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APPROPRIATIONS CALENDAR

HOUSE FILE 779
BY COMMITTEE ON APPROPRIATIONS

Passed House, Date 4-26-89 (P.2062) Passed Senate, Date 5-1-89 (P.1789)
Vote: Ayes 53 Nays 42 Vote: Ayes 48 Nays 0
Approved _____

A BILL FOR

4198-1 An Act relating to and making appropriations to regulatory bodies
2 of state government including the auditor of state, the
3 campaign finance disclosure commission, the department of
4 employment services, including labor services, industrial
5 services, and job service divisions, the office of the state
6 public defender, the department of inspections and appeals,
7 including the employment appeal board and the foster care
8 review board, and legal services corporation, the public
9 employment relations board, the department of commerce,
10 including the professional licensing and regulation, alcoholic
11 beverages, banking, credit union, savings and loan, insurance,
12 and utilities divisions, and the racing commission, requiring
13 the utilities board to conduct a cooperative energy efficiency
14 study, describing ownership and rights in county property in
15 use by the offices of the state public defender, imposing
16 conditions on the hiring practices of state commissions,
17 boards, and agencies, requiring the commissioner of insurance
18 to adopt rules to require gender neutral insurance policies
19 for accident, health, disability, or skilled nursing care, and
20 imposing penalties upon insurance companies for failure to
21 file required quarterly reports and other required financial
22 statements with the division of insurance.

HF 779

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

24
25

1 Section 1. There is appropriated from the general fund of
2 the state to the office of the auditor of state for the fiscal
3 year beginning July 1, 1989, and ending June 30, 1990, the
4 following amount, or so much thereof as is necessary, to be
5 used for the purposes designated:

6 For salaries, support, maintenance, miscellaneous purposes,
7 and for not more than the following full-time equivalent posi-
8 tions:

| | | |
|----------|------|-----------|
| 9 | \$ | 1,650,034 |
| 10 | FTEs | 95.00 |

11 The auditor of state shall be reimbursed for performing
12 examinations of the department of commerce, the department of
13 human services, the state department of transportation, the
14 Iowa department of public health, the state board of regents,
15 the department of agriculture and land stewardship, the
16 department of economic development, the department of
17 education, the department of employment services, the
18 department of natural resources, the offices of the clerks of
19 the district court of the judicial department, the Iowa public
20 employees' retirement system, and federal financial
21 assistance, as defined in Pub. L. No. 98-502, received by all
22 other departments.

23 The auditor of state shall audit an agency or department,
24 which does not receive federal funding, every other year if in
25 the judgment of the auditor of state, the agency or department
26 would not be adversely affected by being audited less than
27 annually. The auditor of state shall report to the
28 legislative fiscal bureau and the department of management on
29 or before September 1, 1989, which agencies and departments
30 will be audited every other year instead of annually.

31 The auditor of state shall collect information on the
32 costs, including time spent by employees of the auditor of
33 state, associated with providing assistance to private
34 certified public accounting firms, local governments, and
35 other people in connection with audits of political

1 subdivisions not conducted by the auditor of state. The
2 auditor of state shall report the cost information to the
3 legislative fiscal bureau and the department of management on
4 or before September 1, 1989.

5 Sec. 2. There is appropriated from the general fund of the
6 state to the campaign finance disclosure commission for the
7 fiscal year beginning July 1, 1989, and ending June 30, 1990,
8 the following amount, or so much thereof as is necessary, for
9 the purposes designated:

10 For salaries, support, maintenance, miscellaneous purposes,
11 and for not more than the following full-time equivalent posi-
12 tions:.

| | | |
|----------|------|---------|
| 13 | \$ | 228,811 |
| 14 | FTEs | 5.75 |

15 Sec. 3. There is appropriated from the general fund of the
16 state to the department of employment services for the fiscal
17 year beginning July 1, 1989, and ending June 30, 1990, the
18 following amounts, or so much thereof as is necessary, for the
19 purposes designated:

20 1. DIVISION OF LABOR SERVICES

21 For salaries, support, maintenance, miscellaneous purposes,
22 and for not more than the following full-time equivalent posi-
23 tions:.

| | | |
|----------|------|-----------|
| 24 | \$ | 2,102,000 |
| 25 | FTEs | 89.05 |

26 As a condition, qualification, and limitation of the funds
27 appropriated in this section, the department shall utilize the
28 \$68,691 allocated for the contractor registration program only
29 for that program and the two FTEs which are authorized and
30 funded for that program, and \$83,954 shall be utilized in
31 connection with the implementation of federal superfund duties
32 delegated or assumed by the division, for which two FTEs are
33 authorized and funded.

34 2. DIVISION OF INDUSTRIAL SERVICES

35 For salaries, support, maintenance, miscellaneous purposes,

1 and for not more than the following full-time equivalent posi-
2 tions:

3 \$ 1,427,900
4 FTEs 36.95

5 The division shall maintain the three full-time employees
6 hired in the fiscal year beginning July 1, 1988, and ending
7 June 30, 1989, as directed by the general assembly, from the
8 funds appropriated, to expedite the administrative hearing
9 process for workers' compensation cases, and to reduce case
10 backlogs. The employees shall include one deputy industrial
11 commissioner, and two clerical employees. The division shall
12 continue charging a sixty-five dollar filing fee for workers'
13 compensation cases. The filing fee shall be paid by the
14 petitioner of a claim; however, the fee can be taxed as a
15 cost, and therefore, paid by the losing party, except in cases
16 where it would impose an undue hardship or be unjust in the
17 circumstances.

18 It is the intent of the general assembly that the position
19 of job service commissioner not be filled and that the
20 director of the department of employment services shall
21 continue to act as the chief executive officer of the division
22 of job service.

23 The department of employment services, the department of
24 personnel, and the department of management shall work
25 together to ensure that as nearly as possible all full-time
26 equivalent positions authorized and funded for the department
27 of employment services will be utilized during the fiscal year
28 beginning July 1, 1989, and ending June 30, 1990, and future
29 fiscal years, to ensure that the backlog of cases in that
30 department will be reduced as rapidly as possible.

31 Sec. 4. CONTINGENCY FUND USES -- BUILDING AND EQUIPMENT
32 EXPENSES, ECONOMIC DEVELOPMENT LABOR SURVEYS, DIVISION-
33 APPROVED TRAINING.

34 1. Notwithstanding the provisions of section 96.13,
35 subsection 3, which restrict the use of moneys in the special

1 employment security contingency fund, moneys in the fund on
2 June 30, 1989, shall not be transferred by the treasurer of
3 state to either the temporary emergency surcharge fund or the
4 unemployment compensation fund, but shall be available to the
5 division of job service of the department of employment
6 services for the fiscal year beginning July 1, 1989, and
7 ending June 30, 1990, for expenditures under subsection 2.

8 2. The division of job service shall expend moneys which
9 are credited to the special employment security contingency
10 fund during the fiscal year beginning July 1, 1989, and ending
11 June 30, 1990, including moneys which are available to the
12 division of job service under subsection 1, only in accordance
13 with the following restrictions:

14 a. The division may expend up to \$50,000 from the fund for
15 repair of exterior brick of, and fire safety upgrades for, the
16 state administrative office building.

17 b. The division may expend up to \$500,500 from the fund
18 for the support of the county, labor survey, economic
19 development teams.

20 c. Any balance of moneys in the special employment
21 security contingency fund shall be deposited by the treasurer
22 of state in the division-approved training fund which is
23 created as a special fund in the state treasury.

24 Notwithstanding section 453.7, interest or earnings from
25 moneys deposited in the division-approved training fund shall
26 be credited to that fund. The division shall use moneys from
27 the fund to pay only the instructional cost of training
28 related to tuition and course fees, approved by the division
29 pursuant to section 96.4 and 345 Iowa administrative code,
30 rules 4.39 and 4.40, for individuals who demonstrate to the
31 division's satisfaction that they are financially incapable of
32 paying the instructional cost of the approved training.

33 However, the division may expend up to \$40,000 from the fund
34 for administrative costs relating to payments for division
35 approved training.

1 Payments from the fund shall not be made to the individual
2 receiving approved training but shall be made directly to the
3 institution or person providing the approved training.
4 Payments shall not exceed \$1,000 per individual trainee in any
5 two-year period. The division shall distribute information on
6 the qualification requirements for and availability of payment
7 for the division-approved training to individuals filing
8 claims for benefits or receiving benefits under chapter 96.

9 Sec. 5. FEDERAL FUNDS APPROPRIATED FOR BUILDING PURCHASE.

10 There is appropriated out of the funds made available to this
11 state pursuant to section 903 of the federal Social Security
12 Act, as amended, for the fiscal year beginning July 1, 1989,
13 and ending June 30, 1990, \$62,500, and for the fiscal year
14 beginning July 1, 1990, and ending June 30, 1991, \$62,500, to
15 the department of employment services for the payment of the
16 last two of four annual payments to the Iowa public employees'
17 retirement system for the purchase of that portion of the
18 state administrative office building located at 1000 East
19 Grand, Des Moines, Iowa, which is owned by the Iowa public
20 employees' retirement system.

21 The moneys appropriated in this section shall not be
22 obligated after June 30, 1991. The amount obligated pursuant
23 to this section during any twelve-month period beginning on
24 July 1 and ending on June 30 shall not exceed the amount
25 available for obligation pursuant to section 903 of the
26 federal Social Security Act, as amended, and as reflected in
27 the accounts of the division of job service of the department
28 of employment services and the United States department of
29 labor.

30 Sec. 6. There is appropriated from the administrative
31 contribution surcharge fund of the state to the department of
32 employment services for the fiscal year beginning July 1,
33 1989, and ending June 30, 1990, the following amount, or so
34 much thereof as is necessary, for the purposes designated:

35 DIVISION OF JOB SERVICE

1 Notwithstanding section 96.7, subsection 12, paragraph "c",
2 for salaries, support, maintenance, miscellaneous purposes,
3 and for not more than the following full-time equivalent
4 positions:

| | | |
|---------|------|-----------|
| 5 | \$ | 5,187,600 |
| 6 | FTEs | 149.94 |

7 As a condition, qualification, and limitation of this
8 appropriation, the department of employment services shall
9 provide services throughout the fiscal year beginning July 1,
10 1989, and ending June 30, 1990, in all communities in which
11 job service offices are operating on July 1, 1989. However,
12 this provision shall not prevent the consolidation of multiple
4220-13 offices within the same city or the colocation of job service
14 offices with another public agency.

15 The department shall provide information to the legislative
16 fiscal bureau upon request to be used for legislative over-
17 sight of all programs operated by the department.

18 The department shall develop performance standards and
19 criteria for measuring services to certain individuals
20 including but not limited to individuals over fifty-five years
21 of age, individuals who have drawn unemployment insurance
22 benefits for ten weeks or longer, handicapped individuals,
23 females, minorities, veterans, youth, aid to dependent
24 children recipients, and other appropriate targeted
25 populations.

26 The department shall submit to the general assembly on or
27 before October 1, 1989, a service delivery plan that will
28 provide for all of the following:

29 1. Services be streamlined and limited to those
30 specifically funded by the United States congress and the Iowa
31 general assembly.

32 2. Services will continue to be available to communities
33 which currently have a job service office.

34 3. A timetable and cost of implementing and disseminating
35 automated services.

1 4. A cost analysis of all services provided to employers
2 and individuals seeking work.

3 5. A description of the existing relationship between the
4 department and private employment agencies.

5 6. Alternatives to office closings including but not
6 limited to, group intake, increased automation, itinerant
4220-7 service, colocation, and flexible operating hours.

8 7. The feasibility of establishing employer fees for
9 providing services not specifically funded through federal
10 grants or by the general assembly.

11 8. A report of innovative employment service practices
12 which are adaptable to Iowa's employers and Iowa's work force.

13 Notwithstanding section 8.33, moneys appropriated to the
14 department of employment services, division of job service,
15 for division approved training in 1988 Iowa Acts, chapter
16 1274, section 8, subsection 2, in the original amount of
17 \$1,149,209 shall not lapse or revert at the end of the fiscal
18 year ending June 30, 1989, but the unexpended balance shall be
19 available to the division of job service in the division
20 approved training fund for the fiscal year beginning July 1,
21 1989, and ending June 30, 1990.

22 Sec. 7. There is appropriated from the general fund of the
23 state to the department of inspections and appeals for the
24 fiscal year beginning July 1, 1989, and ending June 30, 1990,
25 the following amounts, or so much thereof as is necessary, for
26 the purposes designated:

27 1. GENERAL DEPARTMENT

424-28 For salaries, support, maintenance, miscellaneous purposes,
29 and for not more than the following full-time equivalent posi-
30 tions:.

| | | | |
|--------|-------|------|-----------|
| 420-31 | ..... | \$ | 4,194,600 |
| 425-32 | ..... | FTEs | 252.50 |

33 2. EMPLOYMENT APPEAL BOARD

34 For salaries, support, maintenance, miscellaneous purposes,
35 and for not more than the following full-time equivalent posi-

1 tions:.

2 \$ 35,500

3 FTEs 1.80

4 3. FOSTER CARE REVIEW BOARD

5 For salaries, support, maintenance, miscellaneous purposes,
6 and for not more than the following full-time equivalent posi-
7 tions:

8 \$ 304,171

4197- 9 FTEs 6.50

10 4. The department of inspections and appeals may charge
11 state departments, agencies, and commissions for services
12 rendered and the payment received shall be considered
13 repayment receipts as defined in section 8.2, subsection 5.

4280 14 5. LEGAL SERVICES CORPORATION. For the general operations
15 of the legal services corporation of Iowa:

16 \$ 75,000

17 Sec. 8. There is appropriated from the general fund of the
18 state to the office of the state public defender for the
19 fiscal year beginning July 1, 1989, and ending June 30, 1990,
20 the following amount, or so much thereof as is necessary, for
21 the purposes designated:

22 For salaries, support, maintenance, miscellaneous purposes,
23 and for not more than the following full-time equivalent posi-
24 tions:

425 25 \$ 3,722,700

26 FTEs 90.53

425 27 Of the amount appropriated, or so much thereof as is
28 necessary, \$38,700 shall be expended for one full-time
29 position and necessary expenses in connection with the
30 administration of payment claims to court-appointed counsel
31 for adult and juvenile indigent defense costs.

32 For indigent court-appointed attorney fees for adults and
33 juveniles, notwithstanding section 232.141 and chapter 815:

34 \$ 7,200,000

35 The department of inspections and appeals and the judicial

1 department shall work together to provide a smooth transition
2 for the payment of court-appointed attorney fees for indigent
3 defense of adults and juveniles and shall jointly submit a
4 proposal for any necessary changes in the Code, to permanently
5 transfer this function to the office of the state public
6 defender, by December 15, 1989.

7 Sec. 9. There is appropriated from the road use tax fund
8 to the department of inspections and appeals for the fiscal
9 year beginning July 1, 1989, and ending June 30, 1990, the
10 following amount, or so much thereof as is necessary, for the
11 purposes designated:

12 For salaries, support, maintenance, miscellaneous purposes,
13 and for not more than the following full-time equivalent posi-
14 tions:

| | | |
|----------|------|---------|
| 15 | \$ | 417,500 |
| 16 | FTEs | 11.00 |

17 It is the intent of the general assembly that the
18 department of inspections and appeals cross-train its
19 employees to perform more than one form of inspection or work
20 whenever possible.

21 Sec. 10. There is appropriated from the general fund of
22 the state to the public employment relations board for the
23 fiscal year beginning July 1, 1989, and ending June 30, 1990,
24 the following amount, or so much thereof as is necessary, for
25 the purposes designated:

26 For salaries, support, maintenance, miscellaneous purposes,
27 and for not more than the following full-time equivalent posi-
28 tions:.

| | | |
|----------|------|---------|
| 29 | \$ | 648,530 |
| 30 | FTEs | 13.50 |

31 Sec. 11.

32 1. There is appropriated from the professional licensing
33 revolving fund to the professional licensing and regulation
34 division of the department of commerce, for the fiscal year
35 beginning July 1, 1989, and ending June 30, 1990, the

1 following amount, or so much thereof as is necessary, for the
2 purposes designated:

3 For salaries, support, maintenance, miscellaneous purposes,
4 and for not more than the following full-time equivalent posi-
5 tions:

| | | |
|---------|------|---------|
| 6 | \$ | 679,675 |
| 7 | FTEs | 9.0 |

8 The professional licensing division of the department of
9 commerce shall transfer at the beginning of each fiscal
10 quarter from appropriated trust funds to the administrative
11 services trust fund an amount which represents the division's
12 share of the estimated cost of consolidated administrative
13 services within the department of commerce, such share to be
14 in the same proportion as established by agreement in the
15 fiscal year beginning July 1, 1986, and ending June 30, 1987,
16 with the first quarterly transfer to occur between July 1 and
17 July 31 annually.

18 2. It is the intent of the general assembly that the
19 department of commerce shall transfer eighty percent of fee
20 revenue from the professional licensing and regulation
21 division to the professional licensing revolving fund. The
22 department of commerce shall remit and deposit the remaining
23 twenty percent of the professional licensing and regulation
24 division fees to the general fund of the state.

25 The professional licensing and regulation division may
26 expend additional funds, including funds required for
27 additional personnel, if those additional expenditures are
28 actual expenses which exceed the funds budgeted for the
29 division, and result directly from the licensing and
30 regulation of the subject professions. Before the division
31 expends or encumbers an amount in excess of the funds budgeted
32 for examinations, the director of the department of management
33 shall approve the expenditure or encumbrance. Before approval
34 is given, the director of the department of management shall
35 determine that the examination expenses exceed the funds

1 budgeted by the general assembly to the division and the
2 division does not have other funds from which the expenses can
3 be paid. Upon approval of the director of the department of
4 management, the division may expend and encumber funds for
5 excess expenses. The amounts necessary to fund the excess
6 expenses shall be collected from those persons being regulated
7 or licensed which caused the excess expenditures, and the
8 collections shall be treated as repayment receipts as defined
9 in section 8.2, subsection 5.

10 Sec. 12. There is appropriated from the administrative
11 services trust fund to the administrative services division of
12 the department of commerce for the fiscal year beginning July
13 1, 1989, and ending June 30, 1990, the following amount, or so
14 much thereof as is necessary, to be used for the purposes
15 designated:

16 For salaries, support, maintenance, miscellaneous purposes,
17 and for not more than the following full-time equivalent posi-
18 tions:

| | | |
|----------|------|-----------|
| 19 | \$ | 1,529,000 |
| 20 | FTEs | 43.50 |

21 Sec. 13. Notwithstanding section 123.53, there is
22 appropriated from the beer and liquor control fund to the
23 alcoholic beverages division of the department of commerce for
24 the fiscal year beginning July 1, 1989, and ending June 30,
25 1990, the following amount, or so much thereof as is
26 necessary, for the purposes designated:

27 For salaries, support, maintenance, miscellaneous purposes,
28 and for not more than the following full-time equivalent posi-
29 tions:

| | | |
|--------------|------|-----------|
| 30 | \$ | 4,664,000 |
| 424331 | FTEs | 83.86 |

32 The alcoholic beverages division of the department of
33 commerce shall transfer at the beginning of each fiscal
34 quarter from appropriated trust funds to the administrative
35 services trust fund an amount which represents the division's

1 share of the estimated cost of consolidated administrative
 2 services within the department of commerce, such share to be
 3 in the same proportion as established by agreement in the fis-
 4 cal year beginning July 1, 1986, and ending June 30, 1987,
 5 with the first quarterly transfer to occur between July 1 and
 6 July 31 annually. At the close of the fiscal year, actual
 7 versus estimated expenditures shall be reconciled and any
 8 overpayment shall be returned to each division or any
 9 underpayment shall be paid by each division.

10 Sec. 14. There is appropriated from the banking revolving
 11 fund to the banking division of the department of commerce for
 12 the fiscal year beginning July 1, 1989, and ending June 30,
 13 1990, the following amount, or so much thereof as is
 14 necessary, to be used for the purposes designated:

15 For salaries, support, maintenance, miscellaneous purposes,
 16 and for not more than the following full-time equivalent posi-
 17 tions:

| | | |
|----------|------|-----------|
| 18 | \$ | 5,256,500 |
| 19 | FTEs | 118.50 |

20 The banking division of the department of commerce shall
 21 transfer at the beginning of each fiscal quarter from ap-
 22 propriated trust funds to the administrative services trust
 23 fund an amount which represents the division's share of the
 24 estimated cost of consolidated administrative services within
 25 the department of commerce, such share to be in the same
 26 proportion as established by agreement in the fiscal year
 27 beginning July 1, 1986, and ending June 30, 1987, with the
 28 first quarterly transfer to occur between July 1 and July 31
 29 annually. At the close of the fiscal year, actual versus
 30 estimated expenditures shall be reconciled and any overpayment
 31 shall be returned to each division or any underpayment shall
 32 be paid by each division.

33 The banking division may expend additional funds, including
 34 funds for additional personnel, if those additional
 35 expenditures are actual expenses which exceed the funds

1 budgeted for bank examinations and directly result from
2 examinations of banks. Before the division expends or encum-
3 bers an amount in excess of the funds budgeted for
4 examinations, the director of the department of management
5 shall approve the expenditure or encumbrance. Before approval
6 is given, the director of the department of management shall
7 determine that the examination expenses exceed the funds
8 budgeted by the general assembly to the division and that the
9 division does not have other funds from which examination
10 expenses can be paid. Upon approval of the director of the
11 department of management the division may expend and encumber
12 funds for excess examination expenses. The amounts necessary
13 to fund the excess examination expenses shall be collected
14 from those banks being regulated which caused the excess
15 expenditures, and the collections shall be treated as
16 repayment receipts as defined in section 8.2, subsection 5.

17 Sec. 15. 1988 Iowa Acts, chapter 1274, section 20, is
18 amended by adding the following new unnumbered paragraph:

19 NEW UNNUMBERED PARAGRAPH. Any unexpended moneys from the
20 appropriation for the fiscal year beginning July 1, 1988, and
21 ending June 30, 1989, to the division of banking from the
22 banking revolving fund, shall not revert to the banking
23 revolving fund, but may be expended by the division of banking
24 for the purchase of computer equipment to continue the
25 automation support of field audit staff. A report on the
26 types, quantities, and costs of equipment acquired pursuant to
27 this paragraph shall be provided to the department of
28 management and the legislative fiscal bureau on or before July
29 15, 1989.

30 Sec. 16. There is appropriated from the credit union re-
31 volving fund to the credit union division of the department of
32 commerce for the fiscal year beginning July 1, 1989, and
33 ending June 30, 1990, the following amount, or so much thereof
34 as is necessary, to be used for the purposes designated:

35 For salaries, support, maintenance, miscellaneous purposes,

1 and for not more than the following full-time equivalent posi-
 2 tions:

| | | |
|---------|------|---------|
| 3 | \$ | 951,000 |
| 4 | FTEs | 20.00 |

5 The credit union division of the department of commerce
 6 shall transfer at the beginning of each fiscal quarter from
 7 appropriated trust funds to the administrative services trust
 8 fund an amount which represents the division's share of the
 9 estimated cost of consolidated administrative services within
 10 the department of commerce, such share to be in the same pro-
 11 portion as established by agreement in the fiscal year begin-
 12 ning July 1, 1986, and ending June 30, 1987, with the first
 13 quarterly transfer to occur between July 1 and July 31 an-
 14 nually. At the close of the fiscal year, actual versus
 15 estimated expenditures shall be reconciled and any overpayment
 16 shall be returned to each division or any underpayment shall
 17 be paid by each division.

18 The credit union division may expend additional funds,
 19 including funds for additional personnel, if those additional
 20 expenditures are actual expenses which exceed the funds
 21 budgeted for credit union examinations and directly result
 22 from examinations of credit unions. Before the division
 23 expends or encumbers an amount in excess of the funds budgeted
 24 for examinations, the director of the department of management
 25 shall approve the expenditure or encumbrance. Before approval
 26 is given, the director of the department of management shall
 27 determine that the examination expenses exceed the funds
 28 budgeted by the general assembly to the division and that the
 29 division does not have other funds from which examination
 30 expenses can be paid. Upon approval of the director of the
 31 department of management the division may expend and encumber
 32 funds for excess examination expenses. The amounts necessary
 33 to fund the excess examination expenses shall be collected
 34 from those credit unions being regulated which caused the
 35 excess expenditures, and the collections shall be treated as

1 repayment receipts as defined in section 8.2, subsection 5.

2 Sec. 17. There is appropriated from the savings and loan
3 revolving fund to the savings and loan division of the depart-
4 ment of commerce for the fiscal year beginning July 1, 1989,
5 and ending June 30, 1990, the following amount, or so much
6 thereof as is necessary, to be used for the purposes
7 designated:

8 For salaries, support, maintenance, miscellaneous purposes,
9 and for not more than the following full-time equivalent posi-
10 tions:

| | | |
|----------|------|---------|
| 11 | \$ | 310,000 |
| 12 | FTEs | 6.00 |

13 The savings and loan division of the department of commerce
14 shall transfer at the beginning of each fiscal quarter from
15 appropriated trust funds to the administrative services trust
16 fund an amount which represents the division's share of the
17 estimated cost of consolidated administrative services within
18 the department of commerce, such share to be in the same
19 proportion as established by agreement in the fiscal year
20 beginning July 1, 1986, and ending June 30, 1987, with the
21 first quarterly transfer to occur between July 1 and July 31
22 annually. At the close of the fiscal year, actual versus
23 estimated expenditures shall be reconciled and any overpayment
24 shall be returned to each division or any underpayment shall
25 be paid by each division.

26 The savings and loan division may expend additional funds,
27 including funds for additional personnel, if those additional
28 expenditures are actual expenses which exceed the funds
29 budgeted for savings and loan examinations and directly result
30 from examinations of savings and loan associations. Before
31 the division expends or encumbers an amount in excess of the
32 funds budgeted for examinations, the director of the
33 department of management shall approve the expenditure or
34 encumbrance. Before approval is given, the director of the
35 department of management shall determine that the examination

1 expenses exceed the funds budgeted by the general assembly to
2 the division and that the division does not have other funds
3 from which examination expenses can be paid. Upon approval of
4 the director of the department of management the division may
5 expend and encumber funds for excess examination expenses.
6 The amounts necessary to fund the excess examination expenses
7 shall be collected from those savings and loan associations
8 being regulated which caused the excess expenditures, and the
9 collections shall be treated as repayment receipts as defined
10 in section 8.2, subsection 5.

11 Sec. 18. There is appropriated from the insurance
12 revolving fund to the insurance division of the department of
13 commerce for the fiscal year beginning July 1, 1989, and
14 ending June 30, 1990, the following amount, or so much thereof
15 as is necessary, to be used for the purposes designated:

16 For salaries, support, maintenance, miscellaneous purposes,
17 and for not more than the following full-time equivalent posi-
18 tions:

| | | |
|----------|------|-----------|
| 19 | \$ | 3,929,800 |
| 20 | FTEs | 92.33 |

21 Of the amount appropriated, at least \$21,128 shall be
22 expended to hire an executive secretary for the insurance
23 commissioner.

24 As a condition, limitation, and qualification of the funds
25 appropriated in this section, the insurance commissioner shall
26 adopt administrative rules to be effective January 1, 1990,
4212-27 which rules shall prohibit the renewal, offer for issuance, or
28 issuance of a group or individual policy, contract, or plan
4190-29 providing accident, health, or disability benefits, or skilled
30 nursing care or long-term care to a subscriber, policyholder,
31 insured, or other person on a prepaid or claims-made basis
32 which discriminates on the basis of race, color, religion,
4214-33 sex, marital status, or national origin.

34 Of the funds appropriated, conditioned upon the enactment
35 of Senate File 278 by the Seventy-third General Assembly, 1989

1 Session, the following amounts shall be added to the budget of
2 the regulated industries unit of the securities bureau of the
3 insurance division; \$25,000 shall be used for the salary and
4 benefits of a full-time administrative assistant, to be
5 responsible for assisting in the administration of chapter
6 523D regarding the registration of continuing care retirement
7 communities; \$1,000 shall be used for the training, travel,
8 and other necessary expenses of the administrative assistant
9 for the chapter 523D program; and \$3,800 shall be used for
10 equipment, supplies, and a computer for the chapter 523D
11 administrative assistant.

12 It is the intent of the general assembly that the depart-
13 ment of commerce shall transfer sixty percent of insurance
14 nonexamination revenues received for the fiscal year beginning
15 July 1, 1989, and ending June 30, 1990, to the general fund of
16 the state to the extent that the remaining forty percent of
17 nonexamination revenues available to the division exceed or
18 are projected to exceed the division's appropriation pursuant
19 to this Act.

20 Of the funds appropriated, \$126,395, or so much thereof as
21 is necessary, shall be transferred to the office of the
22 attorney general to reimburse the office of the attorney
23 general for two assistant attorneys general.

24 The insurance division of the department of commerce shall
25 transfer at the beginning of each fiscal quarter from ap-
26 propriated trust funds to the administrative services trust
27 fund an amount which represents the division's share of the
28 estimated cost of consolidated administrative services within
29 the department of commerce, such share to be in the same
30 proportion as established by agreement in the fiscal year
31 beginning July 1, 1986, and ending June 30, 1987, with the
32 first quarterly transfer to occur between July 1 and July 31
33 annually. At the close of the fiscal year, actual versus
34 estimated expenditures shall be reconciled and any overpayment
35 shall be returned to each division or any underpayment shall

1 be paid by each division.

2 The insurance division may expend additional funds,
3 including funds for additional personnel, if those additional
4 expenditures are actual expenses which exceed the funds
5 budgeted for insurance company examinations and directly
6 result from examinations of insurance companies. Before the
7 division expends or encumbers an amount in excess of the funds
8 budgeted for examinations, the director of the department of
9 management shall approve the expenditure or encumbrance. Be-
10 fore approval is given, the director of the department of man-
11 agement shall determine that the examination expenses exceed
12 the funds budgeted by the general assembly to the division and
13 that the division does not have other funds from which
14 examination expenses can be paid. Upon approval of the
15 director of the department of management the division may
16 expend and encumber funds for excess examination expenses.
17 The amounts necessary to fund the excess examination expenses
18 shall be collected from those insurance companies being
19 regulated which caused the excess expenditures, and the
20 collections shall be treated as repayment receipts as defined
21 in section 8.2, subsection 5.

22 Sec. 19. There is appropriated from the utilities trust
23 fund to the utilities division of the department of commerce
24 for the fiscal year beginning July 1, 1989, and ending June
25 30, 1990, the following amount, or so much thereof as is
26 necessary, to be used for the purposes designated:

27 **For salaries, support, maintenance, miscellaneous purposes,
28 and for not more than the following full-time equivalent posi-
29 tions:

| | | |
|----------|------|-----------|
| 30 | \$ | 4,489,300 |
| 31 | FTEs | 87.50 |

32 The general assembly finds that cost-effective energy
33 efficiency is a vital goal for Iowa because Iowa produces
34 virtually none of the energy it consumes, but pays substantial
35 amounts for the energy it purchases from out-of-state sources.

1 The most effective means of discovering creative and cost-
2 effective energy efficiency program options is through a
3 cooperative effort among consumers, utilities, and the
4 utilities board.

5 Of the amount appropriated in this section, not more than
6 \$100,000 shall be expended by the utilities board to study and
7 identify promising cost-effective energy efficiency program
8 options. The board may retain one or more consultants in
9 conjunction with the board's study. The board shall share the
10 results of the study and any consulting contract with any
11 legislative interim committee appointed encompassing similar
12 subject matter, and that legislative interim committee shall
13 have access to any consultant retained by the board with the
14 full cooperation of the board. The board shall establish a
15 cooperative effort among consumers and utilities to assist the
16 board in identifying promising energy efficiency program
17 options and means to implement such options. Consumer
18 participants may be reimbursed for actual expenses. The board
19 shall provide to the general assembly on or before November 1,
20 1989, a report on the cost-effective program options
21 identified in the cooperative board study and any
22 recommendations of the board for legislative action.

23 The utilities division of the department of commerce shall
24 transfer at the beginning of each fiscal quarter from appro-
25 priated trust funds to the administrative services trust fund
26 an amount which represents the division's share of the
27 estimated cost of consolidated administrative services within
28 the department of commerce, such share to be in the same
29 proportion as established by agreement in the fiscal year
30 beginning July 1, 1986, and ending June 30, 1987, with the
31 first quarterly transfer to occur between July 1 and July 31
32 annually. At the close of the fiscal year, actual versus
33 estimated expenditures shall be reconciled and any overpayment
34 shall be returned to each division or any underpayment shall
35 be paid by each division.

1 Sec. 20. There is appropriated from the racing commission
2 fund to the racing commission for the fiscal year beginning
3 July 1, 1989, and ending June 30, 1990, the following amount,
4 or so much thereof as is necessary, to be used for the
5 purposes designated:

6 For salaries, support, maintenance, miscellaneous purposes,
7 and for not more than the following full-time equivalent posi-
8 tions:

| | | |
|----------|------|-----------|
| 9 | \$ | 1,712,500 |
| 10 | FTEs | 30.99 |

11 The racing commission shall provide, in the budget forms
12 for the fiscal year beginning July 1, 1990, and ending June
13 30, 1991, a separate line item for veterinarian services and
14 another line item for body fluid testing of dogs and horses.
15 These items shall also be designated in the base budget
16 package and any decision packages in which they appear in the
17 budget forms. Other professional and scientific services may
18 be combined into an additional line item, but must be clearly
19 explained in the budget narrative section of the budget forms.

20 Sec. 21. All federal grants to and the federal receipts of
21 the agencies appropriated funds under this Act, not otherwise
22 appropriated, are appropriated for the purposes set forth in
23 the federal grants or receipts unless otherwise provided by
24 the general assembly.

25 Sec. 22. NEW SECTION. 13B.8A PUBLIC DEFENDER PROPERTY.

26 1. Notwithstanding section 13B.8, subsection 4, public
27 property referred to in subsection 2 in the custody of a
28 person or agency referred to in subsection 3 shall not be
29 property of the department of inspections and appeals, but
30 shall be devoted for the use of the department of inspections
31 and appeals in its course of business. The department of
32 inspections and appeals shall only be responsible for
33 maintenance contracts or contracts for purchase entered into
34 by the department of inspections and appeals. Upon
35 replacement of the property by the department of inspections

1 and appeals, the property shall revert to the use of the
2 appropriate county.

3 2. This section applies to the following property:

4 a. Books, accounts, and records that pertain to the
5 operation of the public defender's offices.

6 b. Forms, materials, and supplies that are consumed in the
7 usual course of business.

8 c. Tables, chairs, desks, lamps, curtains, window blinds,
9 rugs and carpeting, flags and flag standards, pictures and
10 other wall decorations, and other similar furnishings.

11 d. Typewriters, adding machines, desk calculators, cash
12 registers and similar business machines, reproduction machines
13 and equipment, microfiche projectors, tape recorders and
14 associated equipment, microphones, amplifiers and speakers,
15 film projectors and screens, overhead projectors, and similar
16 personal property.

17 e. Filing cabinets, shelving, storage cabinets, and other
18 property used for storage.

19 f. Books of statutes, books of ordinances, books of
20 judicial decisions, and reference books, except those that are
21 customarily held in a law library for use by the public.

22 g. All other personal property that is in use in the
23 operation of the offices of the public defender.

24 3. This section applies to the following persons and
25 agencies:

26 a. Offices of the public defender.

27 b. Persons who are employed by an office of the public
28 defender.

29 4. Subsections 1 through 3 and 5 do not apply to
30 electronic data storage equipment, commonly referred to as
31 computers, or to computer terminals or any machinery,
32 equipment, or supplies used in the operation of computers.
33 Those counties providing computer services to the public
34 defender shall continue to provide these services until the
35 general assembly provides otherwise. The state shall

1 reimburse these counties for the cost of providing these
2 services. Each county providing computer services to an
3 office of the public defender shall submit a bill for these
4 services to the department of inspections and appeals at the
5 end of each calendar quarter. Reimbursement shall be payable
6 from funds appropriated to the department for operating
7 expenses of the offices of the public defender and shall be
8 paid within thirty days after receipt by the department of
9 inspections and appeals of the quarterly billing.

10 5. Personal property of a type that is subject to
11 subsections 1 through 3 shall be subject to the control of the
12 offices of the public defender. The offices of the public
13 defender may issue necessary orders to preserve the use of the
14 property by the public defender. The offices of the public
15 defender shall establish and maintain an inventory of property
16 used by the offices of the public defender.

17 Sec. 23. Section 68B.7, unnumbered paragraph 2, Code 1989,
18 is amended to read as follows:

19 No A person who has served as the head of or on a
20 commission or board of a regulatory agency or as a deputy
21 thereof, shall not, within a period of two years after the
22 termination of such service accept employment with that
23 commission, board, or agency or receive compensation for any
24 services rendered on behalf of any person, firm, corporation,
25 or association in any case, proceedings, or application before
26 the department with which the person so served wherein the
27 person's compensation is to be dependent or contingent upon
28 any action by such agency with respect to any license,
29 contract, certificate, ruling, decision, opinion, rate
30 schedule, franchise, or other benefit, or in promoting or
31 opposing, directly or indirectly, the passage of bills or
4243 32 resolutions before either house of the general assembly.

33 Sec. 24. Section 476.10, unnumbered paragraph 4, Code
34 1989, is amended to read as follows:

35 Whenever the board shall deem it necessary in order to

1 carry out the duties imposed upon it in connection with rate
2 regulation under section 476.6, investigations under section
3 476.3, or review proceedings under section 476.31, the board
4 may employ additional temporary or permanent staff, or may
5 contract with persons who are not state employees for
6 engineering, accounting, or other professional services, or
7 both. The costs of these additional employees and contract
8 services shall be paid by the public utility whose rates are
9 being reviewed in the same manner as other expenses are paid
10 under this section. ~~There is hereby appropriated out of any~~
11 ~~funds in the state treasury not otherwise appropriated, such~~
12 ~~sums as may be necessary to enable the board to hire~~
13 ~~additional staff and contract for services under this section.~~
14 The board shall increase quarterly assessments specified in
15 unnumbered paragraph two, by amounts necessary to enable the
16 board to hire additional staff and contract for services under
17 this section. The authority to hire additional temporary or
18 permanent staff that is granted to the board by this section
19 shall not be subject to limitation by any administrative or
20 executive order or decision that restricts the number of state
21 employees or the filling of employee vacancies, and shall not
22 be subject to limitation by any law of this state that
23 restricts the number of state employees or the filling of
24 employee vacancies unless that law is made applicable to this
25 section by express reference to this section. Before the
26 board expends or encumbers an amount in excess of the funds
27 budgeted for rate regulation and before the board increases
28 quarterly assessments pursuant to this paragraph, the director
29 of the department of management shall approve the expenditure
30 or encumbrance. Before approval is given, the director of the
31 department of management shall determine that the expenses
32 exceed the funds budgeted by the general assembly to the board
33 for rate regulation and that the board does not have other
34 funds from which the expenses can be paid. Upon approval of
35 the director of the department of management the board may

1 expend and encumber funds for the excess expenses, and
2 increase quarterly assessments to raise the additional funds.

3 Sec. 25. Section 508.14, Code 1989, is amended to read as
4 follows:

5 508.14 VIOLATION BY DOMESTIC COMPANY.

6 Upon a failure of any a company organized under the laws of
7 this state to make the deposit provided in section 511.8,
8 subsection 16, or file the statement in the time herein
9 stated, or to file in a timely manner any financial statement
10 required by rule of the commissioner of insurance, the
11 commissioner of insurance shall notify the attorney general of
12 the default, who shall at once apply to the district court of
13 the county where the home office of ~~such~~ the company is
14 located for an order requiring the company to show cause, upon
15 reasonable notice, to be fixed by the court, why its business
16 shall not be discontinued. If, upon the hearing, no
17 sufficient cause is shown, the court shall decree its
18 dissolution. In lieu of a district court action authorized by
19 this section, the commissioner may impose an administrative
20 penalty of three hundred dollars upon the company.

21 Sec. 26. Section 508.15, Code 1989, is amended to read as
22 follows:

23 508.15 VIOLATION BY FOREIGN COMPANY.

24 Companies organized and chartered by the laws of a foreign
25 state or country, failing to file the evidence of investment
26 and statement within the time fixed, or failing to timely file
27 any financial statement required by rule of the commissioner
28 of insurance, shall forfeit and pay the sum of three hundred
29 dollars, to be collected in an action in the name of the state
30 and paid to the treasurer of state for deposit in the general
31 fund of the state, and their right to transact further new
32 business in this state shall immediately cease until the
33 requirements of this chapter have been fully complied with.

34 Sec. 27. 1986 Iowa Acts, chapter 1246, section 755, is
35 hereby reenacted and remains effective to the extent that

1 persons who were employed by the division of alcoholic
2 beverages whose positions were terminated as a result of 1986
3 Iowa Acts, chapter 1246, sections 724 through 761, shall
4 continue to be accorded the hiring preferences for other
5 positions in state departments provided by 1986 Iowa Acts,
6 chapter 1246, section 755. This preference shall terminate on
7 June 30, 1990.

8 EXPLANATION

9 This bill makes appropriations to various regulatory
10 agencies, boards, commissions, departments, and programs of
11 state government.

12 Section 1 provides 1989-1990 fiscal year funding for the
13 auditor of state, and authorizes direct billing for auditing
14 expenses to two additional entities, the department of
15 commerce and the Iowa public employees' retirement system
16 (IPERS).

17 Section 2 funds the campaign finance disclosure commission.

18 Section 3 funds the department of employment services,
19 including the following divisions of the department: labor
20 services and industrial services.

21 Section 4 permits use of moneys in the special employment
22 security contingency fund for specified purposes, including
23 support of the county, labor survey, economic development
24 teams.

25 Section 5 appropriates moneys for the last two years of an
26 installment contract to purchase the IPERS' portion of the
27 state administrative office building which IPERS owns.

28 Section 6 appropriates moneys from the administrative
29 contribution surcharge fund to the department of employment
30 services, division of job service and retains money appro-
31 priated to the division of job service for division approved
32 training in fiscal year 1988-1989 for use in fiscal year 1989-
33 1990.

34 Section 7 funds the department of inspections and appeals
35 including the following specific divisions or boards:

1 employment appeal board; foster care review board; and general
2 department salaries and support.

3 Section 8 appropriates moneys to the office of the state
4 public defender.

5 Section 9 appropriates moneys from the road use tax fund to
6 the department of inspections and appeals.

7 Section 10 funds the public employment relations board.

8 Section 11 funds the professional licensing and regulation
9 division of the department of commerce.

10 Section 12 funds the administrative services division of
11 the department of commerce.

12 Section 13 allocates moneys from the beer and liquor
13 control fund to the alcoholic beverages division of the
14 department of commerce, and provides other moneys for the
15 division.

16 Section 14 funds the banking division of the department of
17 commerce from the banking revolving fund and provides for
18 other moneys for the division.

19 Section 15 authorizes the use of certain unexpended moneys
20 from the 1988-1989 fiscal year for the purchase of computer
21 equipment by the division of banking of the department of
22 commerce.

23 Section 16 funds the credit union division of the
24 department of commerce from the credit union revolving fund
25 and provides for other moneys for the division.

26 Section 17 funds the savings and loan division of the
27 department of commerce from the savings and loan revolving
28 fund and provides for other moneys for the division.

29 Section 18 funds the insurance division from the insurance
30 revolving fund and provides for other moneys for the division.
31 The appropriation includes a conditional appropriation for the
32 enforcement of chapter 523D on the registration of continuing
33 care retirement communities, in the event of the passage of
34 Senate File 278 by the 1989 Session of the General Assembly.
35 The entire appropriation is conditioned upon the commissioner

1 of insurance adopting rules effective January 1, 1990, which
2 would require gender neutral insurance for accident, health,
3 disability, and skilled nursing care insurance policies.

4 Section 19 funds the utilities division of the department
5 of commerce from the utilities trust fund. The utilities
6 board is required to conduct a cooperative study of energy
7 efficiency program options.

8 Section 20 funds the racing commission from the racing
9 commission fund.

10 Section 21 allocates all federal grants and receipts to the
11 purposes set forth in the grants or receipts.

12 Section 22 provides that county property in the use of the
13 offices of the public defender remains county property, but is
14 dedicated to the use of the public defender until replaced by
15 the state, whereupon the used property reverts to the use of
16 the county. This provision parallels the property transition
17 provision used when the clerks of the district court were
18 transferred to the state court system. Formerly county
19 employees, public defenders are now within the department of
20 inspections and appeals' office of the public defender.

21 Section 23 restricts the future employment for two years of
22 persons who have served on a board, commission, or as a deputy
23 of a regulatory agency, with the same board, commission, or
24 agency in the same manner that current law restricts
25 nonemployment contractual relationships.

26 Section 24 amends section 476.10 to permit the utilities
27 board to increase assessments against regulated entities to
28 pay increased expenses of investigation rather than permitted
29 expenditure of general fund as necessary for such expenses.

30 Sections 25 and 26 impose a three hundred dollar penalty
31 upon domestic and foreign insurance companies which fail to
32 timely file required quarterly reports or other financial
33 statements required to be filed with the division of insur-
34 ance.

35 Section 27 preserves the hiring preferences enacted in

1 earlier session laws for certain positions in the division of
2 alcoholic beverages of the department of commerce.

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HOUSE FILE 779

H-4198

1 Amend House File 779 as follows:
 2 1. Title page, by striking lines 1 through 22,
 3 and inserting the following: "An Act relating to and
 4 making appropriations, subject to certain conditions,
 5 to regulatory bodies of state government, including
 6 the auditor of state, the campaign finance disclosure
 7 commission, the department of employment services, the
 8 office of the state public defender, the department of
 9 inspections and appeals, the department of commerce,
 10 and the racing commission, among others, and effecting
 11 the laws enforced by and procedures utilized by such
 12 regulatory bodies, determining the ownership and
 13 control of certain property in the possession of the
 14 office of the state public defender, and imposing
 15 penalties."

By SPEAR of Lee

H-4198 FILED APRIL 25, 1989

Adopted 4-26-89 (p. 202)

HOUSE FILE 779

H-4190

1 Amend House File 779 as follows:
 2 1. Page 16, line 29, by striking the word
 3 "accident," and inserting the following: "accident
 4 and".

By SPEAR of Lee

H-4190 FILED APRIL 25, 1989

Adopted 4-26-89 (p. 205)

HOUSE FILE 779

H-4197

1 Amend House File 779 as follows:
 2 1. Page 8, line 9, by striking the figure "6.50"
 3 and inserting the following: "8.50".

By SPEAR of Lee

H-4197 FILED APRIL 25, 1989

Adopted 4-26-89 (p. 203)

HOUSE FILE 779

H-4399

1 Amend House File 779, as amended, passed, and re-
2 printed by the House, as follows:

3 1. Page 22, by inserting after line 32 the fol-
4 lowing:

5 "Sec. ____ . Section 89.2, Code 1989, is amended by
6 adding the following new subsection:

7 NEW SUBSECTION. 8. "Exhibition boiler" means a
8 boiler which is operated in the state for nonprofit
9 purposes including, but not limited to, exhibitions,
10 fairs, parades, farm machinery shows, or any other
11 event of an historical or educational nature. An
12 "exhibition boiler" includes steam locomotives,
13 traction and portable steam engines, and stationary
14 boilers of the firetube, watertube, and returntube
15 class, model or miniature, and may be riveted, riveted
16 and welded, or all welded construction, if used within
17 the state solely for nonprofit purposes.

18 Sec. ____ . Section 89.3, Code 1989, is amended by
19 adding the following new subsection:

20 NEW SUBSECTION. 11. An exhibition boiler does not
21 require an annual inspection certificate but special
22 inspections may be requested by the owner or an
23 event's management to be performed by the
24 commissioner. Upon the completion of an exhibition
25 boiler inspection a written condition report shall be
26 prepared by the commissioner regarding the condition
27 of the exhibition boiler's boiler or pressure vessel.
28 This report will be issued to the owner and the
29 management of all events at which the exhibition
30 boiler is to be operated. The event's management is
31 responsible for the decision on whether the exhibition
32 boiler should be operated. A repair symbol, known as
33 the "R" stamp, is not required for repairs made to
34 exhibition boilers pursuant to the rules regarding
35 inspections and repair of exhibition boilers as
36 adopted by the commissioner, pursuant to chapter 17A."
37 2. By renumbering as necessary.

By BISIGNANO of Polk

H-4399 FILED MAY 3, 1989

HOUSE FILE 779

H-4229

1 Amend House File 779 as follows:

2 1. Page 7, line 31, by striking the figure
3 "4,194,600" and inserting the following: "4,256,458".

4 2. Page 7, line 32, by striking the figure
5 "252.50" and inserting the following: "254.50".

6 3. Page 7, by inserting after line 32, the
7 following:

8 "Of the amount appropriated, or so much thereof as
9 is necessary, \$61,858 shall be expended for two FTEs
10 and other necessary expenses in connection with the
11 food and sanitation inspection program."

By HANSON of Delaware

H-4229 FILED APRIL 25, 1989

LDH 4-26-89 (p. 2035)

HOUSE FILE 779

H-4213

1 Amend House File 779 as follows:

- 2 1. Page 16, line 33, by inserting after the word
- 3 "origin." the following: "However, the prohibition
- 4 shall not apply, with respect to sex or marital
- 5 status, if clear and convincing actuarial evidence
- 6 supports the use of sex or marital status as a rating
- 7 factor because of demonstrated increased or decreased
- 8 risk associated with the insured's sex, marital
- 9 status, or both."

By HALVORSON of Clayton

H-4213 FILED APRIL 25, 1989

LOSE 4-26-89 (p. 2031)

HOUSE FILE 779

H-4217

1 Amend House File 779 as follows:

- 2 1. Page 24, by inserting after line 33, the
- 3 following:
- 4 "Sec. ____ . Section 514E.5, subsection 2, Code
- 5 1989, is amended by adding the following new
- 6 unnumbered paragraph:
- 7 NEW UNNUMBERED PARAGRAPH. However, the association
- 8 policy shall pay benefits as a primary payer in any
- 9 case where benefit coverage provided under the laws of
- 10 the United States, including Medicare and Medicaid, or
- 11 under the laws of this state is, by rule or statute,
- 12 secondary to all other coverages."
- 13 2. By renumbering as necessary.

By SWARTZ of Marshall

H-4217 FILED APRIL 25, 1989

Adopted 4-26-89 (p. 2021)

HOUSE FILE 779

H-4220

1 Amend House File 779 as follows:

- 2 1. Page 6, line 13, by striking the word
- 3 "colocation" and inserting the following:
- 4 "collocation".
- 5 2. Page 7, line 7, by striking the word
- 6 "colocation" and inserting the following:
- 7 "collocation".

By SPEAR of Lee

H-4220 FILED APRIL 25, 1989

Adopted 4-26-89 (p. 2034)

HOUSE FILE 779

H-4208

1 Amend House File 779 as follows:

2 1. Page 24, by inserting after line 33, the
3 following:

4 "Sec. ____ . The legislative council shall create an
5 interim committee to study the issues involved with
6 respect to medical malpractice insurance and the rates
7 charged for such insurance. The study shall include a
8 review of data relating to all claims closed since
9 January 1, 1980, and shall attempt to determine
10 whether or not the rates for medical malpractice
11 insurance are affected by the severity and frequency
12 of claims. The interim committee shall be composed of
13 the chairperson, vice chairperson, and ranking members
14 of the senate judiciary and commerce committees and
15 the house judiciary and law enforcement and small
16 business and commerce committees. The interim
17 committee, in consultation with the insurance
18 commissioner, is authorized to employ an independent
19 consultant. For purposes of this section, the study
20 shall be treated as a rate adjustment review pursuant
21 to section 507D.5 and the cost incurred for the
22 consultant's services shall be assessed by the
23 commissioner against all insurers providing medical
24 malpractice insurance in the state of Iowa in
25 proportion to their respective shares of total medical
26 malpractice insurance premiums received in Iowa during
27 the second preceding calendar year. The interim
28 committee shall report its findings to the legislative
29 council by January 30, 1990."

30 2. Renumber as necessary.

By JAY of Appanoose
DODERER of Johnson

H-4208 FILED APRIL 25, 1989

NOT Germane - Rule's Suspended 4-26-89 (p. 2060) - Adopted (p. 2061)

HOUSE FILE 779

H-4212

1 Amend House File 779 as follows:

2 1. Page 16, by striking line 27 and inserting the
3 following: "which rules prohibit the offer for
4 issuance or".

By KREMER of Buchanan

H-4212 FILED APRIL 25, 1989

Adopted 4-26-89 (p. 2057)

HOUSE FILE 779

H-4243

1 Amend House File 779 as follows:

2 1. Page 11, line 30, by striking the figure
3 "4,664,000" and inserting the following: "4,991,510".

4 2. Page 11, line 31, by striking the figure
5 "83.86" and inserting the following: "93.86".

6 3. Page 22, by inserting after line 32 the fol-
7 lowing:

8 "Sec. ____ . Section 123.3, subsection 26, Code
9 1989, is amended to read as follows:

10 26. "Wholesaler" means any a person, other than a
11 vintner, brewer or bottler of beer or wine, who shall
12 sell, barter, exchange, offer sells, barter,
13 exchanges, offers for sale, have has in possession
14 with intent to sell, deal deals or traffic traffics in
15 alcoholic liquor, wine, or beer. A wholesaler shall
16 not sell for consumption upon the premises.

17 Sec. ____ . Section 123.16, subsection 2, paragraphs
18 a and c, Code 1989, are amended to read as follows:

19 a. Purchases of alcoholic liquor and wine for
20 resale by the division.

21 c. The establishment of wholesale prices of
22 alcoholic liquor and wine.

23 Sec. ____ . Section 123.20, subsections 1 and 7,
24 Code 1989, are amended to read as follows:

25 1. To receive alcoholic liquors and wines on a
26 bailment system for resale by the division in the
27 manner set forth in this chapter.

28 7. To accept intoxicating liquors and wines
29 ordered delivered to the alcoholic beverages division
30 pursuant to chapter 809, and offer for sale and
31 deliver the intoxicating liquors and wines to class
32 "E" liquor control licensees, unless the administrator
33 determines that the intoxicating liquors or wines may
34 be adulterated or contaminated. If the administrator
35 determines that the intoxicating liquors or wines may
36 be adulterated or contaminated, the administrator
37 shall order their destruction.

38 Sec. ____ . Section 123.21, subsections 2, 3, 6, 7,
39 8, 9, and 10, Code 1989, are amended to read as
40 follows:

41 2. Regulating the management, equipment, and
42 merchandise of state warehouses in and from which
43 alcoholic liquors and wines are transported, kept, or
44 sold and prescribing the books and records to be kept
45 therein in the warehouses.

46 3. Regulating the purchase of alcoholic liquor and
47 wine generally and the furnishing of the liquor and
48 wine to class "E" liquor control licensees under this
49 chapter, and determining the classes, varieties, and
50 brands of alcoholic liquors and wines to be kept in

H-4243

Page 2

1 state warehouses.

2 6. Providing for the issuance and distribution of
3 price lists which show the price to be paid by class
4 "E" liquor control licensees for each brand, class, or
5 variety of liquor and wine kept for sale by the
6 division, providing for the filing or posting of
7 prices charged in sales between class "A" beer and
8 class-"A"-wine permit holders and retailers, as
9 provided in this chapter, and establishing or
10 controlling the prices based on minimum standards of
11 fill, quantity, or alcoholic content for each
12 individual sale of intoxicating liquor, wine, or beer
13 as deemed necessary for retail or consumer protection.
14 However, the division shall not regulate markups,
15 prices, discounts, allowances, or other terms of sale
16 at which alcoholic liquor and wine may be purchased by
17 the retail public, or by liquor control licensees or
18 class "B" wine permittees from class "E" liquor
19 control licensees or at which wine may be purchased
20 and sold by class "A"-and "B" retail wine permittees,
21 or change, nullify, or vary the terms of an agreement
22 between a holder of a vintner certificate of
23 compliance and a class-"A"-wine-permittee the
24 division.

25 7. Prescribing the official seals, labels, or
26 other markings which shall be attached to or stamped
27 on packages of alcoholic liquor and wine sold under
28 this chapter.

29 8. Prescribing, subject to this chapter, the days
30 and hours during which state warehouses shall be kept
31 open for the purpose of the sale and delivery of
32 alcoholic liquors and wines.

33 9. Prescribing the place and the manner in which
34 alcoholic liquor and wine may be lawfully kept or
35 stored by the licensed manufacturer under this
36 chapter.

37 10. Prescribing the time, manner, means, and
38 method by which distillers, vendors, or others
39 authorized under this chapter may deliver or transport
40 alcoholic liquors and wines and prescribing the time,
41 manner, means, and methods by which alcoholic liquor
42 and wines may be lawfully conveyed, carried, or
43 transported.

44 Sec. ____ . Section 123.22, Code 1989, is amended to
45 read as follows:

46 123.22 STATE MONOPOLY.

47 The division has the exclusive right of importation
48 into the state of all forms of alcoholic liquor and
49 wine, except as otherwise provided in this chapter,
50 and a person shall not import alcoholic liquor or

1 wine, except that an individual of legal age may
2 import and have in the individual's possession an
3 amount of alcoholic liquor or wine not exceeding one
4 quart or, in the case of alcoholic liquor or wine
5 personally obtained outside the United States, one
6 gallon for personal consumption only in a private home
7 or other private accommodation. A distillery or
8 vintner shall not sell alcoholic liquor or wine within
9 the state to any person but only to the division,
10 except as otherwise provided in this chapter. This
11 section vests in the division exclusive control within
12 the state as purchaser of all alcoholic liquor and
13 wine sold by distilleries and vintners within the
14 state or imported, except beer and wine, and except as
15 otherwise provided in this chapter. The division
16 shall receive alcoholic liquor and wine on a bailment
17 system for resale by the division in the manner set
18 forth in this chapter. The division shall act as the
19 sole wholesaler of alcoholic liquor and wine to class
20 "E" liquor control licensees.

21 No A person, acting individually or through another
22 acting for the person, shall not directly or
23 indirectly, or upon any pretense, or by any device,
24 manufacture, sell, exchange, barter, dispense, give in
25 consideration of the purchase of any property or of
26 any services or in evasion of this chapter, or keep
27 for sale, or have possession of any intoxicating
28 liquor or wine, except as provided in this chapter; or
29 own, keep, or be in any way concerned, engaged, or
30 employed in owning or keeping, any intoxicating liquor
31 or wine with intent to violate any provision of this
32 chapter, or authorize or permit the same to be done;
33 or manufacture, own, sell, or have possession of any
34 manufactured or compounded article, mixture, or
35 substance, not in a liquid form, and containing
36 alcohol which may be converted into a beverage by a
37 process of pressing or straining the alcohol
38 therefrom, or any instrument intended for use and
39 capable of being used in the manufacture of
40 intoxicating liquor or wine; or own or have possession
41 of any material used exclusively in the manufacture of
42 intoxicating liquor or wine; or use or have possession
43 of any material with intent to use it in the
44 manufacture of intoxicating liquors or wines; however,
45 alcohol may be manufactured for industrial and
46 nonbeverage purposes by persons who have qualified for
47 that purpose as provided by the laws of the United
48 States and the laws of this state. Such alcohol, so
49 manufactured, may be denatured, transported, used,
50 possessed, sold, and bartered, and dispensed, subject

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1 to the limitations, prohibitions, and restrictions
2 imposed by the laws of the United States and this
3 state. Any person may manufacture, sell, or transport
4 ingredients and devices other than alcohol for the
5 making of home-made wine.

6 Sec. ____ . Section 123.24, Code 1989, is amended to
7 read as follows:

8 123.24 ALCOHOLIC LIQUOR AND WINE SALES BY THE
9 DIVISION -- DISHONORED CHECKS -- LIQUOR PRICES.

10 1. The division shall sell alcoholic liquor and
11 wine at wholesale only. The division shall sell
12 alcoholic liquor and wine to class "E" liquor control
13 licensees only. The division shall offer the same
14 price on alcoholic liquor and wine to all class "E"
15 liquor control licensees without regard for the
16 quantity of purchase or the distance for delivery.
17 However, the division may assess a split-case charge
18 when liquor or wine is sold in quantities which
19 require a case to be split.

20 2. a. The division may accept from a class "E"
21 liquor control licensee a cashier's check which shows
22 the licensee is the remitter or a check issued by the
23 licensee in payment of alcoholic liquor or wine. If a
24 check is subsequently dishonored, the division shall
25 cause a notice of nonpayment and penalty to be served
26 upon the class "E" liquor control licensee or upon any
27 person in charge of the licensed premises. The notice
28 shall state that if payment or satisfaction for the
29 dishonored check is not made within ten days of the
30 service of notice, the licensee's liquor control
31 license shall be suspended under section 123.39. The
32 notice of nonpayment and penalty shall be in a form
33 prescribed by the administrator, and shall be sent by
34 certified mail.

35 b. If upon notice and hearing under section 123.39
36 and pursuant to ~~the provisions of~~ chapter 17A
37 concerning a contested case hearing, the administrator
38 determines that the class "E" liquor control licensee
39 failed to satisfy the obligation for which the check
40 was issued within ten days after the notice of
41 nonpayment and penalty was served on the licensee as
42 provided in paragraph "a" of this subsection, the
43 administrator shall suspend the licensee's class "E"
44 liquor control license for not less than three days
45 but not more than thirty days.

46 c. Paragraphs "a" and "b" do not apply if a class
47 "E" liquor control licensee tenders the division three
48 or more checks during a twelve-month period which are
49 dishonored. Following notification to the division of
50 dishonor of a check after the second check so

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1 dishonored from the same licensee, the administrator
2 shall suspend a licensee's class "E" liquor control
3 license for not less than three nor more than thirty
4 days, after notice and an opportunity for hearing.
5 Payment of a check whose dishonor subjects the
6 licensee to suspension does not affect the liability
7 of the licensee to suspension.

8 3. The administrator may refuse to sell alcoholic
9 liquor and wine to a class "E" liquor control licensee
10 who tenders a check or electronic funds transfer which
11 is subsequently dishonored until the outstanding
12 obligation is satisfied.

13 4. The price of alcoholic liquor and wine sold by
14 the division shall include a markup of up to fifty
15 percent of the wholesale price paid by the division
16 for the alcoholic liquor and wine. The markup shall
17 apply to all alcoholic liquor and wine sold by the
18 division; however, the division may increase the
19 markup on selected kinds of alcoholic liquor and wine
20 sold by the division if the average return to the
21 division on all sales of alcoholic liquor and wine
22 does not exceed the wholesale price paid by the
23 division and the fifty percent markup.

24 Sec. _____. Section 123.25, Code 1989, is amended to
25 read as follows:

26 123.25 CONSUMPTION ON PREMISES.

27 An officer, clerk, agent, or employee of the
28 division employed in a state-owned warehouse shall not
29 allow any alcoholic liquor or wine to be consumed on
30 the premises, nor shall a person consume any liquor or
31 wine on the premises except for testing or sampling
32 purposes only.

33 Sec. _____. Section 123.26, Code 1989, is amended to
34 read as follows:

35 123.26 RESTRICTIONS ON SALES -- SEALS -- LABELING.

36 Alcoholic liquor and wine shall not be sold by a
37 class "E" liquor control licensee except in a sealed
38 container with identifying markers as prescribed by
39 the administrator and affixed in the manner prescribed
40 by the administrator, and no such container shall be
41 opened upon the premises of a state warehouse. The
42 division shall cooperate with the department of
43 natural resources so that only one identifying marker
44 or mark is needed to satisfy the requirements of this
45 section and section 455C.5, subsection 1. Possession
46 of alcoholic liquors or wines which do not carry the
47 prescribed identifying markers is a violation of this
48 chapter except as provided in section 123.22.

49 Sec. _____. Section 123.27, unnumbered paragraph 1,
50 Code 1989, is amended to read as follows:

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1 It is unlawful to transact the sale or delivery of
2 alcoholic liquor or wine in, on, or from the premises
3 of a state warehouse:

4 Sec. _____. Section 123.28, unnumbered paragraph 1,
5 Code 1989, is amended to read as follows:

6 It is lawful to transport, carry, or convey
7 alcoholic liquors or wines from the place of purchase
8 by the division to a state warehouse or depot
9 established by the division or from one such place to
10 another and, when so permitted by this chapter, it is
11 lawful for the division, a common carrier, or other
12 person to transport, carry, or convey alcoholic liquor
13 or wine sold from a state warehouse, depot, or point
14 of purchase by the state to any place to which the
15 liquor or wine may be lawfully delivered under this
16 chapter. The division shall deliver alcoholic liquor
17 or wine purchased by class "E" liquor control
18 licensees. Class "E" liquor control licensees may
19 deliver alcoholic liquor and wine purchased by class
20 "A", "B", or "C" liquor control licensees and class
21 "B" retail wine permittees, and class "A", "B", or "C"
22 liquor control licensees and class "B" retail wine
23 permittees may transport alcoholic liquor and wine
24 purchased from class "E" liquor control licensees. A
25 common carrier or other person shall not break or open
26 or allow to be broken or opened a container or package
27 containing alcoholic liquor or wine or use or drink or
28 allow to be used or drunk any alcoholic liquor or wine
29 while it is being transported or conveyed, but this
30 section does not prohibit a private person from
31 transporting individual bottles or containers of
32 alcoholic liquor or wine exempted pursuant to section
33 123.22 and individual bottles or containers bearing
34 the identifying mark prescribed in section 123.26
35 which have been opened previous to the commencement of
36 the transportation. This section does not affect the
37 right of a special permit or liquor control license
38 holder to purchase, possess, or transport alcoholic
39 liquors or wines subject to this chapter.

40 Sec. _____. Section 123.29, unnumbered paragraph 1,
41 Code 1989, is amended to read as follows:

42 A special permit for the purchase, possession, or
43 transportation of alcoholic liquors or wines for the
44 purposes specified in ~~these permits~~ the permit may be
45 issued by the administrator upon application being
46 made to the division in the form and manner prescribed
47 by the administrator, accompanied by payment of the
48 prescribed fee, and upon the administrator being
49 satisfied that the applicant has complied with
50 divisional rules established for the issuance of such

1 a special permit. ~~Such-special~~ Special permits may be
2 issued to the following persons and for the following
3 purposes:

4 Sec. _____. Section 123.29, subsection 4, unnumbered
5 paragraphs 3, 4, and 5, Code 1989, are amended to read
6 as follows:

7 ~~Such A~~ A special permit ~~shall-entitle~~ entitles the
8 holder to import into the state, or purchase from
9 licensed distillers or vintners within the state or
10 from the division, alcoholic liquors or wines for use
11 in manufacture in accordance with the terms of said
12 the permit, and to sell the product of such the
13 manufacture.

14 ~~It-shall-be-the-duty-of-every A~~ A manufacturer
15 holding a special permit under ~~the-provisions-of~~ this
16 subsection, ~~whenever-such~~ when the manufacturer
17 purchases alcoholic liquor or wine from any source
18 other than the division, to shall immediately file
19 with the division a report of the receipt of such
20 liquor or wine in accordance with rules adopted by the
21 administrator.

22 Sec. _____. Section 123.29, unnumbered paragraphs 2
23 and 3, Code 1989, are amended to read as follows:

24 ~~Every A~~ A person holding a special liquor permit
25 under this chapter shall fill out in duplicate, on
26 forms furnished by the division, the amount and kinds
27 of liquors or wines purchased, and shall retain one
28 copy in the person's establishment for a period of two
29 years. The class "E" liquor control licensee from
30 whom the purchase was made shall monthly forward the
31 other copy to the division.

32 ~~Nothing-in-this~~ This section ~~shall~~ does not
33 prohibit the legitimate sale of patent and proprietary
34 medicines, tinctures, food products, extracts, toilet
35 articles and perfumes, and like commodities, none of
36 which are susceptible of use as a beverage but which
37 contain alcoholic liquor or wine as one of their
38 ingredients, through the ordinary retail or wholesale
39 channels.

40 Sec. _____. Section 123.30, subsection 1, unnumbered
41 paragraph 1, Code 1989, is amended to read as follows:

42 A liquor control license may be issued to any
43 person who, or whose officers in the case of a club or
44 corporation, or whose partners in the case of a
45 partnership, are of good moral character as defined by
46 this chapter.

47 PARAGRAPH DIVIDED. As a condition for issuance of
48 a liquor control license or wine or beer permit, the
49 applicant must give consent to members of the fire,
50 police, and health departments and the building

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1 inspector of cities, the county sheriff, deputy
 2 sheriff, members of the department of public safety,
 3 representatives of the department of inspections and
 4 appeals, certified police officers, and any official
 5 county health officer to enter upon areas of the
 6 premises where alcoholic beverages are stored, served,
 7 or sold, without a warrant during business hours of
 8 the licensee or permittee to inspect for violations of
 9 this chapter or ordinances and regulations that cities
 10 and boards of supervisors may adopt. However, a
 11 subpoena issued under section 421.17 or a warrant is
 12 required for inspection of private records, a private
 13 business office, or attached living quarters. Persons
 14 who are not certified peace officers shall limit the
 15 scope of their inspections of licensed premises to the
 16 regulatory authority under which the inspection is
 17 conducted. All persons who enter upon a licensed
 18 premise to conduct an inspection shall present
 19 appropriate identification to the owner of the
 20 establishment or the person who appears to be in
 21 charge of the establishment prior to commencing an
 22 inspection; however, this provision does not apply to
 23 undercover criminal investigations conducted by peace
 24 officers.

25 PARAGRAPH DIVIDED. As a further condition for the
 26 issuance of a class "E" liquor control license, the
 27 applicant shall post a bond in a sum of not less than
 28 five thousand nor more than fifteen thousand dollars
 29 as determined on a sliding scale established by the
 30 division; however, a bond shall not be required if all
 31 purchases of alcoholic liquor or wine from the
 32 division by the licensee are made by cash payment or
 33 by means that ensure that the division will receive
 34 full payment in advance of delivery of the alcoholic
 35 liquor or wine.

36 Sec. _____. Section 123.30, subsection 3, paragraphs
 37 a, b, and c, Code 1989, are amended to read as
 38 follows:

39 a. Class "A". A class "A" liquor control license
 40 may be issued to a club and shall authorize the holder
 41 to purchase alcoholic liquors and wines from class "E"
 42 liquor control licensees only, ~~wine-from-class-"A"~~
 43 ~~wine-permittees-only~~, and native wines from native
 44 wine manufacturers, and to sell liquors, wine, and
 45 beer, to bona fide members and their guests by the
 46 individual drink for consumption on the premises only.

47 b. Class "B". A class "B" liquor control license
 48 may be issued to a hotel or motel and shall authorize
 49 the holder to purchase alcoholic liquors and wines
 50 from class "E" liquor control licensees only, wine

1 ~~from class "A" wine permittees only~~, and native wines
2 from native wine manufacturers, and to sell liquors,
3 wine, and beer, to patrons by the individual drink for
4 consumption on the premises only. However, beer may
5 also be sold for consumption off the premises. Each
6 license shall be effective throughout the premises
7 described in the application.

8 c. Class "C". A class "C" liquor control license
9 may be issued to a commercial establishment but must
10 be issued in the name of the individuals who actually
11 own the entire business and shall authorize the holder
12 to purchase alcoholic liquors and wines from class "E"
13 liquor control licensees only, ~~wine from class "A"~~
14 ~~wine permittees only~~, and native wines from native
15 wine manufacturers, and to sell liquors, wine, and
16 beer, to patrons by the individual drink for
17 consumption on the premises only. However, beer may
18 also be sold for consumption off the premises.

19 A special class "C" liquor control license may be
20 issued and shall authorize the holder to purchase wine
21 from class ~~"A" wine permittees~~ "E" liquor control
22 licensees only, and to sell wine and beer to patrons
23 by the individual drink for consumption on the
24 premises only. However, beer may also be sold for
25 consumption off the premises. The license issued to
26 holders of a special class "C" license shall clearly
27 state on its face that the license is limited.

28 Sec. _____. Section 123.30, subsection 3, paragraph
29 e, unnumbered paragraph 1, Code 1989, is amended to
30 read as follows:

31 CLASS "E". A class "E" liquor control license may
32 be issued and shall authorize the holder to purchase
33 alcoholic liquor and wine from the division only and
34 to sell the alcoholic liquor and wine to patrons for
35 consumption off the licensed premises and to other
36 liquor control licensees. A class "E" license shall
37 not be issued to premises at which gasoline is sold.
38 A holder of a class "E" liquor control license may
39 hold other retail liquor control licenses or retail
40 wine or beer permits, but the premises licensed under
41 a class "E" liquor control license shall be separate
42 from other licensed premises, though the separate
43 premises may have a common entrance. However, the
44 holder of a class "E" liquor control license may also
45 hold a class "B" wine or class "C" beer permit or both
46 for the premises licensed under a class "E" liquor
47 control license.

48 Sec. _____. Section 123.32, subsection 1, Code 1989,
49 is amended to read as follows:

50 1. FILING OF APPLICATION. An application for a

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1 class "A", class "B", class "C", or class "E" liquor
2 control license, for a retail beer permit as provided
3 in sections 123.128 and 123.129, or for a class "B"
4 retail wine permit as provided in section 123.176,
5 accompanied by the necessary fee and bond, if
6 required, shall be filed with the appropriate city
7 council if the premises for which the license or
8 permit is sought are located within the corporate
9 limits of a city, or with the board of supervisors if
10 the premises for which the license or permit is sought
11 are located outside the corporate limits of a city.
12 An application for a class "D" liquor control license
13 and for a class "A" beer ~~or class "A" wine~~ permit,
14 accompanied by the necessary fee and bond, if
15 required, shall be filed with the division, which
16 shall proceed in the same manner as in the case of an
17 application approved by local authorities.

18 Sec. _____. Section 123.36, subsection 5, paragraph
19 c, Code 1989, is amended to read as follows:

20 c. For air common carriers, each company shall pay
21 a base annual fee of five hundred dollars and, in
22 addition, shall quarterly remit to the division an
23 amount equal to seven dollars for each gallon of
24 alcoholic liquor or wine sold, given away, or
25 dispensed in or over this state during the preceding
26 calendar quarter. The class "D" license fee and tax
27 for air common carriers is in lieu of any other fee or
28 tax collected from the carriers in this state for the
29 possession and sale of alcoholic liquor, wine, and
30 beer.

31 Sec. _____. Section 123.36, subsection 9, Code 1989,
32 is amended to read as follows:

33 9. Class "E" liquor control license, a sum of not
34 less than seven hundred and fifty dollars, and not
35 more than seven thousand five hundred dollars as
36 determined on a sliding scale as established by the
37 division taking into account the factors of square
38 footage of the licensed premises, the location of the
39 licensed premises, and the population of the area of
40 the location of the licensed premises.

41 Notwithstanding subsection 6, the holder of a class
42 "E" liquor control license may sell alcoholic liquor
43 and wine for consumption off the licensed premises on
44 Sunday subject to section 123.49, subsection 2,
45 paragraph "b".

46 Sec. _____. Section 123.41, subsection 1, Code 1989,
47 is amended to read as follows:

48 1. Upon application in the prescribed form and
49 accompanied by a fee of three hundred fifty dollars,
50 the administrator may in accordance with this chapter

1 grant and issue a license, valid for a one-year period
2 after date of issuance, to a manufacturer which shall
3 allow the manufacture, storage, and wholesale
4 disposition and sale of alcoholic liquors and wines to
5 the division and to customers outside of the state.

6 Sec. ____ . Section 123.42, Code 1989, is amended to
7 read as follows:

8 123.42 WHOLESALER'S LICENSE.

9 Upon application in the prescribed form and
10 accompanied by a fee of two hundred fifty dollars and
11 subject to the provisions of this chapter, the
12 administrator may grant a license, valid for a one-
13 year period after date of issuance, to a wholesaler
14 which shall allow the wholesaler to purchase alcoholic
15 liquor and wine from manufacturers and vintners either
16 within or without the state for the purpose of selling
17 to the division and customers of such the wholesaler
18 engaged in the sale of alcoholic liquor and wine at
19 retail outside of the state.

20 Sec. ____ . Section 123.43, Code 1989, is amended to
21 read as follows:

22 123.43 CONDITIONS -- BOND.

23 As a condition precedent to the approval and
24 granting of any a license to a manufacturer or
25 wholesaler, there shall be filed with the division a
26 statement under oath that the applicant is a bona fide
27 manufacturer or wholesaler of alcoholic liquors or
28 wines, and that the applicant will faithfully observe
29 and comply with all rules and-regulations of the
30 division and that the applicant will in all respects
31 comply with the provisions of this chapter, together
32 with a bond in the penal sum of five thousand dollars
33 for a manufacturer and one thousand dollars for a
34 wholesaler with a surety to be approved by the
35 administrator; said the bond to be in favor of the
36 state of Iowa for the benefit of the state in case of
37 any a violation of this chapter.

38 Sec. ____ . Section 123.44, Code 1989, is amended to
39 read as follows:

40 123.44 GIFT OF LIQUORS PROHIBITED.

41 A manufacturer or wholesaler shall not give away
42 any alcoholic liquor or wine of any kind or
43 description at any time in connection with the
44 manufacturer's or wholesaler's business except for
45 testing or sampling purposes only. A manufacturer,
46 vintner, wholesaler, or importer, organized as a
47 corporation pursuant to the laws of this state or any
48 other state, who deals in alcoholic liquor, wine, or
49 beer subject to this chapter shall not offer or give
50 anything of value to any a commission member, official

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1 or employee of the division, or directly or indirectly
2 contribute in any manner any money or thing of value
3 to any a person seeking a public or appointive office
4 or any a recognized political party or a group of
5 persons seeking to become a recognized political
6 party.

7 Sec. ____ . Section 123.49, subsection 2, paragraphs
8 d and g, Code 1989, are amended to read as follows:

9 d. Keep on premises covered by a liquor control
10 license any alcoholic liquor or wine in any container
11 except the original package purchased from the
12 division, and except mixed drinks or cocktails mixed
13 on the premises for immediate consumption. This
14 prohibition does not apply to common carriers holding
15 a class "D" liquor control license.

16 g. Allow any a person other than the licensee,
17 permittee, or employees of the licensee or permittee,
18 to use or keep on the licensed premises any alcoholic
19 liquor or wine in any a bottle or other container
20 which is designed for the transporting of such
21 beverages, except as permitted in section 123.95.
22 This paragraph does not apply to the lodging quarters
23 of a class "B" liquor control licensee or wine or beer
24 permittee, or to common carriers holding a class "D"
25 liquor control license.

26 Sec. ____ . Section 123.52, Code 1989, is amended to
27 read as follows:

28 123.52 PROHIBITED SALE.

29 No A person not expressly authorized by this
30 chapter to deal in alcoholic liquors or wines shall
31 not within the state keep for sale or offer for sale
32 anything which is capable of being mistaken for a
33 package containing alcoholic liquor or wine and is
34 either labeled or branded with the name of any kind of
35 alcoholic liquor or wine, whether the same item
36 contains any alcoholic liquor or wine or does not.

37 Sec. ____ . Section 123.53, subsections 1 and 2,
38 Code 1989, are amended to read as follows:

39 1. ~~There shall be established within the office of~~
40 ~~the treasurer of state a fund to be known as the~~ The
41 beer and liquor control fund is established in the
42 office of the treasurer of state. The fund shall
43 consist consists of any moneys appropriated by the
44 general assembly for deposit in the fund and moneys
45 received from the sale of alcoholic liquors and wines
46 by the division, from the issuance of permits and
47 licenses, and of moneys and receipts received by the
48 division from any other source.

49 2. The director of revenue and finance shall
50 periodically transfer from the beer and liquor control

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1 fund to the general fund of the state those revenues
2 of the division which are not necessary for the
3 purchase of liquor and wine for resale by the
4 division, or for remittances to local authorities or
5 other sources as required by this chapter, or for
6 other obligations and expenses of the division which
7 are paid from ~~such the~~ fund.

8 All moneys received by the division from the
9 issuance of vintner's certificates of compliance and
10 wine permits shall be transferred by the director of
11 revenue and finance to the general fund of the state.

12 Sec. _____. Section 123.55, subsections 4 and 5,
13 Code 1989, are amended to read as follows:

14 4. The total quantity and particular kind of
15 alcoholic liquor and wine sold.

16 5. The increase or decrease of liquor and wine
17 sales from the previous reporting period.

18 Sec. _____. Section 123.56, subsections 1, 3, and 4,
19 Code 1989, are amended to read as follows:

20 123.56 NATIVE WINES.

21 1. Subject to rules of the division, manufacturers
22 of native wines from grapes, cherries, other fruits or
23 other fruit juices, vegetables, vegetable juices,
24 dandelions, clover, honey, or any combination of these
25 ingredients, holding a class "A" "B" wine permit or
26 vintner's certificate of compliance as required by
27 this chapter, may sell, keep, or offer for sale and
28 deliver the wine. Sales may be made at retail for
29 off-premises consumption when sold on the premises of
30 the manufacturer, or in a retail establishment
31 operated by the manufacturer which is no closer than
32 five miles from an existing native winery. Sales may
33 also be made to class "A" "B" wine permittees, or
34 class "E" liquor control licensees, or retail wine
35 permittees or liquor control licensees ~~as authorized~~
36 ~~by the class "A" wine permit.~~

37 3. A manufacturer of native wines holding a class
38 "B" wine permit or a vintner's certificate of
39 compliance may ship wine in closed containers to
40 individual purchasers inside and outside this state.
41 The manufacturer shall label the package containing
42 the wine with the words "deliver to adults only".

43 4. Notwithstanding section 123.179, subsection 1,
44 a class "A" "B" wine permit for a native wine
45 manufacturer shall be issued and renewed annually upon
46 payment of a fee of twenty-five dollars which shall be
47 in lieu of any other license fee required by this
48 chapter. The class "A" "B" permit shall only allow
49 the native wine manufacturer to sell, keep, or offer
50 for sale and deliver the manufacturer's native wines

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1 as provided under this section.

2 Sec. ____ . Section 123.98, Code 1989, is amended to
3 read as follows:

4 123.98 LABELING SHIPMENTS.

5 It ~~shall-be~~ is unlawful for any a common carrier or
6 for any person to transport or convey by any means,
7 whether for compensation or not, within this state,
8 any intoxicating liquors or wines, unless the vessel
9 or other package containing such the liquors ~~shall-be~~
10 or wines is plainly and correctly identified, showing
11 the quantity and kind of liquors or wines contained
12 therein in the package, the name of the party to whom
13 they are to be delivered, and the name of the shipper,
14 or unless such information is shown on a bill of
15 lading or other document accompanying the shipment.

16 ~~No~~ A person shall ~~not be-authorized-to~~ receive or keep
17 ~~such~~ intoxicating liquors or wines unless ~~the-same-be~~
18 they are marked or labeled as required by this
19 section. The violation of any a provision of this
20 section by any a common carrier, or any an agent or
21 employee of any a carrier, or by any person, shall be
22 punished under ~~the-provisions-of~~ this chapter.

23 Liquors and wines conveyed, carried, transported,
24 or delivered in violation of this section, whether in
25 the hands of the carrier or someone to whom they ~~shall~~
26 have been delivered, ~~shall-be~~ are subject to seizure
27 and condemnation, as liquors and wines kept for
28 illegal sale.

29 Sec. ____ . Section 123.99, Code 1989, is amended to
30 read as follows:

31 123.99 FALSE STATEMENTS.

32 If any a person, for the purpose of procuring the
33 shipment, transportation, or conveyance of any
34 intoxicating liquors or wines within this state, ~~shall~~
35 ~~make makes~~ to any other person, ~~company, corporation,~~
36 ~~or-common-carrier, or-to-any-agent-thereof,~~ any false
37 statements as to the character or contents of any a
38 box, barrel, or other vessel or package containing
39 such intoxicating liquors or wines; or ~~shall-refuse~~
40 refuses to give correct and truthful information as to
41 the contents of ~~any-such~~ a box, barrel, or other
42 vessel or package ~~so sought~~ to be transported or
43 conveyed; or ~~shall~~ falsely mark, brand, or label-such
44 marks, brands, or labels a box, barrel, or other
45 vessel or package in order to conceal the fact that
46 ~~the-same~~ it contains intoxicating liquors or wines; or
47 ~~shall~~ by any device or concealment ~~procure-or-attempt~~
48 procures or attempts to procure the conveyance or
49 transportation of such liquors or wines as herein
50 prohibited in this chapter, the person ~~shall-be~~ is

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1 guilty of a simple misdemeanor.

2 Sec. _____. Section 123.100, Code 1989, is amended

3 to read as follows:

4 123.100 PACKAGES IN TRANSIT.

5 Any peace officer of the county under process or
6 warrant ~~directed~~ to the peace officer ~~directed-shall~~
7 ~~have-the-right-to~~ may open any box, barrel, or other
8 vessel or package for examination, if the peace
9 officer has reasonable ~~ground~~ grounds for believing
10 that it contains intoxicating liquors or wines, either
11 before or while ~~the-same~~ it is being ~~so~~ transported or
12 conveyed.

13 Sec. _____. Section 123.101, Code 1989, is amended
14 to read as follows:

15 123.101 RECORD OF SHIPMENTS.

16 ~~It-shall-be-the-duty-of-all~~ A common carriers
17 carrier, or corporations, ~~or persons~~ other person who
18 ~~shall~~ for hire carry carries any intoxicating liquors
19 or wines into the state, or from one point to another
20 within the state, for the purpose of delivery, and who
21 ~~shall-deliver-such~~ delivers the intoxicating liquor or
22 wine to any person, ~~company, or corporation,~~ to shall
23 keep, at each station or office where it employs an
24 agent or other person to make delivery of freight and
25 keep records relative ~~thereto~~ to the delivery, a
26 record book, ~~wherein-such~~ where the carrier or other
27 person shall, promptly upon receipt and prior to
28 delivery, enter in ink, in legible writing, in full,
29 the name of the consignor of each shipment of
30 intoxicating liquor or wine to be delivered from or
31 through ~~such~~ the station or office, from where
32 shipped, the date of arrival, the quantity and kind of
33 liquor or wine, so far as disclosed by lettering on
34 the package or by the carrier's records, and to whom
35 and where consigned, and the date delivered.

36 Sec. _____. Section 123.103, Code 1989, is amended
37 to read as follows:

38 123.103 RECORD RECEIPT UPON DELIVERY.

39 No A shipment billed in whole or in part as
40 intoxicating liquor or wine shall not be delivered to
41 the consignee until ~~such~~ the consignee upon ~~such~~ the
42 record book enters in ink, in legible writing, the
43 consignee's full name and residence or place of
44 business, giving the name of the city, and the street
45 name and number if any, and certifies that ~~such~~ the
46 liquor or wine is for the consignee's own lawful
47 purposes.

48 Sec. _____. Section 123.104, subsections 1 through
49 3, Code 1989, are amended to read as follows:

50 1. To deliver any intoxicating liquors or wines to

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1 any person other than to the consignee.

2 2. To deliver any intoxicating liquors or wines
3 without having ~~the same~~ them received for as provided
4 in section 123.103.

5 3. To deliver any intoxicating liquors or wines
6 where there is reasonable ~~ground~~ grounds to believe
7 that ~~such~~ the liquor or wine is intended for unlawful
8 use.

9 Sec. _____. Section 123.106, Code 1989, is amended
10 to read as follows:

11 123.106 FEDERAL STATUTES.

12 The requirements of this chapter relative to the
13 shipment and delivery of intoxicating liquors and
14 wines and the records to be kept ~~thereof~~ shall be
15 construed in harmony with federal statutes relating to
16 interstate commerce in ~~such~~ intoxicating liquors and
17 wines.

18 Sec. _____. Section 123.107, subsection 1, Code
19 1989, is amended to read as follows:

20 1. To set out exactly the kind or quantity of
21 intoxicating liquors or wines manufactured, sold,
22 given in evasion of the statute, or kept for sale.

23 Sec. _____. Section 123.111, Code 1989, is amended
24 to read as follows:

25 123.111 PURCHASER AS WITNESS.

26 The person purchasing any intoxicating liquor or
27 wine sold in violation of this chapter ~~shall-in-all~~
28 ~~cases-be~~ is a competent witness to prove ~~such~~ the
29 sale.

30 Sec. _____. Section 123.115, Code 1989, is amended
31 to read as follows:

32 123.115 DEFENSE.

33 In ~~any~~ a prosecution under this chapter for the
34 unlawful transportation of intoxicating liquors or
35 wines it ~~shall-be~~ is a defense that the character and
36 contents of the shipment or thing transported were not
37 known to the accused or to the accused's agent or
38 employee.

39 Sec. _____. Section 123.116, Code 1989, is amended
40 to read as follows:

41 123.116 RIGHT TO RECEIVE LIQUORS.

42 The consignee of intoxicating liquors or wines
43 shall, on demand of the carrier transporting ~~such~~ the
44 liquors or wines, furnish the carrier, at the place of
45 delivery, with legal proof of the consignee's legal
46 right to receive ~~such~~ the liquors or wines at the time
47 of delivery, and until ~~such~~ proof is furnished the
48 carrier ~~shall-be~~ is under no legal obligation to make
49 delivery ~~nor-be~~ and is not liable for failure to
50 deliver.

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1 Sec. ____ . Section 123.117, Code 1989, is amended
2 to read as follows:

3 123.117 DELIVERY TO SHERIFF.

4 If ~~such~~ proof as required under section 123.116 is
5 not furnished to the carrier within ten days after
6 demand, the carrier may deliver ~~such the~~ liquors or
7 wine to the sheriff of the county embracing of the
8 place of delivery, and ~~such the~~ delivery shall-absolve
9 absolves the carrier from all liability pertaining to
10 ~~such the~~ liquors or wines.

11 Sec. ____ . Section 123.118, Code 1989, is amended
12 to read as follows:

13 123.118 DESTRUCTION.

14 The sheriff shall, on receipt of such liquors or
15 wines from the carrier as provided in section 123.117,
16 report the receipt to the district court of the
17 sheriff's county, and the court shall proceed to
18 summarily enter an order for the destruction or
19 forfeiture to the state of ~~such the~~ liquors or wines.

20 Sec. ____ . Section 123.119, Code 1989, is amended
21 to read as follows:

22 123.119 EVIDENCE.

23 In all actions, civil or criminal, under the
24 ~~provisions-of~~ this chapter, the finding of
25 intoxicating liquors or wines or of instruments or
26 utensils used in the manufacture of intoxicating
27 liquors or wines, or materials which are being used,
28 or are intended to be used in the manufacture of
29 intoxicating liquors or wines, in the possession of or
30 under the control of any person, under and by
31 authority of a search warrant or other process of law,
32 ~~and which shall~~ have been finally adjudicated and
33 declared forfeited by the court, ~~shall-be~~ is competent
34 evidence of maintaining a nuisance or bootlegging, or
35 of illegal transportation of intoxicating liquors or
36 wines, as the case may be, by ~~such~~ that person.

37 Sec. ____ . Section 123.120, Code 1989, is amended
38 to read as follows:

39 123.120 ATTEMPT TO DESTROY.

40 The destruction of or attempt to destroy any liquid
41 by any person while in the presence of a peace
42 ~~officers~~ officer or while a property is being searched
43 by a peace officer, ~~shall-be~~ is competent evidence
44 that ~~such the~~ liquid is intoxicating liquor or wine
45 and intended for unlawful purposes.

46 Sec. ____ . Section 123.121, unnumbered paragraph 2,
47 Code 1989, is amended to read as follows:

48 In any a prosecution under this chapter for the
49 unlawful transportation of intoxicating liquor or
50 wine, the offense shall be held to have been committed

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1 in any county in which ~~such~~ the liquor or wine is
2 received for transportation, through which it is
3 transported, or in which it is delivered.

4 Sec. _____. Section 123.173, Code 1989, is amended
5 by striking the section and inserting in lieu thereof
6 the following:

7 123.173 RETAIL WINE PERMITS.

8 Permits for the sale or manufacture and sale of
9 wine are known as class "B" wine permits. A class "B"
10 wine permit allows the holder to sell wine at retail
11 for consumption off the premises.

12 Sec. _____. Section 123.174, Code 1989, is amended
13 to read as follows:

14 123.174 ISSUANCE OF WINE PERMITS.

15 The administrator shall issue class "~~A~~"-and "B"
16 wine permits as provided in this chapter, and may
17 suspend or revoke a wine permit for cause as provided
18 in this chapter.

19 Sec. _____. Section 123.178, subsection 3, Code
20 1989, is amended to read as follows:

21 3. A person holding a class "B" wine permit may
22 purchase wine for resale only from ~~a person holding a~~
23 ~~class "A" wine permit~~ class "E" liquor control
24 licensees.

25 Sec. _____. Section 123.179, Code 1989, is amended
26 to read as follows:

27 123.179 PERMIT FEES FEE.

28 ~~1. The annual permit fee for a class "A" wine~~
29 ~~permit is seven hundred fifty dollars.~~

30 2. The annual permit fee for a class "B" wine
31 permit is five hundred dollars.

32 Sec. _____. Section 123.180, subsections 1, 3, and
33 6, Code 1989, are amended to read as follows:

34 1. A manufacturer, vintner, bottler, importer, or
35 vendor of wine or an agent thereof desiring to ship,
36 sell, or have wine brought into this state for resale
37 by the division ~~or for sale at wholesale by a class~~
38 ~~"A" permittee~~ or by a class "E" liquor control
39 licensee shall first make application for and shall be
40 issued a vintner's certificate of compliance by the
41 administrator for that purpose. The vintner's
42 certificate of compliance shall expire at the end of
43 one year from the date of issuance and shall be
44 renewed for a like period upon application to the
45 administrator unless otherwise revoked for cause.
46 ~~Each~~ An application for a vintner's certificate of
47 compliance or renewal of a certificate shall be
48 accompanied by a fee of one hundred dollars payable to
49 the division. ~~Each~~ A holder of a vintner's
50 certificate of compliance shall furnish the

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1 information required by the administrator in the form
2 the administrator requires. A vintner or wine bottler
3 whose plant is located in Iowa and who otherwise holds
4 a class "A" "B" wine permit to sell wine at wholesale
5 retail is exempt from the fee, but not the other terms
6 and conditions. The holder of a vintner's certificate
7 of compliance may also hold a class "A" "B" wine
8 permit.

9 3. ~~All-class-"A"-wine-permit-holders~~ The division
10 shall sell only those brands of wine which are
11 manufactured, bottled, fermented, shipped, or imported
12 by a person holding a current vintner's certificate of
13 compliance. An employee or agent working for or
14 representing the holder of a vintner's certificate of
15 compliance within this state shall register the
16 employee's or agent's name and address with the
17 division. These names and addresses shall be filed
18 with the division's copy of the certificate of
19 compliance issued except that this provision does not
20 require the listing of those persons who are employed
21 on the premises of a bottling plant, or winery where
22 wine is manufactured, fermented, or bottled in Iowa or
23 the listing of those persons who are thereafter
24 engaged in the transporting of the wine.

25 6. Regardless of any other penalties provided by
26 this chapter, any a holder of a certificate of
27 compliance relating to wine, class-"A"-or a class "B"
28 retail wine permittee or a retail liquor licensee, who
29 violates any of the provisions of this section is
30 subject to a civil fine not to exceed one thousand
31 dollars or subject to suspension of the certificate of
32 compliance, license, or permit for a period not to
33 exceed thirty days or to both civil fine and
34 suspension.

35 Sec. ____ . Section 123.180, subsections 2 and 5,
36 Code 1989, are amended by striking the subsections.

37 Sec. ____ . Section 123.180, subsection 4, Code
38 1989, is amended to read as follows:

39 4. It is unlawful for a holder of a vintner's
40 certificate of compliance or the holder's agent, ~~or~~
41 ~~any-class-"A"-wine-permittee-or-the-permittee's-agent,~~
42 to discriminate between class "B" wine permittees
43 authorized to sell wine at retail.

44 Sec. ____ . Section 123.181, subsections 1 and 3,
45 Code 1989, are amended to read as follows:

46 1. A holder of any a class "B" wine permit shall
47 not sell wine except wine which is purchased from a
48 person-holding-a-class-"A"-wine-permit-and-on-which
49 the-tax-imposed-by-section-123.183-has-been-paid class
50 "E" liquor control license or wine purchased from a

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1 manufacturer of native wines.

2 3. A holder of a vintner's certificate of

3 compliance ~~or class-"A"-wine-permit~~ shall not offer to

4 any purchaser of wine at retail any rebate or coupon

5 as an incentive to purchase wine.

6 Sec. _____. Section 123.181, subsection 2, Code

7 1989, is amended by striking the subsection.

8 Sec. _____. Section 123.185, Code 1989, is amended

9 to read as follows:

10 123.185 RECORDS REQUIRED.

11 ~~Each class-"A"-wine-permittee-shall-keep-books-of~~12 ~~account-and-records-showing-each-sale-of-wine, which~~13 ~~shall-be-at-all-times-open-to-inspection-by-the~~14 ~~administrator-and-pursuant-to-section-123.30,~~15 ~~subsection-1.~~ Each class "B" wine permittee shall

16 keep proper books of account and records showing each

17 purchase of wine and the date and the amount of each

18 purchase and the name of the person from whom each

19 purchase was made, which shall be open to inspection

20 pursuant to section 123.30, subsection 1, during

21 normal business hours of the permittee.

22 Sec. _____. Sections 123.175, 123.177, 123.183, and

23 123.184, Code 1989, are repealed."

24 4. By renumbering as necessary.

By HALVORSON of Webster

H-4243 FILED APRIL 25, 1989

NOT German 4-26-89 (p2057)

HOUSE FILE 779

AMENDMENT H-4243 TO HOUSE FILE 779

FISCAL NOTE

A fiscal note for AMENDMENT H-4243 TO HOUSE FILE 779 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment H-4243 provides that the State is the primary wholesaler of wine in the State. Class "E" liquor control licensees would purchase wine from the Alcoholic Beverages Division and sell to other licensees and permittees. A total of 10 FTE positions and \$327,510 is added to the appropriation for the Alcoholic Beverages Division of the Department of Commerce to implement this.

FISCAL EFFECT: The Alcoholic Beverages Division would need an additional ten staff at a cost of \$327,500 annually to handle the increased inventory at the warehouse. This would result in an increase in net revenues to the General fund of approximately \$6.2 million annually.

(Source: Alcoholic Beverages Division
Department of Commerce)

(LSB 2436hv, DPW)

FILED APRIL 26, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 779

H-4251

- 1 Amend House File 779 as follows:
 2 1. Page 7, line 31, by striking the figure
 3 "4,194,600" and inserting the following: "4,233,300".
 4 2. Page 7, line 32, by striking the figure
 5 "252.50" and inserting the following: "253.50".
 6 3. Page 7, by inserting after line 32, the
 7 following:
 8 "Of the amount appropriated, \$38,700, or so much
 9 thereof as is necessary, shall be expended for one FTE
 10 and necessary expenses in connection with the
 11 administration of payment claims to court-appointed
 12 counsel for adult and juvenile indigent defense
 13 costs."
 14 4. Page 8, line 25, by striking the figure
 15 "3,722,700" and inserting the following: "3,684,000".
 16 5. Page 8, line 26, by striking the figure
 17 "90.53" and inserting the following: "89.53".
 18 6. Page 8, by striking lines 27 through 31.

By JOCHUM of Dubuque

H-4251 FILED APRIL 26, 1989

ADOPTED

4-26-89 (p. 2036)

HOUSE FILE 779

H-4256

- 1 Amend the amendment, H-4208, to House File 779 as
 2 follows:
 3 1. Page 1, line 12, by inserting after the word
 4 "claims." the following: "The study shall also
 5 include a report of attorney fees as a proportion of
 6 all insurance compensation for bodily injury and
 7 medical malpractice claims, and the proportion of
 8 malpractice rates attributable to attorney fees. The
 9 cost of the consultants' services shall be assessed by
 10 the commissioner against all attorneys and insurers
 11 involved with medical malpractice claims in proportion
 12 to their respective shares of the costs added to total
 13 malpractice premiums."

By TYRRELL of Iowa

H-4256 FILED APRIL 26, 1989

4-26-89 (p. 2036)

HOUSE FILE 779

H-4280

- 1 Amend House File 779 as follows:
 2 1. Page 8, by striking lines 14 through 16.

By HARBOR of Mills

H-4280 FILED APRIL 26, 1989

LOST

4-26-89 (p. 2037)

HOUSE FILE 779

H-4247

1 Amend House File 779 as follows:

2 1. Page 7, line 31, by striking the figure
3 "4,194,600" and inserting the following: "4,260,731".

4 2. Page 7, line 32, by striking the figure
5 "252.50" and inserting the following: "255.50".

6 3. Page 7, by inserting after line 32, the
7 following:

8 "Of the amount appropriated, or so much thereof as
9 is necessary, \$25,362 shall be expended for two FTEs
10 and other necessary expenses in connection with the
11 investigation of complaints of suspected dependent
12 adult abuse in health care facilities.

13 Of the amount appropriated, or so much thereof as
14 is necessary, \$40,769, shall be expended for one
15 additional FTE and other necessary expenses in
16 connection with the inspection of residential care
17 facilities and the investigation of complaints of
18 suspected dependent adult abuse in residential care
19 facilities."

H-4247 FILED APRIL 26, 1989

By HESTER of Pottawattamie

LOST

4-26-89 (p. 2036)

Gen. Approps -
Amend. + Do pass per amend 3988 (p. 1735)

HOUSE FILE 779
BY COMMITTEE ON APPROPRIATIONS

(As Amended and Passed by the House April 26, 1989)

Re Passed House, Date 5-4-89 (p. 247) Passed Senate, Date 5-1-89 (p. 1781)
Vote: Ayes 62 Nays 37 Vote: Ayes 48 Nays 0

Approved Item Voted June 5, 1989
Passed per Conference Committee 5/7/89 (J. 2787) 2nd Passed Senate 5/7/89 (J. 2094)
83-3 31-8

A BILL FOR

1 An Act relating to and making appropriations, subject to certain
2 conditions, to regulatory bodies of state government,
3 including the auditor of state, the campaign finance
4 disclosure commission, the department of employment services,
5 the office of the state public defender, the department of
6 inspections and appeals, the department of commerce, and the
7 racing commission, among others, and effecting the laws
8 enforced by and procedures utilized by such regulatory bodies,
9 determining the ownership and control of certain property in
10 the possession of the office of the state public defender, and
11 imposing penalties.

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

13
14
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21
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House Amendments _____
Deleted Language *

Conference Committee Appointees -
Senate -
Senators - Running, chair; Hannon, Lloyd-Jones,
Jensen & Tieden
House -
Rep's - Jackson, chair; Bisignano, Pappas, Gorman,
Kunby

1 Section 1. There is appropriated from the general fund of
2 the state to the office of the auditor of state for the fiscal
3 year beginning July 1, 1989, and ending June 30, 1990, the
4 following amount, or so much thereof as is necessary, to be
5 used for the purposes designated:

6 For salaries, support, maintenance, miscellaneous purposes,
7 and for not more than the following full-time equivalent posi-
8 tions:

| | | |
|----------|------|-----------|
| 9 | \$ | 1,650,034 |
| 10 | FTEs | 95.00 |

11 The auditor of state shall be reimbursed for performing
12 examinations of the department of commerce, the department of
13 human services, the state department of transportation, the
14 Iowa department of public health, the state board of regents,
15 the department of agriculture and land stewardship, the
16 department of economic development, the department of
17 education, the department of employment services, the
18 department of natural resources, the offices of the clerks of
19 the district court of the judicial department, the Iowa public
20 employees' retirement system, and federal financial
21 assistance, as defined in Pub. L. No. 98-502, received by all
22 other departments.

23 The auditor of state shall audit an agency or department,
24 which does not receive federal funding, every other year if in
25 the judgment of the auditor of state, the agency or department
26 would not be adversely affected by being audited less than
27 annually. The auditor of state shall report to the
28 legislative fiscal bureau and the department of management on
29 or before September 1, 1989, which agencies and departments
30 will be audited every other year instead of annually.

31 The auditor of state shall collect information on the
32 costs, including time spent by employees of the auditor of
33 state, associated with providing assistance to private
34 certified public accounting firms, local governments, and
35 other people in connection with audits of political

1 subdivisions not conducted by the auditor of state. The
2 auditor of state shall report the cost information to the
3 legislative fiscal bureau and the department of management on
4 or before September 1, 1989.

5 Sec. 2. There is appropriated from the general fund of the
6 state to the campaign finance disclosure commission for the
7 fiscal year beginning July 1, 1989, and ending June 30, 1990,
8 the following amount, or so much thereof as is necessary, for
9 the purposes designated:

10 For salaries, support, maintenance, miscellaneous purposes,
11 and for not more than the following full-time equivalent posi-
12 tions:.

| | | | |
|----|-------|------|---------|
| 13 | ..... | \$ | 228,811 |
| 14 | ..... | FTEs | 5.75 |

15 Sec. 3. There is appropriated from the general fund of the
16 state to the department of employment services for the fiscal
17 year beginning July 1, 1989, and ending June 30, 1990, the
18 following amounts, or so much thereof as is necessary, for the
19 purposes designated:

20 1. DIVISION OF LABOR SERVICES

21 For salaries, support, maintenance, miscellaneous purposes,
22 and for not more than the following full-time equivalent posi-
23 tions:.

| | | | |
|----|-------|------|-----------|
| 24 | ..... | \$ | 2,102,000 |
| 25 | ..... | FTEs | 89.05 |

26 As a condition, qualification, and limitation of the funds
27 appropriated in this section, the department shall utilize the
28 \$68,691 allocated for the contractor registration program only
29 for that program and the two FTEs which are authorized and
30 funded for that program, and \$83,954 shall be utilized in
31 connection with the implementation of federal superfund duties
32 delegated or assumed by the division, for which two FTEs are
33 authorized and funded.

34 2. DIVISION OF INDUSTRIAL SERVICES

35 For salaries, support, maintenance, miscellaneous purposes,

1 and for not more than the following full-time equivalent posi-
2 tions:

| | | | |
|---|-------|------|-----------|
| 3 | ..... | \$ | 1,427,900 |
| 4 | ..... | FTEs | 36.95 |

5 The division shall maintain the three full-time employees
6 hired in the fiscal year beginning July 1, 1988, and ending
7 June 30, 1989, as directed by the general assembly, from the
8 funds appropriated, to expedite the administrative hearing
9 process for workers' compensation cases, and to reduce case
10 backlogs. The employees shall include one deputy industrial
11 commissioner, and two clerical employees. The division shall
12 continue charging a sixty-five dollar filing fee for workers'
13 compensation cases. The filing fee shall be paid by the
14 petitioner of a claim; however, the fee can be taxed as a
15 cost, and therefore, paid by the losing party, except in cases
16 where it would impose an undue hardship or be unjust in the
17 circumstances.

18 It is the intent of the general assembly that the position
19 of job service commissioner not be filled and that the
20 director of the department of employment services shall
21 continue to act as the chief executive officer of the division
22 of job service.

23 The department of employment services, the department of
24 personnel, and the department of management shall work
25 together to ensure that as nearly as possible all full-time
26 equivalent positions authorized and funded for the department
27 of employment services will be utilized during the fiscal year
28 beginning July 1, 1989, and ending June 30, 1990, and future
29 fiscal years, to ensure that the backlog of cases in that
30 department will be reduced as rapidly as possible.

31 Sec. 4. CONTINGENCY FUND USES -- BUILDING AND EQUIPMENT
32 EXPENSES, ECONOMIC DEVELOPMENT LABOR SURVEYS, DIVISION-
33 APPROVED TRAINING.

34 1. Notwithstanding the provisions of section 96.13,
35 subsection 3, which restrict the use of moneys in the special

1 employment security contingency fund, moneys in the fund on
2 June 30, 1989, shall not be transferred by the treasurer of
3 state to either the temporary emergency surcharge fund or the
4 unemployment compensation fund, but shall be available to the
5 division of job service of the department of employment
6 services for the fiscal year beginning July 1, 1989, and
7 ending June 30, 1990, for expenditures under subsection 2.

8 2. The division of job service shall expend moneys which
9 are credited to the special employment security contingency
10 fund during the fiscal year beginning July 1, 1989, and ending
11 June 30, 1990, including moneys which are available to the
12 division of job service under subsection 1, only in accordance
13 with the following restrictions:

14 a. The division may expend up to \$50,000 from the fund for
15 repair of exterior brick of, and fire safety upgrades for, the
16 state administrative office building.

17 b. The division may expend up to \$500,500 from the fund
18 for the support of the county, labor survey, economic
19 development teams.

20 c. Any balance of moneys in the special employment
21 security contingency fund shall be deposited by the treasurer
22 of state in the division-approved training fund which is
23 created as a special fund in the state treasury.
24 Notwithstanding section 453.7, interest or earnings from
25 moneys deposited in the division-approved training fund shall
26 be credited to that fund. The division shall use moneys from
27 the fund to pay only the instructional cost of training
28 related to tuition and course fees, approved by the division
29 pursuant to section 96.4 and 345 Iowa administrative code,
30 rules 4.39 and 4.40, for individuals who demonstrate to the
31 division's satisfaction that they are financially incapable of
32 paying the instructional cost of the approved training.
33 However, the division may expend up to \$40,000 from the fund
34 for administrative costs relating to payments for division
35 approved training.

1 Payments from the fund shall not be made to the individual
2 receiving approved training but shall be made directly to the
3 institution or person providing the approved training.
4 Payments shall not exceed \$1,000 per individual trainee in any
5 two-year period. The division shall distribute information on
6 the qualification requirements for and availability of payment
7 for the division-approved training to individuals filing
8 claims for benefits or receiving benefits under chapter 96.

9 Sec. 5. FEDERAL FUNDS APPROPRIATED FOR BUILDING PURCHASE.

10 There is appropriated out of the funds made available to this
11 state pursuant to section 903 of the federal Social Security
12 Act, as amended, for the fiscal year beginning July 1, 1989,
13 and ending June 30, 1990, \$62,500, and for the fiscal year
14 beginning July 1, 1990, and ending June 30, 1991, \$62,500, to
15 the department of employment services for the payment of the
16 last two of four annual payments to the Iowa public employees'
17 retirement system for the purchase of that portion of the
18 state administrative office building located at 1000 East
19 Grand, Des Moines, Iowa, which is owned by the Iowa public
20 employees' retirement system.

21 The moneys appropriated in this section shall not be
22 obligated after June 30, 1991. The amount obligated pursuant
23 to this section during any twelve-month period beginning on
24 July 1 and ending on June 30 shall not exceed the amount
25 available for obligation pursuant to section 903 of the
26 federal Social Security Act, as amended, and as reflected in
27 the accounts of the division of job service of the department
28 of employment services and the United States department of
29 labor.

30 Sec. 6. There is appropriated from the administrative
31 contribution surcharge fund of the state to the department of
32 employment services for the fiscal year beginning July 1,
33 1989, and ending June 30, 1990, the following amount, or so
34 much thereof as is necessary, for the purposes designated:

35 DIVISION OF JOB SERVICE

1 Notwithstanding section 96.7, subsection 12, paragraph "c",
2 for salaries, support, maintenance, miscellaneous purposes,
3 and for not more than the following full-time equivalent
4 positions:

| | |
|---------|--------------|
| 5 | \$ 5,187,600 |
| 6 | FTEs 149.94 |

7 As a condition, qualification, and limitation of this
8 appropriation, the department of employment services shall
9 provide services throughout the fiscal year beginning July 1,
10 1989, and ending June 30, 1990, in all communities in which
11 job service offices are operating on July 1, 1989. However,
12 this provision shall not prevent the consolidation of multiple
13 offices within the same city or the collocation of job service
14 offices with another public agency.

15 The department shall provide information to the legislative
16 fiscal bureau upon request to be used for legislative over-
17 sight of all programs operated by the department.

18 The department shall develop performance standards and
19 criteria for measuring services to certain individuals
20 including but not limited to individuals over fifty-five years
21 of age, individuals who have drawn unemployment insurance
22 benefits for ten weeks or longer, handicapped individuals,
23 females, minorities, veterans, youth, aid to dependent
24 children recipients, and other appropriate targeted
25 populations.

26 The department shall submit to the general assembly on or
27 before October 1, 1989, a service delivery plan that will
28 provide for all of the following:

29 1. Services be streamlined and limited to those
30 specifically funded by the United States congress and the Iowa
31 general assembly.

32 2. Services will continue to be available to communities
33 which currently have a job service office.

34 3. A timetable and cost of implementing and disseminating
35 automated services.

1 4. A cost analysis of all services provided to employers
2 and individuals seeking work.

3 5. A description of the existing relationship between the
4 department and private employment agencies.

5 6. Alternatives to office closings including but not
6 limited to, group intake, increased automation, itinerant
7 service, collocation, and flexible operating hours.

8 7. The feasibility of establishing employer fees for
9 providing services not specifically funded through federal
10 grants or by the general assembly.

11 8. A report of innovative employment service practices
12 which are adaptable to Iowa's employers and Iowa's work force.

13 Notwithstanding section 8.33, moneys appropriated to the
14 department of employment services, division of job service,
15 for division approved training in 1988 Iowa Acts, chapter
16 1274, section 8, subsection 2, in the original amount of
17 \$1,149,209 shall not lapse or revert at the end of the fiscal
18 year ending June 30, 1989, but the unexpended balance shall be
19 available to the division of job service in the division
20 approved training fund for the fiscal year beginning July 1,
21 1989, and ending June 30, 1990.

22 Sec. 7. There is appropriated from the general fund of the
23 state to the department of inspections and appeals for the
24 fiscal year beginning July 1, 1989, and ending June 30, 1990,
25 the following amounts, or so much thereof as is necessary, for
26 the purposes designated:

27 1. GENERAL DEPARTMENT

28 For salaries, support, maintenance, miscellaneous purposes,
29 and for not more than the following full-time equivalent posi-
30 tions:.

| | | | |
|----|-------|------|------------------|
| 31 | ..... | \$ | <u>4,233,300</u> |
| 32 | ..... | FTEs | <u>253.50</u> |

33 Of the amount appropriated, \$38,700, or so much thereof as
34 is necessary, shall be expended for one FTE and necessary
35 expenses in connection with the administration of payment

1 claims to court-appointed counsel for adult and juvenile
2 indigent defense costs.

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3 2. EMPLOYMENT APPEAL BOARD

4 For salaries, support, maintenance, miscellaneous purposes,
5 and for not more than the following full-time equivalent posi-
6 tions:.

| | | |
|---------|------|--------|
| 7 | \$ | 35,500 |
| 8 | FTEs | 1.80 |

9 3. FOSTER CARE REVIEW BOARD

10 For salaries, support, maintenance, miscellaneous purposes,
11 and for not more than the following full-time equivalent posi-
12 tions:

| | | |
|----------|------|-------------|
| 13 | \$ | 304,171 |
| 14 | FTEs | <u>8.50</u> |

15 4. The department of inspections and appeals may charge
16 state departments, agencies, and commissions for services
17 rendered and the payment received shall be considered
18 repayment receipts as defined in section 8.2, subsection 5.

19 5. LEGAL SERVICES CORPORATION. For the general operations
20 of the legal services corporation of Iowa:

4027-

| | | |
|----------|----|--------|
| 21 | \$ | 75,000 |
|----------|----|--------|

22 Sec. 8. There is appropriated from the general fund of the
23 state to the office of the state public defender for the
24 fiscal year beginning July 1, 1989, and ending June 30, 1990,
25 the following amount, or so much thereof as is necessary, for
26 the purposes designated:

27 For salaries, support, maintenance, miscellaneous purposes,
28 and for not more than the following full-time equivalent posi-
29 tions:

| | | |
|----------|------|------------------|
| 30 | \$ | <u>3,684,000</u> |
| 31 | FTEs | <u>89.53</u> |

*

32 For indigent court-appointed attorney fees for adults and
33 juveniles, notwithstanding section 232.141 and chapter 815:

| | | |
|----------|----|-----------|
| 34 | \$ | 7,200,000 |
|----------|----|-----------|

35 The department of inspections and appeals and the judicial

1 department shall work together to provide a smooth transition
2 for the payment of court-appointed attorney fees for indigent
3 defense of adults and juveniles and shall jointly submit a
4 proposal for any necessary changes in the Code, to permanently
5 transfer this function to the office of the state public
6 defender, by December 15, 1989.

7 Sec. 9. There is appropriated from the road use tax fund
8 to the department of inspections and appeals for the fiscal
9 year beginning July 1, 1989, and ending June 30, 1990, the
10 following amount, or so much thereof as is necessary, for the
11 purposes designated:

12 For salaries, support, maintenance, miscellaneous purposes,
13 and for not more than the following full-time equivalent posi-
14 tions:

| | | |
|----------|------|---------|
| 15 | \$ | 417,500 |
| 16 | FTEs | 11.00 |

17 It is the intent of the general assembly that the
18 department of inspections and appeals cross-train its
19 employees to perform more than one form of inspection or work
20 whenever possible.

21 Sec. 10. There is appropriated from the general fund of
22 the state to the public employment relations board for the
23 fiscal year beginning July 1, 1989, and ending June 30, 1990,
24 the following amount, or so much thereof as is necessary, for
25 the purposes designated:

26 For salaries, support, maintenance, miscellaneous purposes,
27 and for not more than the following full-time equivalent posi-
28 tions:.

| | | |
|----------|------|---------|
| 29 | \$ | 648,530 |
| 30 | FTEs | 13.50 |

31 Sec. 11.

32 1. There is appropriated from the professional licensing
33 revolving fund to the professional licensing and regulation
34 division of the department of commerce, for the fiscal year
35 beginning July 1, 1989, and ending June 30, 1990, the

1 following amount, or so much thereof as is necessary, for the
2 purposes designated:

3 For salaries, support, maintenance, miscellaneous purposes,
4 and for not more than the following full-time equivalent posi-
5 tions:

| | | |
|---------|------|---------|
| 6 | \$ | 679,675 |
| 7 | FTEs | 9.0 |

8 The professional licensing division of the department of
9 commerce shall transfer at the beginning of each fiscal
10 quarter from appropriated trust funds to the administrative
11 services trust fund an amount which represents the division's
12 share of the estimated cost of consolidated administrative
13 services within the department of commerce, such share to be
14 in the same proportion as established by agreement in the
15 fiscal year beginning July 1, 1986, and ending June 30, 1987,
16 with the first quarterly transfer to occur between July 1 and
17 July 31 annually.

18 2. It is the intent of the general assembly that the
19 department of commerce shall transfer eighty percent of fee
20 revenue from the professional licensing and regulation
21 division to the professional licensing revolving fund. The
22 department of commerce shall remit and deposit the remaining
23 twenty percent of the professional licensing and regulation
24 division fees to the general fund of the state.

25 The professional licensing and regulation division may
26 expend additional funds, including funds required for
27 additional personnel, if those additional expenditures are
28 actual expenses which exceed the funds budgeted for the
29 division, and result directly from the licensing and
30 regulation of the subject professions. Before the division
31 expends or encumbers an amount in excess of the funds budgeted
32 for examinations, the director of the department of management
33 shall approve the expenditure or encumbrance. Before approval
34 is given, the director of the department of management shall
35 determine that the examination expenses exceed the funds

1 budgeted by the general assembly to the division and the
2 division does not have other funds from which the expenses can
3 be paid. Upon approval of the director of the department of
4 management, the division may expend and encumber funds for
5 excess expenses. The amounts necessary to fund the excess
6 expenses shall be collected from those persons being regulated
7 or licensed which caused the excess expenditures, and the
8 collections shall be treated as repayment receipts as defined
9 in section 8.2, subsection 5.

10 Sec. 12. There is appropriated from the administrative
11 services trust fund to the administrative services division of
12 the department of commerce for the fiscal year beginning July
13 1, 1989, and ending June 30, 1990, the following amount, or so
14 much thereof as is necessary, to be used for the purposes
15 designated:

16 For salaries, support, maintenance, miscellaneous purposes,
17 and for not more than the following full-time equivalent posi-
18 tions:

| | | | |
|----|-------|------|-----------|
| 19 | ..... | \$ | 1,529,000 |
| 20 | ..... | FTEs | 43.50 |

21 Sec. 13. Notwithstanding section 123.53, there is
22 appropriated from the beer and liquor control fund to the
23 alcoholic beverages division of the department of commerce for
24 the fiscal year beginning July 1, 1989, and ending June 30,
25 1990, the following amount, or so much thereof as is
26 necessary, for the purposes designated:

27 For salaries, support, maintenance, miscellaneous purposes,
28 and for not more than the following full-time equivalent posi-
29 tions:

| | | | |
|----|-------|------|-----------|
| 30 | ..... | \$ | 4,664,000 |
| 31 | ..... | FTEs | 83.86 |

32 The alcoholic beverages division of the department of
33 commerce shall transfer at the beginning of each fiscal
34 quarter from appropriated trust funds to the administrative
35 services trust fund an amount which represents the division's

1 share of the estimated cost of consolidated administrative
2 services within the department of commerce, such share to be
3 in the same proportion as established by agreement in the fis-
4 cal year beginning July 1, 1986, and ending June 30, 1987,
5 with the first quarterly transfer to occur between July 1 and
6 July 31 annually. At the close of the fiscal year, actual
7 versus estimated expenditures shall be reconciled and any
8 overpayment shall be returned to each division or any
9 underpayment shall be paid by each division.

10 Sec. 14. There is appropriated from the banking revolving
11 fund to the banking division of the department of commerce for
12 the fiscal year beginning July 1, 1989, and ending June 30,
13 1990, the following amount, or so much thereof as is
14 necessary, to be used for the purposes designated:

15 For salaries, support, maintenance, miscellaneous purposes,
16 and for not more than the following full-time equivalent posi-
17 tions:

| | |
|----------|--------------|
| 18 | \$ 5,256,500 |
| 19 | FTEs 118.50 |

20 The banking division of the department of commerce shall
21 transfer at the beginning of each fiscal quarter from ap-
22 propriated trust funds to the administrative services trust
23 fund an amount which represents the division's share of the
24 estimated cost of consolidated administrative services within
25 the department of commerce, such share to be in the same
26 proportion as established by agreement in the fiscal year
27 beginning July 1, 1986, and ending June 30, 1987, with the
28 first quarterly transfer to occur between July 1 and July 31
29 annually. At the close of the fiscal year, actual versus
30 estimated expenditures shall be reconciled and any overpayment
31 shall be returned to each division or any underpayment shall
32 be paid by each division.

33 The banking division may expend additional funds, including
34 funds for additional personnel, if those additional
35 expenditures are actual expenses which exceed the funds

1 budgeted for bank examinations and directly result from
2 examinations of banks. Before the division expends or encum-
3 bers an amount in excess of the funds budgeted for
4 examinations, the director of the department of management
5 shall approve the expenditure or encumbrance. Before approval
6 is given, the director of the department of management shall
7 determine that the examination expenses exceed the funds
8 budgeted by the general assembly to the division and that the
9 division does not have other funds from which examination
10 expenses can be paid. Upon approval of the director of the
11 department of management the division may expend and encumber
12 funds for excess examination expenses. The amounts necessary
13 to fund the excess examination expenses shall be collected
14 from those banks being regulated which caused the excess
15 expenditures, and the collections shall be treated as
16 repayment receipts as defined in section 8.2, subsection 5.

17 Sec. 15. 1988 Iowa Acts, chapter 1274, section 20, is
18 amended by adding the following new unnumbered paragraph:

19 NEW UNNUMBERED PARAGRAPH. Any unexpended moneys from the
20 appropriation for the fiscal year beginning July 1, 1988, and
21 ending June 30, 1989, to the division of banking from the
22 banking revolving fund, shall not revert to the banking
23 revolving fund, but may be expended by the division of banking
24 for the purchase of computer equipment to continue the
25 automation support of field audit staff. A report on the
26 types, quantities, and costs of equipment acquired pursuant to
27 this paragraph shall be provided to the department of
28 management and the legislative fiscal bureau on or before July
29 15, 1989.

30 Sec. 16. There is appropriated from the credit union re-
31 volving fund to the credit union division of the department of
32 commerce for the fiscal year beginning July 1, 1989, and
33 ending June 30, 1990, the following amount, or so much thereof
34 as is necessary, to be used for the purposes designated:

35 For salaries, support, maintenance, miscellaneous purposes,

1 and for not more than the following full-time equivalent posi-
2 tions:

| | | |
|---------|------|---------|
| 3 | \$ | 951,000 |
| 4 | FTEs | 20.00 |

5 The credit union division of the department of commerce
6 shall transfer at the beginning of each fiscal quarter from
7 appropriated trust funds to the administrative services trust
8 fund an amount which represents the division's share of the
9 estimated cost of consolidated administrative services within
10 the department of commerce, such share to be in the same pro-
11 portion as established by agreement in the fiscal year begin-
12 ning July 1, 1986, and ending June 30, 1987, with the first
13 quarterly transfer to occur between July 1 and July 31 an-
14 nually. At the close of the fiscal year, actual versus
15 estimated expenditures shall be reconciled and any overpayment
16 shall be returned to each division or any underpayment shall
17 be paid by each division.

18 The credit union division may expend additional funds,
19 including funds for additional personnel, if those additional
20 expenditures are actual expenses which exceed the funds
21 budgeted for credit union examinations and directly result
22 from examinations of credit unions. Before the division
23 expends or encumbers an amount in excess of the funds budgeted
24 for examinations, the director of the department of management
25 shall approve the expenditure or encumbrance. Before approval
26 is given, the director of the department of management shall
27 determine that the examination expenses exceed the funds
28 budgeted by the general assembly to the division and that the
29 division does not have other funds from which examination
30 expenses can be paid. Upon approval of the director of the
31 department of management the division may expend and encumber
32 funds for excess examination expenses. The amounts necessary
33 to fund the excess examination expenses shall be collected
34 from those credit unions being regulated which caused the
35 excess expenditures, and the collections shall be treated as

1 repayment receipts as defined in section 8.2, subsection 5.

2 Sec. 17. There is appropriated from the savings and loan
3 revolving fund to the savings and loan division of the depart-
4 ment of commerce for the fiscal year beginning July 1, 1989,
5 and ending June 30, 1990, the following amount, or so much
6 thereof as is necessary, to be used for the purposes
7 designated:

8 For salaries, support, maintenance, miscellaneous purposes,
9 and for not more than the following full-time equivalent posi-
10 tions:

| | | | |
|----|-------|------|---------|
| 11 | ..... | \$ | 310,000 |
| 12 | ..... | FTEs | 6.00 |

13 The savings and loan division of the department of commerce
14 shall transfer at the beginning of each fiscal quarter from
15 appropriated trust funds to the administrative services trust
16 fund an amount which represents the division's share of the
17 estimated cost of consolidated administrative services within
18 the department of commerce, such share to be in the same
19 proportion as established by agreement in the fiscal year
20 beginning July 1, 1986, and ending June 30, 1987, with the
21 first quarterly transfer to occur between July 1 and July 31
22 annually. At the close of the fiscal year, actual versus
23 estimated expenditures shall be reconciled and any overpayment
24 shall be returned to each division or any underpayment shall
25 be paid by each division.

26 The savings and loan division may expend additional funds,
27 including funds for additional personnel, if those additional
28 expenditures are actual expenses which exceed the funds
29 budgeted for savings and loan examinations and directly result
30 from examinations of savings and loan associations. Before
31 the division expends or encumbers an amount in excess of the
32 funds budgeted for examinations, the director of the
33 department of management shall approve the expenditure or
34 encumbrance. Before approval is given, the director of the
35 department of management shall determine that the examination

1 expenses exceed the funds budgeted by the general assembly to
2 the division and that the division does not have other funds
3 from which examination expenses can be paid. Upon approval of
4 the director of the department of management the division may
5 expend and encumber funds for excess examination expenses.
6 The amounts necessary to fund the excess examination expenses
7 shall be collected from those savings and loan associations
8 being regulated which caused the excess expenditures, and the
9 collections shall be treated as repayment receipts as defined
10 in section 8.2, subsection 5.

11 Sec. 18. There is appropriated from the insurance
12 revolving fund to the insurance division of the department of
13 commerce for the fiscal year beginning July 1, 1989, and
14 ending June 30, 1990, the following amount, or so much thereof
15 as is necessary, to be used for the purposes designated:

16 For salaries, support, maintenance, miscellaneous purposes,
17 and for not more than the following full-time equivalent posi-
18 tions:

| | | | | |
|------|----|-------|------|-----------|
| 3997 | 19 | ..... | \$ | 3,929,800 |
| 4 | 20 | ..... | FTEs | 92.33 |

21 Of the amount appropriated, at least \$21,128 shall be
22 expended to hire an executive secretary for the insurance
23 commissioner.

3997-
3988- 24 As a condition, limitation, and qualification of the funds
25 appropriated in this section, the insurance commissioner shall
26 adopt administrative rules to be effective January 1, 1990,
27 which rules prohibit the offer for issuance or issuance of a
28 group or individual policy, contract, or plan providing
29 accident and health, or disability benefits, or skilled
30 nursing care or long-term care to a subscriber, policyholder,
31 insured, or other person on a prepaid or claims-made basis
32 which discriminates on the basis of race, color, religion,
33 sex, marital status, or national origin.

34 Of the funds appropriated, conditioned upon the enactment
35 of Senate File 278 by the Seventy-third General Assembly, 1989

1 Session, the following amounts shall be added to the budget of
2 the regulated industries unit of the securities bureau of the
3 insurance division; \$25,000 shall be used for the salary and
4 benefits of a full-time administrative assistant, to be
5 responsible for assisting in the administration of chapter
6 523D regarding the registration of continuing care retirement
7 communities; \$1,000 shall be used for the training, travel,
8 and other necessary expenses of the administrative assistant
9 for the chapter 523D program; and \$3,800 shall be used for
10 equipment, supplies, and a computer for the chapter 523D
11 administrative assistant.

12 It is the intent of the general assembly that the depart-
13 ment of commerce shall transfer sixty percent of insurance
14 nonexamination revenues received for the fiscal year beginning
15 July 1, 1989, and ending June 30, 1990, to the general fund of
16 the state to the extent that the remaining forty percent of
17 nonexamination revenues available to the division exceed or
18 are projected to exceed the division's appropriation pursuant
19 to this Act.

20 Of the funds appropriated, \$126,395, or so much thereof as
21 is necessary, shall be transferred to the office of the
22 attorney general to reimburse the office of the attorney
23 general for two assistant attorneys general.

24 The insurance division of the department of commerce shall
25 transfer at the beginning of each fiscal quarter from ap-
26 propriated trust funds to the administrative services trust
27 fund an amount which represents the division's share of the
28 estimated cost of consolidated administrative services within
29 the department of commerce, such share to be in the same
30 proportion as established by agreement in the fiscal year
31 beginning July 1, 1986, and ending June 30, 1987, with the
32 first quarterly transfer to occur between July 1 and July 31
33 annually. At the close of the fiscal year, actual versus
34 estimated expenditures shall be reconciled and any overpayment
35 shall be returned to each division or any underpayment shall

1 be paid by each division.

2 The insurance division may expend additional funds,
3 including funds for additional personnel, if those additional
4 expenditures are actual expenses which exceed the funds
5 budgeted for insurance company examinations and directly
6 result from examinations of insurance companies. Before the
7 division expends or encumbers an amount in excess of the funds
8 budgeted for examinations, the director of the department of
9 management shall approve the expenditure or encumbrance. Be-
10 fore approval is given, the director of the department of man-
11 agement shall determine that the examination expenses exceed
12 the funds budgeted by the general assembly to the division and
13 that the division does not have other funds from which
14 examination expenses can be paid. Upon approval of the
15 director of the department of management the division may
16 expend and encumber funds for excess examination expenses.
17 The amounts necessary to fund the excess examination expenses
18 shall be collected from those insurance companies being
19 regulated which caused the excess expenditures, and the
20 collections shall be treated as repayment receipts as defined
21 in section 8.2, subsection 5.

22 Sec. 19. There is appropriated from the utilities trust
23 fund to the utilities division of the department of commerce
24 for the fiscal year beginning July 1, 1989, and ending June
25 30, 1990, the following amount, or so much thereof as is
26 necessary, to be used for the purposes designated:

27 For salaries, support, maintenance, miscellaneous purposes,
28 and for not more than the following full-time equivalent posi-
29 tions:

| | |
|----------|--------------|
| 30 | \$ 4,489,300 |
| 31 | FTEs 87.50 |

32 The general assembly finds that cost-effective energy
33 efficiency is a vital goal for Iowa because Iowa produces
34 virtually none of the energy it consumes, but pays substantial
35 amounts for the energy it purchases from out-of-state sources.

1 The most effective means of discovering creative and cost-
2 effective energy efficiency program options is through a
3 cooperative effort among consumers, utilities, and the
4 utilities board.

5 Of the amount appropriated in this section, not more than
6 \$100,000 shall be expended by the utilities board to study and
7 identify promising cost-effective energy efficiency program
8 options. The board may retain one or more consultants in
9 conjunction with the board's study. The board shall share the
10 results of the study and any consulting contract with any
11 legislative interim committee appointed encompassing similar
12 subject matter, and that legislative interim committee shall
13 have access to any consultant retained by the board with the
14 full cooperation of the board. The board shall establish a
15 cooperative effort among consumers and utilities to assist the
16 board in identifying promising energy efficiency program
17 options and means to implement such options. Consumer
18 participants may be reimbursed for actual expenses. The board
19 shall provide to the general assembly on or before November 1,
20 1989, a report on the cost-effective program options
21 identified in the cooperative board study and any
22 recommendations of the board for legislative action.

23 The utilities division of the department of commerce shall
24 transfer at the beginning of each fiscal quarter from appro-
25 priated trust funds to the administrative services trust fund
26 an amount which represents the division's share of the
27 estimated cost of consolidated administrative services within
28 the department of commerce, such share to be in the same
29 proportion as established by agreement in the fiscal year
30 beginning July 1, 1986, and ending June 30, 1987, with the
31 first quarterly transfer to occur between July 1 and July 31
32 annually. At the close of the fiscal year, actual versus
33 estimated expenditures shall be reconciled and any overpayment
34 shall be returned to each division or any underpayment shall
35 be paid by each division.

1 Sec. 20. There is appropriated from the racing commission
2 fund to the racing commission for the fiscal year beginning
3 July 1, 1989, and ending June 30, 1990, the following amount,
4 or so much thereof as is necessary, to be used for the
5 purposes designated:

6 For salaries, support, maintenance, miscellaneous purposes,
7 and for not more than the following full-time equivalent posi-
8 tions:

| | | |
|---------|------------|--------------|
| 4027-9 | ..... | \$ 1,712,500 |
| 4027-10 | FTEs | 30.99 |

11 The racing commission shall provide, in the budget forms
12 for the fiscal year beginning July 1, 1990, and ending June
13 30, 1991, a separate line item for veterinarian services and
14 another line item for body fluid testing of dogs and horses.
15 These items shall also be designated in the base budget
16 package and any decision packages in which they appear in the
17 budget forms. Other professional and scientific services may
18 be combined into an additional line item, but must be clearly
19 explained in the budget narrative section of the budget forms.

20 Sec. 21. All federal grants to and the federal receipts of
21 the agencies appropriated funds under this Act, not otherwise
22 appropriated, are appropriated for the purposes set forth in
23 the federal grants or receipts unless otherwise provided by
24 the general assembly.

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25 Sec. 22. NEW SECTION. 13B.8A PUBLIC DEFENDER PROPERTY.

26 1. Notwithstanding section 13B.8, subsection 4, public
27 property referred to in subsection 2 in the custody of a
28 person or agency referred to in subsection 3 shall not be
29 property of the department of inspections and appeals, but
30 shall be devoted for the use of the department of inspections
31 and appeals in its course of business. The department of
32 inspections and appeals shall only be responsible for
33 maintenance contracts or contracts for purchase entered into
34 by the department of inspections and appeals. Upon
35 replacement of the property by the department of inspections

1 and appeals, the property shall revert to the use of the
2 appropriate county.

3 2. This section applies to the following property:

4 a. Books, accounts, and records that pertain to the
5 operation of the public defender's offices.

6 b. Forms, materials, and supplies that are consumed in the
7 usual course of business.

8 c. Tables, chairs, desks, lamps, curtains, window blinds,
9 rugs and carpeting, flags and flag standards, pictures and
10 other wall decorations, and other similar furnishings.

11 d. Typewriters, adding machines, desk calculators, cash
12 registers and similar business machines, reproduction machines
13 and equipment, microfiche projectors, tape recorders and
14 associated equipment, microphones, amplifiers and speakers,
15 film projectors and screens, overhead projectors, and similar
16 personal property.

17 e. Filing cabinets, shelving, storage cabinets, and other
18 property used for storage.

19 f. Books of statutes, books of ordinances, books of
20 judicial decisions, and reference books, except those that are
21 customarily held in a law library for use by the public.

22 g. All other personal property that is in use in the
23 operation of the offices of the public defender.

24 3. This section applies to the following persons and
25 agencies:

26 a. Offices of the public defender.

27 b. Persons who are employed by an office of the public
28 defender.

29 4. Subsections 1 through 3 and 5 do not apply to
30 electronic data storage equipment, commonly referred to as
31 computers, or to computer terminals or any machinery,
32 equipment, or supplies used in the operation of computers.
33 Those counties providing computer services to the public
34 defender shall continue to provide these services until the
35 general assembly provides otherwise. The state shall

1 reimburse these counties for the cost of providing these
2 services. Each county providing computer services to an
3 office of the public defender shall submit a bill for these
4 services to the department of inspections and appeals at the
5 end of each calendar quarter. Reimbursement shall be payable
6 from funds appropriated to the department for operating
7 expenses of the offices of the public defender and shall be
8 paid within thirty days after receipt by the department of
9 inspections and appeals of the quarterly billing.

10 5. Personal property of a type that is subject to
11 subsections 1 through 3 shall be subject to the control of the
12 offices of the public defender. The offices of the public
13 defender may issue necessary orders to preserve the use of the
14 property by the public defender. The offices of the public
15 defender shall establish and maintain an inventory of property
16 used by the offices of the public defender.

17 Sec. 23. Section 68B.7, unnumbered paragraph 2, Code 1989,
18 is amended to read as follows:

19 ~~No~~ A person who has served as the head of or on a
20 commission or board of a regulatory agency or as a deputy
21 thereof, shall not, within a period of two years after the
22 termination of such service accept employment with that
23 commission, board, or agency or receive compensation for any
24 services rendered on behalf of any person, firm, corporation,
25 or association in any case, proceedings, or application before
26 the department with which the person so served wherein the
27 person's compensation is to be dependent or contingent upon
28 any action by such agency with respect to any license,
29 contract, certificate, ruling, decision, opinion, rate
30 schedule, franchise, or other benefit, or in promoting or
31 opposing, directly or indirectly, the passage of bills or
32 resolutions before either house of the general assembly.

33 Sec. 24. Section 476.10, unnumbered paragraph 4, Code
34 1989, is amended to read as follows:

35 Whenever the board shall deem it necessary in order to

1 carry out the duties imposed upon it in connection with rate
2 regulation under section 476.6, investigations under section
3 476.3, or review proceedings under section 476.31, the board
4 may employ additional temporary or permanent staff, or may
5 contract with persons who are not state employees for
6 engineering, accounting, or other professional services, or
7 both. The costs of these additional employees and contract
8 services shall be paid by the public utility whose rates are
9 being reviewed in the same manner as other expenses are paid
10 under this section. ~~There is hereby appropriated out of any~~
11 ~~funds in the state treasury not otherwise appropriated, such~~
12 ~~sums as may be necessary to enable the board to hire~~
13 ~~additional staff and contract for services under this section.~~
14 The board shall increase quarterly assessments specified in
15 unnumbered paragraph two, by amounts necessary to enable the
16 board to hire additional staff and contract for services under
17 this section. The authority to hire additional temporary or
18 permanent staff that is granted to the board by this section
19 shall not be subject to limitation by any administrative or
20 executive order or decision that restricts the number of state
21 employees or the filling of employee vacancies, and shall not
22 be subject to limitation by any law of this state that
23 restricts the number of state employees or the filling of
24 employee vacancies unless that law is made applicable to this
25 section by express reference to this section. Before the
26 board expends or encumbers an amount in excess of the funds
27 budgeted for rate regulation and before the board increases
28 quarterly assessments pursuant to this paragraph, the director
29 of the department of management shall approve the expenditure
30 or encumbrance. Before approval is given, the director of the
31 department of management shall determine that the expenses
32 exceed the funds budgeted by the general assembly to the board
33 for rate regulation and that the board does not have other
34 funds from which the expenses can be paid. Upon approval of
35 the director of the department of management the board may

1 expend and encumber funds for the excess expenses, and
2 increase quarterly assessments to raise the additional funds.

3 Sec. 25. Section 508.14, Code 1989, is amended to read as
4 follows:

5 508.14 VIOLATION BY DOMESTIC COMPANY.

6 Upon a failure of any a company organized under the laws of
7 this state to make the deposit provided in section 511.8,
8 subsection 16, or file the statement in the time herein
9 stated, or to file in a timely manner any financial statement
10 required by rule of the commissioner of insurance, the
11 commissioner of insurance shall notify the attorney general of
12 the default, who shall at once apply to the district court of
13 the county where the home office of such the company is
14 located for an order requiring the company to show cause, upon
15 reasonable notice, to be fixed by the court, why its business
16 shall not be discontinued. If, upon the hearing, no
17 sufficient cause is shown, the court shall decree its
18 dissolution. In lieu of a district court action authorized by
19 this section, the commissioner may impose an administrative
20 penalty of three hundred dollars upon the company.

21 Sec. 26. Section 508.15, Code 1989, is amended to read as
22 follows:

23 508.15 VIOLATION BY FOREIGN COMPANY.

24 Companies organized and chartered by the laws of a foreign
25 state or country, failing to file the evidence of investment
26 and statement within the time fixed, or failing to timely file
27 any financial statement required by rule of the commissioner
28 of insurance, shall forfeit and pay the sum of three hundred
29 dollars, to be collected in an action in the name of the state
30 and paid to the treasurer of state for deposit in the general
31 fund of the state, and their right to transact further new
32 business in this state shall immediately cease until the
33 requirements of this chapter have been fully complied with.

34 Sec. 27. Section 514E.5, subsection 2, Code 1989, is
35 amended by adding the following new unnumbered paragraph:

1 NEW UNNUMBERED PARAGRAPH. However, the association policy
2 shall pay benefits as a primary payer in any case where
3 benefit coverage provided under the laws of the United States,
4 including Medicare and Medicaid, or under the laws of this
5 state is, by rule or statute, secondary to all other
6 coverages.

3988 7 Sec. 28. The legislative council shall create an interim
8 committee to study the issues involved with respect to medical
9 malpractice insurance and the rates charged for such
10 insurance. The study shall include a review of data relating
11 to all claims closed since January 1, 1980, and shall attempt
12 to determine whether or not the rates for medical malpractice
13 insurance are affected by the severity and frequency of
14 claims. The interim committee shall be composed of the
15 chairperson, vice chairperson, and ranking members of the
16 senate judiciary and commerce committees and the house
17 judiciary and law enforcement and small business and commerce
18 committees. The interim committee, in consultation with the
19 insurance commissioner, is authorized to employ an independent
20 consultant. For purposes of this section, the study shall be
21 treated as a rate adjustment review pursuant to section 507D.5
22 and the cost incurred for the consultant's services shall be
23 assessed by the commissioner against all insurers providing
24 medical malpractice insurance in the state of Iowa in
25 proportion to their respective shares of total medical
26 malpractice insurance premiums received in Iowa during the
27 second preceding calendar year. The interim committee shall
28 report its findings to the legislative council by January 30,
29 1990.

30 Sec. 29. 1986 Iowa Acts, chapter 1246, section 755, is
31 hereby reenacted and remains effective to the extent that
32 persons who were employed by the division of alcoholic
33 beverages whose positions were terminated as a result of 1986
34 Iowa Acts, chapter 1246, sections 724 through 761, shall
35 continue to be accorded the hiring preferences for other

1 positions in state departments provided by 1986 Iowa Acts,
2 chapter 1246, section 755. This preference shall terminate on
3 June 30, 1990.

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HOUSE FILE 779

S-3988

- 1 Amend House File 779, as amended, passed, and
 2 reprinted by the House, as follows:
- 3 1. Page 2, line 24, by striking the figure
 405,4002-4 "2,102,000" and inserting the following: "2,268,000".
 5 2. Page 2, line 25, by striking the figure
 408,4002-6 "89.05" and inserting the following: "93.5".
 7 3. Page 2, by inserting after line 33, the
 8 following:
 9 "As a condition, qualification, and limitation of
 408,4002-10 the funds appropriated, \$142,000, or so much thereof
 11 as is necessary, shall be expended for four FTEs and
 12 necessary expenses, to be employed in connection with
 13 the enforcement of the Iowa minimum wage law.
 14 Enforcement of the Iowa minimum wage law shall not
 15 begin until January 1, 1990, though moneys may be
 16 expended and positions filled prior to January 1,
 17 1990, to adopt required rules, and for training,
 18 organization, and other preparatory purposes."
 19 4. Page 7, line 31, by striking the figure
 20 "4,233,300" and inserting the following: "4,124,300".
 21 5. Page 7, line 32, by striking the figure
 407-22 "253.50" and inserting the following: "250.50".
 23 6. Page 8, by inserting after line 2, the
 24 following:
 25 "Three FTE positions responsible for conducting
 26 alcoholic beverage audits shall be transferred to the
 27 alcoholic beverage division of the department of
 28 commerce."
 29 7. Page 11, line 30, by striking the figure
 30 "4,664,000" and inserting the following: "4,808,000".
 31 8. Page 11, line 31, by striking the figure
 32 "83.86" and inserting the following: "87.86".
 33 9. Page 11, by inserting after line 31, the
 34 following:
 35 "Of the amount appropriated, \$144,000, or so much
 36 thereof as is necessary, shall be expended for four
 37 FTEs, and necessary expenses, including three FTEs
 38 transferred from the department of inspections and
 39 appeals, in connection with alcoholic beverage
 40 audits."
 41 10. Page 16, by striking lines 24 through 33.
 42 11. Page 20, by inserting after line 24, the
 43 following:
 44 "Sec. ____.
 45 1. There is created in the office of the
 46 treasurer of state for the racing and gaming
 47 commission, an excursion boat gambling revolving fund.
 48 2. There is appropriated from the general fund of
 49 the state to the racing and gaming commission,
 50 \$100,000, for deposit in the excursion boat gambling

S-3988

Page 2

1 revolving fund.

2 3. The amount appropriated from the general fund
3 of the state in subsection 2 is appropriated from the
4 excursion boat gambling revolving fund to the
5 treasurer of state, to be transferred to and deposited
6 in the general fund of the state no later than June
7 30, 1991.

8 4. All license fees, fees, and penalties
9 collected by the racing and gaming commission in
10 connection with excursion boat gambling shall be
11 deposited into the excursion boat gambling revolving
12 fund.

13 5. There is appropriated from the excursion boat
14 gambling revolving fund to the racing and gaming
15 commission, for the fiscal year beginning July 1,
16 1989, and ending June 30, 1990, the following amount,
17 or so much thereof as is necessary, to be used for the
18 purposes designated:

19 For salaries, support, maintenance, miscellaneous
20 purposes, and for not more than the following full-
21 time equivalent positions for administration and
22 enforcement of the excursion boat gambling laws:

| | | |
|----------|------|---------|
| 23 | \$ | 100,000 |
| 24 | FTEs | 2.00" |

25 12. Page 25, by inserting after line 6, the
26 following:

27 "Sec. ____ . Section 514G.7, subsection 4, Code
28 1989, is amended by striking the subsection."

29 13. Page 25, by striking lines 7 through 29.

30 14. By renumbering as necessary.

By COMMITTEE ON APPROPRIATIONS
JOE J. WELSH, Chairperson

S-3988 FILED APRIL 28, 1989

adopted 5-1-89 (p-1788)

HOUSE FILE 779

S-4017

1 Amend the amendment, S-3988, to House File 779, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, by inserting after line 22, the
5 following:

6 "____. Page 9, by inserting after line 20, the
7 following:

8 "Sec. _____. Notwithstanding section 123.53, there
9 is appropriated from the beer and liquor control fund
10 to the department of inspections and appeals for the
11 fiscal year beginning July 1, 1989, and ending June
12 30, 1990, the following amount, or so much thereof as
13 is necessary, for the purposes designated:

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

| | | |
|----------|------|---------|
| 17 | \$ | 144,000 |
| 18 | FTEs | 4.00". |

19 2. Page 1, by striking lines 23 through 40.

20 3. By renumbering as necessary.

By RICHARD RUNNING

S-4017 FILED APRIL 28, 1989

Withdrawn 5-1-89 (p.1788)

HOUSE FILE 779

S-4018

1 Amend the amendment, S-3988, to House File 779, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, line 4, by striking the figure
5 "2,268,000" and inserting the following: "2,323,948".

6 2. Page 1, line 6, by striking the figure "93.5"
7 and inserting the following: "94.05".

8 3. Page 1, line 10, by striking the figure
9 "142,000" and inserting the following: "197,948".

By RICHARD RUNNING

S-4018 FILED APRIL 28, 1989

Adopted 5-1-89 (p.1788)

HOUSE FILE 779

S-3997

- 1 Amend House File 779 as follows:
- 2 1. Page 16, line 19, by striking the figure
- 3 "3,929,800" and inserting the following: "4,004,800".
- 4 2. Page 16, line 20, by striking the figure
- 5 "92.33" and inserting the following: "93.33".
- 6 3. Page 16, by inserting after line 23, the
- 7 following:
- 4034-8 "Of the amount appropriated, \$75,000 shall be
- 9 expended for the salary and reasonable and necessary
- 10 expenses of the director of insurance development, who
- 11 is transferred from the authority of the department of
- 12 economic development to the division of insurance.
- 13 The director of insurance development shall continue
- 14 to maintain the director's office in its current
- 15 location."

By JOE WELSH
CALVIN O. HULTMAN

S-3997 FILED APRIL 28, 1989
Adopted 5-1-89 (p. 1789)
HOUSE FILE 779

S-4002

- 1 Amend the amendment, S-3988, to House File 779, as
- 2 amended, passed, and reprinted by the House, as
- 3 follows:
- 4 1. Page 1, line 4, by striking the figure
- 5 "2,268,000" and inserting the following: "2,323,948".
- 6 2. Page 1, line 6, by striking the figure "93.5"
- 7 and inserting the following: "98.5".
- 8 3. Page 1, line 10, by striking the figure
- 9 "142,000" and inserting the following: "197,948".

By RICHARD RUNNING

S-4002 FILED APRIL 28, 1989
Withdrawn 5-1-89 (p. 1788)

HOUSE FILE 779

S-4034

1 Amend the amendment, S-3997, to House File 779, as
 2 amended, passed, and reprinted, by the House, as
 3 follows:
 4 1. Page 1, by striking lines 11 and 12, and
 5 inserting the following: "for budgetary purposes is
 6 under the division of insurance."

S-4034

FILED MAY 1, 1989

ADOPTED

BY JIM LIND

Adopted 5-1-89 (p1789)

HOUSE FILE 779

S-4027

1 Amend House File 779, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 8, line 21, by striking the figure
 A 4 "75,000" and inserting the following: "149,476".
 B 5 2. Page 20, line 9, by striking the figure
 6 "1,712,500" and inserting the following: "1,638,024".
 7 3. Page 20, by inserting after line 10, the
 8 following:
 9 "There is appropriated from the racing commission
 10 fund to the treasurer of state for the fiscal year
 11 beginning July 1, 1989, and ending June 30, 1990, the
 12 following amount, to be transferred to and deposited
 13 in the general fund:
 14 \$ 74,476"

S-4027

FILED MAY 1, 1989

DIV A-LOST, DIV. B.-W/D

BY

AL STURGEON

BOB CARR

JEAN LLOYD-JONES

MICHAEL E. GRONSTAL

TOM MANN

WALLY E. HORN

JIM LIND

5-1-89 (p1789)

SENATE AMENDMENT TO HOUSE FILE 779

H-4351

1 Amend House File 779, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, line 24, by striking the figure
4 "2,102,000" and inserting the following: "2,323,948".

5 2. Page 2, line 25, by striking the figure
6 "89.05" and inserting the following: "94.05".

7 3. Page 2, by inserting after line 33, the
8 following:

9 "As a condition, qualification, and limitation of
10 the funds appropriated, \$197,948, or so much thereof
11 as is necessary, shall be expended for four FTEs and
12 necessary expenses, to be employed in connection with
13 the enforcement of the Iowa minimum wage law.

14 Enforcement of the Iowa minimum wage law shall not
15 begin until January 1, 1990, though moneys may be
16 expended and positions filled prior to January 1,
17 1990, to adopt required rules, and for training,
18 organization, and other preparatory purposes."

19 4. Page 7, line 31, by striking the figure
20 "4,233,300" and inserting the following: "4,124,300".

21 5. Page 7, line 32, by striking the figure
22 "253.50" and inserting the following: "250.50".

23 6. Page 8, by inserting after line 2, the
24 following:

25 "Three FTE positions responsible for conducting
26 alcoholic beverage audits shall be transferred to the
27 alcoholic beverage division of the department of
28 commerce."

29 7. Page 11, line 30, by striking the figure
30 "4,664,000" and inserting the following: "4,808,000".

31 8. Page 11, line 31, by striking the figure
32 "83.86" and inserting the following: "87.86".

33 9. Page 11, by inserting after line 31, the
34 following:

35 "Of the amount appropriated, \$144,000, or so much
36 thereof as is necessary, shall be expended for four
37 FTEs, and necessary expenses, including three FTEs
38 transferred from the department of inspections and
39 appeals, in connection with alcoholic beverage
40 audits."

41 10. Page 16, line 19, by striking the figure
42 "3,929,800" and inserting the following: "4,004,800".

43 11. Page 16, line 20, by striking the figure
44 "92.33" and inserting the following: "93.33".

45 12. Page 16, by inserting after line 23, the
46 following:

47 "Of the amount appropriated, \$75,000 shall be
48 expended for the salary and reasonable and necessary
49 expenses of the director of insurance development, who
50 for budgetary purposes is under the division of

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Page 2

1 insurance. The director of insurance development
2 shall continue to maintain the director's office in
3 its current location."

4 13. Page 16, by striking lines 24 through 33.

5 14. Page 20, by inserting after line 24, the
6 following:

7 "Sec. ____.

8 1. There is created in the office of the
9 treasurer of state for the racing and gaming
10 commission, an excursion boat gambling revolving fund.

11 2. There is appropriated from the general fund of
12 the state to the racing and gaming commission,
13 \$100,000, for deposit in the excursion boat gambling
14 revolving fund.

15 3. The amount appropriated from the general fund
16 of the state in subsection 2 is appropriated from the
17 excursion boat gambling revolving fund to the
18 treasurer of state, to be transferred to and deposited
19 in the general fund of the state no later than June
20 30, 1991.

21 4. All license fees, fees, and penalties
22 collected by the racing and gaming commission in
23 connection with excursion boat gambling shall be
24 deposited into the excursion boat gambling revolving
25 fund.

26 5. There is appropriated from the excursion boat
27 gambling revolving fund to the racing and gaming
28 commission, for the fiscal year beginning July 1,
29 1989, and ending June 30, 1990, the following amount,
30 or so much thereof as is necessary, to be used for the
31 purposes designated:

32 For salaries, support, maintenance, miscellaneous
33 purposes, and for not more than the following full-
34 time equivalent positions for administration and
35 enforcement of the excursion boat gambling laws:

| | | |
|----------|------|---------|
| 36 | \$ | 100,000 |
| 37 | FTEs | 2.00" |

38 15. Page 25, by inserting after line 6, the
39 following:

40 "Sec. ____ . Section 514G.7, subsection 4, Code
41 1989, is amended by striking the subsection."

42 16. Page 25, by striking lines 7 through 29.

43 17. By renumbering, relettering, or redesignating
44 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-4351 FILED MAY 1, 1989

REFUSED TO CONCUR

5-1-89 (p. 2270)

Senate Amended 5-2-89 (p. 828)

REPORT OF THE CONFERENCE COMMITTEE
ON HOUSE FILE 779

To the Speaker of the House of Representatives and the
President of the Senate:

We the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on House File 779, a bill for An Act relating to and making appropriations, subject to certain conditions, to regulatory bodies of state government, including the auditor of state, the campaign finance disclosure commission, the department of employment services, the office of the state public defender, the department of inspections and appeals, the department of commerce, and the racing commission, among others, and effecting the laws enforced by and procedures utilized by such regulatory bodies, determining the ownership and control of certain property in the possession of the office of the state public defender, and imposing penalties, respectfully make the following report:

1. That the Senate recedes from its amendment, H-4351.

2. That House File 779, as amended, passed, and reprinted by the House, is amended as follows:

1. Page 2, line 24, by striking the figure "2,102,000" and inserting the following: "2,323,948".

2. Page 2, line 25, by striking the figure "89.05" and inserting the following: "94.05".

3. Page 2, by inserting after line 33, the following:

"As a condition, qualification, and limitation of the funds appropriated, \$197,948, or so much thereof as is necessary, shall be expended for five FTEs and necessary expenses, to be employed in connection with the enforcement of the Iowa minimum wage law. Enforcement of the Iowa minimum wage law shall not begin until January 1, 1990, though moneys may be expended and positions filled prior to January 1, 1990, to adopt required rules, and for training, organization, and other preparatory purposes."

4. Page 7, line 31, by striking the figure "4,233,300" and inserting the following: "4,124,300".

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- 1 5. Page 7, line 32, by striking the figure "253.50" and
2 inserting the following: "250.50".
- 3 6. Page 8, by inserting after line 2, the following:
4 "Three FTEs responsible for conducting alcoholic beverage
5 audits shall be transferred to the alcoholic beverage division
6 of the department of commerce."
- 7 7. Page 8, line 21, by striking the figure "75,000" and
8 inserting the following: "150,000".
- 9 8. Page 8, by inserting after line 21, the following:
10 "As a condition, limitation, and qualification of the funds
11 appropriated in this subsection, the legal services corporation
12 of Iowa shall maintain in operation all offices in operation as
13 of May 1, 1989. If during the fiscal year of the appropriation
14 the legal services corporation closes or ceases to operate any
15 office in operation as of May 1, 1989, the money appropriated
16 shall be immediately refunded to the general fund of the
17 state."
- 18 9. Page 11, line 30, by striking the figure "4,664,000"
19 and inserting the following: "4,808,000".
- 20 10. Page 11, line 31, by striking the figure "83.86" and
21 inserting the following: "87.86".
- 22 11. Page 11, by inserting after line 31, the following:
23 "Of the amount appropriated, \$144,000, or so much thereof as
24 is necessary, shall be expended for four FTEs, and necessary
25 expenses, including three FTEs transferred from the department
26 of inspections and appeals, in connection with alcoholic
27 beverage audits."
- 28 12. Page 16, line 19, by striking the figure "3,929,800"
29 and inserting the following: "4,004,800".
- 30 13. Page 16, line 20, by striking the figure "92.33" and
31 inserting the following: "93.33".
- 32 14. Page 16, by inserting after line 23, the following:
33 "Of the amount appropriated, \$75,000 shall be expended for
34 the salary and reasonable and necessary expenses of the
35 director of insurance development, who for budgetary purposes
36 is under the division of insurance. The director of insurance
37 development shall continue to maintain the director's office in

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1 its current location."

2 15. Page 20, by inserting after line 24, the following:

3 "Sec. ____.

4 1. There is created in the office of the treasurer of
5 state for the racing and gaming commission, an excursion boat
6 gambling revolving fund.

7 2. There is appropriated from the general fund of the
8 state to the racing and gaming commission, \$100,000, for
9 deposit in the excursion boat gambling revolving fund.

10 3. The amount appropriated from the general fund of the
11 state in subsection 2 is appropriated from the excursion boat
12 gambling revolving fund to the treasurer of state, to be
13 transferred to and deposited in the general fund of the state
14 no later than June 30, 1991.

15 4. All license fees, fees, and penalties collected by the
16 racing and gaming commission in connection with excursion boat
17 gambling shall be deposited into the excursion boat gambling
18 revolving fund.

19 5. There is appropriated from the excursion boat gambling
20 revolving fund to the racing and gaming commission, for the
21 fiscal year beginning July 1, 1989, and ending June 30, 1990,
22 the following amount, or so much thereof as is necessary, to be
23 used for the purposes designated:

24 For salaries, support, maintenance, miscellaneous purposes,
25 and for not more than the following full-time equivalent
26 positions for administration and enforcement of the excursion
27 boat gambling laws:

| | | |
|----------|------|---------|
| 28 | \$ | 100,000 |
| 29 | FTEs | 2.00" |

30 16. Page 22, by inserting after line 32, the following:

31 "Sec. ____ . Section 89.2, Code 1989, is amended by adding
32 the following new subsection:

33 NEW SUBSECTION. 8. "Exhibition boiler" means a boiler
34 which is operated in the state for nonprofit purposes
35 including, but not limited to, exhibitions, fairs, parades,
36 farm machinery shows, or any other event of an historical or
37 educational nature. An "exhibition boiler" includes steam

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1 locomotives, traction and portable steam engines, and
2 stationary boilers of the firetube, watertube, and returntube
3 class, model or miniature, and may be riveted, riveted and
4 welded, or all welded construction, if used within the state
5 solely for nonprofit purposes.

6 Sec. ____ . Section 89.3, Code 1989, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 11. An exhibition boiler does not require
9 an annual inspection certificate but special inspections may be
10 requested by the owner or an event's management to be performed
11 by the commissioner. Upon the completion of an exhibition
12 boiler inspection a written condition report shall be prepared
13 by the commissioner regarding the condition of the exhibition
14 boiler's boiler or pressure vessel. This report will be issued
15 to the owner and the management of all events at which the
16 exhibition boiler is to be operated. The event's management is
17 responsible for the decision on whether the exhibition boiler
18 should be operated and shall inform the division of labor of
19 the event's management's decision. The event's management is
20 responsible for any injuries which result from the operation of
21 any exhibition boiler approved for use at the event by the
22 event's management. A repair symbol, known as the "R" stamp,
23 is not required for repairs made to exhibition boilers pursuant
24 to the rules regarding inspections and repair of exhibition
25 boilers as adopted by the commissioner, pursuant to chapter
26 17A."

27 17. Page 24, by inserting after line 2, the following:

28 "Sec. ____ . Section 507B.4, subsection 9, paragraph f, Code
29 1989, is amended to read as follows:

30 f. Not attempting in good faith to effectuate prompt, fair
31 and equitable settlements of claims in which liability has
32 become reasonably clear, or failing to include interest on the
33 payment of claims when required under section 511.38."

34 18. Page 24, by inserting after line 33, the following:

35 "Sec. ____ . NEW SECTION. 511.38 INTEREST ON DELAYED CLAIMS
36 PAYMENTS.

37 1. When an insurance policy provides for the payment of its

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1 proceeds to a beneficiary upon the death of an individual and,
2 without the written consent of the beneficiary, the company
3 fails or refuses to pay the proceeds within thirty days after
4 receipt of satisfactory proof of death, the company shall pay
5 interest on the proceeds or any amount of the proceeds not paid
6 within the thirty days, provided, however, if the policy
7 requires a beneficiary to survive for a designated period after
8 the death of the insured, the company shall pay interest on the
9 proceeds or any amount of the proceeds not paid within thirty
10 days after the designated period.

11 2. The interest owed on any amount of the proceeds of a
12 policy under this section shall be computed from the date of
13 receipt of the proof of death. The rate of interest shall be
14 the higher of the following:

15 a. The effective rate of interest charged by the company on
16 policy loans under section 511.36 on the date of receipt of
17 proof of death.

18 b. The effective rate of interest paid by the company on
19 death proceeds left on deposit with the company.

20 3. A payment of interest shall not be required under this
21 section in any case in which the beneficiary elects to receive
22 the proceeds under the policy by any means other than a lump
23 sum payment."

24 19. Page 25, by inserting after line 6, the following:

25 "Sec. ____ . Section 514G.7, subsection 2, Code 1989, is
26 amended by adding the following new paragraph:

27 NEW PARAGRAPH. c. Provide coverage for skilled nursing
28 care only, or provide significantly more coverage for skilled
29 care in a facility than coverage for lower levels of care.

30 Sec. ____ . Section 514G.7, subsection 4, Code 1989, is
31 amended by striking the subsection and inserting in lieu
32 thereof the following:

33 4. PRIOR HOSPITALIZATION -- INSTITUTIONALIZATION.

34 a. Effective July 1, 1989, a long-term care insurance
35 policy shall not be delivered or issued for delivery in this
36 state if the policy does either of the following:

37 (1) Conditions eligibility for any benefits on a

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1 requirement of prior hospitalization.

2 (2) Conditions eligibility for benefits covering care
3 provided in an institutional care setting on the receipt of a
4 higher level of institutional care.

5 b. Effective July 1, 1989, a long-term care insurance
6 policy containing any limitations or conditions for
7 eligibility, other than those prohibited in paragraph 1, shall
8 clearly label such limitations or conditions in a separate
9 paragraph of the policy or certificate entitled "Limitations or
10 Conditions on Eligibility for Benefits".

11 c. A long-term care insurance policy advertised, marketed,
12 or offered as containing long-term care benefits at home shall
13 not condition receipt of benefits on a requirement of prior
14 hospitalization.

15 d. A long-term care insurance policy which conditions
16 eligibility for noninstitutional benefits on the prior receipt
17 of institutional care shall not require a prior institutional
18 stay of more than thirty days for which benefits are paid.

19 Sec. ____ . Section 514G.7, subsection 7, Code 1989, is
20 amended to read as follows:

21 7. OUTLINE OF COVERAGE. An outline of coverage shall be
22 delivered to an applicant for an individual long-term care
23 insurance policy at the time of application. ~~In-the-case-of~~
24 ~~direct-response-solicitations, the insurer shall deliver the~~
25 ~~outline-of-coverage-upon-the-applicant's-request, but regard-~~
26 ~~less-of-request shall deliver the outline no later than at the~~
27 ~~time-of-policy-delivery.~~ An outline of coverage must include
28 all of the following:

29 a. A description of the principal benefits and coverage
30 provided in the policy.

31 b. A statement of the principal exclusions, reductions, and
32 limitations contained in the policy.

33 c. A statement of the renewal provisions, including any
34 reservation in the policy of a right to change premiums.
35 Continuation or conversion provisions of group coverage shall
36 be specifically described.

37 d. A statement that the outline of coverage is a summary of

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1 the policy issued or applied for, not a contract of insurance,
 2 and that the policy or group master policy should be consulted
 3 to determine governing contractual provisions.

4 e. A description of the terms by which the policy or
 5 certificate may be returned and premium refunded.

6 f. A description of the cost of care and benefits."

7 20. Page 25, by striking lines 7 through 29.

8 21. By renumbering as necessary.

ON THE PART OF THE HOUSE:

THOMAS J. JOCHUM, Chairperson
 TONY BISIGNANO
 MINNETTE DODERER

ON THE PART OF THE SENATE:

RICHARD RUNNING, Chairperson
 BEVERLY HANNON
 JEAN LLOYD-JONES

CCR-779 FILED MAY 4, 1989

ADOPTED 5-4-89 (p. 2492)

Motion lost in Senate 5-5-89 (p. 1952)

Second Conf. Committee Appointed

Senators - Running, Chair; Palmer, Szymoniak,
 Trecken & Lind.

Representatives Bisignano (Chair), Doderer, Jochum, Sarwan, Lundby (p. 2522)

1 REPORT OF THE SECOND CONFERENCE COMMITTEE
2 ON HOUSE FILE 779

3 To the Speaker of the House of Representatives and the
4 President of the Senate:

5 We the undersigned members of the second conference
6 committee appointed to resolve the differences between the
7 House of Representatives and the Senate on House File 779, a
8 bill for An Act relating to and making appropriations, subject
9 to certain conditions, to regulatory bodies of state
10 government, including the auditor of state, the campaign
11 finance disclosure commission, the department of employment
12 services, the office of the state public defender, the
13 department of inspections and appeals, the department of
14 commerce, and the racing commission, among others, and
15 effecting the laws enforced by and procedures utilized by such
16 regulatory bodies, determining the ownership and control of
17 certain property in the possession of the office of the state
18 public defender, and imposing penalties, respectfully make the
19 following report:

- 20 1. That the Senate recedes from its amendment, H-4351.
21 2. That House File 779, as amended, passed, and reprinted
22 by the House, is amended as follows:
23 1. Page 1, by inserting after line 10 the following:
24 "As a condition, qualification, and limitation, of the funds
25 appropriated, \$560,000 is allocated for 16 FTEs and necessary
26 expenses in connection with the auditing of area community
27 colleges; provided, however, that if 1989 Iowa Acts, House File
28 451, is enacted, any unexpended portion of the moneys allocated
29 to conduct audits of area community colleges shall revert to
30 the general fund except that the auditor may retain and expend
31 up to \$46,500, of any moneys subject to this reversion, for
32 5.50 FTEs and necessary expenses in connection with the
33 implementation and administration of generally accepted
34 accounting principles acceleration."
35 2. Page 2, line 24, by striking the figure "2,102,000" and
36 inserting the following: "2,323,948".
37 3. Page 2, line 25, by striking the figure "89.05" and

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Page 2

1 inserting the following: "94.05".

2 4. Page 2, by inserting after line 33, the following:

3 "As a condition, qualification, and limitation of the funds
4 appropriated, \$197,948, or so much thereof as is necessary,
5 shall be expended for five FTEs and necessary expenses, to be
6 employed in connection with the enforcement of the Iowa minimum
7 wage law. Enforcement of the Iowa minimum wage law shall not
8 begin until January 1, 1990, though moneys may be expended and
9 positions filled prior to January 1, 1990, to adopt required
10 rules, and for training, organization, and other preparatory
11 purposes."

12 5. Page 7, line 31, by striking the figure "4,233,300" and
13 inserting the following: "4,124,300".

14 6. Page 7, line 32, by striking the figure "253.50" and
15 inserting the following: "250.50".

16 7. Page 8, by inserting after line 2, the following:

17 "Three FTEs responsible for conducting alcoholic beverage
18 audits shall be transferred to the alcoholic beverage division
19 of the department of commerce."

20 8. Page 8, line 21, by striking the figure "75,000" and
21 inserting the following: "150,000".

22 9. Page 8, by inserting after line 21, the following:

23 "As a condition, limitation, and qualification of the funds
24 appropriated in this subsection, the legal services corporation
25 of Iowa shall maintain in operation all offices which were
26 operating as of May 1, 1989, except that one office may be
27 closed. If during the fiscal year of the appropriation the
28 legal services corporation closes or ceases to operate more
29 than one office of the offices which were operating as of May
30 1, 1989, the money appropriated in this subsection shall be
31 immediately refunded to the general fund of the state."

32 10. Page 11, line 30, by striking the figure "4,664,000"
33 and inserting the following: "4,808,000".

34 11. Page 11, line 31, by striking the figure "83.86" and
35 inserting the following: "87.86".

36 12. Page 11, by inserting after line 31, the following:

37 "Of the amount appropriated, \$144,000, or so much thereof as

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1 is necessary, shall be expended for four FTEs, and necessary
2 expenses, including three FTEs transferred from the department
3 of inspections and appeals, in connection with alcoholic
4 beverage audits."

5 13. Page 16, line 19, by striking the figure "3,929,800"
6 and inserting the following: "4,004,800".

7 14. Page 16, line 20, by striking the figure "92.33" and
8 inserting the following: "93.33".

9 15. Page 16, by inserting after line 23, the following:

10 "Of the amount appropriated, \$75,000 shall be expended for
11 the salary and reasonable and necessary expenses of the
12 director of insurance development, who for budgetary purposes
13 is under the division of insurance. The director of insurance
14 development shall continue to maintain the director's office in
15 its current location."

16 16. Page 16, by striking lines 24 through 33.

17 17. Page 20, by inserting after line 24, the following:

18 "Sec. _____.

19 1. There is created in the office of the treasurer of
20 state for the racing and gaming commission, an excursion boat
21 gambling revolving fund.

22 2. There is appropriated from the general fund of the
23 state to the racing and gaming commission, \$100,000, for
24 deposit in the excursion boat gambling revolving fund.

25 3. The amount appropriated from the general fund of the
26 state in subsection 2 is appropriated from the excursion boat
27 gambling revolving fund to the treasurer of state, to be
28 transferred to and deposited in the general fund of the state
29 no later than June 30, 1991.

30 4. All license fees, fees, and penalties collected by the
31 racing and gaming commission in connection with excursion boat
32 gambling shall be deposited into the excursion boat gambling
33 revolving fund.

34 5. There is appropriated from the excursion boat gambling
35 revolving fund to the racing and gaming commission, for the
36 fiscal year beginning July 1, 1989, and ending June 30, 1990,
37 the following amount, or so much thereof as is necessary, to be

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1 used for the purposes designated:

2 For salaries, support, maintenance, miscellaneous purposes,
3 and for not more than the following full-time equivalent
4 positions for administration and enforcement of the excursion
5 boat gambling laws:

| | | |
|---------|------|---------|
| 6 | \$ | 100,000 |
| 7 | FTEs | 2.00". |

8 18. Page 22, by inserting after line 32, the following:

9 "Sec. ____ . Section 88.8, subsection 3, Code 1989, is

10 amended by adding the following new unnumbered paragraph:

11 NEW UNNUMBERED PARAGRAPH. The commissioner has unreviewable
12 discretion to withdraw a citation charging an employer with
13 violating this chapter. If the parties enter into a settlement
14 agreement prior to a hearing, the employment appeal board shall
15 enter an order affirming the agreement.

16 Sec. ____ . Section 89.2, Code 1989, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 8. "Exhibition boiler" means a boiler
19 which is operated in the state for nonprofit purposes
20 including, but not limited to, exhibitions, fairs, parades,
21 farm machinery shows, or any other event of an historical or
22 educational nature. An "exhibition boiler" includes steam
23 locomotives, traction and portable steam engines, and
24 stationary boilers of the firetube, watertube, and returntube
25 class, model or miniature, and may be riveted, riveted and
26 welded, or all welded construction, if used within the state
27 solely for nonprofit purposes.

28 Sec. ____ . Section 89.3, Code 1989, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 11. An exhibition boiler does not require
31 an annual inspection certificate but special inspections may be
32 requested by the owner or an event's management to be performed
33 by the commissioner. Upon the completion of an exhibition
34 boiler inspection a written condition report shall be prepared
35 by the commissioner regarding the condition of the exhibition
36 boiler's boiler or pressure vessel. This report will be issued
37 to the owner and the management of all events at which the

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1 exhibition boiler is to be operated. The event's management is
2 responsible for the decision on whether the exhibition boiler
3 should be operated and shall inform the division of labor of
4 the event's management's decision. The event's management is
5 responsible for any injuries which result from the operation of
6 any exhibition boiler approved for use at the event by the
7 event's management. A repair symbol, known as the "R" stamp,
8 is not required for repairs made to exhibition boilers pursuant
9 to the rules regarding inspections and repair of exhibition
10 boilers as adopted by the commissioner, pursuant to chapter
11 17A.

12 Sec. _____. Section 135C.37, Code 1989, is amended by adding
13 the following new unnumbered paragraph:

14 NEW UNNUMBERED PARAGRAPH. Upon the request of a person
15 filing a complaint under this section, the department shall
16 mail to the person without charge, a copy of the report of the
17 investigation performed in response to the complaint and a copy
18 of the most recent final findings with respect to compliance
19 with licensing requirements on the part of the facility against
20 which the complaint was filed."

21 19. Page 22, by inserting before line 33, the following:

22 "Sec. _____. Section 476.6, Code 1989, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 17. WATER COSTS FOR FIRE PROTECTION IN
25 CERTAIN CITIES.

26 a. Application. A city furnished water by a public utility
27 subject to rate regulation may apply to the board for inclusion
28 of all or a part of the costs of fire hydrants or other
29 improvements, maintenance, and operations for the purpose of
30 providing adequate water production, storage, and distribution
31 for public fire protection in the rates or charges assessed to
32 consumers covered by the applicant's fire protection service.
33 The application shall be made in a form and manner approved by
34 or as directed by the board. The applicant shall provide such
35 additional information as the board may require to consider the
36 application.

37 b. Review. The board shall review the application, and may

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1 in its discretion consider additional evidence, beyond that
2 supplied in the application or provided by the applicant in
3 response to a request for additional information pursuant to
4 paragraph "a", including, but not limited to, soliciting oral
5 or written testimony from other interested parties.

6 c. Notice. Written notice of a proposed rate increase
7 shall be provided by the public utility pursuant to subsection
8 5, except that notice shall be provided within ninety days of
9 the date of application. Costs of the notice shall be paid for
10 by the applicant.

11 d. Conditions for approval. As a condition to approving an
12 application to include water-related fire protection costs in
13 the utility's rates or charges, the board shall make an
14 affirmative determination that the following conditions will be
15 met:

16 (1) That the service area currently charged for fire
17 protection, either directly or indirectly, is substantially the
18 same service area containing those persons who will pay for
19 water-related fire protection through inclusion of such costs
20 within the utility's rates or charges.

21 (2) That the inclusion of such costs within the utility's
22 rates or charges will not cause substantial inequities among
23 the utility's customers.

24 (3) That all or a portion of the costs sought to be
25 included in the utility's rates or charges by the applicant are
26 reasonable in the circumstances, and limited to the purposes
27 specified in paragraph "a".

28 (4) That written notice has been provided pursuant to
29 paragraph "c" and that the costs of the notice have been paid
30 by the applicant.

31 e. Inclusion within rates or charges. If the board
32 affirmatively determines that the conditions of paragraph "d"
33 are or will be satisfied, the board shall include the
34 reasonable costs in the rates or charges assessed to consumers
35 covered by the applicant's fire protection service.

36 f. Written order. The board shall issue a written order
37 within six months of the date of application. The written

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1 order shall include a recitation of the facts found pursuant to
2 consideration of the application."

3 20. Page 24, by inserting after line 2, the following:

4 "Sec. 100. NEW SECTION. 477.9A DEREGULATED SERVICES.

5 A telegraph or telephone company whose services are
6 deregulated by the board under section 476.1 may use public
7 notice as a means of conveying terms and conditions to
8 customers where identification of those customers is infeasible
9 or impractical. Public notice may also be used to convey
10 changes in terms and conditions, other than price increases or
11 limitations of liability, to all other customers, but only if
12 those customers were put on notice that this means would be
13 used to convey subsequent changes. Notwithstanding section
14 477.7, when services are deregulated by the board under section
15 476.1, a telegraph or telephone company, in any contract,
16 agreement, or by means of public notice, may reasonably limit
17 its liability under section 477.7 in the course of providing
18 the deregulated communications services to its customers,
19 except for acts of willful misconduct. However, this section
20 shall not be construed to allow a greater limitation on
21 liability than exists in any contract or approved tariff as of
22 the effective date of the deregulation of the services.

23 Sec. ____ . Section 507B.4, subsection 9, paragraph f, Code
24 1989, is amended to read as follows:

25 f. Not attempting in good faith to effectuate prompt, fair
26 and equitable settlements of claims in which liability has
27 become reasonably clear, or failing to include interest on the
28 payment of claims when required under section 511.38."

29 21. Page 24, by inserting after line 33, the following:

30 "Sec. ____ . NEW SECTION. 511.38 INTEREST ON DELAYED CLAIMS
31 PAYMENTS.

32 1. When an insurance policy provides for the payment of its
33 proceeds to a beneficiary upon the death of an individual and,
34 without the written consent of the beneficiary, the company
35 fails or refuses to pay the proceeds within thirty days after
36 receipt of satisfactory proof of death, the company shall pay
37 interest on the proceeds or any amount of the proceeds not paid

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1 within the thirty days, provided, however, if the policy
2 requires a beneficiary to survive for a designated period after
3 the death of the insured, the company shall pay interest on the
4 proceeds or any amount of the proceeds not paid within thirty
5 days after the designated period.

6 2. The interest owed on any amount of the proceeds of a
7 policy under this section shall be computed from the date of
8 receipt of the proof of death. The rate of interest shall be
9 the higher of the following:

10 a. The effective rate of interest charged by the company on
11 policy loans under section 511.36 on the date of receipt of
12 proof of death.

13 b. The effective rate of interest paid by the company on
14 death proceeds left on deposit with the company.

15 3. A payment of interest shall not be required under this
16 section in any case in which the beneficiary elects to receive
17 the proceeds under the policy by any means other than a lump
18 sum payment."

19 22. Page 25, by inserting after line 6, the following:

20 "Sec. ____ . Section 514G.7, subsection 2, Code 1989, is
21 amended by adding the following new paragraph:

22 NEW PARAGRAPH. c. Provide coverage for skilled nursing
23 care only, or provide significantly more coverage for skilled
24 care in a facility than coverage for lower levels of care.

25 Sec. ____ . Section 514G.7, subsection 4, Code 1989, is
26 amended by striking the subsection and inserting in lieu
27 thereof the following:

28 4. PRIOR HOSPITALIZATION -- INSTITUTIONALIZATION.

29 a. Effective July 1, 1989, a long-term care insurance
30 policy shall not be delivered or issued for delivery in this
31 state if the policy does either of the following:

32 (1) Conditions eligibility for any benefits on a
33 requirement of prior hospitalization.

34 (2) Conditions eligibility for benefits covering care
35 provided in an institutional care setting on the receipt of a
36 higher level of institutional care.

37 b. Effective July 1, 1989, a long-term care insurance

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1 policy containing any limitations or conditions for
2 eligibility, other than those prohibited in paragraph 1, shall
3 clearly label such limitations or conditions in a separate
4 paragraph of the policy or certificate entitled "Limitations or
5 Conditions on Eligibility for Benefits".

6 c. A long-term care insurance policy advertised, marketed,
7 or offered as containing long-term care benefits at home shall
8 not condition receipt of benefits on a requirement of prior
9 hospitalization.

10 d. A long-term care insurance policy which conditions
11 eligibility for noninstitutional benefits on the prior receipt
12 of institutional care shall not require a prior institutional
13 stay of more than thirty days for which benefits are paid.

14 Sec. _____. Section 514G.7, subsection 7, Code 1989, is
15 amended to read as follows:

16 7. OUTLINE OF COVERAGE. An outline of coverage shall be
17 delivered to an applicant for an individual long-term care
18 insurance policy at the time of application. ~~In-the-case-of~~
19 ~~direct-response-solicitations,-the-insurer-shall-deliver-the~~
20 ~~outline-of-coverage-upon-the-applicant's-request,-but-regard-~~
21 ~~less-of-request-shall-deliver-the-outline-no-later-than-at-the~~
22 ~~time-of-policy-delivery.~~ An outline of coverage must include
23 all of the following:

24 a. A description of the principal benefits and coverage
25 provided in the policy.

26 b. A statement of the principal exclusions, reductions, and
27 limitations contained in the policy.

28 c. A statement of the renewal provisions, including any
29 reservation in the policy of a right to change premiums.
30 Continuation or conversion provisions of group coverage shall
31 be specifically described.

32 d. A statement that the outline of coverage is a summary of
33 the policy issued or applied for, not a contract of insurance,
34 and that the policy or group master policy should be consulted
35 to determine governing contractual provisions.

36 e. A description of the terms by which the policy or
37 certificate may be returned and premium refunded.

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- 1 f. A description of the cost of care and benefits."
- 2 23. Page 25, by striking lines 7 through 29.
- 3 24. Page 26, by inserting after line 3, the following:
- 4 "Sec. ____ . Section 100 of this Act, being deemed of
- 5 immediate importance, takes effect upon enactment.
- 6 Sec. ____ . Section 477.9A, as enacted in this Act, is
- 7 repealed effective May 1, 1990."
- 8 25. By renumbering as necessary.

ON THE PART OF THE HOUSE:

THOMAS J. JOCHUM, Chairperson
TONY BISIGNANO
MINNETTE DODERER
TERESA GARMAN

ON THE PART OF THE SENATE:

RICHARD RUNNING, Chairperson
JIM LIND
WILLIAM PALMER
ELAINE SZYMONIAK
DALE TIEDEN

CCR-779 FILED MAY 6, 1989
REPORT ADOPTED. (p. 2787)

Adopted 5/7/89 (p. 2094)

REPORT OF THE SECOND CONFERENCE COMMITTEE
ON HOUSE FILE 779

To the Speaker of the House of Representatives and the
President of the Senate:

We the undersigned members of the second conference committee appointed to resolve the differences between the House of Representatives and the Senate on House File 779, a bill for An Act relating to and making appropriations, subject to certain conditions, to regulatory bodies of state government, including the auditor of state, the campaign finance disclosure commission, the department of employment services, the office of the state public defender, the department of inspections and appeals, the department of commerce, and the racing commission, among others, and effecting the laws enforced by and procedures utilized by such regulatory bodies, determining the ownership and control of certain property in the possession of the office of the state public defender, and imposing penalties, respectfully make the following report:

1. That the Senate recedes from its amendment, H-4351.

2. That House File 779, as amended, passed, and reprinted by the House, is amended as follows:

1. Page 1, by inserting after line 10 the following:

"As a condition, qualification, and limitation, of the funds appropriated, \$560,000 is allocated for 16 FTEs and necessary expenses in connection with the auditing of area community colleges; provided, however, that if 1989 Iowa Acts, House File 451, is enacted, any unexpended portion of the moneys allocated to conduct audits of area community colleges shall revert to the general fund except that the auditor may retain and expend up to \$46,500, of any moneys subject to this reversion, for 5.50 FTEs and necessary expenses in connection with the implementation and administration of generally accepted accounting principles acceleration."

2. Page 2, line 24, by striking the figure "2,102,000" and inserting the following: "2,323,948".

3. Page 2, line 25, by striking the figure "89.05" and

inserting the following: "94.05".

4. Page 2, by inserting after line 33, the following:

"As a condition, qualification, and limitation of the funds appropriated, \$197,948, or so much thereof as is necessary, shall be expended for five FTEs and necessary expenses, to be employed in connection with the enforcement of the Iowa minimum wage law. Enforcement of the Iowa minimum wage law shall not begin until January 1, 1990, though moneys may be expended and positions filled prior to January 1, 1990, to adopt required rules, and for training, organization, and other preparatory purposes."

5. Page 7, line 31, by striking the figure "4,233,300" and inserting the following: "4,124,300".

6. Page 7, line 32, by striking the figure "253.50" and inserting the following: "250.50".

7. Page 8, by inserting after line 2, the following:

"Three FTEs responsible for conducting alcoholic beverage audits shall be transferred to the alcoholic beverage division of the department of commerce."

8. Page 8, line 21, by striking the figure "75,000" and inserting the following: "150,000".

9. Page 8, by inserting after line 21, the following:

"As a condition, limitation, and qualification of the funds appropriated in this subsection, the legal services corporation of Iowa shall maintain in operation all offices which were operating as of May 1, 1989, except that one office may be closed. If during the fiscal year of the appropriation the legal services corporation closes or ceases to operate more than one office of the offices which were operating as of May 1, 1989, the money appropriated in this subsection shall be immediately refunded to the general fund of the state."

10. Page 11, line 30, by striking the figure "4,664,000" and inserting the following: "4,808,000".

11. Page 11, line 31, by striking the figure "83.86" and inserting the following: "87.86".

12. Page 11, by inserting after line 31, the following:

"Of the amount appropriated, \$144,000, or so much thereof

as is necessary, shall be expended for four FTEs; and necessary expenses, including three FTEs transferred from the department of inspections and appeals, in connection with alcoholic beverage audits."

13. Page 16, line 19, by striking the figure "3,929,800" and inserting the following: "4,004,800".

14. Page 16, line 20, by striking the figure "92.33" and inserting the following: "93.33".

15. Page 16, by inserting after line 23, the following:
"Of the amount appropriated, \$75,000 shall be expended for the salary and reasonable and necessary expenses of the director of insurance development, who for budgetary purposes is under the division of insurance. The director of insurance development shall continue to maintain the director's office in its current location."

16. Page 16, by striking lines 24 through 33.

17. Page 20, by inserting after line 24, the following:
"Sec. ____.

1. There is created in the office of the treasurer of state for the racing and gaming commission, an excursion boat gambling revolving fund.

2. There is appropriated from the general fund of the state to the racing and gaming commission, \$100,000, for deposit in the excursion boat gambling revolving fund.

3. The amount appropriated from the general fund of the state in subsection 2 is appropriated from the excursion boat gambling revolving fund to the treasurer of state, to be transferred to and deposited in the general fund of the state no later than June 30, 1991.

4. All license fees, fees, and penalties collected by the racing and gaming commission in connection with excursion boat gambling shall be deposited into the excursion boat gambling revolving fund.

5. There is appropriated from the excursion boat gambling revolving fund to the racing and gaming commission, for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to

be used for the purposes designated:

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

| | | |
|-------|------|---------|
| ..... | \$ | 100,000 |
| ..... | FTEs | 2.00". |

18. Page 22, by inserting after line 32, the following:

"Sec. ____ . Section 88.8, subsection 3, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The commissioner has unreviewable discretion to withdraw a citation charging an employer with violating this chapter. If the parties enter into a settlement agreement prior to a hearing, the employment appeal board shall enter an order affirming the agreement.

Sec. ____ . Section 89.2, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 8. "Exhibition boiler" means a boiler which is operated in the state for nonprofit purposes including, but not limited to, exhibitions, fairs, parades, farm machinery shows, or any other event of an historical or educational nature. An "exhibition boiler" includes steam locomotives, traction and portable steam engines, and stationary boilers of the firetube, watertube, and returntube class, model or miniature, and may be riveted, riveted and welded, or all welded construction, if used within the state solely for nonprofit purposes.

Sec. ____ . Section 89.3, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 11. An exhibition boiler does not require an annual inspection certificate but special inspections may be requested by the owner or an event's management to be performed by the commissioner. Upon the completion of an exhibition boiler inspection a written condition report shall be prepared by the commissioner regarding the condition of the exhibition boiler's boiler or pressure vessel. This report will be issued to the owner and the management of all events

at which the exhibition boiler is to be operated. The event's management is responsible for the decision on whether the exhibition boiler should be operated and shall inform the division of labor of the event's management's decision. The event's management is responsible for any injuries which result from the operation of any exhibition boiler approved for use at the event by the event's management. A repair symbol, known as the "R" stamp, is not required for repairs made to exhibition boilers pursuant to the rules regarding inspections and repair of exhibition boilers as adopted by the commissioner, pursuant to chapter 17A.

Sec. _____. Section 135C.37, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Upon the request of a person filing a complaint under this section, the department shall mail to the person without charge, a copy of the report of the investigation performed in response to the complaint and a copy of the most recent final findings with respect to compliance with licensing requirements on the part of the facility against which the complaint was filed."

19. Page 22, by inserting before line 33, the following:

"Sec. _____. Section 476.6, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 17. WATER COSTS FOR FIRE PROTECTION IN CERTAIN CITIES.

a. Application. A city furnished water by a public utility subject to rate regulation may apply to the board for inclusion of all or a part of the costs of fire hydrants or other improvements, maintenance, and operations for the purpose of providing adequate water production, storage, and distribution for public fire protection in the rates or charges assessed to consumers covered by the applicant's fire protection service. The application shall be made in a form and manner approved by or as directed by the board. The applicant shall provide such additional information as the board may require to consider the application.

b. Review. The board shall review the application, and

may in its discretion consider additional evidence, beyond that supplied in the application or provided by the applicant in response to a request for additional information pursuant to paragraph "a", including, but not limited to, soliciting oral or written testimony from other interested parties.

c. Notice. Written notice of a proposed rate increase shall be provided by the public utility pursuant to subsection 5, except that notice shall be provided within ninety days of the date of application. Costs of the notice shall be paid for by the applicant.

d. Conditions for approval. As a condition to approving an application to include water-related fire protection costs in the utility's rates or charges, the board shall make an affirmative determination that the following conditions will be met:

(1) That the service area currently charged for fire protection, either directly or indirectly, is substantially the same service area containing those persons who will pay for water-related fire protection through inclusion of such costs within the utility's rates or charges.

(2) That the inclusion of such costs within the utility's rates or charges will not cause substantial inequities among the utility's customers.

(3) That all or a portion of the costs sought to be included in the utility's rates or charges by the applicant are reasonable in the circumstances, and limited to the purposes specified in paragraph "a".

(4) That written notice has been provided pursuant to paragraph "c" and that the costs of the notice have been paid by the applicant.

e. Inclusion within rates or charges. If the board affirmatively determines that the conditions of paragraph "d" are or will be satisfied, the board shall include the reasonable costs in the rates or charges assessed to consumers covered by the applicant's fire protection service.

f. Written order. The board shall issue a written order within six months of the date of application. The written

order shall include a recitation of the facts found pursuant to consideration of the application."

20. Page 24, by inserting after line 2, the following:

"Sec. 100. NEW SECTION. 477.9A DEREGULATED SERVICES.

A telegraph or telephone company whose services are deregulated by the board under section 476.1 may use public notice as a means of conveying terms and conditions to customers where identification of those customers is infeasible or impractical. Public notice may also be used to convey changes in terms and conditions, other than price increases or limitations of liability, to all other customers, but only if those customers were put on notice that this means would be used to convey subsequent changes. Notwithstanding section 477.7, when services are deregulated by the board under section 476.1, a telegraph or telephone company, in any contract, agreement, or by means of public notice, may reasonably limit its liability under section 477.7 in the course of providing the deregulated communications services to its customers, except for acts of willful misconduct. However, this section shall not be construed to allow a greater limitation on liability than exists in any contract or approved tariff as of the effective date of the deregulation of the services.

Sec. ____ . Section 507B.4, subsection 9, paragraph f, Code 1989, is amended to read as follows:

f. Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear, or failing to include interest on the payment of claims when required under section 511.38."

21. Page 24, by inserting after line 33, the following:

"Sec. ____ . NEW SECTION. 511.38 INTEREST ON DELAYED CLAIMS PAYMENTS.

1. When an insurance policy provides for the payment of its proceeds to a beneficiary upon the death of an individual and, without the written consent of the beneficiary, the company fails or refuses to pay the proceeds within thirty days after receipt of satisfactory proof of death, the company

shall pay interest on the proceeds or any amount of the proceeds not paid within the thirty days, provided, however, if the policy requires a beneficiary to survive for a designated period after the death of the insured, the company shall pay interest on the proceeds or any amount of the proceeds not paid within thirty days after the designated period.

2. The interest owed on any amount of the proceeds of a policy under this section shall be computed from the date of receipt of the proof of death. The rate of interest shall be the higher of the following:

a. The effective rate of interest charged by the company on policy loans under section 511.36 on the date of receipt of proof of death.

b. The effective rate of interest paid by the company on death proceeds left on deposit with the company.

3. A payment of interest shall not be required under this section in any case in which the beneficiary elects to receive the proceeds under the policy by any means other than a lump sum payment."

22. Page 25, by inserting after line 6, the following:

"Sec. ____ . Section 514G.7, subsection 2, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Provide coverage for skilled nursing care only, or provide significantly more coverage for skilled care in a facility than coverage for lower levels of care.

Sec. ____ . Section 514G.7, subsection 4, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

4. PRIOR HOSPITALIZATION -- INSTITUTIONALIZATION.

a. Effective July 1, 1989, a long-term care insurance policy shall not be delivered or issued for delivery in this state if the policy does either of the following:

(1) Conditions eligibility for any benefits on a requirement of prior hospitalization.

(2) Conditions eligibility for benefits covering care provided in an institutional care setting on the receipt of a

higher level of institutional care.

b. Effective July 1, 1989, a long-term care insurance policy containing any limitations or conditions for eligibility, other than those prohibited in paragraph 1, shall clearly label such limitations or conditions in a separate paragraph of the policy or certificate entitled "Limitations or Conditions on Eligibility for Benefits".

c. A long-term care insurance policy advertised, marketed, or offered as containing long-term care benefits at home shall not condition receipt of benefits on a requirement of prior hospitalization.

d. A long-term care insurance policy which conditions eligibility for noninstitutional benefits on the prior receipt of institutional care shall not require a prior institutional stay of more than thirty days for which benefits are paid.

Sec. ____ . Section 514G.7, subsection 7, Code 1989, is amended to read as follows:

7. OUTLINE OF COVERAGE. An outline of coverage shall be delivered to an applicant for an individual long-term care insurance policy at the time of application. ~~In the case of direct-response solicitations, the insurer shall deliver the outline of coverage upon the applicant's request, but regardless of request shall deliver the outline no later than at the time of policy delivery.~~ An outline of coverage must include all of the following:

a. A description of the principal benefits and coverage provided in the policy.

b. A statement of the principal exclusions, reductions, and limitations contained in the policy.

c. A statement of the renewal provisions, including any reservation in the policy of a right to change premiums. Continuation or conversion provisions of group coverage shall be specifically described.

d. A statement that the outline of coverage is a summary of the policy issued or applied for, not a contract of insurance, and that the policy or group master policy should be consulted to determine governing contractual provisions.

e. A description of the terms by which the policy or certificate may be returned and premium refunded.

f. A description of the cost of care and benefits."

23. Page 25, by striking lines 7 through 29.

24. Page 26, by inserting after line 3, the following:

"Sec. ____ . Section 100 of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. ____ . Section 477.9A, as enacted in this Act, is repealed effective May 1, 1990."

25. By renumbering as necessary.

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

THOMAS J. JOCHUM, Chairperson

RICHARD RUNNING, Chairperson

TONY BISIGNANO

JIM LIND

MINNETTE DODERER

WILLIAM PALMER

TERESA GARMAN

ELAINE SZYMONIAK

MARY A. LUNDBY

DALE TIEDEN



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD
GOVERNOR

June 5, 1989

The Honorable Elaine Baxter
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit House File 779, an act relating to and making appropriations, subject to certain conditions, to regulatory bodies of state government, including the auditor of state, the campaign finance disclosure commission, the department of employment services, the office of the state public defender, the department of inspections and appeals, the department of commerce, and the racing commission, among others, and effecting the laws enforced by and procedures utilized by such regulatory bodies, determining the ownership and control of certain property in the possession of the office of the state public defender, and imposing penalties.

House File 779 is, therefore, approved on this date with the following exception which I hereby disapprove.

I am unable to approve the item designated as Section 7, subsection 5, in its entirety. This provision makes a new appropriation of \$150,000 to the Legal Services Corporation of Iowa. This program already has a budget of \$2.9 million and has received modest federal funding increases in recent years. This extra state expenditure is imprudent and unnecessary. The Legal Services Corporation of Iowa is federally funded as well as receiving funds from other sources.

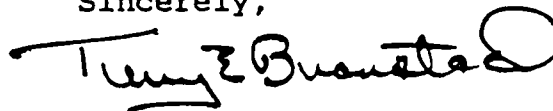
Given the substantial overspending of state taxpayers funds by this General Assembly, I cannot approve what is likely to be an additional long-term commitment of tax money for this purpose. Moreover, I have separately approved an appropriation increase of \$140,000 above the Attorney General's

The Honorable Elaine Baxter
June 5, 1989
Page 2

recommendation for legal assistance to farmers. These funds also go to this corporation in the effort to defend indigent farmers. That substantial increase in state funds should be sufficient to maintain the operation of the corporation while the need exists.

For the above reason, I hereby respectfully disapprove this item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 779 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad". The signature is written in a cursive style with a large, circular flourish at the end of the name.

Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

HOUSE FILE 779 ITEM VETO 6/05/89 Section 7, subsection 5.

House File 779, p. 2

HOUSE FILE 779

AN ACT

RELATING TO AND MAKING APPROPRIATIONS, SUBJECT TO CERTAIN CONDITIONS, TO REGULATORY BODIES OF STATE GOVERNMENT, INCLUDING THE AUDITOR OF STATE, THE CAMPAIGN FINANCE DISCLOSURE COMMISSION, THE DEPARTMENT OF EMPLOYMENT SERVICES, THE OFFICE OF THE STATE PUBLIC DEFENDER, THE DEPARTMENT OF INSPECTIONS AND APPEALS, THE DEPARTMENT OF COMMERCE, AND THE RACING COMMISSION, AMONG OTHERS, AND EFFECTING THE LAWS ENFORCED BY AND PROCEDURES UTILIZED BY SUCH REGULATORY BODIES, DETERMINING THE OWNERSHIP AND CONTROL OF CERTAIN PROPERTY IN THE POSSESSION OF THE OFFICE OF THE STATE PUBLIC DEFENDER, AND IMPOSING PENALTIES.

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

Section 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, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 1,650,034
..... FTEs 95.00

As a condition, qualification, and limitation, of the funds appropriated, \$560,000 is allocated for 16 FTEs and necessary expenses in connection with the auditing of area community

colleges; provided, however, that if 1989 Iowa Acts, House File 451, is enacted, any unexpended portion of the moneys allocated to conduct audits of area community colleges shall revert to the general fund except that the auditor may retain and expend up to \$46,500, of any moneys subject to this reversion, for 5.50 FTEs and necessary expenses in connection with the implementation and administration of generally accepted accounting principles acceleration.

The auditor of state shall be reimbursed for performing examinations of the department of commerce, the department of human services, the state department of transportation, the Iowa department of public health, the state board of regents, the department of agriculture and land stewardship, the department of economic development, the department of education, the department of employment services, the department of natural resources, the offices of the clerks of the district court of the judicial department, the Iowa public employees' retirement system, and federal financial assistance, as defined in Pub. L. No. 98-502, received by all other departments.

The auditor of state shall audit an agency or department, which does not receive federal funding, every other year if in the judgment of the auditor of state, the agency or department would not be adversely affected by being audited less than annually. The auditor of state shall report to the legislative fiscal bureau and the department of management on or before September 1, 1989, which agencies and departments will be audited every other year instead of annually.

The auditor of state shall collect information on the costs, including time spent by employees of the auditor of state, associated with providing assistance to private certified public accounting firms, local governments, and other people in connection with audits of political subdivisions not conducted by the auditor of state. The auditor of state shall report the cost information to the legislative fiscal bureau and the department of management on or before September 1, 1989.

Sec. 2. There is appropriated from the general fund of the state to the campaign finance disclosure commission for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 228,811
..... FTEs 5.75

Sec. 3. There is appropriated from the general fund of the state to the department of employment services for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 2,323,948
..... FTEs 94.05

As a condition, qualification, and limitation of the funds appropriated in this section, the department shall utilize the \$68,691 allocated for the contractor registration program only for that program and the two FTEs which are authorized and funded for that program, and \$83,954 shall be utilized in connection with the implementation of federal superfund duties delegated or assumed by the division, for which two FTEs are authorized and funded.

As a condition, qualification, and limitation of the funds appropriated, \$197,948, or so much thereof as is necessary, shall be expended for five FTEs and necessary expenses, to be employed in connection with the enforcement of the Iowa minimum wage law. Enforcement of the Iowa minimum wage law shall not begin until January 1, 1990, though moneys may be expended and positions filled prior to January 1, 1990, to

adopt required rules, and for training, organization, and other preparatory purposes.

2. DIVISION OF INDUSTRIAL SERVICES

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

..... \$ 1,427,900
..... FTEs 36.95

The division shall maintain the three full-time employees hired in the fiscal year beginning July 1, 1988, and ending June 30, 1989, as directed by the general assembly, from the funds appropriated, to expedite the administrative hearing process for workers' compensation cases, and to reduce case backlogs. The employees shall include one deputy industrial commissioner, and two clerical employees. The division shall continue charging a sixty-five dollar filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim; however, the fee can be taxed as a cost, and therefore, paid by the losing party, except in cases where it would impose an undue hardship or be unjust in the circumstances.

It is the intent of the general assembly that the position of job service commissioner not be filled and that the director of the department of employment services shall continue to act as the chief executive officer of the division of job service.

The department of employment services, the department of personnel, and the department of management shall work together to ensure that as nearly as possible all full-time equivalent positions authorized and funded for the department of employment services will be utilized during the fiscal year beginning July 1, 1989, and ending June 30, 1990, and future fiscal years, to ensure that the backlog of cases in that department will be reduced as rapidly as possible.

Sec. 4. CONTINGENCY FUND USES -- BUILDING AND EQUIPMENT EXPENSES, ECONOMIC DEVELOPMENT LABOR SURVEYS, DIVISION-APPROVED TRAINING.

Notwithstanding section 96.7, subsection 12, paragraph "c", for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 5,187,600
..... FTEs 149.94

As a condition, qualification, and limitation of this appropriation, the department of employment services shall provide services throughout the fiscal year beginning July 1, 1989, and ending June 30, 1990, in all communities in which job service offices are operating on July 1, 1989. However, this provision shall not prevent the consolidation of multiple offices within the same city or the collocation of job service offices with another public agency.

The department shall provide information to the legislative fiscal bureau upon request to be used for legislative oversight of all programs operated by the department.

The department shall develop performance standards and criteria for measuring services to certain individuals including but not limited to individuals over fifty-five years of age, individuals who have drawn unemployment insurance benefits for ten weeks or longer, handicapped individuals, females, minorities, veterans, youth, aid to dependent children recipients, and other appropriate targeted populations.

The department shall submit to the general assembly on or before October 1, 1989, a service delivery plan that will provide for all of the following:

- 1. Services be streamlined and limited to those specifically funded by the United States congress and the Iowa general assembly.
- 2. Services will continue to be available to communities which currently have a job service office.
- 3. A timetable and cost of implementing and disseminating automated services.

4. A cost analysis of all services provided to employers and individuals seeking work.

5. A description of the existing relationship between the department and private employment agencies.

6. Alternatives to office closings including but not limited to, group intake, increased automation, itinerant service, collocation, and flexible operating hours.

7. The feasibility of establishing employer fees for providing services not specifically funded through federal grants or by the general assembly.

8. A report of innovative employment service practices which are adaptable to Iowa's employers and Iowa's work force.

Notwithstanding section 8.33, moneys appropriated to the department of employment services, division of job service, for division approved training in 1988 Iowa Acts, chapter 1274, section 8, subsection 2, in the original amount of \$1,149,209 shall not lapse or revert at the end of the fiscal year ending June 30, 1989, but the unexpended balance shall be available to the division of job service in the division approved training fund for the fiscal year beginning July 1, 1989, and ending June 30, 1990.

Sec. 7. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. GENERAL DEPARTMENT

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

..... \$ 4,124,300
..... FTEs 250.50

Of the amount appropriated, \$38,700, or so much thereof as is necessary, shall be expended for one FTE and necessary expenses in connection with the administration of payment claims to court-appointed counsel for adult and juvenile indigent defense costs.

1. Notwithstanding the provisions of section 96.13, subsection 3, which restrict the use of moneys in the special employment security contingency fund, moneys in the fund on June 30, 1989, shall not be transferred by the treasurer of state to either the temporary emergency surcharge fund or the unemployment compensation fund, but shall be available to the division of job service of the department of employment services for the fiscal year beginning July 1, 1989, and ending June 30, 1990, for expenditures under subsection 2.

2. The division of job service shall expend moneys which are credited to the special employment security contingency fund during the fiscal year beginning July 1, 1989, and ending June 30, 1990, including moneys which are available to the division of job service under subsection 1, only in accordance with the following restrictions:

a. The division may expend up to \$50,000 from the fund for repair of exterior brick of, and fire safety upgrades for, the state administrative office building.

b. The division may expend up to \$500,500 from the fund for the support of the county, labor survey, economic development teams.

c. Any balance of moneys in the special employment security contingency fund shall be deposited by the treasurer of state in the division-approved training fund which is created as a special fund in the state treasury. Notwithstanding section 453.7, interest or earnings from moneys deposited in the division-approved training fund shall be credited to that fund. The division shall use moneys from the fund to pay only the instructional cost of training related to tuition and course fees, approved by the division pursuant to section 96.4 and 345 Iowa administrative code, rules 4.39 and 4.40, for individuals who demonstrate to the division's satisfaction that they are financially incapable of paying the instructional cost of the approved training. However, the division may expend up to \$40,000 from the fund for administrative costs relating to payments for division approved training.

Payments from the fund shall not be made to the individual receiving approved training but shall be made directly to the institution or person providing the approved training. Payments shall not exceed \$1,000 per individual trainee in any two-year period. The division shall distribute information on the qualification requirements for and availability of payment for the division-approved training to individuals filing claims for benefits or receiving benefits under chapter 96.

Sec. 5. FEDERAL FUNDS APPROPRIATED FOR BUILDING PURCHASE. There is appropriated out of the funds made available to this state pursuant to section 903 of the federal Social Security Act, as amended, for the fiscal year beginning July 1, 1989, and ending June 30, 1990, \$62,500, and for the fiscal year beginning July 1, 1990, and ending June 30, 1991, \$62,500, to the department of employment services for the payment of the last two of four annual payments to the Iowa public employees' retirement system for the purchase of that portion of the state administrative office building located at 1000 East Grand, Des Moines, Iowa, which is owned by the Iowa public employees' retirement system.

The moneys appropriated in this section shall not be obligated after June 30, 1991. The amount obligated pursuant to this section during any twelve-month period beginning on July 1 and ending on June 30 shall not exceed the amount available for obligation pursuant to section 903 of the federal Social Security Act, as amended, and as reflected in the accounts of the division of job service of the department of employment services and the United States department of labor.

Sec. 6. There is appropriated from the administrative contribution surcharge fund of the state to the department of employment services for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, for the purposes designated:

DIVISION OF JOB SERVICE

Three FTEs responsible for conducting alcoholic beverage audits shall be transferred to the alcoholic beverage division of the department of commerce.

2. EMPLOYMENT APPEAL BOARD

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

..... \$ 35,500
..... FTEs 1.80

3. FOSTER CARE REVIEW BOARD

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

..... \$ 304,171
..... FTEs 8.50

4. The department of inspections and appeals may charge state departments, agencies, and commissions for services rendered and the payment received shall be considered repayment receipts as defined in section 8.2, subsection 5.

5. LEGAL SERVICES CORPORATION. For the general operations of the legal services corporation of Iowa:
..... \$ 150,000

As a condition, limitation, and qualification of the funds appropriated in this subsection, the legal services corporation of Iowa shall maintain in operation all offices which were operating as of May 1, 1989, except that one office may be closed. If during the fiscal year of the appropriation the legal services corporation closes or ceases to operate more than one office of the offices which were operating as of May 1, 1989, the money appropriated in this subsection shall be immediately refunded to the general fund of the state.

Sec. 8. There is appropriated from the general fund of the state to the office of the state public defender for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, for the purposes designated:

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

..... \$ 3,684,000
..... FTEs 89.53

For indigent court-appointed attorney fees for adults and juveniles, notwithstanding section 232.141 and chapter 815:

..... \$ 7,200,000

The department of inspections and appeals and the judicial department shall work together to provide a smooth transition for the payment of court-appointed attorney fees for indigent defense of adults and juveniles and shall jointly submit a proposal for any necessary changes in the Code, to permanently transfer this function to the office of the state public defender, by December 15, 1989.

Sec. 9. There is appropriated from the road use tax fund to the department of inspections and appeals for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 417,500
..... FTEs 11.00

It is the intent of the general assembly that the department of inspections and appeals cross-train its employees to perform more than one form of inspection or work whenever possible.

Sec. 10. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, for the purposes designated:

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

| | | |
|-------|------|---------|
| ..... | \$ | 648,530 |
| ..... | FTEs | 13.50 |

Sec. 11.

1. There is appropriated from the professional licensing revolving fund to the professional licensing and regulation division of the department of commerce, for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, for the purposes designated:

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

| | | |
|-------|------|---------|
| ..... | \$ | 679,675 |
| ..... | FTEs | 9.0 |

The professional licensing division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually.

2. It is the intent of the general assembly that the department of commerce shall transfer eighty percent of fee revenue from the professional licensing and regulation division to the professional licensing revolving fund. The department of commerce shall remit and deposit the remaining twenty percent of the professional licensing and regulation division fees to the general fund of the state.

The professional licensing and regulation division may expend additional funds, including funds required for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for the division, and result directly from the licensing and

regulation of the subject professions. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, 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 examination expenses exceed the funds budgeted by the general assembly to the division and the division does not have other funds from which the expenses can be paid. Upon approval of the director of the department of management, the division may expend and encumber funds for excess expenses. The amounts necessary to fund the excess expenses shall be collected from those persons being regulated or licensed which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 12. There is appropriated from the administrative services trust fund to the administrative services division of the department of commerce for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

| | | |
|-------|------|-----------|
| ..... | \$ | 1,529,000 |
| ..... | FTEs | 43.50 |

Sec. 13. Notwithstanding section 123.53, there is appropriated from the beer and liquor control fund to the alcoholic beverages division of the department of commerce for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, for the purposes designated:

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

| | | |
|-------|----|-----------|
| | \$ | 4,808,000 |
|-------|----|-----------|

management and the legislative fiscal bureau on or before July 15, 1989.

Sec. 16. There is appropriated from the credit union revolving fund to the credit union division of the department of commerce for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

| | | |
|-------|------|---------|
| ..... | \$ | 951,000 |
| ..... | FTEs | 20.00 |

The credit union division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures shall be reconciled and any overpayment shall be returned to each division or any underpayment shall be paid by each division.

The credit union division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for credit union examinations and directly result from examinations of credit unions. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, 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 examination expenses exceed the funds budgeted by the general assembly to the division and that the

division does not have other funds from which examination expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those credit unions being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 17. There is appropriated from the savings and loan revolving fund to the savings and loan division of the department of commerce for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

| | | |
|-------|------|---------|
| ..... | \$ | 310,000 |
| ..... | FTEs | 6.00 |

The savings and loan division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures shall be reconciled and any overpayment shall be returned to each division or any underpayment shall be paid by each division.

The savings and loan division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for savings and loan examinations and directly result

..... FTEs 87.86

Of the amount appropriated, \$144,000, or so much thereof as is necessary, shall be expended for four FTEs, and necessary expenses, including three FTEs transferred from the department of inspections and appeals, in connection with alcoholic beverage audits.

The alcoholic beverages division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures shall be reconciled and any overpayment shall be returned to each division or any underpayment shall be paid by each division.

Sec. 14. There is appropriated from the banking revolving fund to the banking division of the department of commerce for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 5,256,500
..... FTEs 118.50

The banking division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year

beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures shall be reconciled and any overpayment shall be returned to each division or any underpayment shall be paid by each division.

The banking division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for bank examinations and directly result from examinations of banks. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, 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 examination expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which examination expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those banks being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 15. 1988 Iowa Acts, chapter 1274, section 20, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Any unexpended moneys from the appropriation for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the division of banking from the banking revolving fund, shall not revert to the banking revolving fund, but may be expended by the division of banking for the purchase of computer equipment to continue the automation support of field audit staff. A report on the types, quantities, and costs of equipment acquired pursuant to this paragraph shall be provided to the department of

shall be returned to each division or any underpayment shall be paid by each division.

The insurance division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for insurance company examinations and directly result from examinations of insurance companies. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, 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 examination expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which examination expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those insurance companies being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 19. There is appropriated from the utilities trust fund to the utilities division of the department of commerce for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

| | | |
|-------|------|-----------|
| ..... | \$ | 4,489,300 |
| ..... | FTEs | 87.50 |

The general assembly finds that cost-effective energy efficiency is a vital goal for Iowa because Iowa produces virtually none of the energy it consumes, but pays substantial amounts for the energy it purchases from out-of-state sources.

The most effective means of discovering creative and cost-effective energy efficiency program options is through a cooperative effort among consumers, utilities, and the utilities board.

Of the amount appropriated in this section, not more than \$100,000 shall be expended by the utilities board to study and identify promising cost-effective energy efficiency program options. The board may retain one or more consultants in conjunction with the board's study. The board shall share the results of the study and any consulting contract with any legislative interim committee appointed encompassing similar subject matter, and that legislative interim committee shall have access to any consultant retained by the board with the full cooperation of the board. The board shall establish a cooperative effort among consumers and utilities to assist the board in identifying promising energy efficiency program options and means to implement such options. Consumer participants may be reimbursed for actual expenses. The board shall provide to the general assembly on or before November 1, 1989, a report on the cost-effective program options identified in the cooperative board study and any recommendations of the board for legislative action.

The utilities division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures shall be reconciled and any overpayment shall be returned to each division or any underpayment shall be paid by each division.

from examinations of savings and loan associations. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, 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 examination expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which examination expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those savings and loan associations being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 18. There is appropriated from the insurance revolving fund to the insurance division of the department of commerce for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

| | | |
|-------|------|-----------|
| ..... | \$ | 4,004,800 |
| ..... | FTEs | 93.33 |

Of the amount appropriated, at least \$21,128 shall be expended to hire an executive secretary for the insurance commissioner.

Of the amount appropriated, \$75,000 shall be expended for the salary and reasonable and necessary expenses of the director of insurance development, who for budgetary purposes is under the division of insurance. The director of insurance development shall continue to maintain the director's office in its current location.

Of the funds appropriated, conditioned upon the enactment of Senate File 278 by the Seventy-third General Assembly, 1989 Session, the following amounts shall be added to the budget of the regulated industries unit of the securities bureau of the insurance division; \$25,000 shall be used for the salary and benefits of a full-time administrative assistant, to be responsible for assisting in the administration of chapter 523D regarding the registration of continuing care retirement communities; \$1,000 shall be used for the training, travel, and other necessary expenses of the administrative assistant for the chapter 523D program; and \$3,800 shall be used for equipment, supplies, and a computer for the chapter 523D administrative assistant.

It is the intent of the general assembly that the department of commerce shall transfer sixty percent of insurance nonexamination revenues received for the fiscal year beginning July 1, 1989, and ending June 30, 1990, to the general fund of the state to the extent that the remaining forty percent of nonexamination revenues available to the division exceed or are projected to exceed the division's appropriation pursuant to this Act.

Of the funds appropriated, \$126,395, or so much thereof as is necessary, shall be transferred to the office of the attorney general to reimburse the office of the attorney general for two assistant attorneys general.

The insurance division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures shall be reconciled and any overpayment

Sec. 20. There is appropriated from the racing commission fund to the racing commission for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 1,712,500
..... FTEs 30.99

The racing commission shall provide, in the budget forms for the fiscal year beginning July 1, 1990, and ending June 30, 1991, a separate line item for veterinarian services and another line item for body fluid testing of dogs and horses. These items shall also be designated in the base budget package and any decision packages in which they appear in the budget forms. Other professional and scientific services may be combined into an additional line item, but must be clearly explained in the budget narrative section of the budget forms.

Sec. 21. All federal grants to and the federal receipts of the agencies appropriated funds under this Act, not otherwise appropriated, are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

Sec. 22.

1. There is created in the office of the treasurer of state for the racing and gaming commission, an excursion boat gambling revolving fund.

2. There is appropriated from the general fund of the state to the racing and gaming commission, \$100,000, for deposit in the excursion boat gambling revolving fund.

3. The amount appropriated from the general fund of the state in subsection 2 is appropriated from the excursion boat gambling revolving fund to the treasurer of state, to be transferred to and deposited in the general fund of the state no later than June 30, 1991.

4. All license fees, fees, and penalties collected by the racing and gaming commission in connection with excursion boat gambling shall be deposited into the excursion boat gambling revolving fund.

5. There is appropriated from the excursion boat gambling revolving fund to the racing and gaming commission, for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 100,000
..... FTEs 2.00

Sec. 23. NEW SECTION. 13B.8A PUBLIC DEFENDER PROPERTY.

1. Notwithstanding section 13B.8, subsection 4, public property referred to in subsection 2 in the custody of a person or agency referred to in subsection 3 shall not be property of the department of inspections and appeals, but shall be devoted for the use of the department of inspections and appeals in its course of business. The department of inspections and appeals shall only be responsible for maintenance contracts or contracts for purchase entered into by the department of inspections and appeals. Upon replacement of the property by the department of inspections and appeals, the property shall revert to the use of the appropriate county.

2. This section applies to the following property:

- a. Books, accounts, and records that pertain to the operation of the public defender's offices.
- b. Forms, materials, and supplies that are consumed in the usual course of business.
- c. Tables, chairs, desks, lamps, curtains, window blinds, rugs and carpeting, flags and flag standards, pictures and other wall decorations, and other similar furnishings.

d. Typewriters, adding machines, desk calculators, cash registers and similar business machines, reproduction machines and equipment, microfiche projectors, tape recorders and associated equipment, microphones, amplifiers and speakers, film projectors and screens, overhead projectors, and similar personal property.

e. Filing cabinets, shelving, storage cabinets, and other property used for storage.

f. Books of statutes, books of ordinances, books of judicial decisions, and reference books, except those that are customarily held in a law library for use by the public.

g. All other personal property that is in use in the operation of the offices of the public defender.

3. This section applies to the following persons and agencies:

a. Offices of the public defender.

b. Persons who are employed by an office of the public defender.

4. Subsections 1 through 3 and 5 do not apply to electronic data storage equipment, commonly referred to as computers, or to computer terminals or any machinery, equipment, or supplies used in the operation of computers. Those counties providing computer services to the public defender shall continue to provide these services until the general assembly provides otherwise. The state shall reimburse these counties for the cost of providing these services. Each county providing computer services to an office of the public defender shall submit a bill for these services to the department of inspections and appeals at the end of each calendar quarter. Reimbursement shall be payable from funds appropriated to the department for operating expenses of the offices of the public defender and shall be paid within thirty days after receipt by the department of inspections and appeals of the quarterly billing.

5. Personal property of a type that is subject to subsections 1 through 3 shall be subject to the control of the

offices of the public defender. The offices of the public defender may issue necessary orders to preserve the use of the property by the public defender. The offices of the public defender shall establish and maintain an inventory of property used by the offices of the public defender.

Sec. 24. Section 68B.7, unnumbered paragraph 2, Code 1989, is amended to read as follows:

No A person who has served as the head of or on a commission or board of a regulatory agency or as a deputy thereof, shall not, within a period of two years after the termination of such service accept employment with that commission, board, or agency or receive compensation for any services rendered on behalf of any person, firm, corporation, or association in any case, proceedings, or application before the department with which the person so served wherein the person's compensation is to be dependent or contingent upon any action by such agency with respect to any license, contract, certificate, ruling, decision, opinion, rate schedule, franchise, or other benefit, or in promoting or opposing, directly or indirectly, the passage of bills or resolutions before either house of the general assembly.

Sec. 25. Section 88.8, subsection 3, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The commissioner has unreviewable discretion to withdraw a citation charging an employer with violating this chapter. If the parties enter into a settlement agreement prior to a hearing, the employment appeal board shall enter an order affirming the agreement.

Sec. 26. Section 89.2, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 8. "Exhibition boiler" means a boiler which is operated in the state for nonprofit purposes including, but not limited to, exhibitions, fairs, parades, farm machinery shows, or any other event of an historical or educational nature. An "exhibition boiler" includes steam locomotives, traction and portable steam engines, and

stationary boilers of the firetube, watertube, and returntube class, model or miniature, and may be riveted, riveted and welded, or all welded construction, if used within the state solely for nonprofit purposes.

Sec. 27. Section 89.3, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 11. An exhibition boiler does not require an annual inspection certificate but special inspections may be requested by the owner or an event's management to be performed by the commissioner. Upon the completion of an exhibition boiler inspection a written condition report shall be prepared by the commissioner regarding the condition of the exhibition boiler's boiler or pressure vessel. This report will be issued to the owner and the management of all events at which the exhibition boiler is to be operated. The event's management is responsible for the decision on whether the exhibition boiler should be operated and shall inform the division of labor of the event's management's decision. The event's management is responsible for any injuries which result from the operation of any exhibition boiler approved for use at the event by the event's management. A repair symbol, known as the "R" stamp, is not required for repairs made to exhibition boilers pursuant to the rules regarding inspections and repair of exhibition boilers as adopted by the commissioner, pursuant to chapter 17A.

Sec. 28. Section 135C.37, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Upon the request of a person filing a complaint under this section, the department shall mail to the person without charge, a copy of the report of the investigation performed in response to the complaint and a copy of the most recent final findings with respect to compliance with licensing requirements on the part of the facility against which the complaint was filed.

Sec. 29. Section 476.6, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 17. WATER COSTS FOR FIRE PROTECTION IN CERTAIN CITIES.

a. Application. A city furnished water by a public utility subject to rate regulation may apply to the board for inclusion of all or a part of the costs of fire hydrants or other improvements, maintenance, and operations for the purpose of providing adequate water production, storage, and distribution for public fire protection in the rates or charges assessed to consumers covered by the applicant's fire protection service. The application shall be made in a form and manner approved by or as directed by the board. The applicant shall provide such additional information as the board may require to consider the application.

b. Review. The board shall review the application, and may in its discretion consider additional evidence, beyond that supplied in the application or provided by the applicant in response to a request for additional information pursuant to paragraph "a", including, but not limited to, soliciting oral or written testimony from other interested parties.

c. Notice. Written notice of a proposed rate increase shall be provided by the public utility pursuant to subsection 5, except that notice shall be provided within ninety days of the date of application. Costs of the notice shall be paid for by the applicant.

d. Conditions for approval. As a condition to approving an application to include water-related fire protection costs in the utility's rates or charges, the board shall make an affirmative determination that the following conditions will be met:

(1) That the service area currently charged for fire protection, either directly or indirectly, is substantially the same service area containing those persons who will pay for water-related fire protection through inclusion of such costs within the utility's rates or charges.

(2) That the inclusion of such costs within the utility's rates or charges will not cause substantial inequities among the utility's customers.

(3) That all or a portion of the costs sought to be included in the utility's rates or charges by the applicant are reasonable in the circumstances, and limited to the purposes specified in paragraph "a".

(4) That written notice has been provided pursuant to paragraph "c" and that the costs of the notice have been paid by the applicant.

e. Inclusion within rates or charges. If the board affirmatively determines that the conditions of paragraph "d" are or will be satisfied, the board shall include the reasonable costs in the rates or charges assessed to consumers covered by the applicant's fire protection service.

f. Written order. The board shall issue a written order within six months of the date of application. The written order shall include a recitation of the facts found pursuant to consideration of the application.

Sec. 30. Section 476.10, unnumbered paragraph 4, Code 1989, is amended to read as follows:

Whenever the board shall deem it necessary in order to carry out the duties imposed upon it in connection with rate regulation under section 476.6, investigations under section 476.3, or review proceedings under section 476.31, the board may employ additional temporary or permanent staff, or may contract with persons who are not state employees for engineering, accounting, or other professional services, or both. The costs of these additional employees and contract services shall be paid by the public utility whose rates are being reviewed in the same manner as other expenses are paid under this section. ~~There is hereby appropriated out of any funds in the state treasury not otherwise appropriated, such sums as may be necessary to enable the board to hire additional staff and contract for services under this section.~~ The board shall increase quarterly assessments specified in unnumbered paragraph two, by amounts necessary to enable the board to hire additional staff and contract for services under this section. The authority to hire additional temporary or

permanent staff that is granted to the board by this section shall not be subject to limitation by any administrative or executive order or decision that restricts the number of state employees or the filling of employee vacancies, and shall not be subject to limitation by any law of this state that restricts the number of state employees or the filling of employee vacancies unless that law is made applicable to this section by express reference to this section. Before the board expends or encumbers an amount in excess of the funds budgeted for rate regulation and before the board increases quarterly assessments pursuant to this paragraph, 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 board for rate regulation and that the board does not have other funds from which the expenses can be paid. Upon approval of the director of the department of management the board may expend and encumber funds for the excess expenses, and increase quarterly assessments to raise the additional funds.

Sec. 31. NEW SECTION. 477.9A DEREGULATED SERVICES.

A telegraph or telephone company whose services are deregulated by the board under section 476.1 may use public notice as a means of conveying terms and conditions to customers where identification of those customers is infeasible or impractical. Public notice may also be used to convey changes in terms and conditions, other than price increases or limitations of liability, to all other customers, but only if those customers were put on notice that this means would be used to convey subsequent changes. Notwithstanding section 477.7, when services are deregulated by the board under section 476.1, a telegraph or telephone company, in any contract, agreement, or by means of public notice, may reasonably limit its liability under section 477.7 in the course of providing the deregulated communications services to its customers, except for acts of willful misconduct.

However, this section shall not be construed to allow a greater limitation on liability than exists in any contract or approved tariff as of the effective date of the deregulation of the services.

Sec. 32. Section 507B.4, subsection 9, paragraph f, Code 1989, is amended to read as follows:

f. Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear, or failing to include interest on the payment of claims when required under section 511.38.

Sec. 33. Section 508.14, Code 1989, is amended to read as follows:

508.14 VIOLATION BY DOMESTIC COMPANY.

Upon a failure of any a company organized under the laws of this state to make the deposit provided in section 511.8, subsection 16, or file the statement in the time herein stated, or to file in a timely manner any financial statement required by rule of the commissioner of insurance, the commissioner of insurance shall notify the attorney general of the default, who shall at once apply to the district court of the county where the home office of such the company is located for an order requiring the company to show cause, upon reasonable notice, to be fixed by the court, why its business shall not be discontinued. If, upon the hearing, no sufficient cause is shown, the court shall decree its dissolution. In lieu of a district court action authorized by this section, the commissioner may impose an administrative penalty of three hundred dollars upon the company.

Sec. 34. Section 508.15, Code 1989, is amended to read as follows:

508.15 VIOLATION BY FOREIGN COMPANY.

Companies organized and chartered by the laws of a foreign state or country, failing to file the evidence of investment and statement within the time fixed, or failing to timely file any financial statement required by rule of the commissioner of insurance, shall forfeit and pay the sum of three hundred

dollars, to be collected in an action in the name of the state and paid to the treasurer of state for deposit in the general fund of the state, and their right to transact further new business in this state shall immediately cease until the requirements of this chapter have been fully complied with.

Sec. 35. NEW SECTION. 511.38 INTEREST ON DELAYED CLAIMS PAYMENTS.

1. When an insurance policy provides for the payment of its proceeds to a beneficiary upon the death of an individual and, without the written consent of the beneficiary, the company fails or refuses to pay the proceeds within thirty days after receipt of satisfactory proof of death, the company shall pay interest on the proceeds or any amount of the proceeds not paid within the thirty days, provided, however, if the policy requires a beneficiary to survive for a designated period after the death of the insured, the company shall pay interest on the proceeds or any amount of the proceeds not paid within thirty days after the designated period.

2. The interest owed on any amount of the proceeds of a policy under this section shall be computed from the date of receipt of the proof of death. The rate of interest shall be the higher of the following:

a. The effective rate of interest charged by the company on policy loans under section 511.36 on the date of receipt of proof of death.

b. The effective rate of interest paid by the company on death proceeds left on deposit with the company.

3. A payment of interest shall not be required under this section in any case in which the beneficiary elects to receive the proceeds under the policy by any means other than a lump sum payment.

Sec. 36. Section 514E.5, subsection 2, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, the association policy shall pay benefits as a primary payer in any case where

benefit coverage provided under the laws of the United States, including Medicare and Medicaid, or under the laws of this state is, by rule or statute, secondary to all other coverages.

Sec. 37. Section 514G.7, subsection 2, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Provide coverage for skilled nursing care only, or provide significantly more coverage for skilled care in a facility than coverage for lower levels of care.

Sec. 38. Section 514G.7, subsection 4, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

4. PRIOR HOSPITALIZATION -- INSTITUTIONALIZATION.

a. Effective July 1, 1989, a long-term care insurance policy shall not be delivered or issued for delivery in this state if the policy does either of the following:

(1) Conditions eligibility for any benefits on a requirement of prior hospitalization.

(2) Conditions eligibility for benefits covering care provided in an institutional care setting on the receipt of a higher level of institutional care.

b. Effective July 1, 1989, a long-term care insurance policy containing any limitations or conditions for eligibility, other than those prohibited in paragraph 1, shall clearly label such limitations or conditions in a separate paragraph of the policy or certificate entitled "Limitations or Conditions on Eligibility for Benefits".

c. A long-term care insurance policy advertised, marketed, or offered as containing long-term care benefits at home shall not condition receipt of benefits on a requirement of prior hospitalization.

d. A long-term care insurance policy which conditions eligibility for noninstitutional benefits on the prior receipt of institutional care shall not require a prior institutional stay of more than thirty days for which benefits are paid.

Sec. 39. Section 514G.7, subsection 7, Code 1989, is amended to read as follows:

7. OUTLINE OF COVERAGE. An outline of coverage shall be delivered to an applicant for an individual long-term care insurance policy at the time of application. ~~in-the-case-of direct-response-solicitations, the insurer shall deliver the outline of coverage upon the applicant's request, but regardless of request shall deliver the outline no later than at the time of policy delivery.~~ An outline of coverage must include all of the following:

a. A description of the principal benefits and coverage provided in the policy.

b. A statement of the principal exclusions, reductions, and limitations contained in the policy.

c. A statement of the renewal provisions, including any reservation in the policy of a right to change premiums. Continuation or conversion provisions of group coverage shall be specifically described.

d. A statement that the outline of coverage is a summary of the policy issued or applied for, not a contract of insurance, and that the policy or group master policy should be consulted to determine governing contractual provisions.

e. A description of the terms by which the policy or certificate may be returned and premium refunded.

f. A description of the cost of care and benefits.

Sec. 40. 1986 Iowa Acts, chapter 1246, section 755, is hereby reenacted and remains effective to the extent that persons who were employed by the division of alcoholic beverages whose positions were terminated as a result of 1986 Iowa Acts, chapter 1246, sections 724 through 761, shall continue to be accorded the hiring preferences for other positions in state departments provided by 1986 Iowa Acts, chapter 1246, section 755. This preference shall terminate on June 30, 1990.

Sec. 41. Section 31 of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 42. Section 477.9A, as enacted in this Act, is repealed effective May 1, 1990.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 779, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Stem Vetroch
Approved June 5, 1989

TERRY E. BRANSTAD
Governor