

REPRINTED

JAN 25 1996

APPROPRIATIONS CALENDAR

HOUSE FILE

2114

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 526)

Passed House, ^(P. 142) Date 1-30-96 Passed Senate, Date 3/13/96 ^(P. 345)
 Vote: Ayes 87 Nays 8 Vote: Ayes 45 Nays 2
 Approved March 19, 1996

A BILL FOR

Item
veto

1 An Act relating to and making supplemental appropriations for the
 2 fiscal year beginning July 1, 1995, and providing an effective
 3 date.

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

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HF 2114

UNPRINTED

1 Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT -- STRATEGIC
2 INVESTMENT FUND -- TOURISM. There is appropriated from the
3 general fund of the state to the department of economic
4 development for the fiscal year beginning July 1, 1995, and
5 ending June 30, 1996, to supplement the appropriations made in
6 1995 Iowa Acts, chapter 204, section 1, the following amounts,
7 or so much thereof as is necessary, to be used for the
8 purposes designated:

9 1. For deposit in the Iowa strategic investment fund, to
10 supplement the amount appropriated in 1995 Iowa Acts, chapter
11 204, section 1, subsection 2, paragraph "d":

12 \$ 2,100,000

13 2. To supplement the amount allocated for heritage tourism
14 and sesquicentennial advertising in 1995 Iowa Acts, chapter
15 204, section 1, subsection 5, paragraph "b", to be used for
16 media purchases and other promotional efforts for the
17 sesquicentennial advertising:

18 \$ 2,000,000

19 Notwithstanding section 8.33, moneys appropriated in this
20 subsection which remain unencumbered or unobligated at the
21 close of the fiscal year shall not revert to the general fund
22 of the state but shall remain available for the purpose
23 designated until January 1, 1997, of the succeeding fiscal
24 year.

25 Sec. 2. STATE PUBLIC DEFENDER. There is appropriated from
26 the general fund of the state to the office of the state
27 public defender of the department of inspections and appeals
28 for the fiscal year beginning July 1, 1995, and ending June
29 30, 1996, to supplement the appropriation made in 1995 Iowa
30 Acts, chapter 207, section 16, subsection 2, the following
31 amount, or so much thereof as is necessary, to be used for the
32 purpose designated:

33 For court-appointed attorney fees for indigent adults and
34 juveniles, as specified in law by the general assembly:
35 \$ 6,400,000

1 Sec. 3. DEPARTMENT OF GENERAL SERVICES. There is
2 appropriated from the general fund of the state to the
3 department of general services for the fiscal year beginning
4 July 1, 1995, and ending June 30, 1996, to supplement the
5 appropriation made in 1995 Iowa Acts, chapter 219, section 5,
6 subsection 6, the following amount, or so much thereof as is
7 necessary, to be used for the purpose designated:

8 For utility costs:
9 \$ 55,000

10 Sec. 4. DEPARTMENT OF INSPECTIONS AND APPEALS. There is
11 appropriated from the general fund of the state to the
12 department of inspections and appeals for the fiscal year
13 beginning July 1, 1995, and ending June 30, 1996, to
14 supplement the appropriation made in 1995 Iowa Acts, chapter
15 219, section 9, the following amount, or so much thereof as is
16 necessary, to be used for the purpose designated:

17 For racetrack regulation:
18 \$ 147,000

19 Sec. 5. DEPARTMENT OF REVENUE AND FINANCE. There is
20 appropriated from the general fund of the state to the
21 department of revenue and finance for the fiscal year
22 beginning July 1, 1995, and ending June 30, 1996, to
23 supplement the appropriation made in 1995 Iowa Acts, chapter
24 219, section 19, subsection 3, the following amount, or so
25 much thereof as is necessary, to be used for the purpose
26 designated:

27 For internal resources management:
28 \$ 104,500

29 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
30 immediate importance, takes effect upon enactment.

31 EXPLANATION

32 The bill makes supplemental appropriations for the 1995-
33 1996 fiscal year to the department of economic development,
34 office of the state public defender, department of general
35 services, department of inspections and appeals, and the

1 department of revenue and finance.
2 The bill takes effect upon enactment.

5 HOUSE FILE 2114

6 H-5023

1 Amend the amendment, H-5016, to House File 2114 as
2 follows:

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

5 "____. Page 2, by striking lines 10 through 18."

6 2. Page 1, line 2, by striking the words and
7 figure "after line 18" and inserting the following:
8 "before line 19".

9 3. By renumbering as necessary.

By VAN MAANEN of Marion

13 H-5023 FILED JANUARY 30, 1996

14 ADOPTED

15 (P.142)

16 HOUSE FILE 2114

17 H-5016

1 Amend House File 2114 as follows:

2 1. Page 2, by inserting after line 18 the
3 following:

4 "Sec. ____ . DEPARTMENT OF PERSONNEL. There is
5 appropriated from the Iowa public employees'
6 retirement system fund to the department of personnel
7 for the fiscal year beginning July 1, 1995, and ending
8 June 30, 1996, to supplement the appropriation made in
9 1995 Iowa Acts, chapter 219, section 16, subsection 1,
10 the following amount, or so much thereof as is
11 necessary, to be used for the purpose designated:

12 For salaries, support, maintenance, and other
13 operational purposes to pay the costs of the Iowa
14 public employees' retirement system:

15 \$ 150,000".

16 2. By renumbering as necessary.

By MILLAGE of Scott

28 H-5016 FILED JANUARY 29, 1996

29 *adopted 1-30-96*

30 (P.142)

HOUSE FILE 2114
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 526)

(As Amended and Passed by the House January 30, 1996)

Passed House, Date ⁴²⁰~~(p. 345)~~ ²² 2/15/96
Vote: Ayes 43 Nays 0

Passed Senate, Date ^(p. 345) 2/15/96
Vote: Ayes 43 Nays 6

Approved March 19, 1996
(p. 680) Passed 3-13-96
Vote 97-0

(p. 763) Passed 3-13-96
Vote 45-2

FTEM VETO
A BILL FOR

Motion by House to override Veto's - Failed 5-1-96

1 An Act relating to and making supplemental appropriations for the
2 fiscal year beginning July 1, 1995, and providing an effective
3 date.

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

5
6 Conf. Comm.
7 House

Conf. Comm.
Senate

House Amendments _____

8 millage
9 churchhill
10 House
11 Murphy
12 O'Brien

Deleted Language *

Husak
Hammond
Vilsack
Kend
Borke

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1 Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT -- STRATEGIC
2 INVESTMENT FUND -- TOURISM. There is appropriated from the
3 general fund of the state to the department of economic
4 development for the fiscal year beginning July 1, 1995, and
5 ending June 30, 1996, to supplement the appropriations made in
6 1995 Iowa Acts, chapter 204, section 1, the following amounts,
7 or so much thereof as is necessary, to be used for the
8 purposes designated:

9 1. For deposit in the Iowa strategic investment fund, to
10 supplement the amount appropriated in 1995 Iowa Acts, chapter
11 204, section 1, subsection 2, paragraph "d":
12 \$ 2,100,000

13 2. To supplement the amount allocated for heritage tourism
14 and sesquicentennial advertising in 1995 Iowa Acts, chapter
15 204, section 1, subsection 5, paragraph "b", to be used for
16 media purchases and other promotional efforts for the
17 sesquicentennial advertising:
18 \$ 2,000,000

19 Notwithstanding section 8.33, moneys appropriated in this
20 subsection which remain unencumbered or unobligated at the
21 close of the fiscal year shall not revert to the general fund
22 of the state but shall remain available for the purpose
23 designated until January 1, 1997, of the succeeding fiscal
24 year.

25 Sec. 2. STATE PUBLIC DEFENDER. There is appropriated from
26 the general fund of the state to the office of the state
27 public defender of the department of inspections and appeals
28 for the fiscal year beginning July 1, 1995, and ending June
29 30, 1996, to supplement the appropriation made in 1995 Iowa
30 Acts, chapter 207, section 16, subsection 2, the following
31 amount, or so much thereof as is necessary, to be used for the
32 purpose designated:

33 For court-appointed attorney fees for indigent adults and
34 juveniles, as specified in law by the general assembly:
35 \$ 6,400,000

1 Sec. 3. DEPARTMENT OF GENERAL SERVICES. There is
2 appropriated from the general fund of the state to the
3 department of general services for the fiscal year beginning
4 July 1, 1995, and ending June 30, 1996, to supplement the
5 appropriation made in 1995 Iowa Acts, chapter 219, section 5,
6 subsection 6, the following amount, or so much thereof as is
7 necessary, to be used for the purpose designated:

8 For utility costs:

* 9 \$ 55,000

10 Sec. 4. DEPARTMENT OF PERSONNEL. There is appropriated
11 from the Iowa public employees' retirement system fund to the
12 department of personnel for the fiscal year beginning July 1,
13 1995, and ending June 30, 1996, to supplement the
14 appropriation made in 1995 Iowa Acts, chapter 219, section 16,
15 subsection 1, the following amount, or so much thereof as is
16 necessary, to be used for the purpose designated:

17 For salaries, support, maintenance, and other operational
18 purposes to pay the costs of the Iowa public employees'
19 retirement system:

20 \$ 150,000

21 Sec. 5. DEPARTMENT OF REVENUE AND FINANCE. There is
22 appropriated from the general fund of the state to the
23 department of revenue and finance for the fiscal year
24 beginning July 1, 1995, and ending June 30, 1996, to
25 supplement the appropriation made in 1995 Iowa Acts, chapter
26 219, section 19, subsection 3, the following amount, or so
27 much thereof as is necessary, to be used for the purpose
28 designated:

29 For internal resources management:

30 \$ 104,500

31 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
32 immediate importance, takes effect upon enactment.

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HOUSE FILE 2114

S-5058

1 Amend House File 2114, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by striking lines 23 and 24 and
4 inserting the following: "designated in the
5 succeeding fiscal year."

6 2. Page 1, by inserting before line 25 the
7 following:

8 "Sec. ____ . DEPARTMENT OF HUMAN SERVICES -- CHILD
9 DAY CARE. There is appropriated from the general fund
10 of the state to the department of human services for
11 the fiscal year beginning July 1, 1995, and ending
12 June 30, 1996, to supplement the appropriation made in
13 1995 Iowa Acts, chapter 205, section 6, the following
14 amount, or so much thereof as is necessary, to be used
15 for the purpose designated:

16 For state child care assistance:

17 \$ 2,100,000".

18 3. Page 2, by inserting before line 1 the
19 following:

20 "Sec. ____ . DEPARTMENT OF EDUCATION -- GENERAL
21 ADMINISTRATION. There is appropriated from the
22 general fund of the state to the department of
23 education for the fiscal year beginning July 1, 1995,
24 and ending June 30, 1996, to supplement the amount
25 appropriated in 1995 Iowa Acts, chapter 218, section
26 1, subsection 1, the following amount, or so much
27 thereof as is necessary, to be used for the purpose
28 designated:

29 For general administration to be used to provide
30 assistance to school districts involved in a financial
31 reporting pilot project:

32 \$ 50,000

33 Notwithstanding section 8.33, moneys appropriated
34 in this section which remain unexpended or unobligated
35 at the close of the fiscal year shall not revert to
36 the general fund of the state but shall remain
37 available for expenditure in the succeeding fiscal
38 year for the purpose designated.

39 Sec. ____ . ETHICS AND CAMPAIGN DISCLOSURE BOARD.
40 There is appropriated from the general fund of the
41 state to the ethics and campaign disclosure board for
42 the fiscal year beginning July 1, 1995, and ending
43 June 30, 1996, to supplement the appropriation made in
44 1995 Iowa Acts, chapter 219, section 2, the following
45 amount, or so much thereof as is necessary, to be used
46 for the purpose designated:

47 For salaries, support, maintenance, and
48 miscellaneous purposes:

49 \$ 40,000".

50 4. Page 2, by inserting after line 9 the

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S-5058

Page 2

1 following:

2 "Sec. ____ . DEPARTMENT OF INSPECTIONS AND APPEALS.

3 There is appropriated from the general fund of the
4 state to the department of inspections and appeals for
5 the fiscal year beginning July 1, 1995, and ending
6 June 30, 1996, to supplement the appropriation made in
7 1995 Iowa Acts, chapter 219, section 9, the following
8 amount, or so much thereof as is necessary, to be used
9 for the purpose designated:

10 For racetrack regulation, to be used for employment
11 of not more than one full-time equivalent position
12 which shall be in addition to the full-time equivalent
13 positions authorized in 1995 Iowa Acts, chapter 219,
14 section 9:

15 \$ 42,000".

16 5. Page 2, line 20, by striking the figure
17 "150,000" and inserting the following: "116,850".

18 6. Page 2, line 25, by striking the word
19 "appropriation" and inserting the following:
20 "appropriations".

21 7. Page 2, line 26, by striking the word and
22 figure "subsection 3,".

23 8. Page 2, line 27, by striking the word
24 "purpose" and inserting the following: "purposes".

25 9. Page 2, by striking lines 29 and 30 and
26 inserting the following:

27 "1. For state financial management to supplement
28 the amount appropriated in 1995 Iowa Acts, chapter
29 219, section 19, subsection 2, to be used for payments
30 under section 422.73, subsection 3, as enacted by this
31 Act:
32 \$ 17,400,000

33 Notwithstanding section 8.33, moneys appropriated
34 in this subsection which remain unexpended or
35 unobligated at the close of the fiscal year shall not
36 revert to the general fund of the state but shall
37 remain available for expenditure in the succeeding
38 fiscal year for the purpose designated and the moneys
39 are not subject to transfer under section 8.39.

40 2. For internal resources management to supplement
41 the amount appropriated in 1995 Iowa Acts, chapter
42 219, section 19, subsection 3:

43 \$ 104,500".

44 10. Page 2, by inserting before line 31 the
45 following:

46 "Sec. ____ . Section 422.73, Code 1995, is amended
47 by adding the following new subsection:

48 NEW SUBSECTION. 3. Notwithstanding subsection 2,
49 a claim for refund of individual income tax paid for
50 any tax year beginning on or after January 1, 1985,

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Page 3

1 and before January 1, 1989, is considered timely if
2 filed with the department on or before July 1, 1996,
3 if the taxpayer's claim is the result of the
4 unconstitutional taxation of federal pension benefits
5 based upon the decision in Davis v. Michigan
6 Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500
7 (1989).

8 A taxpayer entitled to a refund of tax paid under
9 this subsection shall receive an amount equal to one
10 hundred percent of the refund with interest calculated
11 to January 12, 1994, less five dollars to be retained
12 by the department to defray costs of notification and
13 the cost of processing the refund claim. The claim
14 for refund shall be filed separate from any income tax
15 return and shall not be allowed as a credit for income
16 taxes owed. A claim shall be filed between the
17 effective date of this subsection and July 1, 1996.
18 An extension for filing shall not be allowed and
19 claims disallowed on the basis of timeliness shall not
20 be allowed upon appeal to any other state agency
21 notwithstanding any other provision of law.

22 The claim for refund shall be made on claim forms
23 to be made available by the department. In order for
24 a taxpayer to have a valid refund claim, the taxpayer
25 must supply legible copies of documents the director
26 deems necessary to show entitlement to the refund,
27 including but not limited to income tax forms and W-2P
28 forms, which will establish the state income tax that
29 was paid on the federal pension benefits for the tax
30 years in question. The burden of proof is on the
31 taxpayer to show that the claim for refund is valid.
32 Estates are not entitled to file a claim for refund
33 under this subsection. However, if a taxpayer has
34 filed a claim under this subsection and subsequently
35 dies before receipt of the refund, the taxpayer's
36 estate is entitled to receipt of any valid refund
37 claim.

38 The department shall make a reasonable attempt to
39 notify individuals who are entitled to a refund under
40 this subsection."

41 11. By renumbering as necessary.

By COMMITTEE ON APPROPRIATIONS
LARRY MURPHY, Chairperson

S-5058 FILED FEBRUARY 13, 1996

(P.344) adopted

HOUSE FILE 2114

S-5063

1 Amend House File 2114, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, line 11, by inserting after the letter
4 "d" the following: ", provided that the funds
5 appropriated in this subsection which are used for the
6 purposes of the community economic betterment program
7 are not used for awards of more than \$750,000 or for
8 forgivable loan awards of more than \$500,000, are
9 awarded only for jobs paying at least 100 percent of
10 the average county wage, that the \$9.00 per hour cap
11 on the minimum wage threshold for urban counties be
12 discontinued, that the department establish a policy
13 to increase the number of no or low interest loans in
14 order to decrease the number of forgivable loans
15 awarded, to establish procedures to provide short
16 term, no or low interest loans from obligated but
17 unexpended funds in the community economic betterment
18 account, and to establish community revolving loan
19 funds utilizing a portion of amounts repaid on loans
20 awarded under the community economic betterment
21 program".

By TOM VILSACK

S-5063 FILED FEBRUARY 15, 1996

ADOPTED

(p. 344)

HOUSE FILE 2114

S-5064

1 Amend the committee amendment, S-5058, to House
 2 File 2114, as amended, passed, and reprinted by the
 3 House, as follows:
 4 1. Page 3, line 14, by striking the word "shall"
 5 and inserting the following: "may, at the option of
 6 the taxpayer, be filed with any income tax return or
 7 may".
 8 2. Page 3, line 15, by inserting after the word
 9 "and" the following: ", if filed with an income tax
 10 return, shall be allowed as a credit for income taxes
 11 owed, otherwise the claim".

By MERLIN E. BARTZ

S-5064 FILED FEBRUARY 15, 1996

ADOPTED

(p.344)

HOUSE FILE 2114

S-5066

1 Amend the amendment, S-5058, to House File 2114, as
 2 amended, passed, and reprinted by the House, as
 3 follows:
 4 1. Page 2, by striking line 32 and inserting the
 5 following:
 6 "..... \$ 18,300,000"
 7 2. Page 2, by inserting after line 32 the
 8 following:
 9 "Notwithstanding section 422.73, subsection 3, as
 10 enacted by this Act, if the department receives claims
 11 for refunds in excess of the amounts appropriated in
 12 this subsection for payment of the refunds and
 13 interest, the department shall prorate the refund
 14 payments and the prorated amount shall be the full
 15 amount of refund a taxpayer is entitled to receive."
 16 3. Page 3, line 17, by striking the word and
 17 figures "July 1, 1996" and inserting the following:
 18 "October 31, 1996".
 19 4. By striking page 3, lines 32 through 37 and
 20 inserting the following: "A spouse of a deceased
 21 taxpayer who was the spouse of the taxpayer when the
 22 unconstitutional tax was imposed may file a claim for
 23 refund without reopening the deceased taxpayer's
 24 estate."

By LARRY MURPHY

S-5066 FILED FEBRUARY 15, 1996

ADOPTED

(p.344)

HOUSE FILE 2114

S-5069

1 Amend the amendment, S-5058, to House File 2114, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, by inserting after line 38 the
5 following:

6 "Sec. ____ . SCHOOL FOR THE DEAF AND BRAILLE AND
7 SIGHT SAVING SCHOOL. There is appropriated from the
8 general fund of the state to the state board of
9 regents for the fiscal year beginning July 1, 1995,
10 and ending June 30, 1996, to supplement the amounts
11 appropriated in 1995 Iowa Acts, chapter 218, section
12 6, subsections 5 and 6, the following amounts, or so
13 much thereof as is necessary, to be used for the
14 purposes designated:

15 1. For the state school for the deaf:

16 \$ 47,000

17 2. For the Iowa braille and sight saving school:

18 \$ 47,000

19 3. Of the moneys appropriated to the state school
20 for the deaf and the Iowa braille and sight saving
21 school in this section, each school may expend not
22 more than \$45,000 for technology needs of the school.
23 Notwithstanding section 8.33, moneys appropriated in
24 this section which remain unexpended or unobligated at
25 the close of the fiscal year shall not revert to the
26 general fund of the state, but shall remain available
27 for expenditure for technology needs at the designated
28 school in the succeeding fiscal year."

29 2. By renumbering as necessary.

By MICHAEL E. GRONSTAL
EMIL J. HUSAK

S-5069 FILED FEBRUARY 15, 1996

ADOPTED

(p. 344)

HOUSE FILE 2114

S-5077

1 Amend the amendment, S-5058, to House File 2114, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, line 16, by inserting after the word
5 "assistance" the following: ", provided moneys
6 appropriated in this section are not subject to
7 transfer under section 8.39 or any other provision but
8 shall only be used for funding of state child care
9 assistance for persons who are eligible for or are on
10 a waiting list for but who are not receiving the
11 assistance as of the effective date of this section".

By LARRY MURPHY
JOHNIE HAMMOND

S-5077 FILED FEBRUARY 15, 1996

ADOPTED (p. 344)

H-5079

1 Amend House File 2114, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, line 11, by inserting after the letter
4 "d" the following: ", provided that the funds
5 appropriated in this subsection which are used for the
6 purposes of the community economic betterment program
7 are not used for awards of more than \$750,000 or for
8 forgivable loan awards of more than \$500,000, are
9 awarded only for jobs paying at least 100 percent of
10 the average county wage, that the \$9.00 per hour cap
11 on the minimum wage threshold for urban counties be
12 discontinued, that the department establish a policy
13 to increase the number of no or low interest loans in
14 order to decrease the number of forgivable loans
15 awarded, to establish procedures to provide short
16 term, no or low interest loans from obligated but
17 unexpended funds in the community economic betterment
18 account, and to establish community revolving loan
19 funds utilizing a portion of amounts repaid on loans
20 awarded under the community economic betterment
21 program".

22 2. Page 1, by striking lines 23 and 24 and
23 inserting the following: "designated in the
24 succeeding fiscal year."

25 3. Page 1, by inserting before line 25 the
26 following:

27 "Sec. ____ . DEPARTMENT OF HUMAN SERVICES -- CHILD
28 DAY CARE. There is appropriated from the general fund
29 of the state to the department of human services for
30 the fiscal year beginning July 1, 1995, and ending
31 June 30, 1996, to supplement the appropriation made in
32 1995 Iowa Acts, chapter 205, section 6, the following
33 amount, or so much thereof as is necessary, to be used
34 for the purpose designated:

35 For state child care assistance, provided moneys
36 appropriated in this section are not subject to
37 transfer under section 8.39 or any other provision but
38 shall only be used for funding of state child care
39 assistance for persons who are eligible for or are on
40 a waiting list for but who are not receiving the
41 assistance as of the effective date of this section:

42 \$ 2,100,000".

43 4. Page 2, by inserting before line 1 the
44 following:

45 "Sec. ____ . DEPARTMENT OF EDUCATION -- GENERAL
46 ADMINISTRATION. There is appropriated from the
47 general fund of the state to the department of
48 education for the fiscal year beginning July 1, 1995,
49 and ending June 30, 1996, to supplement the amount
50 appropriated in 1995 Iowa Acts, chapter 218, section

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H-5079

Page 2

1 1, subsection 1, the following amount, or so much
2 thereof as is necessary, to be used for the purpose
3 designated:

4 For general administration to be used to provide
5 assistance to school districts involved in a financial
6 reporting pilot project:

7 \$ 50,000

8 Notwithstanding section 8.33, moneys appropriated
9 in this section which remain unexpended or unobligated
10 at the close of the fiscal year shall not revert to
11 the general fund of the state but shall remain
12 available for expenditure in the succeeding fiscal
13 year for the purpose designated.

14 Sec. ____ . SCHOOL FOR THE DEAF AND BRAILLE AND
15 SIGHT SAVING SCHOOL. There is appropriated from the
16 general fund of the state to the state board of
17 regents for the fiscal year beginning July 1, 1995,
18 and ending June 30, 1996, to supplement the amounts
19 appropriated in 1995 Iowa Acts, chapter 218, section
20 6, subsections 5 and 6, the following amounts, or so
21 much thereof as is necessary, to be used for the
22 purposes designated:

23 1. For the state school for the deaf:
24 \$ 47,000

25 2. For the Iowa braille and sight saving school:
26 \$ 47,000

27 3. Of the moneys appropriated to the state school
28 for the deaf and the Iowa braille and sight saving
29 school in this section, each school may expend not
30 more than \$45,000 for technology needs of the school.
31 Notwithstanding section 8.33, moneys appropriated in
32 this section which remain unexpended or unobligated at
33 the close of the fiscal year shall not revert to the
34 general fund of the state, but shall remain available
35 for expenditure for technology needs at the designated
36 school in the succeeding fiscal year.

37 Sec. ____ . ETHICS AND CAMPAIGN DISCLOSURE BOARD.
38 There is appropriated from the general fund of the
39 state to the ethics and campaign disclosure board for
40 the fiscal year beginning July 1, 1995, and ending
41 June 30, 1996, to supplement the appropriation made in
42 1995 Iowa Acts, chapter 219, section 2, the following
43 amount, or so much thereof as is necessary, to be used
44 for the purpose designated:

45 For salaries, support, maintenance, and
46 miscellaneous purposes:
47 \$ 40,000".

48 5. Page 2, by inserting after line 9 the
49 following:

50 "Sec. ____ . DEPARTMENT OF INSPECTIONS AND APPEALS.

H-5079

H-5079

Page 3

1 There is appropriated from the general fund of the
2 state to the department of inspections and appeals for
3 the fiscal year beginning July 1, 1995, and ending
4 June 30, 1996, to supplement the appropriation made in
5 1995 Iowa Acts, chapter 219, section 9, the following
6 amount, or so much thereof as is necessary, to be used
7 for the purpose designated:

8 For racetrack regulation, to be used for employment
9 of not more than one full-time equivalent position
10 which shall be in addition to the full-time equivalent
11 positions authorized in 1995 Iowa Acts, chapter 219,
12 section 9:

13 \$ 42,000".

14 6. Page 2, line 20, by striking the figure
15 "150,000" and inserting the following: "116,850".

16 7. Page 2, line 25, by striking the word
17 "appropriation" and inserting the following:
18 "appropriations".

19 8. Page 2, line 26, by striking the word and
20 figure "subsection 3,".

21 9. Page 2, line 27, by striking the word
22 "purpose" and inserting the following: "purposes".

23 10. Page 2, by striking lines 29 and 30 and
24 inserting the following:

25 "1. For state financial management to supplement
26 the amount appropriated in 1995 Iowa Acts, chapter
27 219, section 19, subsection 2, to be used for payments
28 under section 422.73, subsection 3, as enacted by this
29 Act:

30 \$ 18,300,000

31 Notwithstanding section 422.73, subsection 3, as
32 enacted by this Act, if the department receives claims
33 for refunds in excess of the amounts appropriated in
34 this subsection for payment of the refunds and
35 interest, the department shall prorate the refund
36 payments and the prorated amount shall be the full
37 amount of refund a taxpayer is entitled to receive.

38 Notwithstanding section 8.33, moneys appropriated
39 in this subsection which remain unexpended or
40 unobligated at the close of the fiscal year shall not
41 revert to the general fund of the state but shall
42 remain available for expenditure in the succeeding
43 fiscal year for the purpose designated and the moneys
44 are not subject to transfer under section 8.39.

45 2. For internal resources management to supplement
46 the amount appropriated in 1995 Iowa Acts, chapter
47 219, section 19, subsection 3:

48 \$ 104,500".

49 11. Page 2, by inserting before line 31 the
50 following:

H-5079

H-5079

Page 4

1 "Sec. ____ . Section 422.73, Code 1995, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 3. Notwithstanding subsection 2,
4 a claim for refund of individual income tax paid for
5 any tax year beginning on or after January 1, 1985,
6 and before January 1, 1989, is considered timely if
7 filed with the department on or before July 1, 1996,
8 if the taxpayer's claim is the result of the
9 unconstitutional taxation of federal pension benefits
10 based upon the decision in Davis v. Michigan
11 Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500
12 (1989).

13 A taxpayer entitled to a refund of tax paid under
14 this subsection shall receive an amount equal to one
15 hundred percent of the refund with interest calculated
16 to January 12, 1994, less five dollars to be retained
17 by the department to defray costs of notification and
18 the cost of processing the refund claim. The claim
19 for refund may, at the option of the taxpayer, be
20 filed with any income tax return or may be filed
21 separate from any income tax return and, if filed with
22 an income tax return, shall be allowed as a credit for
23 income taxes owed, otherwise the claim shall not be
24 allowed as a credit for income taxes owed. A claim
25 shall be filed between the effective date of this
26 subsection and October 31, 1996. An extension for
27 filing shall not be allowed and claims disallowed on
28 the basis of timeliness shall not be allowed upon
29 appeal to any other state agency notwithstanding any
30 other provision of law.

31 The claim for refund shall be made on claim forms
32 to be made available by the department. In order for
33 a taxpayer to have a valid refund claim, the taxpayer
34 must supply legible copies of documents the director
35 deems necessary to show entitlement to the refund,
36 including but not limited to income tax forms and W-2P
37 forms, which will establish the state income tax that
38 was paid on the federal pension benefits for the tax
39 years in question. The burden of proof is on the
40 taxpayer to show that the claim for refund is valid.
41 A spouse of a deceased taxpayer who was the spouse of
42 the taxpayer when the unconstitutional tax was imposed
43 may file a claim for refund without reopening the
44 deceased taxpayer's estate.

45 The department shall make a reasonable attempt to
46 notify individuals who are entitled to a refund under
47 this subsection."

48 12. By renumbering, relettering, or redesignating
49 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-5079 FILED FEBRUARY 16, 1996

Amor Conner
2/22/96
(P. 420)

HOUSE FILE 2114

H-5106

1 Amend the Senate amendment, H-5079, to House File
2 2114, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, by striking lines 3 through 21.

5 2. Page 1, by striking line 42 and inserting the
6 following:

7 "..... \$ 1,050,000".

8 3. By striking page 1, line 45, through page 2,
9 line 13.

10 4. Page 2, by striking lines 14 through 36.

11 5. By striking page 2, line 37 through page 3,
12 line 13.

13 6. Page 3, by striking lines 16 through 48.

14 7. Page 4, by striking lines 1 through 47 and
15 inserting the following:

16 "Sec. ____ . DEPARTMENT OF REVENUE AND FINANCE --
17 REFUND CLAIMS. There is appropriated from the general
18 fund of the state to the department of revenue and
19 finance for the fiscal year beginning July 1, 1995,
20 and ending June 30, 1996, an amount estimated by the
21 department to be sufficient to pay all refund claims
22 timely filed pursuant to section 422.73, subsection 3,
23 as enacted by this Act, and to pay up to \$75,000 for
24 processing such claims.

25 Notwithstanding section 8.33, moneys appropriated
26 in this section which remain unexpended or unobligated
27 at the close of the fiscal year shall not revert to
28 the general fund of the state but shall remain
29 available for expenditure in the succeeding fiscal
30 year for the purposes of paying refund claims and
31 processing costs as provided and the moneys are not
32 subject to transfer under section 8.39.

33 Sec. ____ . Section 422.73, Code 1995, is amended by
34 adding the following new subsection:

35 NEW SUBSECTION. 3. Notwithstanding subsection 2,
36 a claim for refund of individual income tax paid for
37 any tax year beginning on or after January 1, 1985,
38 and before January 1, 1989, is considered timely if
39 filed with the department on or before October 31,
40 1996, if the taxpayer's claim is the result of the
41 unconstitutional taxation of federal pension benefits
42 based upon the decision in Davis v. Michigan
43 Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500
44 (1989).

45 A taxpayer entitled to a refund of tax paid under
46 this subsection shall receive an amount equal to one
47 hundred percent of the refund without interest. The
48 claim for refund shall be filed separate from any
49 income tax return and shall not be allowed as a credit
50 for income taxes owed. A claim shall be filed between

H-5106

-1-

H-5106

Page 2

1 the effective date of this subsection and October 31,
2 1996. An extension for filing shall not be allowed
3 and claims disallowed on the basis of timeliness shall
4 not be allowed upon appeal to any other state agency
5 notwithstanding any other provision of law.

6 The claim for refund shall be made on claim forms
7 to be made available by the department. In order for
8 a taxpayer to have a valid refund claim, the taxpayer
9 must supply legible copies of documents the director
10 deems necessary to show entitlement to the refund,
11 including but not limited to income tax forms and W-2P
12 forms, which will establish the state income tax that
13 was paid on the federal pension benefits for the tax
14 years in question. The burden of proof is on the
15 taxpayer to show that the claim for refund is valid.
16 Estates are not entitled to file a claim for refund
17 under this subsection. However, if a taxpayer has
18 filed a claim under this subsection and subsequently
19 dies before receipt of the refund, the taxpayer's
20 estate is entitled to receipt of any valid refund
21 claim.

22 The department shall make a reasonable attempt to
23 notify individuals who are entitled to a refund under
24 this subsection."

By MILLAGE of Scott

H-5106 FILED FEBRUARY 21, 1996

*Adapted
2/22/96
(p. 420)*

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 2114

5107

Amend the Senate amendment, H-5079, to House File 2114, as amended, passed, and reprinted by the House, as follows:

- 1. Page 1, by striking lines 3 through 21.
- 2. Page 1, by striking line 42 and inserting the following:

"..... \$ 1,050,000".

- 3. By striking page 1, line 45, through page 2, line 13.
- 4. Page 2, by striking lines 14 through 36.
- 5. By striking page 2, line 37 through page 3, line 13.
- 6. Page 3, by striking lines 16 through 48.
- 7. Page 4, by striking lines 1 through 47 and inserting the following:

"Sec. ____ . DEPARTMENT OF REVENUE AND FINANCE -- REFUND CLAIMS. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 1995, and ending June 30, 1996, an amount estimated by the department to be sufficient to pay all refund claims timely filed pursuant to section 422.73, subsection 3, as enacted by this Act, and to pay up to \$75,000 for processing such claims.

Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure in the succeeding fiscal year for the purposes of paying refund claims and processing costs as provided and the moneys are not subject to transfer under section 8.39.

Sec. ____ . Section 422.73, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Notwithstanding subsection 2, a claim for refund of individual income tax paid for any tax year beginning on or after January 1, 1985, and before January 1, 1989, is considered timely if filed with the department on or before October 31, 1996, if the taxpayer's claim is the result of the unconstitutional taxation of federal pension benefits based upon the decision in Davis v. Michigan Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500 (1989).

A taxpayer entitled to a refund of tax paid under this subsection shall receive an amount equal to one hundred percent of the refund without interest. The claim for refund shall be filed separate from any income tax return and shall not be allowed as a credit for income taxes owed. A claim shall be filed between

5107

S-5107

Page 2

1 the effective date of this subsection and October 31,
2 1996. An extension for filing shall not be allowed
3 and claims disallowed on the basis of timeliness shall
4 not be allowed upon appeal to any other state agency
5 notwithstanding any other provision of law.

6 The claim for refund shall be made on claim forms
7 to be made available by the department. In order for
8 a taxpayer to have a valid refund claim, the taxpayer
9 must supply legible copies of documents the director
10 deems necessary to show entitlement to the refund,
11 including but not limited to income tax forms and W-2P
12 forms, which will establish the state income tax that
13 was paid on the federal pension benefits for the tax
14 years in question. The burden of proof is on the
15 taxpayer to show that the claim for refund is valid.
16 Estates are not entitled to file a claim for refund
17 under this subsection. However, if a taxpayer has
18 filed a claim under this subsection and subsequently
19 dies before receipt of the refund, the taxpayer's
20 estate is entitled to receipt of any valid refund
21 claim.

22 The department shall make a reasonable attempt to
23 notify individuals who are entitled to a refund under
24 this subsection.""

RECEIVED FROM THE HOUSE

S-5107 FILED FEBRUARY 22, 1996

Senate Refused
2/26/96 (p.455)

REPORT OF THE CONFERENCE COMMITTEE
ON HOUSE FILE 2114

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 2114, a bill for An Act relating to and making supplemental appropriations for the fiscal year beginning July 1, 1995, and providing an effective date, respectfully make the following report:

- 1. That the House recedes from its amendment, S-5107.
- 2. That the Senate recedes from its amendment, H-5079.
- 3. That House File 2114, as amended, passed, and reprinted by the House, is amended as follows:

1. Page 1, by striking lines 23 and 24 and inserting the following: "designated in the succeeding fiscal year."

2. Page 1, by inserting before line 25 the following:

"Sec. ____ . DEPARTMENT OF HUMAN SERVICES -- CHILD DAY CARE.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the appropriation made in 1995 Iowa Acts, chapter 205, section 6, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state child care assistance, provided moneys appropriated in this section are not subject to transfer under section 8.39 or any other provision but shall only be used for funding of state child care assistance for persons who are eligible for or are on a waiting list for but who are not receiving the assistance as of the effective date of this section:

..... \$ 1,274,000"

3. Page 2, by inserting before line 1 the following:

"Sec. ____ . DEPARTMENT OF EDUCATION -- GENERAL

CCH-2114

Page 2

ADMINISTRATION. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the amount appropriated in 1995 Iowa Acts, chapter 218, section 1, subsection 1, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration to be used to provide assistance to school districts involved in a financial reporting pilot project:

..... \$ 50,000

Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure in the succeeding fiscal year for the purpose designated.

Sec. ____ . SCHOOL FOR THE DEAF AND BRAILLE AND SIGHT SAVIN SCHOOL. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the amounts appropriated in 1995 Iowa Acts, chapter 218, section 6, subsections 5 and 6, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the state school for the deaf:

..... \$ 47,000

2. For the Iowa braille and sight saving school:

..... \$ 47,000

3. Of the moneys appropriated to the state school for the deaf and the Iowa braille and sight saving school in this section, each school may expend not more than \$45,000 for technology needs of the school. Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state, but shall remain available

CCH-2114

Page 3

for expenditure for technology needs at the designated school in the succeeding fiscal year."

4. Page 2, by inserting after line 9 the following:

"Sec. ____ . DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the appropriation made in 1995 Iowa Acts, chapter 219, section 9, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For racetrack regulation, to be used for employment of not more than one full-time equivalent position which shall be in addition to the full-time equivalent positions authorized in 1995 Iowa Acts, chapter 219, section 9:

..... \$ 42,000"

5. Page 2, line 20, by striking the figure "150,000" and inserting the following: "116,850".

6. Page 2, by inserting after line 30 the following:

"Sec. ____ . DEPARTMENT OF REVENUE AND FINANCE -- REFUND CLAIMS. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 1995, and ending June 30, 1996, an amount sufficient to pay all refund claims timely filed pursuant to section 422.73, subsection 3, as enacted by this Act, and to pay up to \$75,000 for processing such claims.

Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure in the succeeding fiscal year for the purposes of paying refund claims and processing costs as provided in this section and the moneys are not subject to transfer under section 8.39.

Sec. ____ . Section 422.73, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Notwithstanding subsection 2, a claim

CCH-2114

Page 4

for refund of individual income tax paid for any tax year beginning on or after January 1, 1985, and before January 1, 1989, is considered timely if filed with the department on or before October 31, 1996, if the taxpayer's claim is the result of the unconstitutional taxation of federal pension benefits based upon the decision in *Davis v. Michigan Department of Treasury*, 489 U.S. 803, 109 S. Ct. 1500 (1989).

A taxpayer entitled to a refund of tax paid under this subsection shall receive an amount equal to one hundred percent of the refund without interest. The claim for refund shall be filed separate from any income tax return and shall not be allowed as a credit for income taxes owed. A claim shall be filed between the effective date of this subsection and October 31, 1996. An extension for filing shall not be allowed and claims disallowed on the basis of timeliness shall not be allowed upon appeal to any other state agency notwithstanding any other provision of law.

The claim for refund shall be made on claim forms to be made available by the department. In order for a taxpayer to have a valid refund claim, the taxpayer must supply legible copies of documents the director deems necessary to show entitlement to the refund, including but not limited to income tax forms and W-2P forms, which will establish the state income tax that was paid on the federal pension benefits for the tax years in question. The burden of proof is on the taxpayer to show that the claim for refund is valid. Estates are not entitled to file a claim for refund under this subsection, except a spouse of a deceased taxpayer who was the spouse of the taxpayer when the unconstitutional tax was imposed may file a claim for refund without reopening the deceased taxpayer's estate. If a taxpayer has filed a claim under this subsection and subsequently dies before receipt of the refund, the taxpayer's estate is entitled to receipt of any valid refund claim.

The department shall make a reasonable attempt to notify

CCH-2114

Page 5

individuals who are entitled to a refund under this subsection."

7. By renumbering, relettering, or redesignating and correcting internal references as necessary.

ON THE PART OF THE HOUSE:

DAVID A. MILLAGE, Chairperson
STEVEN W. CHURCHILL
HUBERT HOUSER
PATRICK J. MURPHY
MICHAEL J. O'BRIEN

ON THE PART OF THE SENATE:

EMIL J. HUSAK, Chairperson
BRAD BANKS
JOHNIE HAMMOND
JIM LIND

*adopted
3/13/96*

(P. 763)

CCH-2114

FILED MARCH 12, 1996

Adopted *3/13/96*

(p. 681)

HSB 526

APPROPRIATIONS

Succeeded By

SF/HF 2114

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON MILLAGE)

Millage
Gipp
Murphy

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to and making supplemental appropriations for the
2 fiscal year beginning July 1, 1995, and providing an effective
3 date.

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

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1 Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT -- STRATEGIC
2 INVESTMENT FUND -- TOURISM. There is appropriated from the
3 general fund of the state to the department of economic
4 development for the fiscal year beginning July 1, 1995, and
5 ending June 30, 1996, to supplement the appropriations made in
6 1995 Iowa Acts, chapter 204, section 1, the following amounts,
7 or so much thereof as is necessary, to be used for the
8 purposes designated:

9 1. For deposit in the Iowa strategic investment fund, to
10 supplement the amount appropriated in 1995 Iowa Acts, chapter
11 204, subsection 2, paragraph "d":

12 \$ 2,100,000

13 2. To supplement the amount allocated for heritage tourism
14 and sesquicentennial advertising in 1995 Iowa Acts, chapter
15 204, subsection 5, paragraph "b", to be used for media
16 purchases for the sesquicentennial advertising:

17 \$ 2,000,000

18 Notwithstanding section 8.33, moneys appropriated in this
19 subsection which remain unencumbered or unobligated at the
20 close of the fiscal year shall not revert to the general fund
21 of the state but shall remain available for the purpose
22 designated until January 1, 1997, of the succeeding fiscal
23 year.

24 Sec. 2. STATE PUBLIC DEFENDER. There is appropriated from
25 the general fund of the state to the office of the state
26 public defender of the department of inspections and appeals
27 for the fiscal year beginning July 1, 1995, and ending June
28 30, 1996, to supplement the appropriation made in 1995 Iowa
29 Acts, chapter 207, section 16, subsection 2, the following
30 amount, or so much thereof as is necessary, to be used for the
31 purpose designated:

32 For court-appointed attorney fees for indigent adults and
33 juveniles, as specified in law by the general assembly:

34 \$ 6,400,000

35 Sec. 3. DEPARTMENT OF REVENUE AND FINANCE. There is

1 appropriated from the general fund of the state to the
2 department of revenue and finance for the fiscal year
3 beginning July 1, 1995, and ending June 30, 1996, to
4 supplement the appropriation made in 1995 Iowa Acts, chapter
5 219, section 19, subsection 3, the following amount, or so
6 much thereof as is necessary, to be used for the purpose
7 designated:

8 For internal resources management:
9 \$ 104,500

10 Sec. 4. DEPARTMENT OF INSPECTIONS AND APPEALS. There is
11 appropriated from the general fund of the state to the
12 department of inspections and appeals for the fiscal year
13 beginning July 1, 1995, and ending June 30, 1996, to
14 supplement the appropriation made in 1995 Iowa Acts, chapter
15 219, section 9, the following amount, or so much thereof as is
16 necessary, to be used for the purpose designated:

17 For racetrack regulation:
18 \$ 147,000

19 Sec. 5. DEPARTMENT OF GENERAL SERVICES. There is
20 appropriated from the general fund of the state to the
21 department of general services for the fiscal year beginning
22 July 1, 1995, and ending June 30, 1996, to supplement the
23 appropriation made in 1995 Iowa Acts, chapter 219, section 5,
24 subsection 6, the following amount, or so much thereof as is
25 necessary, to be used for the purpose designated:

26 For utility costs:
27 \$ 55,000

28 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
29 immediate importance, takes effect upon enactment.

30 EXPLANATION

31 The bill makes supplemental appropriations for the 1995-
32 1996 fiscal year to the department of economic development,
33 office of the state public defender, department of revenue and
34 finance, department of inspections and appeals, and the
35 department of general services.

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The bill takes effect upon enactment.



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD
GOVERNOR

March 19, 1996

RECEIVED

MAR 19 1996

LEGISLATIVE SERVICE
BUREAU

The Honorable Ron Corbett
Speaker of the House
State Capitol Building
LOCAL

Dear Mr. Speaker:

I hereby transmit House File 2114, an act relating to and making supplemental appropriations for the fiscal year beginning July 1, 1995, and providing an effective date.

House File 2114, the supplemental appropriations bill, is the first budget bill of the 1996 session. It is disappointing to me that so early in the session the legislature has succumbed to the temptation of excessive spending. Even in times of a budget surplus we must remain vigilant in our resolve to spend responsibly. If an area of the budget is out of control, action should be taken to bring it under control before additional funding is provided. If spending for a particular item would establish a dangerous precedent, funds should not be spent for that purpose.

The amount of spending in House File 2114 is substantially over the budget recommendations I submitted to the legislature in January. The bill provides approximately \$10.3 million to pay claims barred by the statute of limitations which I believe would set bad precedent. It also contains \$6.4 million in additional spending for court appointed attorneys that cannot be approved without accompanying reforms. Failure to adopt the reforms recommended by the state public defender and me in the past has contributed to the present deficit in this area.

House File 2114 is therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as section 3, in its entirety. This item would provide \$6.4 million to address a shortfall in funding to pay for costs of indigent defense. In the past year alone, the costs for this program have increased by 31 percent. While I recommended this additional funding to the legislature, it cannot be approved until the reforms proposed to contain these costs have been passed and presented for my signature. Failing to adequately control these costs has led to continued abuses and unnecessary costs to the taxpayers. This area of the budget must be brought under control.

The Honorable Ron Corbett
March 19, 1996
Page 2

I am unable to approve the items designated as sections 10 and 11, in their entirety. These items would create a standing unlimited appropriation, estimated at \$10.3 million, to provide refunds to certain federal retirees. This action would supersede the state's statute of limitations for filing claims, thereby setting a precedent that could create untold future financial exposure. It is unfortunate that these claims were not filed timely. However, there is no compelling reason why they should be treated different than claims filed by any other group or individual. Allowing the filing of claims after the statute of limitations has run is bad public policy.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2114 are hereby approved as of this date.

Sincerely,



Terry E. Branstad
Governor

TEB/ps

cc Secretary of State
Secretary of the Senate
Chief Clerk of the House

HOUSE FILE 2114

AN ACT

RELATING TO AND MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1995, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT -- STRATEGIC INVESTMENT FUND -- TOURISM. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the appropriations made in 1995 Iowa Acts, chapter 204, section 1, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For deposit in the Iowa strategic investment fund, to supplement the amount appropriated in 1995 Iowa Acts, chapter 204, section 1, subsection 2, paragraph "d":

..... \$ 2,100,000

2. To supplement the amount allocated for heritage tourism and sesquicentennial advertising in 1995 Iowa Acts, chapter 204, section 1, subsection 5, paragraph "b", to be used for media purchases and other promotional efforts for the sesquicentennial advertising:

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

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unencumbered or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for the purpose designated in the succeeding fiscal year.

Sec. 2. DEPARTMENT OF HUMAN SERVICES -- CHILD DAY CARE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the

appropriation made in 1995 Iowa Acts, chapter 205, section 6, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state child care assistance, provided moneys appropriated in this section are not subject to transfer under section 8.39 or any other provision but shall only be used for funding of state child care assistance for persons who are eligible for or are on a waiting list for but who are not receiving the assistance as of the effective date of this section:

..... \$ 1,274,000

Sec. 3. STATE PUBLIC DEFENDER. There is appropriated from the general fund of the state to the office of the state public defender of the department of inspections and appeals for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the appropriation made in 1995 Iowa Acts, chapter 207, section 16, subsection 2, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For court-appointed attorney fees for indigent adults and juveniles, as specified in law by the general assembly:

..... \$ 6,400,000

Sec. 4. DEPARTMENT OF EDUCATION -- GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the amount appropriated in 1995 Iowa Acts, chapter 218, section 1, subsection 1, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration to be used to provide assistance to school districts involved in a financial reporting pilot project:

..... \$ 50,000

Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure in the succeeding fiscal year for the purpose designated.

VETO

Sec. 5. SCHOOL FOR THE DEAF AND BRAILLE AND SIGHT SAVING SCHOOL. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the amounts appropriated in 1995 Iowa Acts, chapter 218, section 6, subsections 5 and 6, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

- 1. For the state school for the deaf: \$ 47,000
- 2. For the Iowa braille and sight saving school: \$ 47,000

3. Of the moneys appropriated to the state school for the deaf and the Iowa braille and sight saving school in this section, each school may expend not more than \$45,000 for technology needs of the school. Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state, but shall remain available for expenditure for technology needs at the designated school in the succeeding fiscal year.

Sec. 6. DEPARTMENT OF GENERAL SERVICES. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the appropriation made in 1995 Iowa Acts, chapter 219, section 5, subsection 6, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For utility costs: \$ 55,000

Sec. 7. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the appropriation made in 1995 Iowa Acts, chapter 219, section 9, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For racetrack regulation, to be used for employment of not more than one full-time equivalent position which shall be in addition to the full-time equivalent positions authorized in 1995 Iowa Acts, chapter 219, section 9:

..... \$ 42,000

Sec. 8. DEPARTMENT OF PERSONNEL. There is appropriated from the Iowa public employees' retirement system fund to the department of personnel for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the appropriation made in 1995 Iowa Acts, chapter 219, section 16, subsection 1, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system:

..... \$ 116,850

Sec. 9. DEPARTMENT OF REVENUE AND FINANCE. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 1995, and ending June 30, 1996, to supplement the appropriation made in 1995 Iowa Acts, chapter 219, section 19, subsection 3, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For internal resources management: \$ 104,500

Sec. 10. DEPARTMENT OF REVENUE AND FINANCE -- REFUND CLAIMS. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 1995, and ending June 30, 1996, an amount sufficient to pay all refund claims timely filed pursuant to section 422.73, subsection 3, as enacted by this Act, and to pay up to \$75,000 for processing such claims.

Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure in the

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succeeding fiscal year for the purposes of paying refund claims and processing costs as provided in this section and the moneys are not subject to transfer under section 8.39.

Sec. 11. Section 422.73, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Notwithstanding subsection 2, a claim for refund of individual income tax paid for any tax year beginning on or after January 1, 1985, and before January 1, 1989, is considered timely if filed with the department on or before October 31, 1996, if the taxpayer's claim is the result of the unconstitutional taxation of federal pension benefits based upon the decision in Davis v. Michigan Department of Treasury, 489 U.S. 803, 109 S. Ct. 1500 (1989).

A taxpayer entitled to a refund of tax paid under this subsection shall receive an amount equal to one hundred percent of the refund without interest. The claim for refund shall be filed separate from any income tax return and shall not be allowed as a credit for income taxes owed. A claim shall be filed between the effective date of this subsection and October 31, 1996. An extension for filing shall not be allowed and claims disallowed on the basis of timeliness shall not be allowed upon appeal to any other state agency notwithstanding any other provision of law.

The claim for refund shall be made on claim forms to be made available by the department. In order for a taxpayer to have a valid refund claim, the taxpayer must supply legible copies of documents the director deems necessary to show entitlement to the refund, including but not limited to income tax forms and W-2P forms, which will establish the state income tax that was paid on the federal pension benefits for the tax years in question. The burden of proof is on the taxpayer to show that the claim for refund is valid. Estates are not entitled to file a claim for refund under this subsection, except a spouse of a deceased taxpayer who was the spouse of the taxpayer when the unconstitutional tax was imposed may file a claim for refund without reopening the deceased taxpayer's estate. If a taxpayer has filed a claim

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under this subsection and subsequently dies before receipt of the refund, the taxpayer's estate is entitled to receipt of any valid refund claim.

The department shall make a reasonable attempt to notify individuals who are entitled to a refund under this subsection.

Sec. 12. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

RON J. CORBETT
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2114, Seventy-sixth General Assembly.

Item Veto
March 19
Approved _____, 1996

ELIZABETH ISAACSON
Chief Clerk of the House

TERRY E. BRANSTAD
Governor