TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

March 23, 2016

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 2189, an Act relating to nonsubstantive code corrections.

The above Senate File is hereby approved this date.

Sincerely,

Terry E. Branstad
Governor

cc: Secretary of the Senate
Clerk of the House

Senate File 2189

AN ACT

RELATING TO NONSUBSTANTIVE CODE CORRECTIONS.

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

DIVISION I

MISCELLANEOUS CHANGES

Section 1. Section 8.55, subsection 2, paragraph a, Code 2016, is amended to read as follows:

a. The first sixty million dollars of the difference between the actual net revenue for the general fund of the state for the fiscal year and the adjusted revenue estimate for the fiscal year shall be transferred to the taxpayers trust fund created in section 8.57E.

Sec. 2. Section 13.15, Code 2016, is amended to read as follows:

13.15 Rules and forms — fees.

1. The farm mediation service shall recommend rules to the farm assistance program coordinator. The coordinator shall adopt rules pursuant to chapter 17A to set the compensation of mediators and to implement this subchapter and chapters 654A, 654B, and 654C.

2. *a.* The rules shall provide for an hourly mediation fee not to exceed fifty dollars for the borrower and one hundred dollars for the creditor. The hourly mediation fee may be waived for any party demonstrating financial hardship upon application to the farm mediation service.

b. The compensation of a mediator shall be no more than twenty-five dollars per hour, and all parties shall contribute an equal amount of the cost.

3. The coordinator shall adopt voluntary mediation application and mediation request forms.

Sec. 3. Section 16.92, subsection 1, paragraph e, Code 2016, is amended to read as follows:

e. "Mortgage" means a mortgage or mortgage lien on an interest in real property in this state given to secure a loan in an original principal amount equal to or less than the maximum principal amount as determined by the division board and adopted by the ~~Iowa finance~~ authority pursuant to chapter 17A.

Sec. 4. Section 19B.2, Code 2016, is amended to read as follows:

19B.2 Equal opportunity in state employment — affirmative action.

1. It is the policy of this state to provide equal opportunity in state employment to all persons. An individual shall not be denied equal access to state employment opportunities because of race, creed, color, religion, national origin, sex, age, or physical or mental disability. It also is the policy of this state to apply affirmative action measures to correct deficiencies in the state employment system where those remedies are appropriate. This policy shall be construed broadly to effectuate its purposes.

2. It is the policy of this state to permit special appointments by bypassing the usual testing procedures for any applicant for whom the division of vocational rehabilitation services of the department of education or the department for the blind has certified the applicant's disability and competence to perform the job. The department of administrative services, in cooperation with the department for the blind and the division of vocational rehabilitation services, shall develop appropriate certification procedures. This ~~paragraph~~ subsection should not be interpreted to bar promotional opportunities for persons who are blind or persons with physical or mental disabilities. If this ~~paragraph~~ subsection conflicts with any other provisions of this chapter,

the provisions of this ~~paragraph~~ subsection govern.

Sec. 5. Section 26.13, subsection 2, unnumbered paragraph 1, Code 2016, is amended to read as follows:

Payments made by a governmental entity or the ~~state~~ department ~~of transportation~~ for the construction of public improvements and highway, bridge, or culvert projects shall be made in accordance with the provisions of chapter 573, except as provided in this section:

Sec. 6. Section 28F.10, Code 2016, is amended to read as follows:

28F.10 Refunding bonds.

Refunding bonds may be issued by an entity in a principal amount sufficient to provide funds for the ~~payment (including~~ payment, including premium, if ~~any)~~ any, of bonds issued by said entity pursuant to the provisions of this chapter to be refunded thereby and the interest thereon and in addition for the payment of all expenses incident to the calling, retiring, or paying of such outstanding bonds to be refunded, such refunding bonds may also finance the construction of a project or projects authorized by this chapter or the improvement, addition, betterment or extension of an existing project or projects so authorized. Said refunding bonds shall not be issued to refund the principal of and interest on any bonds to be refunded unless such bonds mature or are redeemable under their terms within ten years from the date of delivery of the refunding bonds. The proceeds of said refunding bonds to be used for the payment of the principal of, interest on and redemption premiums, if any, on said bonds to be refunded which will not be due and payable immediately shall be deposited in trust for the sole purpose of making such payments in a bank or trust company within the state. Any moneys in such trust fund, prior to the date such funds will be needed for the payment of such principal of, interest on and redemption premiums, if any, of such outstanding bonds to be refunded, may be invested or reinvested as provided in the resolution authorizing said refunding bonds. Refunding bonds shall be issued in the same manner and detail as revenue bonds herein authorized.

Sec. 7. Section 29B.6, Code 2016, is amended to read as follows:

29B.6 Imposition of restraint.

1. ~~Arrest~~ *"Arrest"* is the restraint of a person by an order, not imposed as a punishment for an offense, directing the person to remain within certain specified limits. ~~Confinement~~ *"Confinement"* is the physical restraint of a person.

2. An enlisted member may be ordered into arrest or confinement by any commissioned officer by an order, oral or written, delivered in person or through other persons subject to this code or through any person authorized by this code to apprehend persons.

3. A commanding officer may authorize warrant officers or noncommissioned officers to order enlisted members of the officer's command or subject to the officer's authority into arrest or confinement.

4. A commissioned officer or a warrant officer may be ordered apprehended or into arrest or confinement only by a commanding officer to whose authority the commissioned or warrant officer is subject, by an order, oral or written, delivered in person or by another commissioned officer. The authority to order such persons apprehended or into arrest or confinement may not be delegated.

5. This section does not limit the authority of persons authorized to apprehend offenders to secure the custody of an alleged offender until the proper authority is notified.

Sec. 8. Section 29C.23, Code 2016, is amended to read as follows:

29C.23 Iowa radio interoperability platform.

The Iowa radio interoperability platform shall be under the joint purview of the department of public safety and the department of transportation. The departments shall jointly submit a biannual report to the ~~Iowa~~ statewide interoperable communications system board established in section 80.28, beginning July 1, 2016.

Sec. 9. Section 39.17, Code 2016, is amended to read as follows:

39.17 County officers.

1. There shall be elected in each county at the general election to be held in the year 1976 and every four years thereafter, an auditor and a sheriff, each to hold office for a

term of four years.

2. There shall be elected in each county at the general election to be held in 1974 and each four years thereafter, a treasurer, a recorder, and a county attorney who shall each hold office for a term of four years.

Sec. 10. Section 46.6, Code 2016, is amended to read as follows:

46.6 Equal seniority.

If the judges of longest ~~service (other~~ service, other than the chief ~~justice)~~ justice, of the supreme court or of the district court in a district are of equal service, the eldest of such judges shall be chairperson of the particular judicial nominating commission.

Sec. 11. Section 80B.14, Code 2016, is amended to read as follows:

80B.14 Budget submitted to department of management.

The Iowa law enforcement academy council shall annually submit estimates of its expenditure requirements to the department of management, ~~annually and~~ in such form as required by chapter 8 ~~estimates of its expenditure requirements~~. ~~Such~~ The estimates shall include the costs of administration, maintenance, and operation, and the cost of any proposed capital improvements or additional programs.

Sec. 12. Section 84A.4, subsection 1, Code 2016, is amended to read as follows:

1. A regional advisory board shall be established in each service delivery area as defined in section 84B.2. The members of ~~the~~ each board shall be appointed by the governor, consistent with the requirements of federal law and in consultation with chief elected officials within the region. Chief elected officials responsible for recommendations for board membership shall include, but are not limited to, county elected officials, municipal elected officials, and community college directors. The membership of each board shall provide for equal representation of business and labor and shall include a county elected official, a city official, a representative of a school district, and a representative of a community college.

Sec. 13. Section 89B.8, subsection 2, Code 2016, is amended

to read as follows:

2. The division of labor services shall administer this ~~division of the chapter~~ subchapter. The division may exercise the enforcement powers set out in chapter 88 and the rules adopted pursuant to chapter 88 to enforce this ~~division of the chapter~~ subchapter.

Sec. 14. Section 89B.12, subsections 2 and 3, Code 2016, are amended to read as follows:

2. The division of labor services shall receive and handle requests for information and complaints under this ~~division of this chapter~~ subchapter which involve employer information covered under ~~division~~ subchapter II ~~of this chapter~~. The labor commissioner shall adopt rules pursuant to chapter 17A regarding requests for information and the investigation and adjudication of complaints.

3. Requests for information under this ~~division of this chapter~~ subchapter are confidential.

Sec. 15. Section 92.5, subsection 9, Code 2016, is amended to read as follows:

9. *a.* Work in connection with motor vehicles and trucks if confined to the following:

~~*a.*~~ (1) Dispensing gasoline and oil.

~~*b.*~~ (2) Courtesy service.

~~*c.*~~ (3) Car cleaning, washing, and polishing.

b. Nothing in this subsection shall be construed to include work involving the use of pits, racks, or lifting apparatus or involving the inflation of any tire mounted on a rim equipped with a removable retaining ring.

Sec. 16. Section 96.7, subsection 1, Code 2016, is amended to read as follows:

1. *Payment.* Contributions accrue and are payable, in accordance with rules adopted by the department pursuant to chapter 17A, on all taxable wages paid by an employer for insured work.

Sec. 17. Section 96.7, subsection 2, paragraph a, subparagraph (4), Code 2016, is amended to read as follows:

(4) The department shall adopt rules pursuant to chapter 17A prescribing the manner in which benefits shall be charged against the accounts of several employers for which an

individual performed employment during the same calendar quarter.

Sec. 18. Section 96.7, subsection 2, paragraph c, subparagraph (2), Code 2016, is amended to read as follows:

(2) A construction contributory employer, as defined under rules adopted by the department pursuant to chapter 17A, which is newly subject to this chapter shall pay contributions at the rate specified in the twenty-first benefit ratio rank until the end of the calendar year in which the employer's account has been chargeable with benefits for twelve consecutive calendar quarters.

Sec. 19. Section 96.7, subsection 4, paragraph c, Code 2016, is amended to read as follows:

c. A hearing on an appeal shall be conducted according to rules adopted by the department pursuant to chapter 17A. A copy of the decision of the administrative law judge shall be sent by regular mail to the last address, according to the records of the department, of each affected employing unit or employer.

Sec. 20. Section 96.7, subsection 10, Code 2016, is amended to read as follows:

10. *Group accounts.* Two or more nonprofit organizations or two or more governmental entities which have become reimbursable employers in accordance with subsection 7 or subsection 8, paragraph *"a"*, may file a joint application to the department for the establishment of a group account for the purpose of sharing the cost of benefits paid which are attributable to service in the employ of the employers. The application shall identify and authorize a group representative to act as the group's agent for the purposes of this subsection. Upon approval of the application, the department shall establish a group account for the employers effective as of the beginning of the calendar quarter in which the department receives the application and shall notify the group's agent of the effective date of the account. The account shall remain in effect for not less than one year until terminated at the discretion of the department or upon application by the group. Upon establishment of the account, each employer member of the group shall be liable for benefit

reimbursements in lieu of contributions with respect to each calendar quarter in an amount which bears the same ratio to the total benefits paid in the quarter which are attributable to service performed in the employ of all members of the group, as the total wages paid for service performed in the employ of the member in the quarter bear to the total wages paid for service performed in the employ of all members of the group in the quarter. The department shall adopt rules pursuant to chapter 17A with respect to applications for establishment, maintenance, and termination of group accounts, for addition of new members to, and withdrawal of active members from group accounts, and for the determination of the amounts which are payable by members of the group and the time and manner of the payments.

Sec. 21. Section 96.7, subsection 11, paragraph a, Code 2016, is amended to read as follows:

a. If on the first day of the third month in any calendar quarter, the department has an outstanding balance of interest accrued on advance moneys received from the federal government for the payment of unemployment compensation benefits, or is projected to have an outstanding balance of accruing federal interest for that calendar quarter, the department shall collect a uniform temporary emergency surcharge for that calendar quarter, retroactive to the beginning of that calendar quarter. The surcharge shall be a percentage of employer contribution rates and shall be set at a uniform percentage, for all employers subject to the surcharge, necessary to pay the interest accrued on the moneys advanced to the department by the federal government, and to pay any additional federal interest which will accrue for the remainder of that calendar quarter. The surcharge shall apply to all employers except governmental entities, nonprofit organizations, and employers assigned a zero contribution rate. The department shall adopt rules pursuant to chapter 17A prescribing the manner in which the surcharge will be collected. Interest shall accrue on all unpaid surcharges under this subsection at the same rate as on regular contributions and shall be collectible in the same manner. The surcharge shall not affect the computation of regular contributions under this chapter.

Sec. 22. Section 96.9, subsection 5, Code 2016, is amended to read as follows:

5. *Administration expenses excluded.* Any amount credited to this state's account in the unemployment trust fund under section 903 of the Social Security Act which has been appropriated for expenses of administration pursuant to subsection 4 ~~of this section~~, whether or not withdrawn from such account, shall not be deemed assets of the unemployment compensation fund for the purpose of computing contribution rates under section 96.7, subsection 3~~, of this chapter~~.

Sec. 23. Section 96.14, subsection 3, paragraph k, Code 2016, is amended to read as follows:

k. If a political subdivision or a political subdivision instrumentality becomes delinquent in the payment of contributions, any payments owed as a government employer, penalty, interest, and costs for more than two calendar quarters, the amount of such delinquency shall be deducted from any further moneys due the employer by the state. Such deduction shall be made by the director of the department of administrative services upon certification of the amount due. A copy of the certification will be mailed to the employer.

Sec. 24. Section 96.19, subsection 4, Code 2016, is amended to read as follows:

4. ~~*"Benefit year". The term "benefit*~~ *"Benefit year"* means a period of one year beginning with the day with respect to which an individual filed a valid claim for benefits. Any claim for benefits made in accordance with section 96.6, subsection 1, shall be deemed to be a valid claim for the purposes of this subsection if the individual has been paid wages for insured work required under the provisions of this chapter.

Sec. 25. Section 96.19, subsection 16, paragraphs b, d, and g, Code 2016, are amended to read as follows:

b. Any employing unit ~~(whether~~, whether or not an employing unit at the time of ~~acquisition)~~ acquisition, which acquired the organization, trade, or business, or substantially all of the assets thereof, of another employing unit which at the time of such acquisition was an employer subject to this chapter, or which acquired a part of the organization, trade, or business of another employing unit which at the time of such acquisition

was an employer subject to this chapter. Provided, that such other employing unit would have been an employer under paragraph "*a*" ~~of this subsection~~, if such part had constituted its entire organization, trade, or business.

d. Any employing unit which, together with one or more other employing units, is owned or controlled ~~(by~~, by legally enforceable means or ~~otherwise)~~ otherwise, directly or indirectly by the same interests, or which owns or controls one or more other employing units ~~(by~~ by legally enforceable means or ~~otherwise)~~ otherwise, and which, if treated as a single unit with such other employing unit, would be an employer under paragraph "*a*" ~~of this subsection~~.

g. Any employing unit not an employer by reason of any other paragraph of this subsection for which, within either the current or preceding calendar year, service is or was performed with respect to which such employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment fund; or which, as a condition for approval of this chapter for full tax credit against the tax imposed by the ~~federal~~ Federal Unemployment Tax Act, ~~(26 U.S.C. §3301 – 3308)~~ 26 U.S.C. §3301 – 3308, is required, pursuant to such Act, to be an "*employer*" under this chapter. Provided, however, that if an employer subject to contributions solely because of the terms of this subsection shall establish proper proof to the satisfaction of the department that the employer's employees have been and will be duly covered and insured under the unemployment compensation law of another jurisdiction such employer shall not be deemed an employer and such services shall not be deemed employment under this chapter.

Sec. 26. Section 96.19, subsection 18, paragraph a, subparagraphs (1), (3), and (5), Code 2016, are amended to read as follows:

(1) Any officer of a corporation. Provided that the term "*employment*" shall not include such officer if the officer is a majority stockholder and the officer shall not be considered an employee of the corporation unless such services are subject to a tax to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid

into a state unemployment fund or such services are required to be covered under this chapter of the Code, as a condition to receipt of a full tax credit against the tax imposed by the ~~federal~~ Federal Unemployment Tax Act ~~(26 U.S.C. §3301 — 3309)~~, 26 U.S.C. §3301 — 3309, or

(3) (a) Any individual other than an individual who is an employee under subparagraphs (1) or (2) who performs services for remuneration for any person as an agent driver or commission driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages ~~(other~~ other than ~~milk)~~ milk, or laundry or dry cleaning services for the individual's principal; as a traveling or city salesperson, other than as an agent driver or commission driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, the individual's principal, ~~(except~~ except for sideline sales activities on behalf of some other ~~person)~~ person, of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.

(b) Provided, that for purposes of this subparagraph (3), the term "*employment*" shall include services performed after December 31, 1971, only if:

(i) The contract of service contemplates that substantially all of the services are to be performed personally by such individual;

(ii) The individual does not have a substantial investment in facilities used in connection with the performance of the services ~~(other~~, other than in facilities for ~~transportation)~~ transportation; and

(iii) The services are not in the nature of single transaction that is not part of a continuing relationship with the person for whom the services are performed.

(5) Service performed after December 31, 1971, by an individual in the employ of a religious, charitable, educational, or other organization, but only if the service is excluded from "*employment*" as defined in the ~~federal~~ Federal Unemployment Tax Act ~~(26 U.S.C. §3301 — 3309)~~, 26 U.S.C. §3301 — 3309, solely by reason of section 3306(c)(8) of that Act.

Sec. 27. Section 96.19, subsection 18, paragraph b, subparagraph (5), Code 2016, is amended to read as follows:

(5) Notwithstanding any other provisions of this subsection, service with respect to which a tax is required to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund or which, as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act ~~(26 U.S.C. §3301 – 3308)~~, 26 U.S.C. §3301 – 3308, is required to be covered under this chapter.

Sec. 28. Section 96.19, subsection 18, paragraph g, subparagraph (3), subparagraph division (c), Code 2016, is amended to read as follows:

(c) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15(g) of the Agricultural Marketing Act, as amended ~~[46 Stat. 1550, §3, 12 U.S.C. §1141j]~~, 46 Stat. 1550, §3, 12 U.S.C. §1141j, or in connection with ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes.

Sec. 29. Section 96.19, subsection 18, paragraph g, subparagraph (3), subparagraph division (d), subparagraph subdivision (ii), Code 2016, is amended to read as follows:

(ii) In the employ of a group of operators of farms ~~(or~~, or a cooperative organization of which such operators are ~~members)~~ members, in the performance of service described in subparagraph subdivision (i) ~~of division (d) of this subparagraph~~, but only if such operators produced more than one-half of the commodity with respect to which such service is performed;

Sec. 30. Section 96.19, subsection 20, unnumbered paragraph 1, Code 2016, is amended to read as follows:

"*Exhaustee*" means an individual who, with respect to any week of unemployment in the individual's eligibility period has received, prior to such week, all of the regular benefits that were available to the individual under this chapter or any other state ~~law (including~~ law, including dependents' allowances and benefits payable to federal civilian employees

and former armed forces personnel under ~~5 U.S.C. ch. 85)~~ 5 U.S.C. ch. 85, in the individual's current benefit year that includes such weeks. Provided that for the purposes of this subsection an individual shall be deemed to have received all of the regular benefits that were available to the individual, although as a result of a pending appeal with respect to wages that were not considered in the original monetary determination in the individual's benefit year the individual may subsequently be determined to be entitled to add regular benefits, or:

Sec. 31. Section 96.19, subsections 22 and 33, Code 2016, are amended to read as follows:

22. *"Extended benefits"* means ~~benefits (including~~ benefits, including benefits payable to federal civilian employees and to former armed forces personnel pursuant to ~~5 U.S.C. ch. 85)~~ 5 U.S.C. ch. 85, payable to an individual under the provisions of this section for weeks of unemployment in the individual's eligibility period.

33. *"Regular benefits"* means benefits payable to an individual under this or under any other state ~~law (including~~ law, including benefits payable to federal civilian employees and to former armed forces personnel pursuant to ~~5 U.S.C. ch. 85)~~ 5 U.S.C. ch. 85, other than extended benefits.

Sec. 32. Section 97B.43, Code 2016, is amended to read as follows:

97B.43 Prior service credit.

1. Each member in service on July 4, 1953, who made contributions under the abolished system, and who has not applied for and qualified for benefit payments under the abolished system, shall receive credit for years of prior service in the determination of retirement allowance payments under this chapter, if the member elects to become a member on or before October 1, 1953, the member has not made application for a refund of the part of the member's contributions under the abolished system which are payable under sections 97.50 to 97.53, and the member gives written authorization prior to October 1, 1953, to the commission to credit to the retirement fund the amount of the member's contribution which would be subject to a claim for refund. The amount so credited

shall, after transfer, be considered as a contribution to the retirement system made as of July 4, 1953, by the member and shall be included in the determination of the amount of moneys payable under this chapter. However, an employee who was under a contract of employment as a teacher in the public schools of the state of Iowa at the end of the school year 1952-1953, or any person covered by section 97B.1A, subsection 20, paragraph "c" or "d", shall be considered as in service as of July 4, 1953, if they were members of the abolished system.

2. Any person with a record of thirty years as a public employee in the state of Iowa prior to July 1, 1947, and who is not eligible for prior service credit under other provisions of this section, is entitled to a credit for years of prior service in the determination of the retirement allowance payment under this chapter, provided the public employee makes application to the system for credit for prior public service, accompanied by verification of the person's claim as the system may require. The person's allowance for prior service credits shall be computed in the same manner as otherwise provided in this section, but shall not exceed the sum of four hundred fifty dollars nor be less than three hundred dollars per annum. Any such person is entitled to receive retirement allowances computed as provided by this chapter, effective from the date of application to the system, provided such application is approved. However, beginning July 1, 1975, the amount of such person's retirement allowance payment received during June 1975, as computed under this section shall be increased by two hundred percent and the allowance for prior service credits shall not exceed one thousand three hundred fifty dollars nor be less than nine hundred dollars per annum. Effective July 1, 1987, there is appropriated for each fiscal year from the Iowa public employees' retirement fund created in section 97B.7 to the system an amount sufficient to fund the retirement allowance increases paid under this ~~paragraph~~ subsection. Effective July 1, 1980, a person with a record of thirty years as a public employee in the state of Iowa prior to July 1, 1947, receiving retirement allowances under this chapter shall receive the monthly increase in benefits provided in section 97B.49G, subsection 3, paragraph "a".

3. Each individual who on or after July 1, 1978, was an active, vested, or retired member and who (1) made application for and received a refund of contributions made under the abolished system or (2) has on deposit with the retirement fund contributions made under the abolished system shall be entitled to credit for years of prior service in the determination of retirement allowance payments by filing a written election with the system on or after July 1, 1978, and by redepositing any withdrawn contributions under the abolished system together with interest as stated in this ~~paragraph~~ subsection. Any individual who on or after July 1, 1978, is a retired member and who made application for and received a refund of contributions made under the abolished system may, by filing a written election with the system on or after July 1, 1978, have the system retain fifty percent of the monthly increase in retiree benefits that will accrue to the individual because of prior service. If the monthly increase in retirement benefits is less than ten dollars, the system shall retain five dollars of the scheduled increase, and if the monthly increase is less than five dollars, the provisions of this ~~paragraph~~ subsection shall not apply. The system shall continue to retain such funds until the withdrawn contributions, together with interest accrued to the month in which the written election is filed, have been repaid. Due notice of this provision shall be sent to all retired members on or after July 1, 1978. However, this ~~paragraph~~ subsection shall not apply to any person who received a refund of any membership service contributions unless the person repaid the membership service contributions pursuant to section 97B.80C; but a refund of contributions remitted for the calendar quarter ending September 30, 1953, which was based entirely upon employment which terminated prior to July 4, 1953, shall not be considered as a refund of membership service contributions. The interest to be paid into the fund shall be compounded at the rates credited to member accounts from the date of payment of the refund of contributions under the abolished system to the date the member redeposits the refunded amount. The provisions of ~~the first paragraph of this section~~ subsection 1 relating to the consideration given to credited amounts shall apply to the redeposited amounts

or to amounts left on deposit. Effective July 1, 1978, the provisions of this ~~paragraph~~ subsection shall apply to each individual who on or after July 1, 1978, was an active, vested, or retired member, but who was not in service on July 4, 1953. The period for filing the written election with the system and redepositing any withdrawn contributions together with interest accrued shall commence July 1, 1978. A member who is a retired member on or after July 1, 1978, may file written election with the system on or after July 1, 1978, to have the system retain fifty percent of the monthly increase as provided in this ~~paragraph~~ subsection.

4. Effective July 1, 2004, a member eligible for an increased retirement allowance because of the repayment of contributions under this section is entitled to receipt of adjustment payments beginning with the month in which payment was received by the system.

Sec. 33. Section 99B.27, subsection 2, paragraph n, Code 2016, is amended to read as follows:

n. ~~No~~ A person ~~receives~~ shall not receive or ~~has~~ have any fixed or contingent right to receive, directly or indirectly, any profit, remuneration, or compensation from or related to a game in a card game tournament, except any amount which the person may win as a participant on the same basis as the other participants.

Sec. 34. Section 99B.27, subsection 2, paragraph p, unnumbered paragraph 1, Code 2016, is amended to read as follows:

The person conducting the card game tournament ~~does none~~ shall not do any of the following:

Sec. 35. Section 135B.7, subsection 2, paragraph a, Code 2016, is amended to read as follows:

a. The rules shall state that a hospital shall not deny clinical privileges to physicians and surgeons, podiatric physicians, osteopathic physicians and surgeons, dentists, certified health service providers in psychology, physician assistants, or advanced registered nurse practitioners licensed under chapter 148, 148C, 149, 152, or 153, or section 154B.7, solely by reason of the license held by the practitioner or solely by reason of the school or institution in which

the practitioner received medical schooling or postgraduate training if the medical schooling or postgraduate training was accredited by an organization recognized by the council on ~~postsecondary~~ higher education accreditation or an accrediting group recognized by the United States department of education.

Sec. 36. Section 148E.2, subsection 1, paragraphs b and c, Code 2016, are amended to read as follows:

b. Successful completion of a three-year postsecondary training program or acupuncture college program which is accredited by, in candidacy for accreditation by, or which meets the standards of the ~~national~~ accreditation commission for ~~schools and colleges of~~ acupuncture and oriental medicine.

c. Successful completion of a course in clean needle technique approved by the national certification commission for ~~the certification of acupuncturists~~ acupuncture and oriental medicine.

Sec. 37. Section 153.15A, subsection 1, paragraph a, Code 2016, is amended to read as follows:

a. That the applicant possesses a degree or certificate of graduation from a college, university, or institution of higher education, accredited by a national agency recognized by the council on ~~postsecondary~~ higher education accreditation or the United States department of education, in a program of dental hygiene with a minimum of two academic years of curriculum.

Sec. 38. Section 161A.72, subsection 1, Code 2016, is amended to read as follows:

1. Financial incentives provided under this chapter shall be administered by the division. The incentives shall be supported with funds appropriated by the general assembly, and moneys available to or obtained by the division or the committee from public or private sources, including but not limited to the United States, other states, or private organizations. The division shall adopt all rules consistent with chapter 17A necessary to carry out the purpose of this ~~division~~ subchapter as provided in section 161A.70.

Sec. 39. Section 225.24, Code 2016, is amended to read as follows:

225.24 Collection of preliminary expense.

Unless a committed private patient or those legally

responsible for the patient's support offer to settle the amount of the claims, the regional administrator for the person's county of residence shall collect, by action if necessary, the amount of all claims for per diem and expenses that have been approved by the regional administrator for the county and paid by the regional administrator as provided under section 225.21. Any amount collected shall be credited to the county mental health and disabilities services fund created in accordance with section 331.424A.

Sec. 40. Section 234.39, Code 2016, is amended to read as follows:

234.39 Responsibility for cost of services.

1. It is the intent of this chapter that an individual receiving foster care services and the individual's parents or guardians shall have primary responsibility for paying the cost of the care and services. The support obligation established and adopted under this section shall be consistent with the limitations on legal liability established under sections 222.78 and 230.15, and by any other statute limiting legal responsibility for support which may be imposed on a person for the cost of care and services provided by the department. The department shall notify an individual's parents or guardians, at the time of the placement of an individual in foster care, of the responsibility for paying the cost of care and services. Support obligations shall be established as follows:

~~1.~~ *a.* For an individual to whom section 234.35, subsection 1, is applicable, a dispositional order of the juvenile court requiring the provision of foster care, or an administrative order entered pursuant to chapter 252C, or any order establishing paternity and support for a child in foster care, shall establish, after notice and a reasonable opportunity to be heard is provided to a parent or guardian, the amount of the parent's or guardian's support obligation for the cost of foster care provided by the department. The amount of the parent's or guardian's support obligation and the amount of support debt accrued and accruing shall be established in accordance with the child support guidelines prescribed under section 598.21B. However, the court, or the department of human services in establishing support by administrative order,

may deviate from the prescribed obligation after considering a recommendation by the department for expenses related to goals and objectives of a case permanency plan as defined under section 237.15, and upon written findings of fact which specify the reason for deviation and the prescribed guidelines amount. Any order for support shall direct the payment of the support obligation to the collection services center for the use of the department's foster care recovery unit. The order shall be filed with the clerk of the district court in which the responsible parent or guardian resides and has the same force and effect as a judgment when entered in the judgment docket and lien index. The collection services center shall disburse the payments pursuant to the order and record the disbursements. If payments are not made as ordered, the child support recovery unit may certify a default to the court and the court may, on its own motion, proceed under section 598.22 or 598.23 or the child support recovery unit may enforce the judgment as allowed by law. An order entered under this ~~subsection~~ paragraph may be modified only in accordance with the guidelines prescribed under section 598.21C, or under chapter 252H.

~~2.~~ *b.* For an individual who is served by the department of human services under section 234.35, and is not subject to a dispositional order of the juvenile court requiring the provision of foster care, the department shall determine the obligation of the individual's parent or guardian pursuant to chapter 252C and in accordance with the child support guidelines prescribed under section 598.21B. However, the department may adjust the prescribed obligation for expenses related to goals and objectives of a case permanency plan as defined under section 237.15. An obligation determined under this ~~subsection~~ paragraph may be modified only in accordance with conditions under section 598.21C, or under chapter 252H.

~~3.~~ 2. A person entitled to periodic support payments pursuant to an order or judgment entered in any action for support, who also is or has a child receiving foster care services, is deemed to have assigned to the department current and accruing support payments attributable to the child effective as of the date the child enters foster care

placement, to the extent of expenditure of foster care funds. The department shall notify the clerk of the district court when a child entitled to support payments is receiving foster care services pursuant to chapter 234. Upon notification by the department that a child entitled to periodic support payments is receiving foster care services, the clerk of the district court shall make a notation of the automatic assignment in the judgment docket and lien index. The notation constitutes constructive notice of assignment. The clerk of court shall furnish the department with copies of all orders and decrees awarding support when the child is receiving foster care services. At the time the child ceases to receive foster care services, the assignment of support shall be automatically terminated. Unpaid support accrued under the assignment of support rights during the time that the child was in foster care remains due to the department up to the amount of unreimbursed foster care funds expended. The department shall notify the clerk of court of the automatic termination of the assignment. Unless otherwise specified in the support order, an equal and proportionate share of any child support awarded shall be presumed to be payable on behalf of each child subject to the order or judgment for purposes of an assignment under this section.

~~4.~~ 3. The support debt for the costs of services, for which a support obligation is established pursuant to this section, which accrues prior to the establishment of the support debt, shall be collected, at a maximum, in the amount which is the amount of accrued support debt for the three months preceding the earlier of the following:

a. The provision by the child support recovery unit of the initial notice to the parent or guardian of the amount of the support obligation.

b. The date that the written request for a court hearing is received by the child support recovery unit as provided in section 252C.3 or 252F.3.

~~5.~~ 4. If the department makes a subsidized guardianship payment for a child, the payment shall be considered a foster care payment for purposes of child support recovery. All provisions of this and other sections, and of rules and orders

adopted or entered pursuant to those sections, including for the establishment of a paternity or support order, for the amount of a support obligation, for the modification or adjustment of a support obligation, for the assignment of support, and for enforcement shall apply as if the child were receiving foster care services, or were in foster care placement, or as if foster care funds were being expended for the child. This subsection shall apply regardless of the date of placement in foster care or subsidized guardianship or the date of entry of an order, and foster care and subsidized guardianship shall be considered the same for purposes of child support recovery.

Sec. 41. Section 252H.2, subsection 2, paragraph m, Code 2016, is amended to read as follows:

m. *"Support order"* means an order for support issued pursuant to this chapter, chapter 232, 234, 252A, 252C, 252E, 252F, ~~252H,~~ 598, 600B, or any other applicable chapter, or under a comparable statute of another state or foreign country as registered with the clerk of court or certified to the child support recovery unit.

Sec. 42. Section 256.3, Code 2016, is amended to read as follows:

256.3 State board established.

1. The state board of education is established for the department. The state board consists of ten members, nine voting members and one nonvoting student member. The voting members shall be appointed by the governor subject to senate confirmation. The nonvoting student member shall be appointed as provided in section 256.5A.

2. The voting members shall be registered voters of the state and hold no other elective or appointive state office. Not more than five voting members shall be of the same political party. Three of the voting members shall have substantial knowledge related to the community college system. The remaining six voting members shall be members of the general public. A voting member shall not be engaged in professional education for a major portion of the member's time nor shall the member derive a major portion of income from any business or activity connected with education. ~~Not more than~~

~~five voting members shall be of the same political party.~~

3. The terms of office for voting members are for six years beginning and ending as provided in section 69.19.

~~Three of the voting members shall have substantial knowledge related to the community college system. The remaining six voting members shall be members of the general public.~~

Sec. 43. Section 257.17, subsection 2, Code 2016, is amended to read as follows:

2. This section does not apply to a school district attendance center that has received approval from the department of education under section 279.10, subsection 2, to maintain a ~~year around~~ year-round school calendar that commences classes in advance of the school start date established in section 279.10, subsection 1. The department of management shall prorate the reduction made pursuant to this section to account for an attendance center in a school district that is approved to maintain a ~~year around~~ year-round school calendar under section 279.10, subsection 2.

Sec. 44. Section 279.10, subsection 2, Code 2016, is amended to read as follows:

2. The board of directors of a school district and the authorities in charge of an accredited nonpublic school may apply to the department of education for authorization to maintain a ~~year around~~ year-round school calendar at an attendance center or school for students in prekindergarten through grade eight. However, a board shall hold a public hearing on any proposal relating to authorization for a ~~year around~~ year-round school calendar prior to submitting an application under this subsection to the department of education for approval.

a. The initial application for a ~~year around~~ year-round school calendar shall be submitted to the department of education not later than November 1 of the preceding school year. The department shall notify the board or the authorities of the approval or denial of an application not later than the next following January 15. The application may be approved for one or two years at a time. A board or the authorities in charge may reapply to renew an authorization by November 1 of the year prior to expiration of the authorization.

b. An attendance center or school authorized to maintain a ~~year-around~~ year-round calendar must serve all students attending the school and shall not be limited based on student achievement or based on the trait or characteristic of the student as defined in section 280.28.

c. An attendance center or school authorized to maintain a ~~year-around~~ year-round school calendar under this subsection shall provide at least ten days of instruction or the hourly equivalent during eleven of the twelve months of the school year. The period of time between instructional days shall not exceed six weeks.

d. A ~~year-around~~ year-round school calendar authorized pursuant to this subsection is exempt from the school start date specified in subsection 1.

Sec. 45. Section 307.26, subsection 1, Code 2016, is amended to read as follows:

1. Advise and assist the director in the development of aeronautics, including but not limited to the location of air terminals~~,~~; accessibility of air terminals by other modes of public transportation~~,~~; protective zoning provisions considering safety factors, noise, and air pollution~~,~~; facilities for private and commercial aircraft~~,~~; air freight facilities~~,~~; and such other physical and technical aspects as may be necessary to meet present and future needs.

Sec. 46. Section 310.27, subsection 3, Code 2016, is amended to read as follows:

3. If in the judgment of the department the anticipated claims against the primary road fund for any month are in excess of moneys available, a temporary transfer for highway construction costs may be made from the farm-to-market road fund to the primary road fund ~~providing~~ provided that there will remain in the transferring fund a sufficient balance to meet the anticipated obligations. All transfers shall be repaid from the primary road fund to the farm-to-market road fund within sixty days from the date of the transfer. A transfer shall be made only with the approval of the director of the department of management and shall comply with the director of the department of management's rules relating to the transfer of funds. Similar transfers may be made by the

department from the primary road fund to the farm-to-market road fund and these transfers shall be subject to the same terms and conditions that transfers from the farm-to-market road fund to the primary road fund are subject.

Sec. 47. Section 313.4, subsection 1, paragraph a, Code 2016, is amended to read as follows:

a. ~~Said~~ The primary road fund is hereby appropriated for and shall be used in the establishment, construction, and maintenance of the primary road system, including the drainage, grading, surfacing, and construction of bridges and culverts~~,~~; the elimination or improvement of railroad crossings~~,~~; the acquiring of additional right-of-way~~,~~; and all other expense incurred in the construction and maintenance of ~~said~~ the primary road system and the maintenance and housing of the department.

Sec. 48. Section 321.189, subsection 2, paragraph a, Code 2016, is amended to read as follows:

a. Appearing on the driver's license shall be a distinguishing number assigned to the licensee; the licensee's full name, date of birth, sex, and residence address; a ~~colored~~ color photograph; a physical description of the licensee; the name of the state; the dates of issuance and expiration; and the usual signature of the licensee. The license shall identify the class of vehicle the licensee may operate and the applicable endorsements and restrictions which the department shall require by rule.

Sec. 49. Section 321.190, subsection 1, paragraph a, Code 2016, is amended to read as follows:

a. The department shall, upon application and payment of the required fee, issue to an applicant a nonoperator's identification card. To be valid the card shall bear a distinguishing number other than a social security number assigned to the cardholder, the full name, date of birth, sex, residence address, a physical description and a ~~colored~~ color photograph of the cardholder, the usual signature of the cardholder, and such other information as the department may require by rule. An applicant for a nonoperator's identification card shall apply for the card in the manner provided in section 321.182, subsections 1 through 3. The card

shall be issued to the applicant at the time of application pursuant to procedures established by rule. An applicant for a nonoperator's identification card who is required by 50 U.S.C. app. §451 et seq. to register with the United States selective service system shall be registered by the department with the selective service system as provided in section 321.183.

Sec. 50. Section 321.215, subsection 5, Code 2016, is amended to read as follows:

5. Notwithstanding any provision of this chapter to the contrary, the department may issue a temporary restricted license to a person eligible for a temporary restricted license under this section if the person is also eligible for a temporary restricted license under section 321J.20, provided the requirements of ~~each~~ this section and section 321J.20 are satisfied.

Sec. 51. Section 321.492, Code 2016, is amended to read as follows:

321.492 Peace officers' authority.

1. A peace officer is authorized to stop a vehicle to require exhibition of the driver's license of the driver, to serve a summons or memorandum of traffic violation, to inspect the condition of the vehicle, to inspect the vehicle with reference to size, weight, cargo, log book, bills of lading or other manifest of employment, tires, and safety equipment, or to inspect the registration certificate, the compensation certificate, travel order, or permit of the vehicle.

2. A peace officer having probable cause to stop a vehicle may require exhibition of the proof of financial liability coverage card issued for the vehicle if the vehicle is a motor vehicle registered in this state.

3. *a.* All peace officers as defined in section 801.4, subsection 11, paragraphs *"a"*, *"b"*, *"c"*, and *"h"* may, having reasonable grounds that equipment violations exist, conduct spot inspections.

b. The department may designate employees under the supervision of the department's administrator of motor vehicles to conduct spot inspections.

Sec. 52. Section 321A.1, Code 2016, is amended to read as follows:

321A.1 Definitions.

The following words and phrases when used in this chapter shall, for the purposes of this chapter, have the meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

1. ~~*County system.*~~ *"Book"*, *"list"*, *"record"*, or *"schedule"* kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in section 445.1.

2. ~~*Department.*~~ *"Department"* means the state department of transportation.

3. ~~*Judgment.* A~~ *"Judgment"* means a judgment which has become final by expiration without appeal during the time within which an appeal might have been perfected, or a judgment if an appeal from the judgment has been perfected, which has not been stayed by the execution, filing, and approval of a bond as provided in rule of appellate procedure 6.601(1), or a judgment which has become final by affirmation on appeal, rendered by a court of competent jurisdiction of a state or of the United States, upon a cause of action arising out of the ownership, maintenance, or use of a motor vehicle, as defined in this section, for damages, including damages for care and loss of services, because of bodily injury to or death of a person, or for damages because of injury to or destruction of property, including the loss of use of property, or upon a cause of action on an agreement of settlement for such damages.

4. ~~*License.* A~~ *"License"* means a driver's license as defined in section 321.1 issued under the laws of this state.

5. ~~*Motor vehicle.*~~ *"Motor vehicle"* means every vehicle which is self-propelled, but not including vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires and not operated upon rails. The term *"car"* or *"automobile"* shall be synonymous with the term *"motor vehicle"*. *"Motor vehicle"* does not include special mobile equipment as defined in this section.

6. ~~*Nonresident.* Every~~ *"Nonresident"* means every person who is not a resident of this state.

7. ~~*Nonresident operating privilege.* The~~ *"Nonresident*

operating privilege" means the privilege conferred upon a nonresident by the laws of this state pertaining to the operation by the nonresident of a motor vehicle, or the use of a motor vehicle owned by the nonresident, in this state.

8. ~~*Operator.* A~~ *"Operator"* means a person who is in actual physical control of a motor vehicle whether or not that person has a driver's license as required under the laws of this state.

9. ~~*Owner.*~~ *"Owner"* means a person who holds the legal title of a motor vehicle; however, if the motor vehicle is the subject of a security agreement with a right of possession in the debtor, the debtor shall be deemed the owner for purposes of this chapter or if the motor vehicle is leased as defined in section 321.493, the lessee shall be deemed the owner for purposes of this chapter.

10. ~~*Person.* Every~~ *"Person"* means every natural person, firm, partnership, association, or corporation.

11. ~~*Proof of financial responsibility.* Proof~~ *"Proof of financial responsibility"* means proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of the proof, arising out of the ownership, maintenance, or use of a motor vehicle, in amounts as follows: With respect to accidents occurring on or after January 1, 1981, and prior to January 1, 1983, the amount of fifteen thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to the limit for one person, the amount of thirty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and the amount of ten thousand dollars because of injury to or destruction of property of others in any one accident; and with respect to accidents occurring on or after January 1, 1983, the amount of twenty thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to the limit for one person, the amount of forty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and the amount of fifteen thousand dollars because of injury to or destruction of property of others in any one accident.

12. ~~*Registration.* Registration~~ *"Registration"* means a

registration certificate or certificates and registration plates issued under the laws of this state pertaining to the registration of motor vehicles.

13. ~~*Special mobile equipment.*~~ *"Special mobile equipment"* means every vehicle not designed or used primarily for the transportation of persons or property and incidentally operated or moved over the highways, including road construction or maintenance machinery, ditch-digging apparatus, and implements of husbandry as defined in section 321.1, subsection 32. This description does not exclude other vehicles which are within the general terms of this subsection.

14. ~~*State. Any*~~ *"State"* means any state, territory, or possession of the United States, the District of Columbia, or any province of the Dominion of Canada.

Sec. 53. Section 321A.30, Code 2016, is amended to read as follows:

321A.30 Rights not affected.

This chapter shall not prevent the owner of a motor vehicle, the registration of which has been suspended hereunder, from effecting a bona fide sale of such motor vehicle to another person whose rights or privileges are not suspended under this chapter nor prevent the registration of such motor vehicle by such transferee. This chapter shall not in any ~~wise~~ way affect the rights of any secured party or lessor of a motor vehicle registered in the name of another as owner who becomes subject to the provisions of this chapter.

Sec. 54. Section 321J.20, subsection 9, Code 2016, is amended to read as follows:

9. Notwithstanding any provision of this chapter to the contrary, the department may issue a temporary restricted license to a person eligible for a temporary restricted license under this section if the person is also eligible for a temporary restricted license under section 321.215, provided the requirements of ~~each~~ this section and section 321.215 are satisfied.

Sec. 55. Section 331.207, subsection 3, Code 2016, is amended to read as follows:

3. The supervisor representation plans submitted at the special election shall be stated in substantially the following

manner:

The individual members of the board of supervisors in ..... county, Iowa, shall be elected:

Plan ~~"one."~~ "one". At large and without district residence requirements for the members.

Plan ~~"two."~~ "two". At large but with equal-population district residence requirements for the members.

Plan ~~"three."~~ "three". From single-member equal-population districts in which the electors of each district shall elect one member who must reside in that district.

Sec. 56. Section 357A.2, subsection 4, paragraph d, subparagraph (2), subparagraph division (c), Code 2016, is amended to read as follows:

(c) If the city reserving the right to provide service fails to provide service within three years of receipt of the water plan submitted under paragraph "*a*", the city waives its right to provide water service and shall provide notice to the district or association by certified mail and the district or association may provide service within the area of the water plan submitted under paragraph "*a*". If the city fails to provide notice to the district or association, the district or association may provide service in accordance with this paragraph "*d*", regardless of whether the district or association has received such notice.

Sec. 57. Section 357A.2, subsection 4, paragraph d, subparagraph (3), Code 2016, is amended to read as follows:

(3) If the district or association fails to provide service within three years after a city waives the right to provide water service under this paragraph "*d*", the district or association shall provide notice to the city by certified mail and the city may provide service within the area of the water plan submitted under paragraph "*a*". If the district or association fails to provide notice to the city, the city may provide service in accordance with this paragraph "*d*", regardless of whether the city has received such notice.

Sec. 58. Section 384.78, Code 2016, is amended to read as follows:

384.78 Prior proceedings.

Projects and proceedings for the levy of special assessments

and the issuance of special assessment bonds commenced before the effective date of the city code may be hereafter consummated and completed and special assessments levied and special assessment bonds issued as required or permitted by any statute or other law amended or repealed by ~~64GA~~ 1972 Iowa Acts, ~~chapter~~ ch. 1088, as though such repeal or amendment had not occurred, and the rights, duties, and interests flowing from such projects and proceedings remain valid and enforceable. Without limiting the foregoing, projects commenced prior to said effective date may be financed by the issuance of special assessment bonds and other bonds under any such amended or repealed law or by the issuance of special assessment bonds, or other bonds under the city code. For the purposes of this section, commencement of a project includes but is not limited to action taken by the council or authorized officer to fix a date for a hearing in connection with any part of a public improvement, and commencement of proceedings for the levy of special assessments and the issuance of special assessment bonds includes but is not limited to action taken by the council to fix a date for a hearing in connection with any public improvement proposed to be financed in whole or in part through special assessments.

Sec. 59. Section 384.84, subsection 6, paragraph b, Code 2016, is amended to read as follows:

b. A legal entity described in subsection 3, paragraph *"e"* or *"f"*, shall have the same powers and duties as a city utility or enterprise under paragraph *"a"* of this subsection with respect to filing suit in an appropriate court against a customer if the customer's account for such services becomes delinquent.

Sec. 60. Section 384.103, subsection 2, paragraph b, Code 2016, is amended to read as follows:

b. In that ~~event~~ event, the chief officer or official of the governing body or the governing body may accept, enter into, and make payment under a contract for emergency repairs without holding a public hearing and advertising for bids, and the provisions of chapter 26 do not apply.

Sec. 61. Section 403A.3, subsections 4, 5, and 7, Code 2016, are amended to read as follows:

4. To lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities embraced in any project and, subject to the limitations contained in this chapter with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor; to own, hold, and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise any real or personal property or any interest therein; to acquire by the exercise of the power of eminent domain any real property subject to section 403A.20; to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein; to insure or provide for the insurance, in any stock or mutual company of any real or personal property or operations of the municipality against any risks or hazards; and to procure or agree to the procurement of federal or state government insurance or guarantees of the payment of any bonds or parts thereof issued by a municipality, including the power to pay premiums on any such insurance.

5. To invest any funds held in connection with a housing project in reserve or sinking funds, or any fund not required for immediate disbursement, in property or securities which banks designated as state depositories may use to secure the deposit of state funds; and to redeem its bonds at the redemption price established therein or to purchase its bonds at less than such redemption price, all bonds so redeemed or purchased to be canceled.

7. To conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers and to issue commissions for the examination of witnesses who are outside of the state or unable to attend or excused from attendance; and to make available to appropriate agencies, including those charged with the duty of abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or insanitary structures within its area of operation, its findings and recommendations with regard to any building or

property where conditions exist which are dangerous to the public health, morals, safety, or welfare.

Sec. 62. Section 403A.13, Code 2016, is amended to read as follows:

403A.13 Form and sale of bonds.

1. Bonds of a municipality shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, not exceeding that permitted by chapter 74A, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of ~~redemption (with~~ redemption, with or without ~~premium)~~ premium, as such resolution, its trust indenture or mortgage may provide.

2. The bonds may be sold at public or private sale at not less than par.

3. If the officers of the municipality whose signatures appear on any bonds or coupons shall cease to be such officers before the delivery of the bonds, their signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if the officers had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this chapter shall be fully negotiable.

4. In any suit, action or proceedings involving the validity or enforcement of any bond issued pursuant to this chapter or the security therefor, any such bond reciting in substance that it has been issued by the municipality pursuant to this chapter shall be conclusively deemed to have been issued for such purpose and the housing project in respect to which such bond was issued shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of this chapter.

Sec. 63. Section 403A.14, subsection 1, paragraph j, Code 2016, is amended to read as follows:

j. Exercise all or any part or combination of the powers

herein granted; make such ~~covenants (other~~ covenants, other than and in addition to the covenants herein expressly ~~authorized)~~ authorized; and do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of said municipality, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

Sec. 64. Section 403A.16, unnumbered paragraph 1, Code 2016, is amended to read as follows:

A municipality shall have power by its resolution, trust indenture, mortgage, lease or other contract to confer upon any obligee the ~~right (in~~ right, in addition to all rights that may otherwise be ~~conferred)~~ conferred, upon the happening of an event of default as defined in such resolution or instrument, by suit, action, or proceeding in any court of competent jurisdiction to:

Sec. 65. Section 403A.17, Code 2016, is amended to read as follows:

403A.17 Exemption of property from execution sale.

All ~~property (including funds)~~ property, including funds, owned or held by a municipality for the purposes of this chapter shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the municipality be a charge or lien upon such ~~property: Provided, however~~ property. However, ~~that~~ the provisions of this section shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage or other security executed or issued pursuant to this chapter or the right of obligees to pursue any remedies for the enforcement of any pledge or lien on rents, fees, or revenues or the right of the federal government to pursue any remedies conferred upon it pursuant to the provisions of this chapter.

Sec. 66. Section 403A.18, Code 2016, is amended to read as follows:

403A.18 Transfer of possession or title to federal government.

In any contract with the federal government for annual

contributions to a municipality, the municipality may obligate ~~itself (which~~ itself, which obligation shall be specifically enforceable and shall not constitute a mortgage, notwithstanding any other ~~law)~~ law, to convey to the federal government possession of or title to the housing project to which such contract relates, upon the occurrence of a substantial default ~~(as~~ as defined in such ~~contract)~~ contract with respect to the covenant or conditions to which the municipality is subject; and such contract may further provide that in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the housing project and funds in accordance with the terms of such contract: Provided, that the contract requires that, as soon as practicable after the federal government is satisfied that all defaults with respect to the housing project have been cured and that the housing project will thereafter be operated in accordance with the terms of the contract, the federal government shall reconvey to the municipality the housing project as then constituted.

Sec. 67. Section 404.5, Code 2016, is amended to read as follows:

404.5 Physical review of property by assessor.

1. The local assessor shall review each first-year application by making a physical review of the property, to determine if the improvements made increased the actual value of the qualified real estate by at least fifteen percent or at least ten percent in the case of real property assessed as residential property or the applicable percent increase requirement adopted by the city or county under section 404.2. If the assessor determines that the actual value of that real estate has increased by at least the requisite percent, the assessor shall proceed to determine the actual value of the property and certify the valuation determined pursuant to section 404.3 to the county auditor at the time of transmitting the assessment rolls. However, if a new structure is erected on land upon which no structure existed at the start of the new construction, the assessor shall proceed to determine the actual value of the property and certify the valuation determined pursuant to section 404.3 to the county

auditor at the time of transmitting the assessment rolls. The assessor shall notify the applicant of the determination, and the assessor's decision may be appealed to the local board of review at the times specified in section 441.37. If an application for exemption is denied as a result of failure to sufficiently increase the value of the real estate as provided in section 404.3, the owner may file a first annual application in a subsequent year when additional improvements are made to satisfy requirements of section 404.3, and the provisions of section 404.4 shall apply. After the tax exemption is granted, the local assessor shall continue to grant the tax exemption, with periodic physical review by the assessor, for the time period specified in section 404.3, subsection 1, 2, 3, or 4, or specified in the different schedule if one has been adopted, under which the exemption was granted. The tax exemptions for the succeeding years shall be granted without the taxpayer having to file an application for the succeeding years.

2. For the purposes of this section, the actual value of the property upon which the value of improvements in the form of rehabilitation or additions to existing structures shall be determined shall be the lower of either the amount listed on the assessment rolls in the assessment year in which such improvements are first begun or the price paid by the owner if the improvements in the form of rehabilitation or additions to existing structures were begun within one year of the date the property was purchased and the sale was a fair and reasonable exchange between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and each being familiar with all the facts relating to the particular property.

Sec. 68. Section 422.7, subsections 12A, 20, and 37, Code 2016, are amended to read as follows:

12A. *a.* If the adjusted gross income includes income or loss from a business operated by the taxpayer, and if the business does not qualify for the adjustment under subsection 12, an additional deduction shall be allowed in computing the income or loss from the business if the business hired for employment in the state during its annual accounting period ending with or during the taxpayer's tax year either of the

following:

~~a.~~ (1) An individual domiciled in this state at the time of the hiring who meets any of the following conditions:

~~(1)~~ (a) Has been convicted of a felony in this or any other state or the District of Columbia.

~~(2)~~ (b) Is on parole pursuant to chapter 906.

~~(3)~~ (c) Is on probation pursuant to chapter 907, for an offense other than a simple misdemeanor.

~~(4)~~ (d) Is in a work release program pursuant to chapter 904, division IX.

~~b.~~ (2) An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the interstate compact for adult offender supervision under chapter 907B applies.

b. The amount of the additional deduction is equal to sixty-five percent of the wages paid to individuals, but shall not exceed twenty thousand dollars per individual, named in ~~paragraphs "a"~~ paragraph "*a*", subparagraphs (1) and ~~"b"~~ (2) who were hired for the first time by that business during the annual accounting period for work done in the state. This additional deduction is allowed for the wages paid to those individuals successfully completing a probationary period during the twelve months following the date of first employment by the business and shall be deducted at the close of the annual accounting period.

c. The additional deduction shall not be allowed for wages paid to an individual who was hired to replace an individual whose employment was terminated within the twelve-month period preceding the date of first employment. However, if the individual being replaced left employment voluntarily without good cause attributable to the employer or if the individual was discharged for misconduct in connection with the individual's employment as determined by the department of workforce development, the additional deduction shall be allowed.

d. A taxpayer who is a partner of a partnership or a shareholder of a subchapter S corporation, may deduct that

portion of wages qualified under this subsection paid by the partnership or subchapter S corporation based on the taxpayer's pro rata share of the profits or losses from the partnership or subchapter S corporation.

e. The department shall develop and distribute information concerning the deduction available for businesses employing persons named in ~~paragraphs "a"~~ paragraph "a", subparagraphs (1) and ~~"b"~~ (2).

20. *a.* Subtract, to the extent included, the proceeds received pursuant to a judgment in or settlement of a lawsuit against the manufacturer or distributor of a Vietnam herbicide for damages resulting from exposure to the herbicide. This subsection applies to proceeds received by a taxpayer who is a disabled veteran or who is a beneficiary of a disabled veteran.

b. For purposes of this subsection:

~~*a.*~~ (1) "*Vietnam herbicide*" means a herbicide, defoliant or other causative agent containing dioxin, including, but not limited to, Agent Orange, used in the Vietnam Conflict beginning December 22, 1961, and ending May 7, 1975, inclusive.

~~*b.*~~ (2) "*Agent Orange*" means the herbicide composed of trichlorophenoxyacetic acid and dichlorophenoxyacetic acid and the contaminant dioxin (TCDD).

37. *a.* Notwithstanding the method for computing income from an installment sale under section 453 of the Internal Revenue Code, as defined in section 422.3, the method to be used in computing income from an installment sale shall be the method under section 453 of the Internal Revenue Code, as amended up to and including January 1, 2000. A taxpayer affected by this subsection shall make adjustments in the adjusted gross income pursuant to rules adopted by the director.

b. The adjustment to net income provided in this subsection is repealed for tax years beginning on or after January 1, 2002. However, to the extent that a taxpayer using the accrual method of accounting reported the entire capital gain from the sale or exchange of property on the Iowa return for the tax year beginning in the 2001 calendar year and the capital gain was reported on the installment method on the federal income tax return, any additional installment from the capital gain reported for federal income tax purposes is not to be included

in net income in tax years beginning on or after January 1, 2002.

Sec. 69. Section 441.10, Code 2016, is amended to read as follows:

441.10 Deputies — examination and appointment — suspension or discharge.

1. Immediately after the appointment of the assessor, and at other times as the conference board directs, one or more deputy assessors may be appointed by the assessor. Each appointment shall be made from either the list of eligible candidates provided by the director of revenue, which shall contain only the names of those persons who achieve a score of seventy percent or greater on the examination administered by the director of revenue, or the list of candidates eligible for appointment as city or county assessor. Examinations for the position of deputy assessor shall be conducted in the same manner as examinations for the position of city or county assessor.

2. Following the administration of the examination, the director of revenue shall establish a register containing the names, in alphabetical order, of all individuals who are eligible for appointment as a deputy assessor. The test scores of individuals on the register shall be given to a city or county conference board upon request. All eligible individuals shall remain on the register for a period of two years following the date of certification granted by the director.

3. Incumbent deputy assessors who have served six consecutive years shall be placed on the register of individuals eligible for appointment as deputy assessor. In order to be appointed to the position of deputy assessor, the deputy assessor shall comply with the continuing education requirements. The number of credits required for certification as eligible for appointment as a deputy assessor in a jurisdiction other than where the deputy assessor is currently serving shall be prorated according to the percentage of the deputy assessor's term which is covered by the continuing education requirements of section 441.8. The credit necessary for certification for appointment is the product of ninety multiplied by the quotient of the number of months served of

a deputy assessor's term covered by the continuing education requirements of section 441.8 divided by seventy-two. If the number of credits necessary for certification for appointment as determined under this ~~paragraph~~ subsection results in a partial credit hour, the credit hour shall be rounded to the nearest whole number.

4. The assessor may peremptorily suspend or discharge any deputy assessor under the assessor's direction upon written charges for neglect of duty, disobedience of orders, misconduct, or failure to properly perform the deputy assessor's duties. Within five days after delivery of written charges to the employee, the deputy assessor may appeal by written notice to the secretary or chairperson of the examining board. The board shall grant the deputy assessor a hearing within fifteen days, and a decision by a majority of the examining board is final. The assessor shall designate one of the deputies as chief deputy, and the assessor shall assign to each deputy the duties, responsibilities, and authority as is proper for the efficient conduct of the assessor's office.

Sec. 70. Section 445.3, Code 2016, is amended to read as follows:

445.3 Actions authorized.

1. In addition to all other remedies and proceedings now provided by law for the collection of taxes, the county treasurer may bring or cause an ordinary suit at law to be commenced and prosecuted in the treasurer's name for the use and benefit of the county for the collection of taxes from any person, as shown by the county system in the treasurer's office, and the suit shall be in all respects commenced, tried, and prosecuted to final judgment the same as provided for ordinary actions.

2. The commencement of actions for ad valorem taxes authorized under this section shall not begin until the issuance of a tax sale certificate under the requirements of section 446.19. The commencement of actions for all other taxes authorized under this section shall not begin until ten days after the publication of tax sale under the requirements of section 446.9, subsection 2. This ~~paragraph~~ subsection does not apply to the collection of ad valorem taxes under section

445.32, and grain handling taxes under section 428.35.

3. Notwithstanding the provisions in section 535.3, interest on the judgment shall be at the rate provided in section 447.1 and shall commence from the month of the commencement of the action. This interest shall be in lieu of the interest assessed under section 445.39 from and after the month of the commencement of the action.

4. An appeal may be taken to the Iowa supreme court as in other civil cases regardless of the amount involved.

5. Notwithstanding any other provisions in this section, if the treasurer is unable or has reason to believe that the treasurer will be unable to offer land at the annual tax sale to collect the total amount due, the treasurer may immediately collect the total amount due by the commencement of an action under this section.

6. Notwithstanding any other provision of law, if a statute authorizes the collection of a delinquent tax, assessment, rate, or charge by tax sale, the tax, assessment, rate, or charge, including interest, fees, and costs, may also be collected under this section and section 445.4.

7. This section is remedial and shall apply to all delinquent taxes included in a tax sale certificate of purchase issued to a county. Upon assignment of a county-held tax sale certificate, this section shall not apply to the assignee.

Sec. 71. Section 452A.10, Code 2016, is amended to read as follows:

452A.10 Required records.

1. *a.* A motor fuel or special fuel supplier, restrictive supplier, importer, exporter, blender, dealer, user, common carrier, contract carrier, terminal, or nonterminal storage facility shall maintain, for a period of three years, records of all transactions by which the supplier, restrictive supplier, or importer withdraws from a terminal or a nonterminal storage facility within this state or imports into this state motor fuel or undyed special fuel together with invoices, bills of lading, and other pertinent records and papers as required by the department.

b. If in the normal conduct of a supplier's, restrictive supplier's, importer's, exporter's, blender's, dealer's,

user's, common carrier's, contract carrier's, terminal's, or nonterminal storage facility's business the records are maintained and kept at an office outside this state, the records shall be made available for audit and examination by the department at the office outside this state, but the audit and examination shall be without expense to this state.

2. Each distributor handling motor fuel or special fuel in this state shall maintain for a period of three years records of all motor fuel or undyed special fuel purchased or otherwise acquired by the distributor, together with delivery tickets, invoices, and bills of lading, and any other records required by the department.

3. The department, after an audit and examination of records required to be maintained under this section, may authorize their disposal upon the written request of the supplier, restrictive supplier, importer, exporter, blender, dealer, user, carrier, terminal, nonterminal storage facility, or distributor.

Sec. 72. Section 452A.57, subsection 8, Code 2016, is amended to read as follows:

8. *"Motor vehicle"* shall mean and include all ~~vehicles (except~~ vehicles, except those operated on ~~rails)~~ rails, which are propelled by internal combustion engines and are of such design as to permit their mobile use on public highways for transporting persons or property. A farm tractor while operated on a farm or for the purpose of hauling farm machinery, equipment, or produce shall not be deemed to be a motor vehicle. *"Motor vehicle"* shall not include *"mobile machinery and equipment"* as defined in this section.

Sec. 73. Section 452A.66, Code 2016, is amended to read as follows:

452A.66 Statutes applicable to motor fuel tax.

1. The appropriate state agency shall administer the taxes imposed by this chapter in the same manner as and subject to section 422.25, subsection 4, and section 423.35.

2. All the provisions of section 422.26 shall apply in respect to the taxes, penalties, interest, and costs imposed by this chapter excepting that as applied to any tax imposed by this chapter, the lien ~~therein~~ provided in section 422.26

shall be prior and paramount over all subsequent liens upon any personal property within this state, or right to such personal property, belonging to the taxpayer without the necessity of recording as therein provided. The requirements for recording shall, as applied to the tax imposed by this chapter, apply only to the liens upon real property. When requested to do so by any person from whom a taxpayer is seeking credit, or with whom the taxpayer is negotiating the sale of any personal property, or by any other person having a legitimate interest in such information, the director shall, upon being satisfied that such a situation exists, inform such person as to the amount of unpaid taxes due by such taxpayer under the provisions of this chapter. The giving of such information under such circumstances shall not be deemed a violation of section 452A.63 as applied to this chapter.

Sec. 74. Section 453A.1, subsection 4, Code 2016, is amended to read as follows:

4. *"Cigarette"* means any roll for smoking made wholly or in part of tobacco, or any substitute for tobacco, irrespective of size or shape and irrespective of tobacco or any substitute for tobacco being flavored, adulterated, or mixed with any other ingredient, where such roll has a wrapper or cover made of paper or any other material. ~~Provided the definition herein~~ However, *"cigarette"* shall not be construed to include cigars.

Sec. 75. Section 455B.133B, subsection 4, paragraph c, subparagraph (2), Code 2016, is amended to read as follows:

(2) A person invited to attend a stakeholder meeting is not entitled to receive a per diem as specified in section 7E.6 and shall not be ~~not~~ reimbursed for expenses incurred while attending the meeting.

Sec. 76. Section 455B.133C, subsection 4, paragraph c, subparagraph (2), Code 2016, is amended to read as follows:

(2) A person invited to attend a stakeholder meeting is not entitled to receive a per diem as specified in section 7E.6 and shall not be ~~not~~ reimbursed for expenses incurred while attending the meeting.

Sec. 77. Section 455B.183, subsection 2, paragraph a, Code 2016, is amended to read as follows:

a. The submitted plans and specifications are in substantial

compliance with departmental rules and the Iowa ~~Standards~~ standards for ~~Sewer Systems~~ sewer systems and the Iowa ~~Standards~~ standards for ~~Water Supply Distribution Systems~~ water supply distribution systems.

Sec. 78. Section 455B.187, Code 2016, is amended to read as follows:

455B.187 Water well construction.

1. A contractor shall not engage in well construction or reconstruction without first being certified as required in this part and department rules adopted pursuant to this part. Water wells shall not be constructed, reconstructed, or abandoned by a person except as provided in this part or rules adopted pursuant to this part. Within thirty days after construction or reconstruction of a well, a contractor shall provide well information required by rule to the department and the Iowa geological survey.

2. A landowner or the landowner's agent shall not drill for or construct a new water well without first obtaining a permit for this activity from the department. The department shall not issue a permit to any person for this activity unless the person first registers with the department all wells, including abandoned wells, on the property. The department may delegate the authority to issue a permit to a county board of supervisors or the board's designee. In the event of such delegation, the department shall retain concurrent authority. The commission shall adopt rules pursuant to chapter 17A to implement this ~~paragraph~~ subsection.

3. The director may charge a fee for permits issued pursuant to this section. All fees collected pursuant to this section shall be deposited into the private water supply system account within the water quality protection fund created in section 455B.183A.

4. Notwithstanding the provisions of this section, a county board of supervisors or the board's designee may grant an exemption from the permit requirements to a landowner or the landowner's agent if an emergency drilling is necessary to meet an immediate need for water. The exemption shall be effective immediately upon approval of the county board of supervisors or the board's designee. The board of supervisors or the board's

designee shall notify the director within thirty days of the granting of an exemption.

5. In the case of property owned by a state agency, a person shall not drill for or construct a new water well without first registering with the department the existence of any abandoned wells on the property. The department shall develop a prioritized closure program and time frame for the completion of the program, and shall adopt rules to implement the program.

Sec. 79. Section 455B.474, subsection 3, unnumbered paragraph 1, Code 2016, is amended to read as follows:

Standards of performance for new underground storage tanks which shall include but are not limited to design, construction, installation, release detection, and compatibility standards. Until the effective date of the standards adopted by the commission and after January 1, 1986, a person shall not install an underground storage tank for the purpose of storing regulated substances unless the ~~tank (whether~~ tank, whether of single or double wall ~~construction)~~ construction, meets all the following conditions:

Sec. 80. Section 460.305, Code 2016, is amended to read as follows:

460.305 Sinkholes — conservation easement ~~programs~~ program.

1. The department shall develop and implement a program for the prevention of groundwater contamination through sinkholes. The program shall provide for education of landowners and encourage responsible chemical and land management practices in areas of the state prone to the formation of sinkholes.

2. The program may provide financial incentives for land management practices and the acquisition of conservation easements around sinkholes. The program may also provide financial assistance for the cleanup of wastes dumped into sinkholes.

3. The program shall be coordinated with the groundwater protection programs of the department of natural resources and other local, state, or federal government agencies which could compensate landowners for resource protection measures. The department shall use moneys appropriated for this purpose from the agriculture management account of the groundwater protection fund created in section 455E.11.

Sec. 81. Section 468.13, Code 2016, is amended to read as follows:

468.13 Procedure on report — classification.

1. Upon the filing of the report of the engineer recommending the establishment of the levee or drainage district, the board shall at its first regular, adjourned, or special meeting examine and consider the same, and, if the plan is not approved the board may employ ~~said~~ the same engineer or another disinterested engineer to report another plan or make additional examination and surveys and file an additional report covering such matters as the board may direct. Additional surveys and reports must be made in accordance with the provisions of sections 468.11 and 468.12. At any time prior to the final adoption of the plans they may be amended, and as finally adopted by the board shall be conclusive unless the action of the board in finally adopting them shall be appealed from as hereinafter provided.

2. If the petition or other landowners requested a classification of the district prior to establishment, the board shall order a classification as provided by sections 468.38 through 468.44 after they have approved the report of the engineer as a tentative plan. The notice of hearing provided by section 468.14 shall also include the requirements of the notice of hearing provided in section 468.45 as to this classification, and the hearing on the petition provided in section 468.21 shall also include the matters to be heard as provided in section 468.46.

3. If the board establishes the district as provided in section 468.22, the classification which is finally approved at ~~said~~ the hearing by the board shall remain the basis of all future assessments for the purposes of said district as provided in section 468.49. The landowners shall have the same right of appeal from this classification as they would have if the petition had not requested a classification prior to establishment and the classification had been made after establishment.

Sec. 82. Section 468.35, subsection 2, Code 2016, is amended to read as follows:

2. A bid shall be in writing, specifying the portion

of the work upon which the bid is made, and filed with the auditor. The bid shall be accompanied with a bid security. The bid security shall be in the form of a deposit of cash, a certified check on and certified by a bank in Iowa, a certified share draft drawn on a credit union in Iowa, or a bid bond with a corporate surety satisfactory to the board as provided in section 73A.20. The bid security must be payable to the auditor or the auditor's order at the auditor's office in a sum equal to five percent of the amount of the bid. However, if the maximum limit on a bid security would cause a denial of funds or services from the federal government which would otherwise be available, or if the maximum limit would otherwise be inconsistent with the requirements of federal law, the maximum limit may be suspended to the extent necessary to prevent denial of federal funds or services or to eliminate the inconsistency with federal requirements. The cash, check, or share draft of an unsuccessful bidder shall be returned, and the bid bond of an unsuccessful bidder shall be canceled. The bid security of a successful bidder shall be maintained as a guarantee that the bidder will enter into a contract in accordance with the bids.

Sec. 83. Section 468.103, Code 2016, is amended to read as follows:

468.103 Final settlement — claims for damages.

1. If ~~it~~ the board finds the work under any contract has been completed and accepted, the board shall compute the balance due, and if there are no liens on file against such balance, it shall enter of record an order directing the auditor to draw a warrant in favor of ~~said~~ the contractor upon the levee or drainage fund of ~~said~~ the district or give the contractor an order directing the county treasurer to deliver to the contractor improvement certificates or drainage bonds, as the case may be, for such balance found to be due, but such warrants, improvement certificates or bonds shall not be delivered to the contractor until the expiration of thirty days after the acceptance of the work.

2. If any claims for damages have been filed as provided in section 468.102, the board shall review ~~said claims~~ and determine ~~said~~ the claims. If the determination by the board

on any claim for damages results in a finding by the board that the damages resulting to the claimant were due to the negligence of the contractor, then the board shall provide for payment of ~~said~~ the claim out of the remaining funds owing to the contractor. If the determination by the board results in a finding that the damages resulting to the claimant were not due to the negligence of the contractor, but resulted from unavoidable necessity in the performance of the contract, then the board shall allow for payment of ~~said~~ the claim in the amount fixed by the board out of the funds in ~~said~~ the drainage district.

Sec. 84. Section 475A.6, Code 2016, is amended to read as follows:

475A.6 Certification of expenses to utilities division.

1. *a.* The consumer advocate shall determine the advocate's expenses, including a reasonable allocation of general office expenses, directly attributable to the performance of the advocate's duties involving specific persons subject to direct assessment, and shall certify the expenses to the utilities division not less than quarterly. The expenses shall then be includable in the expenses of the division subject to direct assessment under section 476.10.

b. The consumer advocate shall annually, within ninety days after the close of each fiscal year, determine the advocate's expenses, including a reasonable allocation of general office expenses, attributable to the performance of the advocate's duties generally, and shall certify the expenses to the utilities division. The expenses shall then be includable in the expenses of the division subject to remainder assessment under section 476.10.

2. The consumer advocate is entitled to notice and opportunity to be heard in any utilities board proceeding on objection to an assessment for expenses certified by the consumer advocate. Expenses assessed under this section shall not exceed the amount appropriated for the consumer advocate division of the department of justice.

3. The office of consumer advocate may expend additional funds, including funds for outside consultants, if those additional expenditures are actual expenses which exceed

the funds budgeted for the performance of the advocate's duties. Before the office expends or encumbers an amount in excess of the funds budgeted, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the expenses exceed the funds budgeted by the general assembly to the office of consumer advocate and that the office does not have other funds from which such expenses can be paid. Upon approval of the director of the department of management, the office may expend and encumber funds for excess expenses. The amounts necessary to fund the excess expenses shall be collected from those utilities or persons which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 8.

Sec. 85. Section 476B.6, subsection 5, paragraph d, Code 2016, is amended to read as follows:

d. If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity, all of ~~whose~~ the income of which is taxed directly to its equity holders or beneficiaries for the taxes imposed under chapter 422, division V, or under chapter 423, 432, or 437A, the tax credit certificate shall be issued directly to the partnership, limited liability company, S corporation, estate, trust, or other reporting entity.

Sec. 86. Section 476C.4, subsection 4, paragraph d, Code 2016, is amended to read as follows:

d. If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity, all of ~~whose~~ the income of which is taxed directly to its equity holders or beneficiaries for the taxes imposed under chapter 422, division V, or under chapter 423, 432, or 437A, the tax credit certificate shall be issued directly to the partnership, limited liability company, S corporation, estate, trust, or other reporting entity.

Sec. 87. Section 478.14, Code 2016, is amended to read as follows:

478.14 Service furnished.

1. Any city which owns or operates a system for the

distribution of electric light or power, and which has obtained electric energy for such distribution from any person or firm or corporation owning or operating an electric light and power plant or transmission line, shall be entitled to have the service reasonably needed by such municipality and its patrons continued at and for a reasonable rate and charge and under reasonable rules of service.

2. It shall be unlawful for the owner or operator of ~~such~~ the light and power plant or transmission line to disconnect or discontinue such ~~service (except~~ service, except during nonpayment of reasonable ~~charges)~~ charges, so long as ~~such~~ the operator holds or enjoys any franchise to go upon or use any public streets, highways, or grounds.

3. Until the municipality and the operator shall agree upon a rate or charge for ~~such~~ the service the municipality shall pay and the operator shall accept the rate provided in the expired contract if any existed, and, if none existed, then the rate before paid. This shall be without prejudice, however, to the right of either party to test in court or before any lawfully constituted rate-making tribunal the reasonableness of ~~such~~ the rate.

4. This section shall not apply if the original service to the municipality was given in case of emergency or for any other temporary purpose.

Sec. 88. Section 481A.22, subsection 4, Code 2016, is amended to read as follows:

4. It is unlawful for any person to hold, conduct, or to participate in a field or retriever trial before the permit required by this section has been secured or for any person to possess or remove from the trial grounds any birds which have not been tagged as required in this section ~~required~~.

Sec. 89. Section 508.37, subsection 6, paragraph d, Code 2016, is amended to read as follows:

d. (1) All adjusted premiums and present values referred to in this section shall for policies of ordinary insurance be calculated on the basis of the ~~Commissioners 1958 Standard Ordinary Mortality Table~~ commissioners 1958 standard ordinary mortality table, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present

values may be calculated according to an age not more than six years younger than the actual age of the insured. The calculations for all policies of industrial insurance issued before January 1, 1968, shall be made on the basis of the 1941 ~~Standard Industrial Mortality Table~~ standard industrial mortality table, except that a company may file with the commissioner a written notice of its election that the adjusted premiums and present values shall be calculated on the basis of the ~~Commissioners 1961 Standard Industrial Mortality Table~~ commissioners 1961 standard industrial mortality table, after a specified date before January 1, 1968. Whether or not any election has been made, the ~~Commissioners 1961 Standard Industrial Mortality Table~~ commissioners 1961 standard industrial mortality table shall be the basis for these calculations as to all policies of industrial insurance issued on or after January 1, 1968. All calculations shall be made on the basis of the rate of interest specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that the rate of interest shall not exceed three and one-half percent per annum, except that a rate of interest not exceeding four percent per annum may be used for policies issued on or after July 1, 1974, and prior to January 1, 1980, and a rate of interest not exceeding five and one-half percent per annum may be used for policies issued on or after January 1, 1980.

(2) However, in calculating the present value under subparagraph (1) of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed in the case of policies of ordinary insurance, may be not more than those shown in the ~~Commissioners 1958 Extended Term Insurance Table~~ commissioners 1958 extended term insurance table, and in the case of policies of industrial insurance, may be not more than one hundred thirty percent of the rates of mortality according to the 1941 ~~Standard Industrial Mortality Table~~ standard industrial mortality table, except that when the ~~Commissioners 1961 Standard Industrial Mortality Table~~ commissioners 1961 standard industrial mortality table becomes applicable as specified in this paragraph, the rates of mortality assumed may be not more

than those shown in the ~~Commissioners 1961 Industrial Extended Term Insurance Table~~ commissioners 1961 industrial extended term insurance table. In addition, for insurance issued on a substandard basis, the calculation under subparagraph (1) of adjusted premiums and present values may be based on any other table of mortality that is specified by the company and approved by the commissioner.

Sec. 90. Section 508.37, subsection 7, paragraph h, unnumbered paragraph 1, Code 2016, is amended to read as follows:

Adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of either the ~~Commissioners 1980 Standard Ordinary Mortality Table~~ commissioners 1980 standard ordinary mortality table or, at the election of the company for any one or more specified plans of life insurance, the ~~Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors~~ commissioners 1980 standard ordinary mortality table with ten-year select mortality factors; shall for all policies of industrial insurance be calculated on the basis of the ~~Commissioners 1961 Standard Industrial Mortality Table~~ commissioners 1961 standard industrial mortality table; and shall for all policies issued in a particular calendar year be calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate as defined in paragraph "*i*" for policies issued in that calendar year. However:

Sec. 91. Section 508.37, subsection 7, paragraph h, subparagraphs (4), (6), (7), (8), and (9), Code 2016, are amended to read as follows:

(4) In calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the ~~Commissioners 1980 Extended Term Insurance Table~~ commissioners 1980 extended term insurance table for policies of ordinary insurance and not more than the ~~Commissioners 1961 Industrial Extended Term Insurance Table~~ commissioners 1961 industrial extended term insurance table for policies of industrial insurance.

(6) For policies issued prior to the operative date of the valuation manual, any commissioners standard ordinary mortality tables adopted after 1980 by the national association of insurance commissioners and approved by rule adopted by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for the ~~Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors~~ commissioners 1980 standard ordinary mortality table with or without ten-year select mortality factors or for the ~~Commissioners 1980 Extended Term Insurance Table~~ commissioners 1980 extended term insurance table.

(7) For policies issued on or after the operative date of the valuation manual, the valuation manual shall provide the commissioners standard mortality table for use in determining the minimum forfeiture standard that may be substituted for the ~~Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors~~ commissioners 1980 standard ordinary mortality table with or without ten-year select mortality factors or for the ~~Commissioners 1980 Extended Term Insurance Table~~ commissioners 1980 extended term insurance table. If the commissioner approves by rule the ~~Commissioners Standard Ordinary Mortality Table~~ commissioners standard ordinary mortality table adopted by the national association of insurance commissioners for use in determining the minimum nonforfeiture standard for policies or contracts issued on or after the operative date of the valuation manual, then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the valuation manual.

(8) Any industrial mortality tables adopted after 1980 by the national association of insurance commissioners and approved by rule adopted by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for the ~~Commissioners 1961 Standard Industrial Mortality Table~~ commissioners 1961 standard industrial mortality table or the ~~Commissioners 1961 Industrial Extended Term Insurance Table~~ commissioners 1961 industrial extended term insurance table.

(9) For policies issued on or after the operative date of the valuation manual, the valuation manual shall provide

the ~~Commissioners Standard Mortality Table~~ commissioners standard ordinary mortality table for use in determining the minimum nonforfeiture standard that may be substituted for the ~~Commissioners 1961 Standard Industrial Mortality Table~~ commissioners 1961 standard industrial mortality table or the ~~Commissioners 1961 Industrial Extended Term Insurance Table~~ commissioners 1961 industrial extended term insurance table. If the commissioner approves by rule any ~~Commissioners Standard Industrial Mortality Table~~ commissioners standard industrial mortality table adopted by the national association of insurance commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual, then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the valuation manual.

Sec. 92. Section 508.38, subsection 3, paragraph a, subparagraph (1), unnumbered paragraph 1, Code 2016, is amended to read as follows:

The minimum nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to such time at rates of interest as indicated in paragraph *"b"* of the net ~~considerations (as~~ considerations, as hereinafter ~~defined)~~ defined, paid prior to such time, decreased by the sum of all of the following:

Sec. 93. Section 509.19, subsection 2, paragraph e, Code 2016, is amended to read as follows:

e. A multiple employer welfare arrangement, as defined in section 3 of the federal Employee Retirement Income Security Act of 1974, 29 U.S.C. §1002~~, paragraph 40~~ (40), that meets the requirements of section 507A.4, subsection 9, paragraph *"a"*.

Sec. 94. Section 511.34, Code 2016, is amended to read as follows:

511.34 Failure to attach — defenses — estoppel.

The omission so to do shall not render the policy invalid, but if any company or association neglects to comply with the requirements of section 511.33, ~~it~~ the company or association shall forever be precluded from pleading, alleging, or proving such application or representations, or any part thereof, or the falsity thereof, or any part thereof, in any action upon

~~such~~ the policy, and the plaintiff in any such action shall not be required, in order to recover against ~~such~~ the company or association, either to plead or prove such application or representation, but may do so at the plaintiff's option.

Sec. 95. Section 514C.27, subsection 5, Code 2016, is amended to read as follows:

5. This section shall not apply to ~~accident only~~ 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, or individual accident and sickness policies issued to individuals or to individual members of a member association.

Sec. 96. Section 514J.107, subsection 3, paragraph b, Code 2016, is amended to read as follows:

b. The health care service that is the subject of the adverse determination or of the final adverse ~~determination,~~ determination is a covered service under the covered person's health benefit plan, but for a determination by the health carrier that the health care service is not covered because it does not meet the health carrier's requirements for medical necessity, appropriateness, health care setting, level of care, or effectiveness.

Sec. 97. Section 515.63, Code 2016, is amended to read as follows:

515.63 Annual statement.

The president or the vice president and secretary of each company organized or authorized to do business in the state shall annually on or before the first day of March of each year prepare under oath and file with the commissioner of insurance or a depository designated by the commissioner a full, true, and complete statement of the condition of such company on the last day of the preceding year, which shall exhibit the following items and facts:

1. ~~First —~~ The amount of capital stock of the company.

2. ~~Second —~~ The names of the officers.

3. ~~Third —~~ The name of the company and where located.

4. ~~Fourth —~~ The amount of its capital stock paid up.

5. ~~Fifth —~~ The property or assets held by the company, specifying:

a. The value of real estate owned by the company.

b. The amount of cash on hand and deposited in banks to the credit of the company, and in what bank deposited.

c. The amount of cash in the hands of agents and in the course of transmission.

d. The amount of loans secured by first mortgage on real estate, with the rate of interest thereon.

e. The amount of all other bonds and loans and how secured, with the rate of interest thereon.

f. The amount due the company on which judgment has been obtained.

g. The amount of bonds of the state, of the United States, of any county or municipal corporation of the state, and of any other bonds owned by the company, specifying the amount and number thereof, and par and market value of each kind.

h. The amount of bonds, stock, and other evidences of indebtedness held by such company as collateral security for loans, with amount loaned on each kind, and its par and market value.

i. The amount of assessments on stock and premium notes, paid and unpaid.

j. The amount of interest actually due and unpaid.

k. All other securities and their value.

l. The amount for which premium notes have been given on which policies have been issued.

6. ~~Sixth —~~ Liabilities of such company, specifying:

a. Losses adjusted and due.

b. Losses adjusted and not due.

c. Losses unadjusted.

d. Losses in suspense and the cause thereof.

e. Losses resisted and in litigation.

f. Dividends in scrip or cash, specifying the amount of each, declared but not due.

g. Dividends declared and due.

h. The amount required to reinsure all outstanding risks on the basis of the unearned premium reserve as required by law.

i. The amount due banks or other creditors.

j. The amount of money borrowed and the security therefor.

k. All other claims against the company.

7. ~~Seventh —~~ The income of the company during the previous year, specifying:

a. The amount received for premiums, exclusive of premium notes.

b. The amount of premium notes received.

c. The amount received for interest.

d. The amount received for assessments or calls on stock notes, or premium notes.

e. The amount received from all other sources.

8. ~~Eighth —~~ The expenditures during the preceding year, specifying:

a. The amount of losses paid during said term, stating how much of the same accrued prior, and how much subsequent, to the date of the preceding statement, and the amount at which such losses were estimated in such statement.

b. The amount paid for dividends.

c. The amount paid for commissions, salaries, expenses, and other charges of agents, clerks, and other employees.

d. The amount paid for salaries, fees, and other charges of officers and directors.

e. The amount paid for local, state, national and other taxes and duties.

f. The amount paid for all other expenses, including printing, stationery, rents, furniture, or otherwise.

9. ~~Ninth —~~ The largest amount insured in any one risk.

10. ~~Tenth —~~ The amount of risks written during the year then ending.

11. ~~Eleventh —~~ The amount of risks in force having less than one year to run.

12. ~~Twelfth —~~ The amount of risks in force having more than one and not over three years to run.

13. ~~Thirteenth —~~ The amount of risks having more than three years to run.

14. ~~Fourteenth —~~ The dividends, if any, declared on

premiums received for risks not terminated.

15. ~~Fifteenth —~~ All other information as required by the national association of insurance commissioners' annual statement blank. The annual statement blank shall be prepared in accordance with instructions prescribed by the commissioner. All financial information reflected in the annual report shall be kept and prepared in accordance with accounting practices and procedures prescribed by the commissioner. The commissioner may adopt by reference the annual statement handbook and the accounting practices and procedures manual of the national association of insurance commissioners.

Sec. 98. Section 515.134, Code 2016, is amended to read as follows:

515.134 Failure to attach — effect.

The omission so to do shall not render the policy invalid, but if any company or association neglects to comply with the requirements of section 515.133 ~~it~~, the company or association shall forever be precluded from pleading, alleging, or proving any such application or representations, or any part thereof, or falsity thereof, or any parts thereof, in any action upon ~~such~~ the policy, and the plaintiff in any such action shall not be required, in order to recover against ~~such~~ the company or association, either to plead or prove such application or representation, but may do so at the plaintiff's option.

Sec. 99. Section 524.103, subsection 23, Code 2016, is amended to read as follows:

23. "*Fiduciary*" means an executor, administrator, guardian, conservator, receiver, trustee, or one acting in a similar capacity.

Sec. 100. Section 524.215, subsection 1, Code 2016, is amended to read as follows:

1. All records of the division of banking shall be public records subject to the provisions of chapter 22, except that all papers, documents, reports, reports of examinations, and other writings relating specifically to the supervision and regulation of any state bank or other person by the superintendent pursuant to the laws of this state shall not be public records and shall not be open for examination or copying by the public or for examination or publication by the news

media.

Sec. 101. Section 524.911, Code 2016, is amended to read as follows:

524.911 Letters of credit.

A state bank shall have the power to issue, advise, and confirm letters of credit authorizing a beneficiary thereof to draw on or demand payment of the state bank or its correspondent banks.

Sec. 102. Section 524.1002, subsection 4, Code 2016, is amended to read as follows:

4. A state bank shall not make a loan or extension of credit of any funds held as fiduciary, directly or indirectly, to or for the benefit of a director, officer, or employee of the state bank or of an affiliate, a partnership or other unincorporated association of which such director, officer, or employee is a partner or member, or a corporation in which such officer, director, or employee has a controlling interest, except a loan specifically authorized by the terms upon which the state bank was designated as fiduciary.

Sec. 103. Section 524.1805, subsection 6, Code 2016, is amended to read as follows:

6. An out-of-state bank or out-of-state bank holding company that is organized under laws other than those of this state is subject to and shall comply with the provisions of chapter 490, division XV, relating to foreign corporations, and shall immediately provide the superintendent of banking with a copy of each filing submitted to the secretary of state under ~~that~~ chapter 490, division XV.

Sec. 104. Section 535.12, subsections 1 and 4, Code 2016, are amended to read as follows:

1. An agricultural credit corporation~~, as defined in subsection 4,~~ may lend money pursuant to a written promissory note or other writing evidencing the loan obligation, at a rate of interest which is not more than four percentage points above the lending rate in effect at the farm credit bank of Omaha, Nebraska, for the month during which the writing evidencing the loan obligation is made, provided that the loan is for an agricultural production purpose ~~as defined in subsection 5~~ and further provided that the loan would, but for this section, be

subject to the maximum rate of interest prescribed by section 535.2, subsection 3, paragraph *"a"*.

4. As used in this section~~,~~:

a. ~~*"agricultural*~~ *"Agricultural credit corporation"* means a corporation which has been designated by the farm credit bank of Omaha, Nebraska, as an agricultural credit corporation eligible to sell or discount loans to that bank pursuant to 12 U.S.C. §2075.

b. "Agricultural production purpose" means a purpose related to the production of agricultural products.

c. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products thereof, and any and all products produced on farms.

Sec. 105. Section 535.12, subsection 5, Code 2016, is amended by striking the subsection.

Sec. 106. Section 536.26, Code 2016, is amended to read as follows:

536.26 Insured loans.

1. A licensee shall not, directly or indirectly, sell or offer for sale any life or accident and health insurance in connection with a loan made under this chapter except as and to the extent authorized by this section. Life, accident and health insurance, or any of them, may be written by a licensed insurance producer upon or in connection with any loan for a term not extending beyond the final maturity date of the loan contract, but only upon one obligor on any one loan contract.

2. The amount of life insurance shall at no time exceed the unpaid balance of principal and interest combined which are scheduled to be outstanding under the terms of the loan contract or the actual amount unpaid on the loan contract, whichever is greater.

3. Accident and health insurance shall provide benefits not in excess of the unpaid balance of principal and interest combined which are scheduled to be outstanding under the terms of the loan contract and the amount of each periodic benefit payment shall not exceed the total amount payable divided by the number of installments and shall provide that if the insured obligor is disabled, as defined in the policy, for a

period of more than fourteen days, benefits shall commence as of the first day of disability.

4. The premium, which shall be the only charge for ~~such~~ the insurance, shall not exceed that approved by the commissioner of insurance of the state of Iowa as filed in the office of such commissioner. Such charge, computed at the time the loan is made for the full term of the loan contract on the total amount required to pay principal and interest.

5. If a borrower procures insurance by or through a licensee, the licensee shall cause to be delivered to the borrower a copy of the policy within fifteen days from the date such insurance is procured. No licensee shall decline new or existing insurance which meets the standards set out herein nor prevent any obligor from obtaining such insurance coverage from other sources.

6. If the loan contract is prepaid in full by cash, a new loan, or ~~otherwise (except~~ otherwise, except by the ~~insurance)~~ insurance, any life, accident, and health insurance procured by or through a licensee shall be canceled and the unearned premium shall be refunded. The amount of ~~such~~ the refund shall represent at least as great a proportion of the insurance premium or identifiable charge as the sum of the consecutive monthly balances of principal and interest of the loan contract originally scheduled to be outstanding after the installment date nearest the date of prepayment bears to the sum of all such monthly balances of the loan contract originally scheduled to be outstanding.

Sec. 107. Section 554.2602, subsection 3, Code 2016, is amended to read as follows:

3. The seller's rights with respect to goods wrongfully rejected are governed by the provisions of this Article on ~~Seller's~~ seller's remedies in general (section 554.2703).

Sec. 108. Section 600B.22, Code 2016, is amended to read as follows:

600B.22 Death of defendant.

In case of the death of the defendant the action may be prosecuted against the personal representative of the deceased with like effects as if ~~he~~ the defendant were living, subject as regards the measure of support to the provision of section

600B.6.

Sec. 109. Section 600B.37, Code 2016, is amended to read as follows:

600B.37 Contempt.

If the father fails to comply with or violates the terms or conditions of a support order made pursuant to the provisions of this chapter, ~~he~~ the father shall be punished by the court in the same manner and to the same extent as is provided by law for a contempt of such court in any other suit or proceeding cognizable by such court.

Sec. 110. Section 602.9115, Code 2016, is amended to read as follows:

602.9115 Annuity for survivor of annuitant.

1. For the purposes of this article, "*survivor*" means the surviving spouse of a person who was a judge, if married to the judge for at least one year preceding the judge's death.

~~1.~~ 2. The survivor of a judge who was qualified for retirement compensation under the system at the time of the judge's death, is entitled to receive an annuity of one-half of the amount of the annuity the judge was receiving or would have been entitled to receive at the time of the judge's death, or if the judge died before age sixty-five, then one-half of the amount the judge would have been entitled to receive at age sixty-five based on the judge's years of service for which contributions were made to the system. The annuity shall begin on the judge's death or upon the survivor's reaching age sixty, whichever is later. However, a survivor less than sixty years old may elect to receive a decreased retirement annuity to begin on the judge's death by filing a written election with the state court administrator. The election is subject to the approval of the state court administrator. The amount of the decreased retirement annuity shall be the actuarial equivalent of the amount of the annuity otherwise payable to the survivor under this section.

~~2. For the purposes of this article "*survivor*" means the surviving spouse of a person who was a judge, if married to the judge for at least one year preceding the judge's death.~~

3. If the judge dies leaving a survivor but without receiving in annuities an amount equal to the judge's credit,

the balance shall be credited to the account of the judge's survivor, and if the survivor dies without receiving in annuities an amount equal to the balance, the amount remaining shall be paid to the survivor's legal representatives within one year of the survivor's death.

Sec. 111. Section 614.6, Code 2016, is amended to read as follows:

614.6 Nonresident or unknown defendant.

1. The period of limitation specified in sections 614.1 through 614.5 shall be computed omitting any time when:

~~1.~~ *a.* The defendant is a nonresident of the state, or

~~2.~~ *b.* In those cases involving personal injuries or death resulting from a felony or indictable misdemeanor, while the identity of the defendant is unknown after diligent effort has been made to discover it.

2. The provisions of this section shall be effective January 1, 1970, and to this extent the provisions are retroactive.

Sec. 112. Section 636.21, Code 2016, is amended to read as follows:

636.21 Commissioner as process agent.

It shall be the duty of the commissioner of insurance, upon service being made upon the commissioner, to immediately mail a copy of ~~such~~ the notice to ~~such~~ the company at ~~their~~ the company's principal place of business, and any notice so served shall be deemed to be good and sufficient service on any such company.

Sec. 113. Section 657A.12, subsection 2, Code 2016, is amended to read as follows:

2. After filing the petition with the clerk of the district court, the governmental entity shall also file the petition in the office of the county treasurer. The county treasurer shall include a notation of the pendency of the action in the county system, as defined in section 445.1, until the judgment of the court is satisfied or until the action is dismissed. Pursuant to section 446.7, an affected property that is subject to a pending action shall not be offered for sale by the county treasurer at a tax sale.

Sec. 114. Section 670.2, Code 2016, is amended to read as follows:

670.2 Liability imposed.

1. Except as otherwise provided in this chapter, every municipality is subject to liability for its torts and those of its officers and employees, acting within the scope of their employment or duties, whether arising out of a governmental or proprietary function.

2. For the purposes of this chapter, ~~employee~~ *"employee"* includes a person who performs services for a municipality whether or not the person is compensated for the services, unless the services are performed only as an incident to the person's attendance at a municipality function.

3. A person who performs services for a municipality or an agency or subdivision of a municipality and who does not receive compensation is not personally liable for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for acts or omissions which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit. For purposes of this section, *"compensation"* does not include payments to reimburse a person for expenses.

Sec. 115. Section 670.9, Code 2016, is amended to read as follows:

670.9 Compromise and settlement.

The governing body of any municipality may compromise, adjust and settle tort claims against the municipality, its officers, employees and agents, for damages under ~~sections~~ section 670.2 or 670.8 and may appropriate money for the payment of amounts agreed upon.

Sec. 116. Section 724.10, subsection 1, Code 2016, is amended to read as follows:

1. A person shall not be issued a permit to carry weapons unless the person has completed and signed an application on a form to be prescribed and published by the commissioner of public safety. The application shall require only the full name, driver's license or nonoperator's identification card number, residence, place of birth, and date of birth of the applicant, and shall state whether the applicant meets the criteria specified in sections 724.8 and 724.9. An applicant

may provide the applicant's social security number if the applicant so chooses. The applicant shall also display an identification card that bears a distinguishing number assigned to the cardholder, the full name, date of birth, sex, residence address, and a brief description and ~~colored~~ color photograph of the cardholder.

Sec. 117. Section 724.17, Code 2016, is amended to read as follows:

724.17 Application for annual permit to acquire — criminal history check required.

The application for an annual permit to acquire pistols or revolvers may be made to the sheriff of the county of the applicant's residence and shall be on a form prescribed and published by the commissioner of public safety. The application shall require only the full name of the applicant, the driver's license or nonoperator's identification card number of the applicant, the residence of the applicant, and the date and place of birth of the applicant. The applicant shall also display an identification card that bears a distinguishing number assigned to the cardholder, the full name, date of birth, sex, residence address, and brief description and ~~colored~~ color photograph of the cardholder, or other identification as specified by rule of the department of public safety. The sheriff shall conduct a criminal history check concerning each applicant by obtaining criminal history data from the department of public safety which shall include an inquiry of the national instant criminal background check system maintained by the federal bureau of investigation or any successor agency. A person who makes what the person knows to be a false statement of material fact on an application submitted under this section or who submits what the person knows to be any materially falsified or forged documentation in connection with such an application commits a class "D" felony.

Sec. 118. Section 724.25, subsection 2, Code 2016, is amended to read as follows:

2. As used in this chapter an "*antique firearm*" means any ~~firearm (including~~ firearm, including any firearm with a matchlock, flintlock, percussion cap, or similar type of ignition ~~system)~~ system, manufactured in or before 1898. An

antique firearm also means a replica of a firearm so described if the replica is not designed or redesigned for using rimfire or conventional centerfire fixed ammunition or if the replica uses rimfire or conventional centerfire fixed ammunition which is no longer manufactured in the United States and which is not readily available in the ordinary channels of commercial trade.

Sec. 119. Section 903A.2, subsection 1, paragraph a, Code 2016, is amended to read as follows:

a. (1) Category "A" sentences are those sentences which are not subject to a maximum accumulation of earned time of fifteen percent of the total sentence of confinement under section 902.12. To the extent provided in subsection 5, category "A" sentences also include life sentences imposed under section 902.1. An inmate of an institution under the control of the department of corrections who is serving a category "A" sentence is eligible for a reduction of sentence equal to one and two-tenths days for each day the inmate demonstrates good conduct and satisfactorily participates in any program or placement status identified by the director to earn the reduction. The programs include but are not limited to the following:

~~(1)~~ (a) Employment in the institution.

~~(2)~~ (b) Iowa state industries.

~~(3)~~ (c) An employment program established by the director.

~~(4)~~ (d) A treatment program established by the director.

~~(5)~~ (e) An inmate educational program approved by the director.

(2) However, an inmate required to participate in a sex offender treatment program shall not be eligible for a reduction of sentence unless the inmate participates in and completes a sex offender treatment program established by the director.

(3) An inmate serving a category "A" sentence is eligible for an additional reduction of sentence of up to three hundred sixty-five days of the full term of the sentence of the inmate for exemplary acts. In accordance with section 903A.4, the director shall by policy identify what constitutes an exemplary act that may warrant an additional reduction of sentence.

DIVISION II

CORRESPONDING CHANGES

Sec. 120. Section 97B.49A, subsection 4, paragraph b, Code 2016, is amended to read as follows:

b. For each member employed before January 1, 1976, who has qualified for prior service credit in accordance with ~~the first paragraph of~~ section 97B.43, subsection 1, a formula benefit shall be determined equal to the larger of the benefit determined under this paragraph and paragraph "*a*" of this subsection, as applicable, the benefit determined under subsection 3, or the benefit determined under section 97B.49G, subsection 1. The amount of the monthly formula benefit under this paragraph shall be equal to eight-tenths of one percent per year of prior service credit multiplied by the monthly rate of the member's total remuneration not in excess of three thousand dollars annually during the twelve consecutive months of the member's prior service for which that total remuneration was the highest. An additional three-tenths of one percent of the remuneration not in excess of three thousand dollars annually shall be payable for prior service during each year in which the accrued liability for benefit payments created by the abolished system is funded by appropriation from the Iowa public employees' retirement fund.

DIVISION III

CODE EDITOR DIRECTIVES

Sec. 121. CODE EDITOR DIRECTIVES.

1. Sections 28A.2, 28A.19, 28A.22, 28A.26, 28E.21, 28E.25, 103A.1, 103A.54, 103A.56, 103A.57, 189.17, 304A.10, 306C.6, 306C.7, 306C.9, 306C.14, and 306C.17, Code 2016, are amended by striking the word "division" and inserting in lieu thereof the word "subchapter".

2. Sections 28A.3, subsection 1; 28A.4, subsection 1; 28A.5, subsection 1, paragraph "a"; 28A.7, subsection 1; 28A.9, subsection 1; 28A.10, subsection 1, unnumbered paragraph 1 and paragraphs "j" and "o"; 28A.10, subsection 2, paragraph "b"; 28A.18, subsection 1, paragraph "a"; 28A.21, subsection 4; 28E.35, unnumbered paragraph 1; 89B.15, subsection 1; 101.21, unnumbered paragraph 1; 101.24, subsection 1, unnumbered paragraph 1; 101.24, subsection 1, paragraph "b", subparagraph (2); 101.24, subsection 3; 101.24, subsection 4, unnumbered

paragraph 1; 101.24, subsection 4, paragraph "d", unnumbered paragraph 1; 101.25, subsection 1; 101.26, subsections 1, 2, 3, and 4; 103A.51, unnumbered paragraph 1; 103A.52, subsection 3; 161A.42, unnumbered paragraph 1; 237.15, unnumbered paragraph 1; 304A.8, unnumbered paragraph 1; 306C.1, unnumbered paragraph 1; 306C.10, unnumbered paragraph 1; 306C.10, subsection 4, paragraph "f"; 306C.11, subsection 3, paragraph "a"; 306C.11, subsection 5, paragraph "a", subparagraph (2); 306C.13, unnumbered paragraph 1; 306C.13, subsection 8, paragraph "f"; 306C.15, unnumbered paragraph 1 and subsection 4; 306C.18, subsection 3; and 306C.19, unnumbered paragraph 1, Code 2016, are amended by striking the word "division" and inserting in lieu thereof the word "subchapter".

3. The Code editor shall change Code chapter division designations to subchapter designations in the following Code chapters:

a. 28A.
b. 28E.
c. 89B.
d. 101.
e. 103A.
f. 161A.
g. 189.
h. 237.
i. 304A.
j. 306C.

4. The Code editor is directed to number unnumbered paragraphs within sections 13C.8, 28F.14, 43.4, 97A.4, 97A.6A, 161A.6, 161A.10, 161A.20, 183A.7, 183A.9, 190.2, 192.107, 257.5, 303.22, 303.26, 303.30, 303.66, 331.306, 384.19, 423B.5, 427.2, 428.4, 452A.58, 455A.8A, 455B.302, 491.112, 499.3, 499.79, 499.80, 514.5, 598.17, 622.69, 622.105, 633.89, 633.415, 669.10, 714.5, 804.1, and 804.31, Code 2016, in accordance with established Code section hierarchy and correct internal references in the Code and in any enacted Iowa Acts, as necessary.

5. The Code editor is directed to letter unnumbered paragraphs within sections 80A.17, subsection 1, and 97B.1A, subsection 9, Code 2016, in accordance with established Code

section hierarchy and correct internal references in the Code and in any enacted Iowa Acts, as necessary.

6. The Code editor shall combine the individual repeal entries into combined repeal entries for the following repealed Code sections:

a. Sections 554.3120, 554.3121, and 554.3122.

b. Sections 554.3506, 554.3507, 554.3508, 554.3509, 554.3510, and 554.3511.

c. Sections 554.3802, 554.3803, 554.3804, 554.3805, and 554.3806.

Pam Jochum

PAM JOCHUM
President of the Senate

Linda Upmeyer

LINDA UPMEYER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2189, Eighty-sixth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved March 23, 2016

Terry E. Branstad

TERRY E. BRANSTAD
Governor