**263.19 Purchases.**

Any purchase ~~in excess of ten thousand dollars~~, of materials, appliances, instruments, or supplies by the university of Iowa hospitals and clinics, ~~when the price of the materials, appliances, instruments, or supplies to be purchased is subject to competition~~, shall be made pursuant to open competitive quotations, and all contracts for such purchases shall be ~~subject to chapter 72. However, purchases may be made through a hospital group purchasing organization provided that the university of Iowa hospitals and clinics is a member of the organization~~ in compliance with purchasing policies of the state board of regents.

Sec. 120. Section 432.13, Code 2011, is amended to read as follows:

**432.13 Premium tax exemption — hawk-i program — state employee benefits.**

1. Premiums collected by participating insurers under chapter 514I are exempt from premium tax.

2. Premiums received for benefits acquired on behalf of state employees by the department of administrative services ~~on behalf of state employees~~ pursuant to section 8A.402, subsection 1, and by the state board of regents pursuant to chapter 262, are exempt from premium tax.

DIVISION XI

NAVIGATOR — INSURANCE

Sec. 121. NEW SECTION. 522D.1 Definitions.

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

1. "Commissioner" means the commissioner of insurance.
2. "Navigator" means a public or private entity or an

individual that is qualified and licensed, if appropriate, to engage in the activities and meet the standards described in 45 C.F.R. § 155.210.

Sec. 122. NEW SECTION. 522D.2 License required.

A person shall not act as a navigator in this state unless the person is licensed by the commissioner as required in this chapter.

Sec. 123. NEW SECTION. 522D.3 Actions prohibited.

A navigator shall not perform the functions of a person required to be licensed as an insurance producer under chapter 522B unless the navigator is licensed as a navigator pursuant to this chapter and as an insurance producer pursuant to chapter 522B.

Sec. 124. NEW SECTION. 522D.4 Application for examination.

1. An individual applying for a navigator license shall pass a written examination. The examination shall test the knowledge of the individual concerning the duties and responsibilities of a navigator and the insurance laws and regulations of this state. The commissioner shall adopt rules pursuant to chapter 17A related to the development and conduct of the examination.

2. The commissioner may make arrangements, including contracting with an outside testing service or other appropriate entity, for administering examinations and collecting fees.

3. An individual applying for an examination shall remit a nonrefundable fee as established by rule of the commissioner.

4. An individual who fails to appear for the examination as scheduled or fails to pass the examination shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

Sec. 125. NEW SECTION. 522D.5 Application for license.

1. A person applying for a navigator license shall make application to the commissioner on an application form approved by the commissioner and declare under penalty of refusal, suspension, or revocation of the license that the statements made on the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner shall find all of the following:

a. The individual is at least eighteen years of age.

b. The individual has not committed any act that is a ground for denial, suspension, or revocation as set forth in section

522D.7.

*c.* The individual has paid the license fee, as established by the commissioner by rule.

*d.* The individual has successfully completed the initial training and education program for a license as established by the commissioner by rule.

*e.* The individual has successfully passed the examination as provided in section 522D.4.

*f.* In order to protect the public interest, the individual has the requisite character and competence to receive a license as a navigator.

2. A public or private entity acting as a navigator may elect to obtain a navigator license. Application shall be made using the application form approved by the commissioner. Prior to approving the application, the commissioner shall find both of the following:

*a.* The entity has paid the appropriate fees.

*b.* The entity has designated a licensed navigator responsible for the entity's compliance with this chapter.

Sec. 126. NEW SECTION. 522D.6 License.

1. A person who meets the requirements of sections 522D.4 and 522D.5, unless otherwise denied licensure pursuant to section 522D.7, shall be issued a navigator license. A navigator license is valid for three years.

2. A navigator license remains in effect unless revoked or suspended as long as all required fees are paid and continuing education requirements are met by any applicable due date. A navigator is required to complete continuing education requirements required by law in order to be eligible for license renewal.

3. A licensed navigator who is unable to comply with license renewal procedures due to military service or other extenuating circumstances may request a waiver of those procedures. The licensed navigator may also request a waiver of any examination requirement or any other penalty or sanction imposed for failure to comply with renewal procedures.

4. The license shall contain the licensee's name, address, personal identification number, the date of issuance, the expiration date, and any other information the commissioner deems necessary.

5. A licensee shall inform the commissioner by any means acceptable to the commissioner of a change of legal name or address within thirty days of the change. Failure to timely

inform the commissioner of a change of legal name or address may result in a penalty as specified in section 522D.7.

6. The commissioner shall require by rule that a licensed navigator furnish a surety bond or other evidence of financial responsibility that protects all persons against wrongful acts, misrepresentations, errors, omissions, or negligence of the navigator.

7. In order to assist with the commissioner's duties, the commissioner may contract with a nongovernmental entity, including the national association of insurance commissioners or any affiliate or subsidiary the national association of insurance commissioners oversees, to perform any ministerial functions, including the collection of fees, related to navigator licensing that the commissioner deems appropriate.

Sec. 127. NEW SECTION. 522D.7 License denial, nonrenewal, or revocation.

1. The commissioner may place on probation, suspend, revoke, or refuse to issue or renew a navigator's license or may levy a civil penalty as provided in section 522D.8 for any one or more of the following causes:

*a.* Providing incorrect, misleading, incomplete, or materially untrue information in the license application.

*b.* Violating any insurance laws, or violating any regulation, subpoena, or order of the commissioner or of a commissioner of another state.

*c.* Obtaining or attempting to obtain a license through misrepresentation or fraud.

*d.* Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business.

*e.* Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

*f.* Having been convicted of a felony.

*g.* Having admitted or been found to have committed any unfair insurance trade practice or fraud.

*h.* Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

*i.* Having a navigator license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory.

*j.* Forging another's name to an application for insurance or

to any document related to an insurance transaction.

*k.* Improperly using notes or any other reference material to complete an examination for a navigator license.

*l.* Failing to comply with an administrative or court order imposing a child support obligation.

*m.* Failing to comply with an administrative or court order related to repayment of loans to the college student aid commission.

*n.* Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax.

*o.* Failing or refusing to cooperate in an investigation by the commissioner.

2. If the commissioner does not renew a license or denies an application for a license, the commissioner shall notify the applicant or licensee and advise, in writing, the licensee or applicant of the reason for the nonrenewal of the license or denial of the application for a license. The licensee or applicant may request a hearing on the nonrenewal or denial. A hearing shall be conducted according to section 507B.6.

3. The license of a public or private entity operating as a navigator may be suspended, revoked, or refused if the commissioner finds, after hearing, that an individual navigator licensee's violation was known or should have been known by a partner, officer, or manager acting on behalf of the entity and the violation was not reported to the commissioner and corrective action was not taken.

4. In addition to, or in lieu of, any applicable denial, suspension, or revocation of a license, a person, after hearing, may be subject to a civil penalty as provided in section 522D.8.

5. The commissioner may conduct an investigation of any suspected violation of this chapter pursuant to section 507B.6 and may enforce the provisions and impose any penalty or remedy authorized by this chapter and chapter 507B against any person who is under investigation for, or charged with, a violation of either chapter even if the person's license has been surrendered or has lapsed by operation of law.

6. *a.* In order to assure a free flow of information for accomplishing the purposes of this section, all complaint files, investigation files, other investigation reports, and other investigative information in the possession of the commissioner or the commissioner's employees or agents that

relates to licensee discipline are privileged and confidential, and are not subject to discovery, subpoena, or other means of legal compulsion for their release to a person other than the licensee, and are not admissible in evidence in a judicial or administrative proceeding other than the proceeding involving licensee discipline. A final written decision of the commissioner in a disciplinary proceeding is a public record.

*b.* Investigative information in the possession of the commissioner or the commissioner's employees or agents that relates to licensee discipline may be disclosed, in the commissioner's discretion, to appropriate licensing authorities within this state, the appropriate licensing authority in another state, the District of Columbia, or a territory or country in which the licensee is licensed or has applied for a license.

*c.* If the investigative information in the possession of the commissioner or the commissioner's employees or agents indicates a crime has been committed, the information shall be reported to the proper law enforcement agency.

*d.* Pursuant to the provisions of section 17A.19, subsection 6, upon an appeal by the licensee, the commissioner shall transmit the entire record of the contested case to the reviewing court.

*e.* Notwithstanding the provisions of section 17A.19, subsection 6, if a waiver of privilege has been involuntary and evidence has been received at a disciplinary hearing, the court shall issue an order to withhold the identity of the individual whose privilege was waived.

**Sec. 128. NEW SECTION. 522D.8 Cease and desist orders — penalties.**

1. A navigator who, after hearing, is found to have violated this chapter, may be ordered to cease and desist from engaging in the conduct resulting in the violation and may be assessed a civil penalty pursuant to chapter 507B.

2. If a person does not comply with an order issued pursuant to this section, the commissioner may petition a court of competent jurisdiction to enforce the order. The court shall not require the commissioner to post a bond in an action or proceeding under this section. If the court finds, after notice and opportunity for hearing, that the person is not in compliance with an order, the court may adjudge the person to be in civil contempt of the order. The court may impose a civil penalty against the person for contempt in an amount not less

than three thousand dollars but not greater than ten thousand dollars for each violation and may grant any other relief that the court determines is just and proper in the circumstances.

Sec. 129. NEW SECTION. 522D.9 Injunctive relief.

1. A person may bring an action in district court to enjoin another person from acting as a navigator in violation of section 522D.2. However, before bringing an action in district court to enjoin a person pursuant to this section, the person shall file a complaint with the insurance division alleging that another person is acting as a navigator in violation of section 522D.2.

2. If the division makes a determination to proceed administratively against the person for a violation of section 522D.2, the complainant shall not bring an action in district court against the person pursuant to this section based upon the allegations contained in the complaint filed with the division.

3. If the division does not make a determination to proceed administratively against the person for a violation of section 522D.2, the division shall issue, by ninety days from the date of filing of the complaint, a release to the complainant that permits the complainant to bring an action in district court pursuant to this section.

4. The filing of a complaint with the division pursuant to this section tolls the statute of limitations pursuant to section 614.1 as to the alleged violation for a period of one hundred twenty days from the date of filing the complaint.

5. Any action brought in district court by a complainant against a person pursuant to this section, based upon the allegations contained in the complaint filed with the division, shall be brought within one year after the ninety-day period following the filing of the complaint with the division, or the date of the issuance of a release by the division, whichever is earlier.

6. If the court finds that the person is in violation of section 522D.2 and enjoins the person from acting as a navigator in violation of that section, the court's findings of fact and law, and the judgment and decree, when final, shall be admissible in any proceeding initiated pursuant to section 522D.8 by the commissioner against the person enjoined and the person enjoined shall be precluded from contesting in that proceeding the court's determination that the person acted as a navigator in violation of section 522D.2.

Sec. 130. NEW SECTION. 522D.10 Rules.

The commissioner may adopt rules pursuant to chapter 17A as are necessary or proper to carry out the purposes of this chapter.

Sec. 131. NEW SECTION. 522D.11 Severability.

If any provision of this chapter or its application to any person or circumstance is held invalid by a court of competent jurisdiction or by federal law, the invalidity does not affect other provisions or applications of the chapter that can be given effect without the invalid provision or application, and to this end the provisions of the chapter are severable and the valid provisions or applications shall remain in full force and effect.

Sec. 132. NEW SECTION. 522D.12 Future repeal.

If the federal law providing for the sale of qualified health benefit plans of the state is repealed by federal legislation or is ruled invalid by a decision of the United States supreme court, the commissioner shall notify the Iowa Code editor of the effective date of the repeal or the date of the ruling. This chapter is repealed on the effective date of such federal legislation or the date of the United States supreme court decision.

DIVISION XII

CAPITAL GAIN DEDUCTION FOR SALE TO AN IOWA ESOP

Sec. 133. Section 422.7, subsection 21, Code Supplement 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. (1) To the extent not already excluded, fifty percent of the net capital gain from the sale or exchange of employer securities of an Iowa corporation to a qualified Iowa employee stock ownership plan when, upon completion of the transaction, the qualified Iowa employee stock ownership plan owns at least thirty percent of all outstanding employer securities issued by the Iowa corporation.

(2) For purposes of this paragraph:

(a) "*Employer securities*" means the same as defined in section 409(1) of the Internal Revenue Code.

(b) "*Iowa corporation*" means a corporation whose commercial domicile, as defined in section 422.32, is in this state.

(c) "*Qualified Iowa employee stock ownership plan*" means an employee stock ownership plan, as defined in section 4975(e)(7) of the Internal Revenue Code, and trust that are established by an Iowa corporation for the benefit of the employees of the corporation.

Sec. 134. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2012, for tax years beginning on or after that date.

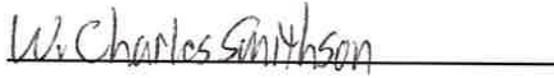


KRAIG PAULSEN  
Speaker of the House



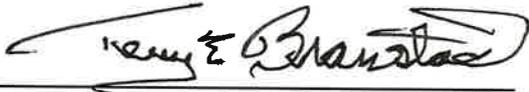
JOHN P. KIBBIE  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2465, Eighty-fourth General Assembly.



W. CHARLES SMITHSON  
Chief Clerk of the House

Approved Mar 25, 2012, with exception noted.



TERRY E. BRANSTAD  
Governor