

TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

May 27, 2016

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

Dear Mr. Secretary:

I hereby transmit Senate File 2314, an Act relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority and other properly related matters, and including effective date and retroactive applicability provisions.

This legislation fails to appropriate sufficient funds for the State's utility bills. The failure to provide funds for utilities, a necessary expense for all state agencies, is bad budgeting and a practice that must be changed.

Senate File 2314 is approved on this date with the following exception, which I hereby disapprove.

I am unable to approve of the item designated as Section 17, in its entirety. This item is redundant and unnecessary because it creates new annual reports, establishes an interim study committee, and limits the use of certain fees collected by the Department of Administrative Services (DAS). Numerous reports are already produced and made available by DAS regarding the methodologies and the impact of established rates on state agencies. Iowa code and administrative rules establish the customer council and the process used for the development of rates charged for the internal services provided by the department. The customer council includes representatives from all three branches of government. This item also prohibits increases in rates for programs, including those administered by third party providers. DAS does not set the rates for programs administered by third party providers and DAS does not have an independent source of revenue to absorb any increase. DAS simply passes the costs through to state agencies based on the utilization of such services as: workers' compensation, unemployment compensation, Family Medical Leave Act, the health care and dependent care pre-tax programs, and other services critical to the day-to-day business of the State.

For the above reasons, I respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2314 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink, reading "Terry E. Branstad". The signature is written in a cursive style with a prominent initial "T" and a long, sweeping underline.

TERRY E. BRANSTAD

Governor



Senate File 2314

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO CERTAIN STATE DEPARTMENTS, AGENCIES, FUNDS, AND CERTAIN OTHER ENTITIES, PROVIDING FOR REGULATORY AUTHORITY AND OTHER PROPERLY RELATED MATTERS, AND INCLUDING EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS.

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

DIVISION I

FY 2016-2017

Section 1. 2015 Iowa Acts, chapter 141, section 39, is amended to read as follows:

SEC. 39. DEPARTMENT OF ADMINISTRATIVE SERVICES.

1. There is appropriated from the general fund of the state to the department of administrative services for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	2,033,962
		<u>4,046,974</u>
.....	FTEs	56.56
		<u>51.78</u>

b. For the payment of utility costs, and for not more than the following full-time equivalent positions:

.....	\$	1,284,455
		<u>2,555,990</u>
.....	FTEs	1.00

Notwithstanding section 8.33, any excess moneys appropriated for utility costs in this lettered paragraph shall not revert to the general fund of the state at the end of the fiscal year but shall remain available for expenditure for the purposes of this lettered paragraph during the succeeding fiscal year.

c. For Terrace Hill operations, and for not more than the following full-time equivalent positions:

.....	\$	202,957
		<u>403,824</u>
.....	FTEs	5.00
		<u>5.07</u>

2. Any moneys and premiums collected by the department for workers' compensation shall be segregated into a separate workers' compensation fund in the state treasury to be used for payment of state employees' workers' compensation claims and administrative costs. Notwithstanding section 8.33, unencumbered or unobligated moneys remaining in this workers' compensation fund at the end of the fiscal year shall not revert but shall be available for expenditure for purposes of the fund for subsequent fiscal years.

Sec. 2. 2015 Iowa Acts, chapter 141, is amended by adding the following new sections:

NEW SECTION. SEC. 41A. DEPARTMENT OF ADMINISTRATIVE SERVICES — CITY OF DES MOINES FRANCHISE FEE REFUND — APPROPRIATION.

1. There is created a franchise fee refund fund in the state treasury under the control of the department of administrative services. A franchise fee that is refunded to the state by the city of Des Moines pursuant to a court order shall be deposited in the fund.

2. Moneys in the fund are appropriated to the department of administrative services for the fiscal year beginning July 1, 2015, and ending June 30, 2016, for purposes of reimbursing gas and electric utility costs. Notwithstanding section 8.33, any excess moneys appropriated for reimbursing gas and electric utility costs in this subsection shall not revert to

the general fund of the state at the end of the fiscal year but shall remain available for expenditure for the purposes of this subsection during the succeeding fiscal year.

3. This section is repealed July 1, 2017.

NEW SECTION. SEC. 41B. DEPARTMENT OF ADMINISTRATIVE SERVICES — CONTRACT FOR FAMILY MEDICAL LEAVE ACT THIRD-PARTY ADMINISTRATION SERVICES — REPORT. Beginning on February 1, 2017, and annually on each February 1 during the term of the contract to provide third-party administration services of the federal Family and Medical Leave Act of 1993 for the department of administrative services, the department shall submit a report to the joint appropriations subcommittee on administration and regulation and the legislative services agency. The annual report shall include but is not limited to an analysis of cost savings to the state, if any, that have resulted from the use of such third-party administration services, a comparison of the use of and denial of leave requests prior to and during the contract period, and an analysis of appeals of denials of leave and the result of such appeals, prior to and during the contract period. Within sixty days of the conclusion of the contract, the department shall submit a final report to the general assembly summarizing the content of the annual reports and including conclusions and recommendations concerning the use of such third-party administration services.

Sec. 3. 2015 Iowa Acts, chapter 141, section 42, is amended to read as follows:

SEC. 42. AUDITOR OF STATE.

1. There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:		
.....	\$	472,253
		<u>939,642</u>
.....	FTEs	103.00

2. The auditor of state may retain additional full-time equivalent positions as is reasonable and necessary to perform governmental subdivision audits which are reimbursable pursuant to section 11.20 or 11.21, to perform audits which are requested by and reimbursable from the federal government, and to perform work requested by and reimbursable from departments or agencies pursuant to section 11.5A or 11.5B. The auditor of state shall notify the department of management, the legislative fiscal committee, and the legislative services agency of the additional full-time equivalent positions retained.

3. The auditor of state shall allocate moneys from the appropriation in this section solely for audit work related to the comprehensive annual financial report, federally required audits, and investigations of embezzlement, theft, or other significant financial irregularities until the audit of the comprehensive annual financial report is complete.

Sec. 4. 2015 Iowa Acts, chapter 141, section 43, is amended to read as follows:

SEC. 43. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD. There is appropriated from the general fund of the state to the Iowa ethics and campaign disclosure board for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	275,168
		<u>547,501</u>
.....	FTEs	6.00

Sec. 5. 2015 Iowa Acts, chapter 141, section 44, is amended to read as follows:

SEC. 44. OFFICE OF THE CHIEF INFORMATION OFFICER — INTERNAL SERVICE FUNDS — IOWACCESS.

1. There is appropriated to the office of the chief information officer for the fiscal year beginning July 1, 2016, and ending June 30, 2017, from the revolving funds designated in chapter 8B and from internal service funds created by the

office such amounts as the office deems necessary for the operation of the office consistent with the requirements of chapter 8B.

2. a. Notwithstanding section 321A.3, subsection 1, for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the first ~~\$375,000~~ \$750,000 collected by the department of transportation and transferred to the treasurer of state with respect to the fees for transactions involving the furnishing of a certified abstract of a vehicle operating record under section 321A.3, subsection 1, shall be transferred to the IowAccess revolving fund created in section 8B.33 for the purposes of developing, implementing, maintaining, and expanding electronic access to government records as provided by law.

b. All fees collected with respect to transactions involving IowAccess shall be deposited in the IowAccess revolving fund and shall be used only for the support of IowAccess projects.

Sec. 6. 2015 Iowa Acts, chapter 141, section 45, is amended to read as follows:

SEC. 45. DEPARTMENT OF COMMERCE.

1. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. ALCOHOLIC BEVERAGES DIVISION

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

.....	\$	610,196
		<u>1,214,106</u>
.....	FTEs	17.90
		<u>15.56</u>

b. PROFESSIONAL LICENSING AND REGULATION BUREAU

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

.....	\$	300,769
-------	----	---------

	FTEs	448,439
.....		<u>12.51</u>
		<u>12.50</u>

2. There is appropriated from the department of commerce revolving fund created in section 546.12 to the department of commerce for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. BANKING DIVISION

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

	\$	4,833,618
.....		<u>10,499,790</u>
.....	FTEs	93.23
		<u>75.00</u>

b. CREDIT UNION DIVISION

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

	\$	934,628
.....		<u>1,869,256</u>
.....	FTEs	16.00
		<u>14.00</u>

c. INSURANCE DIVISION

(1) For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

	\$	2,662,945
.....		<u>5,485,889</u>
.....	FTEs	103.15
		<u>99.65</u>

(2) The insurance division may reallocate authorized full-time equivalent positions as necessary to respond to accreditation recommendations or requirements.

(3) The insurance division expenditures for examination purposes may exceed the projected receipts, refunds, and reimbursements, estimated pursuant to section 505.7, subsection 7, including the expenditures for retention of additional

personnel, if the expenditures are fully reimbursable and the division first does both of the following:

(a) Notifies the department of management, the legislative services agency, and the legislative fiscal committee of the need for the expenditures.

(b) Files with each of the entities named in subparagraph division (a) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

d. UTILITIES DIVISION

(1) For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,280,203
		<u>9,210,405</u>
.....	FTEs	79.00
		<u>78.00</u>

(2) The utilities division may expend additional moneys, including moneys for additional personnel, if those additional expenditures are actual expenses which exceed the moneys budgeted for utility regulation and the expenditures are fully reimbursable. Before the division expends or encumbers an amount in excess of the moneys budgeted for regulation, the division shall first do both of the following:

(a) Notify the department of management, the legislative services agency, and the legislative fiscal committee of the need for the expenditures.

(b) File with each of the entities named in subparagraph division (a) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

3. CHARGES. Each division and the office of consumer advocate shall include in its charges assessed or revenues generated an amount sufficient to cover the amount stated in its appropriation and any state-assessed indirect costs determined by the department of administrative services.

Sec. 7. 2015 Iowa Acts, chapter 141, section 46, is amended to read as follows:

SEC. 46. DEPARTMENT OF COMMERCE — PROFESSIONAL LICENSING AND REGULATION BUREAU. There is appropriated from the housing trust fund created pursuant to section 16.181, to the bureau of

professional licensing and regulation of the banking division of the department of commerce for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	31,159
		<u>62,317</u>

Sec. 8. 2015 Iowa Acts, chapter 141, section 47, is amended to read as follows:

SEC. 47. GOVERNOR AND LIEUTENANT GOVERNOR. There is appropriated from the general fund of the state to the offices of the governor and the lieutenant governor for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE

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

.....	\$	1,098,228
		<u>2,185,143</u>
.....	FTEs	23.00

2. TERRACE HILL QUARTERS

For the governor's quarters at Terrace Hill, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	46,556
		<u>92,631</u>
.....	FTEs	1.93

Sec. 9. 2015 Iowa Acts, chapter 141, section 48, is amended to read as follows:

SEC. 48. GOVERNOR'S OFFICE OF DRUG CONTROL POLICY. There is appropriated from the general fund of the state to the governor's office of drug control policy for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, including statewide coordination of the drug abuse resistance education (D.A.R.E.) programs or similar programs, and for not more than the following full-time equivalent positions:

.....	\$	120,567
		<u>239,892</u>
.....	FTEs	4.00

Sec. 10. 2015 Iowa Acts, chapter 141, section 49, is amended to read as follows:

SEC. 49. DEPARTMENT OF HUMAN RIGHTS. There is appropriated from the general fund of the state to the department of human rights for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CENTRAL ADMINISTRATION DIVISION

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

.....	\$	112,092
		<u>223,029</u>
.....	FTEs	5.65

2. COMMUNITY ADVOCACY AND SERVICES DIVISION

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

.....	\$	514,039
		<u>1,022,782</u>
.....	FTEs	9.15
		<u>7.90</u>

Sec. 11. 2015 Iowa Acts, chapter 141, section 50, is amended to read as follows:

SEC. 50. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION DIVISION

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

.....	\$	272,621
		<u>542,434</u>
.....	FTEs	13.65

2. ADMINISTRATIVE HEARINGS DIVISION

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

.....	\$	339,471
		<u>675,445</u>
.....	FTEs	23.00

3. INVESTIGATIONS DIVISION

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

.....	\$	1,286,545
		<u>2,559,838</u>
.....	FTEs	55.00

b. By December 1, 2016, the department, in coordination with the investigations division, shall submit a report to the general assembly concerning the division's activities relative to fraud in public assistance programs for the fiscal year beginning July 1, 2015, and ending June 30, 2016. The report shall include but is not limited to a summary of the number of cases investigated, case outcomes, overpayment dollars identified, amount of cost avoidance, and actual dollars recovered.

4. HEALTH FACILITIES DIVISION

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

.....	\$	2,546,017
		<u>5,065,809</u>
.....	FTEs	114.00
		<u>117.00</u>

b. The department shall, in coordination with the health facilities division, make the following information available

to the public as part of the department's development efforts to revise the department's internet site:

(1) The number of inspections conducted by the division annually by type of service provider and type of inspection.

(2) The total annual operations budget for the division, including general fund appropriations and federal contract dollars received by type of service provider inspected.

(3) The total number of full-time equivalent positions in the division, to include the number of full-time equivalent positions serving in a supervisory capacity, and serving as surveyors, inspectors, or monitors in the field by type of service provider inspected.

(4) Identification of state and federal survey trends, cited regulations, the scope and severity of deficiencies identified, and federal and state fines assessed and collected concerning nursing and assisted living facilities and programs.

c. It is the intent of the general assembly that the department and division continuously solicit input from facilities regulated by the division to assess and improve the division's level of collaboration and to identify new opportunities for cooperation.

5. EMPLOYMENT APPEAL BOARD

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

.....	\$	21,108
		<u>41,998</u>
.....	FTEs	11.00

b. The employment appeal board shall be reimbursed by the labor services division of the department of workforce development for all costs associated with hearings conducted under chapter 91C, related to contractor registration. The board may expend, in addition to the amount appropriated under this subsection, additional amounts as are directly billable to the labor services division under this subsection and to retain the additional full-time equivalent positions as needed to conduct hearings required pursuant to chapter 91C.

6. CHILD ADVOCACY BOARD

a. For foster care review and the court-appointed special

advocate program, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,340,145
		<u>2,666,487</u>
.....	FTEs	32.25
		<u>32.26</u>

b. The department of human services, in coordination with the child advocacy board and the department of inspections and appeals, shall submit an application for funding available pursuant to Tit. IV-E of the federal Social Security Act for claims for child advocacy board administrative review costs.

c. The court-appointed special advocate program shall investigate and develop opportunities for expanding fundraising for the program.

d. Administrative costs charged by the department of inspections and appeals for items funded under this subsection shall not exceed 4 percent of the amount appropriated in this subsection.

e. Notwithstanding section 8.39, the department of inspections and appeals may transfer any moneys appropriated in this section to the child advocacy board in an amount not to exceed \$100,000 for the fiscal year beginning July 1, 2016, and ending June 30, 2017, for the purpose of providing additional funding for the court-appointed special advocate program, including salaries, support, maintenance, and miscellaneous purposes. However, the department shall not transfer any moneys appropriated to the department in this section pursuant to this paragraph unless notice of the transfer is given to the legislative services agency and the department of management prior to the effective date of the reallocation. The notice shall include information regarding the rationale and specific purpose for which the transferred moneys will be used. The department shall not transfer any moneys appropriated in this section for the purposes of eliminating any program.

7. FOOD AND CONSUMER SAFETY

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

.....	\$	639,666
		<u>593,411</u>
.....	FTEs	23.65
		<u>28.50</u>

Sec. 12. 2015 Iowa Acts, chapter 141, section 51, is amended to read as follows:

SEC. 51. DEPARTMENT OF INSPECTIONS AND APPEALS — ~~MUNICIPAL CORPORATION FOOD INSPECTIONS~~ LICENSE OR REGISTRATION FEES. For the fiscal year beginning July 1, 2016, and ending June 30, 2017, the department of inspections and appeals shall ~~retain~~ collect any license or registration fees or electronic transaction fees generated during the fiscal year as a result of ~~actions~~ licensing and registration activities under ~~section 137F.3A occurring during the period beginning July 1, 2009, and ending June 30, 2017, for the purpose of enforcing the provisions of chapters 99B, 137C, 137D, and 137F.~~

1. From the fees collected by the department under this section on behalf of a municipal corporation with which the department has an agreement pursuant to section 137F.3, through a statewide electronic licensing system operated by the department, notwithstanding section 137F.6, subsection 3, the department shall remit the amount of those fees to the municipal corporation for whom the fees were collected less any electronic transaction fees collected by the department to enable electronic payment.

2. From the fees collected by the department under this section, other than those fees described in subsection 1, the department shall deposit the amount of \$800,000 into the general fund of the state prior to June 30, 2017.

3. From the fees collected by the department under this section, other than those fees described in subsections 1 and 2, the department shall retain the remainder of the fees for the purposes of enforcing the provisions of chapters 99B, 137C, 137D, and 137F. Notwithstanding section 8.33, moneys retained by the department pursuant to this subsection that remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for expenditure for the purposes of enforcing the provisions of chapters 99B, 137C, 137D, and 137F during the succeeding fiscal year. The

department shall provide an annual report to the department of management and the legislative services agency on fees billed and collected and expenditures from the moneys retained by the department in a format as determined by the department of management in consultation with the legislative services agency.

Sec. 13. 2015 Iowa Acts, chapter 141, section 52, is amended to read as follows:

SEC. 52. RACING AND GAMING COMMISSION — RACING AND GAMING REGULATION. There is appropriated from the gaming regulatory revolving fund established in section 99F.20 to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for regulation, administration, and enforcement of pari-mutuel racetracks, excursion boat gambling, and gambling structure laws and for not more than the following full-time equivalent positions:

.....	\$	3,097,250
		<u>6,194,499</u>
.....	FTEs	73.75
		<u>67.90</u>

Sec. 14. 2015 Iowa Acts, chapter 141, section 53, is amended to read as follows:

SEC. 53. ROAD USE TAX FUND APPROPRIATION — DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the road use tax fund created in section 312.1 to the administrative hearings division of the department of inspections and appeals for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	811,949
		<u>1,623,897</u>

Sec. 15. 2015 Iowa Acts, chapter 141, section 54, is amended to read as follows:

SEC. 54. DEPARTMENT OF MANAGEMENT. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For enterprise resource planning, providing for a salary model administrator, conducting performance audits, and the department's LEAN process; for salaries, support, maintenance, and miscellaneous purposes; and for not more than the following full-time equivalent positions:

.....	\$	1,275,110
		<u>2,537,086</u>
.....	FTEs	20.58
		<u>19.58</u>

Sec. 16. 2015 Iowa Acts, chapter 141, section 55, is amended to read as follows:

SEC. 55. ROAD USE TAX FUND APPROPRIATION — DEPARTMENT OF MANAGEMENT. There is appropriated from the road use tax fund created in section 312.1 to the department of management for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	28,000
		<u>56,000</u>

~~SEC 17. Sec. 17. 2015 Iowa Acts, chapter 141, is amended by adding the following new section:~~

~~NEW SECTION. SEC. 55A. DEPARTMENT OF MANAGEMENT — CUSTOMER COUNCIL — RULES — INTERIM STUDY — REPORTS.~~

~~1. RULES. The department of management shall adopt rules providing that the customer council established pursuant to section 8.6 shall meet by August 30 of each year. The rules shall also require the department of management, in consultation with the department of administrative services, to submit a report to the joint appropriations subcommittee on administration and regulation and the legislative services agency by December 15, 2016, and each December 15 thereafter which includes but is not limited to the rate methodology and~~

~~resulting rates for services that were approved by the customer council during the previous August customer council meeting. The report shall specify any rate increases or additional fees for services that were approved during the previous August customer council meeting along with the rate methodology and rationale for such rate increases or additional fees for services provided by the department of administrative services.~~

~~2. DEPARTMENT OF MANAGEMENT CUSTOMER COUNCIL AND MAINTENANCE OF CEREMONIAL SPACE INTERIM STUDY. The legislative council is requested to establish an interim study committee consisting of ten members representing both political parties and both houses of the general assembly. Five members shall be members of the senate, three of whom shall be appointed by the majority leader of the senate and two of whom shall be appointed by the minority leader of the senate. The other five members shall be members of the house of representatives, three of whom shall be appointed by the speaker of the house of representatives and two of whom shall be appointed by the minority leader of the house of representatives. The committee shall review and consider the rate methodologies that are reviewed and approved by the customer council created in the department of management pursuant to section 8.6, in setting rates for the services provided by the department of administrative services. The committee shall also review and consider the allocation of resources and moneys for maintenance of the areas designated as ceremonial space by the department of administrative services. For purposes of this review, "ceremonial space" means the state capitol building and parking lots, Ola Babcock Miller building and parking lots, historical building and parking areas, parking facility located at Pennsylvania avenue and Des Moines street, West Capitol Terrace and Finkbine parking areas, monuments and adjacent land, capitol complex tunnels, and Iowa building (Mercy Capitol) and annex sites and parking lots. The committee shall submit its findings, together with any recommendations, in a report submitted to the general assembly and to the legislative services agency by January 17, 2017..~~

~~3. RATE INCREASES PROHIBITED. The customer council shall not approve an increase in rates for services provided by the~~

~~department of administrative services or impose additional fees for services beyond those rates and fees that have already been approved by the customer council for the fiscal year beginning July 1, 2015, and ending June 30, 2016, and the fiscal year beginning July 1, 2016, and ending June 30, 2017, until after July 3, 2017, and following submission of the department of management report required in subsection 5.~~

~~4. ROUTINE MAINTENANCE. All moneys collected pursuant to increases in association rates and fees for the state capitol complex and the state laboratories facility in Ankeny for the fiscal year beginning July 1, 2015, and ending June 30, 2016, and the fiscal year beginning July 1, 2016, and ending June 30, 2017, shall be used solely and directly for routine maintenance of the state capitol complex and the state laboratories facility in Ankeny and shall not be reallocated for other purposes.~~

~~5. DEPARTMENT OF MANAGEMENT REPORT. In addition to the annual reports required pursuant to subsection 1, the department of management, in consultation with the department of administrative services, shall submit a report to the general assembly that explains the rate methodologies that are utilized by the department of administrative services and reviewed and approved by the customer council in approving rates set for the services provided by the department of administrative services. The report shall include a review of rates approved by the customer council for the fiscal year beginning July 1, 2015, and ending June 30, 2016, and the fiscal year beginning July 1, 2016, and ending June 30, 2017, including a review of the rate methodology used by the department of administrative services for setting those rates and the rationale for rate increases or additional fees for services that were approved. The report shall include a review of what services or projects are included in the services provided by the department of administrative services for which rates are set and fees imposed, specifically as they pertain to performance of routine maintenance. The report shall also include a review of specific routine maintenance that was performed by the department of administrative services during the fiscal year beginning July 1, 2015, and ending~~

~~June 30, 2016, and the fiscal year beginning July 1, 2016, and ending June 30, 2017, for the state capitol complex and the state laboratories facility in Ankeny and an explanation on how priorities were set for performance of that routine maintenance. The report shall be submitted to the general assembly and to the legislative services agency on, but not before, July 3, 2017.~~] TEJ

Sec. 18. 2015 Iowa Acts, chapter 141, section 56, is amended to read as follows:

SEC. 56. IOWA PUBLIC INFORMATION BOARD. There is appropriated from the general fund of the state to the Iowa public information board for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	175,000
		<u>348,198</u>
.....	FTEs	3.00

Sec. 19. 2015 Iowa Acts, chapter 141, section 57, is amended to read as follows:

SEC. 57. DEPARTMENT OF REVENUE.

1. There is appropriated from the general fund of the state to the department of revenue for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	8,940,420
		<u>17,788,753</u>
.....	FTEs	228.55
		<u>230.57</u>

2. From the moneys appropriated in this section, the department shall use ~~\$200,000~~ \$400,000 to pay the direct costs of compliance related to the collection and distribution of

local sales and services taxes imposed pursuant to chapters 423B and 423E.

3. The director of revenue shall prepare and issue a state appraisal manual and the revisions to the state appraisal manual as provided in section 421.17, subsection 17, without cost to a city or county.

Sec. 20. 2015 Iowa Acts, chapter 141, section 58, is amended to read as follows:

SEC. 58. MOTOR VEHICLE FUEL TAX FUND APPROPRIATION. There is appropriated from the motor vehicle fuel tax fund created pursuant to section 452A.77 to the department of revenue for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for administration and enforcement of the provisions of chapter 452A and the motor vehicle fuel tax program:

.....	\$	652,888
		<u>1,305,775</u>

Sec. 21. 2015 Iowa Acts, chapter 141, is amended by adding the following new section:

NEW SECTION. SEC. 58A. PROPERTY ASSESSMENT APPEAL BOARD. Notwithstanding 2013 Iowa Acts, chapter 123, section 66, 2013 Iowa Acts amendments to section 421.1A, subsection 2, paragraph "b", are applicable to appointments to the property assessment appeal board on or after July 1, 2017.

Sec. 22. 2015 Iowa Acts, chapter 141, section 59, is amended to read as follows:

SEC. 59. SECRETARY OF STATE. ~~1.~~ There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION AND ELECTIONS

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

.....	\$	1,448,350
-------	----	----------------------

	<u>1,440,890</u>
..... FTEs	<u>32.00</u>
	<u>13.10</u>

2. The state department or state agency which provides data processing services to support voter registration file maintenance and storage shall provide those services without charge.

2. BUSINESS SERVICES

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

.....	\$ 1,440,891
..... FTEs	13.10

Sec. 23. 2015 Iowa Acts, chapter 141, is amended by adding the following new section:

NEW SECTION. SEC. 59A. ADDRESS CONFIDENTIALITY PROGRAM REVOLVING FUND APPROPRIATION — SECRETARY OF STATE. There is appropriated from the address confidentiality program revolving fund created in section 9.8 to the office of the secretary of state for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$ 120,400
-------	------------

Sec. 24. 2015 Iowa Acts, chapter 141, section 61, is amended to read as follows:

SEC. 61. TREASURER OF STATE.

1. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$ 542,196
	<u>1,078,807</u>
..... FTEs	28.80

29.00

2. The office of treasurer of state shall supply clerical and secretarial support for the executive council.

Sec. 25. 2015 Iowa Acts, chapter 141, section 62, is amended to read as follows:

SEC. 62. ROAD USE TAX FUND APPROPRIATION — OFFICE OF TREASURER OF STATE. There is appropriated from the road use tax fund created in section 312.1 to the office of treasurer of state for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For enterprise resource management costs related to the distribution of road use tax funds:

.....	\$	46,574
		<u>93,148</u>

Sec. 26. 2015 Iowa Acts, chapter 141, section 63, is amended to read as follows:

SEC. 63. IPERS — GENERAL OFFICE. There is appropriated from the Iowa public employees' retirement ~~system~~ fund created in section 97B.7 to the Iowa public employees' retirement system for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system, and for not more than the following full-time equivalent positions:

.....	\$	8,843,484
		<u>17,686,968</u>
.....	FTEs	88.00
		<u>88.13</u>

DIVISION II
 MISCELLANEOUS STATUTORY CHANGES
 BANKING DIVISION FEES

Sec. 27. Section 524.207, Code 2016, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. All fees and assessments generated as the result of a federally chartered bank or savings and loan association converting to a state-chartered bank on or

after December 31, 2015, and thereafter, are payable to the superintendent. The superintendent shall pay all the fees and assessments received by the superintendent pursuant to this subsection to the treasurer of state within the time required by section 12.10 and the fees and assessments shall be deposited into the department of commerce revolving fund created in section 546.12. An amount equal to such fees and assessments deposited into the department of commerce revolving fund is appropriated from the department of commerce revolving fund to the banking division of the department of commerce for the fiscal year in which a federally chartered bank or savings and loan association converted to a state-chartered bank and an amount equal to such annualized fees and assessments deposited into the department of commerce revolving fund in succeeding years is appropriated from the department of commerce revolving fund to the banking division of the department of commerce for succeeding fiscal years for purposes related to the discharge of the duties and responsibilities imposed upon the banking division of the department of commerce, the superintendent, and the state banking council by the laws of this state. This appropriation shall be in addition to the appropriation of moneys otherwise described in this section. If a state-chartered bank converts to a federally chartered bank or savings and loan association, any appropriation made pursuant to this subsection for the following fiscal year shall be reduced by the amount of the assessment paid by the state-chartered bank during the fiscal year in which the state-chartered bank converted to a federally chartered bank or savings and loan association.

NEW SUBSECTION. 4A. All moneys received by the superintendent pursuant to a multi-state settlement with a provider of financial services such as a mortgage lender, a mortgage servicer, or any other person regulated by the banking division of the department of commerce shall be deposited into the department of commerce revolving fund created in section 546.12 and an amount equal to the amount deposited into the fund is appropriated to the banking division of the department of commerce for the fiscal year in which such moneys are received and in succeeding fiscal years for the purpose

of supporting those duties of the banking division related to financial regulation that are limited to nonrecurring expenses such as equipment purchases, training, technology, and retirement payouts related to the oversight of mortgage lending, state-chartered banks, and other financial services regulated by the banking division. This appropriation shall be in addition to the appropriation of moneys otherwise described in this section. The superintendent shall submit a report to the department of management and to the legislative services agency detailing the expenditure of moneys appropriated to the banking division pursuant to this subsection during each fiscal year. The initial report shall be submitted on or before September 15, 2016, and each September 15 thereafter. Moneys appropriated pursuant to this subsection are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this subsection.

TOBACCO PRODUCT MANUFACTURERS — ENFORCEMENT

Sec. 28. 2015 Iowa Acts, chapter 138, section 3, subsection 3, is amended to read as follows:

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

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

DIVISION III

EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS

Sec. 29. EFFECTIVE UPON ENACTMENT. The following provision or provisions of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section of this Act amending 2015 Iowa Acts, chapter 141, by adding new section 41A relating to an appropriation to the department of administrative services from franchise fees refunded to the state by the city of Des Moines.

2. The section of this Act amending Code section 524.207 by adding new subsections 1A and 4A.


Sec. 30. RETROACTIVE APPLICABILITY. The following provision or provisions of this Act apply retroactively to April 1, 2016:

1. The section of this Act amending 2015 Iowa Acts, chapter

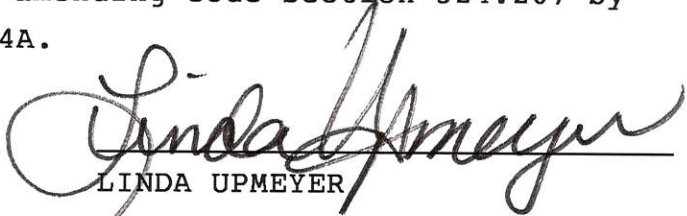
141, by adding new section 41A relating to an appropriation to the department of administrative services from franchise fees refunded to the state by the city of Des Moines.

Sec. 31. RETROACTIVE APPLICABILITY. The following provision or provisions of this Act apply retroactively to December 31, 2015:

1. The section of this Act amending Code section 524.207 by adding new subsections 1A and 4A.




PAM JOCHUM
President of the Senate




LINDA UPMEYER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2314, Eighty-sixth General Assembly.



MICHAEL E. MARSHALL
Secretary of the Senate

Approved May 27, 2016



TERRY E. BRANSTAD
Governor

with exception noted.