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HOUSE FILE 200
BY COMMITTEE ON JUDICIARY

FEB 11 1997
Place On Calendar

(SUCCESSOR TO HSB 23)

Passed House, Date ^(P.336) 2-17-97 Passed Senate, Date ^(P.980) 4-7-97
Vote: Ayes 95 Nays 0 Vote: Ayes 44 Nays 0
Approved April 11, 1997

A BILL FOR

1 An Act relating to nonsubstantive Code corrections.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 7G.1, subsection 7, Code 1997, is
2 amended to read as follows:

3 7. FUNDS RECEIVED. All funds received by the commission,
4 including but not limited to gifts, transfers, endowments,
5 application and other fees related to the issuance of
6 sesquicentennial motor vehicle registration plates pursuant-to
7 ~~section-321-34,--subsection-14~~, moneys from the sale of
8 mementos and products related to the purposes of the
9 commission, and appropriations, shall be credited to the
10 sesquicentennial fund and are appropriated to the commission
11 to be invested or used to support the activities of the
12 commission. Notwithstanding section 8.33, any balance in the
13 fund on June 30 of any fiscal year shall not revert to the
14 general fund of the state.

15 Sec. 2. Section 10A.108, subsection 1, unnumbered
16 paragraph 2, Code 1997, is amended to read as follows:

17 A lien under this section shall not attach to any amount of
18 inappropriately obtained benefits or provider payments, or
19 portions of the benefits or provider payments, attributable to
20 errors by the department of human services. Liens shall only
21 attach to the amounts of inappropriately obtained benefits or
22 provider payments or portions of the benefits or provider
23 payments which were obtained due to false, misleading,
24 incomplete, or inaccurate information submitted by a person in
25 connection with the application for or receipt of benefits or
26 provider payments.

27 Sec. 3. Section 10A.108, subsection 4, unnumbered
28 paragraph 1, Code 1997, is amended to read as follows:

29 The county recorder of each county shall prepare and
30 maintain in the recorder's office an index of liens of debts
31 established based upon benefits or provider payments
32 inappropriately obtained from and owed the department of human
33 services, which provides appropriate columns for all of the
34 following data, under the names of debtors, arranged
35 alphabetically:

1 Sec. 4. Section 12.40, subsection 3, Code 1997, is amended
2 to read as follows:

3 3. In order to qualify as an eligible borrower, the rural
4 small business must be located in a city with a population of
5 five thousand or less. A business in a city located in a
6 county with a population in excess of three hundred thousand,
7 if the city is contiguous to another city in the county and
8 that other city is contiguous to the largest city in that
9 county, shall be ineligible to qualify as a borrower.

10 Sec. 5. Section 15.114, subsection 1, paragraph c, Code
11 1997, is amended to read as follows:

12 c. "Microbusiness Microenterprise organization" means a
13 nonprofit corporation organized under chapter 504A which is
14 exempt from taxation pursuant to section 501(c) of the
15 Internal Revenue Code and which has a principal mission of
16 actively engaging in microbusiness development, training,
17 technical assistance, and capital access for the start-up or
18 expansion of microbusinesses.

19 Sec. 6. Section 15A.7, subsection 4, Code 1997, is amended
20 to read as follows:

21 4. To provide funds for the payment of the costs of the
22 additional project, a community college may borrow money,
23 issue and sell certificates, and secure the payment of the
24 certificates in the same manner as described in section
25 260E.6, including, but not limited to, providing the
26 assessment of an annual levy as described in section 260E.6,
27 subsection 4. The program and credit authorized by this
28 ~~subsection~~ section are in addition to, and not in lieu of, the
29 program and credit authorized in chapter 260E.

30 Sec. 7. Section 80.16, Code 1997, is amended to read as
31 follows:

32 80.16 BONDS.

33 All special agents appointed by the commissioner of public
34 safety pursuant to section 80.7 shall furnish bond as required
35 by the commissioner in the amount of five thousand dollars.

1 All members of the state department of public safety excepting
2 the members of the clerical force shall be bonded for the
3 faithful performance of their duties, in such an amount as the
4 commissioner of public safety may deem necessary, but not less
5 than five thousand dollars for any one position, and clerical
6 employees may be so bonded. The ~~director~~ commissioner is
7 authorized to purchase bond coverage with departmental funds,
8 either in blanket bond form or in individual bond form or in
9 any combination thereof.

10 Sec. 8. Section 84A.7, subsection 2, Code 1997, is amended
11 to read as follows:

12 2. IOWA CONSERVATION CORPS ESTABLISHED. The Iowa
13 conservation corps is established in this state to provide
14 meaningful and productive public service jobs for the youth,
15 the unemployed persons, the-disabled persons with
16 disabilities, the disadvantaged persons, and the elderly
17 persons, and to provide participants with an opportunity to
18 explore careers, gain work experience, and contribute to the
19 general welfare of their communities and the state. The corps
20 shall provide opportunities in the areas of natural resource
21 and wildlife conservation, park maintenance and restoration,
22 land management, energy savings, community improvement
23 projects, tourism, economic development, and work benefiting
24 human services programs. The department of workforce
25 development shall administer the corps and shall adopt rules
26 governing its operation, eligibility for participation, cash
27 contributions, and implementation of an incentive program.

28 Sec. 9. Section 97A.7, subsection 5, Code 1997, is amended
29 by striking the subsection.

30 Sec. 10. Section 97B.49, subsection 17, paragraph c,
31 subparagraph (1), Code 1997, is amended by striking the
32 subparagraph.

33 Sec. 11. Section 97B.80, unnumbered paragraph 1, Code
34 1997, is amended to read as follows:

35 Effective July 1, 1992, a vested or retired member, who at

1 any time served on active duty in the armed forces of the
2 United States, upon submitting verification of the dates of
3 the active duty service, may make employer and employee
4 contributions to the system based upon the member's covered
5 wages for the most recent full calendar year in which the
6 member had reportable wages at the applicable rates in effect
7 for that year under sections 97B.11 and 97B.49, for all or a
8 portion of the period of time of the active duty service, in
9 increments of one or more calendar quarters, and receive
10 credit for membership service and prior service for the period
11 of time for which the contributions are made. If the member's
12 most recent covered wages were earned prior to the most recent
13 calendar year, the member's covered wages shall be adjusted by
14 the department by an inflation factor to reflect changes in
15 the economy. The department shall adjust benefits for a six-
16 month period prior to the date the member pays contributions
17 under this section if the member is receiving a retirement
18 allowance at the time the contribution payment is made.
19 Verification of active duty service and payment of
20 contributions shall be made to the department. However, a
21 member is not eligible to make contributions under this
22 section if the member is receiving, is eligible to receive, or
23 may in the future be eligible to receive retirement pay from
24 the United States government for active duty in the armed
25 forces, except for retirement pay granted by the United States
26 government under retired pay for nonregular service (~~10-U.S.C.~~
27 ~~§-13317-et-seq.~~) pursuant to 10 U.S.C. § 12731--12739. A
28 member receiving retired pay for nonregular service who makes
29 contributions under this section shall provide information
30 required by the department documenting time periods covered
31 under retired pay for nonregular service.

32 Sec. 12. Section 99D.25A, subsection 2, Code 1997, is
33 amended to read as follows:

34 2. Phenylbutazone shall not be administered to a horse in
35 dosages which would result in concentrations of more than two

1 point two micrograms of the substance or its metabolites per
2 ~~millimeter~~ milliliter of blood.

3 Sec. 13. Section 135.11, subsection 16, Code 1997, is
4 amended by striking the subsection.

5 Sec. 14. Section 135.107, subsection 3, paragraph c,
6 subparagraph (2), subparagraph subdivision (a), Code 1997, is
7 amended to read as follows:

8 (a) Determination of eligibility requirements and
9 qualifications of an applicant to receive scholarships under
10 the program, including but not limited to years of obligated
11 service, clinical practice requirements, and residency
12 requirements. One year of obligated service shall be provided
13 by the applicant in exchange for each year of ~~loan-repayment~~
14 scholarship receipt, unless federal requirements otherwise
15 require.

16 Sec. 15. Section 137E.1, subsection 11, Code 1997, is
17 amended to read as follows:

18 11. "Potentially hazardous food" means any food that
19 consists in whole or in part of milk or milk products, eggs,
20 meat, poultry, fish, shell fish, edible crustacea, or other
21 ingredients including synthetic ingredients, in a form capable
22 of supporting rapid and progressive growth ~~or~~ of infectious or
23 toxigenic microorganisms. The term does not include clean,
24 whole, uncracked, odor-free shell eggs or foods which have a
25 pH level of 4.5 or below or a water activity (Aw) value of
26 0.85 or less.

27 Sec. 16. Section 191.3, unnumbered paragraph 1, Code 1997,
28 is amended to read as follows:

29 Every person owning or in charge of any place where food or
30 drink is sold who uses or serves therein imitation cheese ~~as~~
31 ~~in this subtitle defined~~, shall display at all times opposite
32 each table or place of service a placard for such imitation,
33 with the words "Imitation served here", without other
34 matter, printed in black roman letters not less than three
35 inches in height and two inches in width, on a white card

1 twelve by twenty-two inches in dimensions.

2 Sec. 17. Section 229.33, Code 1997, is amended to read as
3 follows:

4 229.33 HEARING.

5 If, on such report and statement, and the hearing of
6 testimony if any is offered, the judge shall find that such
7 person is not seriously mentally impaired, the judge shall
8 order the person's discharge; if the contrary, the judge shall
9 so state, and authorize the continued detention of the person,
10 subject to all applicable requirements of ~~this-Act~~ chapter
11 229.

12 Sec. 18. Section 230.6, subsection 1, Code 1997, is
13 amended to read as follows:

14 1. If the administrator finds that the decision of the
15 court as to legal settlement is correct, the administrator
16 shall cause said patient either to be transferred to a state
17 hospital for persons with mental illness at the expense of the
18 state, or to be transferred, with approval of the court as
19 required by ~~this-Act~~ chapter 229 to the place of foreign
20 settlement.

21 Sec. 19. Section 230.7, Code 1997, is amended to read as
22 follows:

23 230.7 TRANSFER OF NONRESIDENTS.

24 Upon determining that a patient in a state hospital who has
25 been involuntarily hospitalized under ~~this-Act~~ chapter 229 or
26 admitted voluntarily at public expense was not a resident of
27 this state at the time of the involuntary hospitalization or
28 admission, the administrator may cause that patient to be
29 conveyed to the patient's place of residence. However, a
30 transfer under this section may be made only if the patient's
31 condition so permits and other reasons do not render the
32 transfer inadvisable. If the patient was involuntarily
33 hospitalized, prior approval of the transfer must be obtained
34 from the court which ordered the patient hospitalized.

35 Sec. 20. Section 231.53, Code 1997, is amended to read as

1 follows:

2 231.53 COORDINATION WITH JOB TRAINING PARTNERSHIP ACT.

3 The employment and training program administered by the
4 department shall be coordinated with the training program for
5 older individuals administered by the department of ~~economic~~
6 ~~development~~ workforce development under the Job Training
7 Partnership Act.

8 A proposed annual plan for coordinating these programs
9 shall be developed jointly by the department of elder affairs,
10 ~~the department of economic development~~, the department of
11 education, and the department of workforce development for
12 submittal to the state job training coordinating council. The
13 state job training coordinating council shall take the
14 proposed plan under advisement in preparing a final annual
15 plan for coordinating these programs which will be submitted
16 to the governor.

17 After the end of each annual planning period, the
18 department of elder affairs, ~~the department of economic~~
19 ~~development~~, the department of education, and the department
20 of workforce development shall submit a joint report to the
21 state job training coordinating council describing the
22 services provided to elderly Iowans, assessing the extent to
23 which coordination of programs was achieved, and making
24 recommendations for improving coordination.

25 Sec. 21. Section 231C.4, Code 1997, is amended to read as
26 follows:

27 231C.4 FIRE AND SAFETY STANDARDS.

28 The state fire marshal shall adopt rules, in coordination
29 with the department, relating to the certification or
30 voluntary accreditation and monitoring of the fire and safety
31 standards of certified or voluntarily accredited assisted
32 living programs.

33 Sec. 22. Section 232.89, subsection 1, Code 1997, is
34 amended to read as follows:

35 1. Upon the filing of a petition the parent, guardian, or

1 custodian identified in the petition shall have the right to
2 counsel in connection with all subsequent hearings and
3 proceedings. If that person desires but is financially unable
4 to employ counsel, the court shall appoint counsel. However,
5 an incarcerated parent without legal custody shall not have
6 the right to court-appointed counsel.

7 Sec. 23. Section 249F.1, subsection 2, paragraph b,
8 subparagraph (6), Code 1997, is amended to read as follows:

9 (6) Transfers of assets that would, at the time of the
10 transferor's application for medical assistance, have been
11 exempt from consideration as a resource if ~~it had been~~
12 retained by the transferor, pursuant to 42 U.S.C. § 1382b(a),
13 as implemented by regulations adopted by the secretary of the
14 United States department of health and human services.

15 Sec. 24. Section 256B.2, subsection 3, unnumbered
16 paragraph 1, Code 1997, is amended to read as follows:

17 It is the policy of this state to require school districts
18 and state operated educational programs to provide or make
19 provision, as an integral part of public education, for a free
20 and appropriate public education sufficient to meet the needs
21 of all children requiring special education. This chapter is
22 not to be construed as encouraging separate facilities or
23 segregated programs designed to meet the needs of children
24 requiring special education when the children can benefit from
25 all or part of the education program as offered by the local
26 school district. To the maximum extent possible, children
27 requiring special education shall attend regular classes and
28 shall be educated with children who do not require special
29 education. Whenever possible, hindrances to learning and to
30 the normal functioning of children requiring special education
31 within the regular school environment shall be overcome by the
32 provision of special aids and services rather than by separate
33 programs for those in need of special education. Special
34 classes, separate schooling, or other removal of children
35 requiring special education from the regular educational

1 environment, shall occur only when, and to the extent that the
2 nature or severity of the educational disability is such, that
3 education in regular classes, even with the use of
4 supplementary aids and services, cannot be accomplished
5 satisfactorily. For those children who cannot adapt to the
6 regular educational or home living conditions, and who are
7 attending facilities under chapters 263, 269, and 270, upon
8 the request of the board of directors of an area education
9 agency, the department of human services shall provide
10 residential or detention facilities and the area education
11 agency shall provide special education programs and services.
12 The area education agencies shall cooperate with the board of
13 regents to provide the services required by this Act chapter.

14 Sec. 25. Section 257.21, unnumbered paragraph 2, Code
15 1997, is amended to read as follows:

16 The instructional support income surtax shall be imposed on
17 the state individual income tax for the calendar year during
18 which the school's budget year begins, or for a taxpayer's
19 fiscal year ending during the second half of that calendar
20 year and after the date the board adopts a resolution to
21 participate in the program or the first half of the succeeding
22 calendar year, and shall be imposed on all individuals
23 residing in the school district on the last day of the
24 applicable tax year. As used in this section, "state
25 individual income tax" means the taxes computed under section
26 422.5, less the credits allowed in sections 422.11A, 422.11B,
27 ~~422.11C~~, 422.12, and 422.12B.

28 Sec. 26. Section 257.31, subsection 17, paragraph d, Code
29 1997, is amended to read as follows:

30 d. Funds transferred to the committee in accordance with
31 section 321.34, subsection ~~12~~ 22, are appropriated to and may
32 be expended for the purposes of the committee, as described in
33 this section. However, highest priority shall be given to
34 districts that meet the conditions described in this
35 subsection. Notwithstanding any other provision of the Code,

1 unencumbered or unobligated funds transferred to the committee
2 pursuant to section 321.34, subsection ~~12~~ 22, remaining on
3 June 30 of the fiscal year for which the funds were
4 transferred, shall not revert but shall be available for
5 expenditure for the purposes of this subsection in subsequent
6 fiscal years.

7 Sec. 27. Section 260C.39, unnumbered paragraphs 3 and 4,
8 Code 1997, are amended by striking the unnumbered paragraphs.

9 Sec. 28. Section 260C.45, unnumbered paragraph 3, Code
10 1997, is amended by striking the paragraph.

11 Sec. 29. Section 260C.46, Code 1997, is amended to read as
12 follows:

13 260C.46 PROGRAM AND ADMINISTRATIVE SHARING.

14 By September 1, 1990, the department shall establish
15 guidelines and an approval process for program sharing
16 agreements and for administrative sharing agreements entered
17 into by two or more community colleges or by a community
18 college and a higher education institution under the control
19 of the board of regents. Guidelines established shall be
20 designed to increase student access to programs, enhance
21 educational program offerings throughout the state, and
22 enhance interinstitutional cooperation in program offerings.
23 ~~A-community-college-must-submit-an-application-and-obtain~~
24 ~~approval-from-the-department-in-order-to-become-eligible-to~~
25 ~~receive-funds-from-the-community-college-excellence-2000~~
26 ~~account-under-section-260D-14A-for-an-administrative-sharing~~
27 ~~or-program-sharing-agreement.--The-application-shall-describe~~
28 ~~the-sharing-agreement,-costs,-and-benefits-associated-with-the~~
29 ~~sharing-proposal.~~

30 Sec. 30. Section 260F.8, subsection 1, Code 1997, is
31 amended to read as follows:

32 1. For each fiscal year, the department shall make funds
33 available to the community colleges. The department shall
34 allocate by formula from the moneys in the fund an amount for
35 each community college to be used to provide the financial

1 assistance for proposals of businesses whose applications have
2 been approved by the department. The financial assistance
3 shall be provided by the department from the amount set aside
4 for that community college. If any portion of the moneys set
5 aside for a community college have not been used or committed
6 by May 1 of the fiscal year, that portion is available for use
7 by the department to provide financial assistance to
8 businesses ~~located in~~ applying to other community colleges.
9 The department shall adopt by rule a formula for this set-
10 aside.

11 Sec. 31. Section 282.18, subsection 9, unnumbered
12 paragraph 2, Code 1997, is amended to read as follows:

13 If a request to transfer is due to a change in family
14 residence, change in the state in which the family residence
15 is located, a change in a child's parents' marital status, a
16 guardianship proceeding, placement in foster care, adoption,
17 participation in a foreign exchange program, or participation
18 in a substance abuse or mental health treatment program, and
19 the child, who is the subject of the request, is not currently
20 using any provision of open enrollment, the parent or guardian
21 of the child shall have the option to have the child remain in
22 the child's original district of residence under open
23 enrollment with no interruption in the child's educational
24 program. If a parent or guardian exercises this option, the
25 child's new district of residence is not required to pay the
26 ~~lower-of-the-two-district-costs-per-pupil-or-other~~ costs
27 described in subsection 7 to the receiving district until the
28 start of the first full year of enrollment of the child.

29 Sec. 32. Section 321.210, subsection 1, unnumbered
30 paragraph 1, Code 1997, is amended to read as follows:

31 The department is authorized to establish rules providing
32 for the suspension of the license of an operator upon ~~twenty~~
33 thirty days' notice and without preliminary hearing upon a
34 showing by its records or other sufficient evidence that the
35 licensee:

1 Sec. 33. Section 321E.14, unnumbered paragraph 2, Code
2 1997, is amended by striking the paragraph.

3 Sec. 34. Section 321L.1, subsection 4, paragraph a, Code
4 1997, is amended to read as follows:

5 a. A handicapped registration plate issued to or for a
6 handicapped person under section 321.34, subsection 7 14.

7 Sec. 35. Section 331.438, subsection 2, Code 1997, is
8 amended to read as follows:

9 2. Except as modified based upon the actual amount of the
10 appropriation for purposes of state payment under section
11 331.439, the amount of the state payment for a fiscal year
12 shall be calculated by applying the ~~inflation~~ allowed growth
13 factor adjustment established in accordance with section
14 331.439, subsection 3, for that fiscal year to the amount of
15 county expenditures for qualified services in the previous
16 fiscal year. A state payment is the state funding a county
17 receives pursuant to section 426B.2, subsection 2. Any state
18 funding received by a county for property tax relief in
19 accordance with section 426B.2, subsections 1 and 3, is not a
20 state payment and shall not be included in the state payment
21 calculation made pursuant to this subsection.

22 Sec. 36. Section 331.602, subsection 14, Code 1997, is
23 amended by striking the subsection.

24 Sec. 37. Section 372.4, unnumbered paragraph 2, Code 1997,
25 is amended to read as follows:

26 However, a city governed, on ~~the-effective-date-of-this~~
27 section July 1, 1975, by the mayor-council form composed of a
28 mayor and a council consisting of two council members elected
29 at large, and one council member from each of four wards, or a
30 special charter city governed, on ~~the-effective-date-of-this~~
31 section July 1, 1975, by the mayor-council form composed of a
32 mayor and a council consisting of two council members elected
33 at large and one council member elected from each of eight
34 wards, may continue until the form of government is changed as
35 provided in section 372.2 or section 372.9. While a city is

1 thus operating with an even number of council members, the
2 mayor may vote to break a tie vote on motions not involving
3 ordinances, resolutions or appointments made by the council
4 alone, and in a special charter city operating with ten
5 council members under this section, the mayor may vote to
6 break a tie vote on all measures.

7 Sec. 38. Section 372.5, unnumbered paragraph 3, Code 1997,
8 is amended to read as follows:

9 However, a city governed, on ~~the-effective-date-of-this~~
10 ~~section~~ July 1, 1975, by the commission form and having a
11 council composed of a mayor and two council members elected at
12 large may continue with a council of three until the form of
13 government is changed as provided in section 372.2 or section
14 372.9 or without changing the form, may submit to the voters
15 the question of increasing the council to five members
16 assigned to the five departments as set out in this section.

17 Sec. 39. Section 372.12, unnumbered paragraph 1, Code
18 1997, is amended to read as follows:

19 A city may not adopt the special charter form but a city
20 governed by a special charter on ~~the-effective-date-of-the~~
21 ~~city-code~~ July 1, 1975, is considered to have the special
22 charter form although it may utilize elements of the mayor-
23 council form in conjunction with the provisions of its special
24 charter. In adopting and filing its charter as required in
25 section 372.1, a special charter city shall include the
26 provisions of its charter and any provisions of the mayor-
27 council form which are followed by the city on ~~the-effective~~
28 ~~date-of-the-city-code~~ July 1, 1975.

29 Sec. 40. Section 422.6, unnumbered paragraph 1, Code 1997,
30 is amended to read as follows:

31 The tax imposed by section 422.5 less the credits allowed
32 under sections 422.10, 422.11A, and 422.11B, ~~and-422.11C~~, and
33 the personal exemption credit allowed under section 422.12
34 apply to and are a charge against estates and trusts with
35 respect to their taxable income, and the rates are the same as

1 those applicable to individuals. The fiduciary shall make the
2 return of income for the estate or trust for which the
3 fiduciary acts, whether the income is taxable to the estate or
4 trust or to the beneficiaries.

5 Sec. 41. Section 422.10, unnumbered paragraph 2, Code
6 1997, is amended to read as follows:

7 Any credit in excess of the tax liability imposed by
8 section 422.5 less the credits allowed under sections 422.11A,
9 ~~422.11E~~, 422.12, and 422.12B for the taxable year shall be
10 refunded with interest computed under section 422.25. In lieu
11 of claiming a refund, a taxpayer may elect to have the
12 overpayment shown on the taxpayer's final, completed return
13 credited to the tax liability for the following taxable year.

14 Sec. 42. Section 422.12C, subsection 1, unnumbered
15 paragraph 1, Code 1997, is amended to read as follows:

16 The taxes imposed under this division, less the credits
17 allowed under sections 422.11A, 422.11B, ~~422.11E~~, 422.12, and
18 422.12B shall be reduced by a child and dependent care credit
19 equal to the following percentages of the federal child and
20 dependent care credit provided in section 21 of the Internal
21 Revenue Code:

22 Sec. 43. Section 422D.2, Code 1997, is amended to read as
23 follows:

24 422D.2 LOCAL INCOME SURTAX.

25 A county may impose by ordinance a local income surtax as
26 provided in section 422D.1 at the rate set by the board of
27 supervisors, of up to one percent, on the state individual
28 income tax of each individual residing in the county at the
29 end of the individual's applicable tax year. However, the
30 cumulative total of the percents of income surtax imposed on
31 any taxpayer in the county shall not exceed twenty percent.
32 The reason for imposing the surtax and the amount needed shall
33 be set out in the ordinance. The surtax rate shall be set to
34 raise only the amount needed. For purposes of this section,
35 "state individual income tax" means the tax computed under

1 section 422.5, less the credits allowed in sections 422.11A,
2 422.11B, ~~422.11C~~, 422.12, and 422.12B.

3 Sec. 44. Section 425.40, Code 1997, is amended to read as
4 follows:

5 425.40 LOW-INCOME FUND CREATED.

6 1. A low-income tax credit and reimbursement fund is
7 created.

8 2. If the amount appropriated ~~under subsection 1 plus any~~
9 ~~supplemental appropriation made~~ for purposes of this section
10 for a fiscal year is insufficient to pay all claims in full,
11 the director shall pay, in full, all claims to be paid during
12 the fiscal year for reimbursement of rent constituting
13 property taxes paid or if moneys are insufficient to pay all
14 such claims on a pro rata basis. If the amount of claims for
15 credit for property taxes due to be paid during the fiscal
16 year exceed the amount remaining after payment to renters, the
17 director of revenue and finance shall prorate the payments to
18 the counties for the property tax credit. In order for the
19 director to carry out the requirements of this subsection,
20 notwithstanding any provision to the contrary in this
21 division, claims for reimbursement for rent constituting
22 property taxes paid filed before May 1 of the fiscal year
23 shall be eligible to be paid in full during the fiscal year
24 and those claims filed on or after May 1 of the fiscal year
25 shall be eligible to be paid during the following fiscal year
26 and the director is not required to make payments to counties
27 for the property tax credit before June 15 of the fiscal year.

28 Sec. 45. Section 441.73, subsections 2 and 4, Code 1997,
29 are amended to read as follows:

30 2. If the director of revenue and finance determines that
31 foreseeable litigation expenses will exceed the amount
32 available from appropriations made to the department of
33 revenue and finance, the director of revenue and finance may
34 apply to the executive council for use of funds on deposit in
35 the litigation ~~defense~~ expense fund. The initial application

1 for approval shall include an estimate of potential litigation
2 expenses, allocated to each of the next four succeeding
3 calendar quarters and substantiated by a breakdown of all
4 anticipated costs for legal counsel, expert witnesses, and
5 other applicable litigation expenses.

6 4. The executive council shall transfer for the fiscal
7 year beginning July 1, 1992, and each fiscal year thereafter,
8 from funds established in sections 405A.8, 425.1, and 426.1,
9 an amount necessary to pay litigation expenses. However, the
10 amount of funds transferred to the litigation expense fund for
11 the fiscal year beginning July 1, 1992, shall not exceed three
12 hundred fifty thousand dollars and the amount of the fund for
13 the succeeding fiscal years shall not exceed seven hundred
14 thousand dollars. The executive council shall determine
15 annually the proportionate amounts to be transferred from the
16 three separate funds. At any time when no litigation is
17 pending or in progress the balance in the litigation **defense**
18 expense fund shall not exceed one hundred thousand dollars.
19 Any excess moneys shall be transferred in a proportionate
20 amount back to the funds from which they were originally
21 transferred.

22 Sec. 46. Section 455A.11, Code 1997, is amended to read as
23 follows:

24 455A.11 PREFERENCES IN TEMPORARY EMPLOYMENT.

25 In its employment of persons in temporary positions in
26 conservation and outdoor recreation, the department of natural
27 resources shall give preference to lower income persons
28 ~~meeting-eligibility-requirements-for-the-green-thumb-program~~
29 ~~under-section-15-227~~ who are sixty years of age or older and
30 to persons working toward an advanced education in natural
31 resources and conservation.

32 Sec. 47. Section 457B.1, article V, paragraph c, Code
33 1997, is amended to read as follows:

34 c. If a party state's right to have waste generated within
35 its borders disposed of at compact facilities, or at any

1 noncompact facility made available to the region by an
2 agreement entered into by the commission under article III,
3 section h, subsection 6, is suspended, low-level radioactive
4 waste generated within its borders by any person shall not be
5 disposed of at any such facility during the period of the
6 suspension.

7 Sec. 48. Section 462A.77, subsection 3, paragraph b, Code
8 1997, is amended to read as follows:

9 b. A person who is the owner of a vessel that is
10 documented with the United States coast guard is not required
11 to file an application for a certificate of title for the
12 vessel and the vessel is exempt from the requirements of
13 sections section 462A.82, subsections 1 and 2, and section
14 462A.84.

15 Sec. 49. Section 499.4, Code 1997, is amended to read as
16 follows:

17 499.4 USE OF TERM "COOPERATIVE" RESTRICTED.

18 No person or firm, and no corporation hereafter organized,
19 which is not an association as defined herein in this chapter
20 or a cooperative as defined in chapter 501, shall use the word
21 "cooperative" or any abbreviation thereof in its name or
22 advertising or in any connection with its business, except
23 foreign associations admitted under section 499.54. The
24 attorney general or any association or any member thereof may
25 sue and enjoin such use.

26 Sec. 50. Section 501.404, subsection 1, paragraph b, Code
27 1997, is amended to read as follows:

28 b. The material facts of the transaction and the
29 director's interest were disclosed or known to the
30 shareholders entitled to vote and they authorized, approved,
31 or ratified the transaction. For purposes of this paragraph,
32 a conflict of interest transaction is authorized, approved, or
33 ratified if it receives a majority of the votes entitled to be
34 counted under this paragraph. Shares owned by or voted under
35 the control of a director who has a direct or indirect

1 interest in the transaction, and shares owned by or voted
2 under the control of an entity described in subsection 2,
3 paragraph "a", shall not be counted in a vote of members to
4 determine whether to authorize, approve, or ratify a conflict
5 of interest transaction under this paragraph. The vote of
6 those shares, however, is counted in determining whether the
7 transaction is approved under other sections of this chapter.
8 A majority of the votes, whether or not the shareholders are
9 present, that are entitled to be counted in a vote on the
10 transaction under this paragraph constitutes a quorum for the
11 purpose of taking action under this paragraph.

12 Sec. 51. Section 501.408, Code 1997, is amended to read as
13 follows:

14 501.408 INDEMNIFICATION.

15 A cooperative may indemnify a present or former director,
16 officer, employee, or agent in the manner and in the instances
17 authorized in sections 490.850 through 490.858, provided that
18 where these sections provide for action by the shareholders
19 these sections are applicable to actions by the members, and
20 where these sections refer to the cooperative corporation
21 these sections are applicable to a cooperative.

22 Sec. 52. Section 502.207B, Code 1997, is amended to read
23 as follows:

24 502.207B LEGISLATIVE REVIEW AND OVERSIGHT.

25 The director of revenue and finance and the administrator
26 of the securities bureau of the insurance division shall each
27 report on an annual basis to the senate's and house of
28 representatives' committees on ways and means concerning
29 ~~issuers-using-the-seed-capital-tax-credit,-as-authorized-for~~
30 ~~personal-taxpayers-by-section-422-11C-and-for-corporate~~
31 ~~taxpayers-by-section-422-337-subsection-87-and~~ the expedited
32 filing by registration system provided by section 502.207A.

33 Sec. 53. Section 502.404, Code 1997, is amended to read as
34 follows:

35 502.404 PROHIBITED TRANSACTIONS OF BROKER-DEALERS AND

1 AGENTS.

2 A broker-dealer or agent shall not effect a transaction in,
3 or induce or attempt to induce the purchase or sale of, any
4 security in this state by means of any manipulative, deceptive
5 or other fraudulent scheme, device, or contrivance, fictitious
6 quotation, or in violation of this Act chapter or any rule or
7 order hereunder. A broker-dealer or agent shall not recommend
8 to a customer the purchase, sale or exchange of a security
9 without reasonable grounds to believe that the transaction or
10 recommendation is suitable for the customer based upon
11 reasonable inquiry concerning the customer's investment
12 objectives, financial situation and needs, and other relevant
13 information known by the broker-dealer.

14 Sec. 54. Section 505.8, subsection 2, Code 1997, is
15 amended to read as follows:

16 2. The commissioner shall, subject to chapter 17A,
17 establish, publish, and enforce rules not inconsistent with
18 law for the enforcement of this subtitle and for the
19 enforcement of the laws, the administration and supervision of
20 which are imposed on the division, including rules to
21 establish fees sufficient to administer the laws, where
22 appropriate fees are not otherwise provided for in rule or
23 statute, and as necessary to obtain from persons authorized to
24 do business in the state or regulated by the division that
25 data required ~~pursuant-to-former-section-145-3~~ by the state
26 ~~health-data-commission~~ community health management information
27 system.

28 Sec. 55. Section 523A.2, subsection 1, paragraph d, Code
29 1997, is amended to read as follows:

30 d. A financial institution referred to in paragraph "a"
31 shall file notice with the commissioner of all funds deposited
32 under the trust agreement. The notice shall be on forms
33 prescribed by the commissioner and shall be filed not later
34 than March 1 of each year. Each notice shall contain the
35 required information for all deposits made during the previous

1 calendar year. Forms may be obtained from the commissioner.
2 The commissioner may accept ~~annual-reports~~ notices submitted
3 in an electronic format, such as computer diskettes.

4 Sec. 56. Section 523E.2, subsection 1, paragraph d, Code
5 1997, is amended to read as follows:

6 d. A financial institution referred to in paragraph "a"
7 shall file notice with the commissioner of all funds deposited
8 under the trust agreement. The notice shall be on forms
9 prescribed by the commissioner and shall be filed not later
10 than March 1 of each year. Each notice shall contain the
11 required information for all deposits made during the previous
12 calendar year. Forms may be obtained from the commissioner.
13 The commissioner may accept ~~annual-reports~~ notices submitted
14 in an electronic format, such as computer diskettes.

15 Sec. 57. Section 524.1802, subsection 2, Code 1997, is
16 amended to read as follows:

17 2. A bank holding company shall not acquire a bank or bank
18 holding company pursuant to section 524.1805 ~~or-524.1903~~ if,
19 following that acquisition, those state and national banks
20 located in this state in which out-of-state bank holding
21 companies directly or indirectly control more than twenty-five
22 percent of the voting shares or have the power to control in
23 any manner the election of the majority of directors would
24 have, in the aggregate, more than thirty-five percent of the
25 sum of the total time and demand deposits of all state and
26 national banks located in this state plus the total time and
27 demand deposits of all offices located in this state of
28 savings and loan associations and savings banks, whether
29 chartered under the law of this or another state or under
30 federal law, as determined by the superintendent on the basis
31 of the most recent reports of those financial institutions to
32 their supervisory authorities.

33 Sec. 58. Section 542B.27, subsection 1, unnumbered
34 paragraph 1, Code 1997, is amended to read as follows:

35 In addition to any other penalties provided for in this

1 section chapter, the board may by order impose a civil penalty
2 upon a person who is not licensed under this chapter as a
3 professional engineer or a land surveyor and who does any of
4 the following:

5 Sec. 59. Section 542B.35, subsection 2, paragraph c, Code
6 1997, is amended to read as follows:

7 c. A person who completes the real property inspection
8 report shall not ~~represent-themselves-as~~ claim to be a
9 licensed land surveyor or a professional engineer for purposes
10 of the report.

11 Sec. 60. Section 543B.46, subsection 3, Code 1997, is
12 amended to read as follows:

13 3. Each broker shall authorize the real estate commission
14 to examine each trust account and shall obtain the
15 certification of the bank or savings and loan association
16 attesting to each trust account and consenting to the
17 examination and audit of each account by a duly authorized
18 representative of the commission. The certification and
19 consent shall be furnished on forms prescribed by the
20 commission. This subsection does not apply to an individual
21 farm account maintained in the name of the owner or owners for
22 the purpose of conducting ongoing farm business whether it is
23 conducted by the farm owner or by an agent or farm manager
24 when the account is part of a farm management agreement
25 between the owner and agent or manager. This section
26 subsection also does not apply to an individual property
27 management account maintained in the name of the owner or
28 owners for the purpose of conducting ongoing property
29 management whether it is conducted by the property owner or by
30 an agent or manager when the account is part of a property
31 management agreement between the owner and agent or manager.

32 Sec. 61. Section 554.2512, subsection 1, paragraph b, Code
33 1997, is amended to read as follows:

34 b. despite tender of the required documents the
35 circumstances would justify injunction against honor under the

1 ~~provisions of~~ this chapter (section 554.5109, subsection 2).

2 Sec. 62. Section 554.5116, subsection 4, Code 1997, is
3 amended to read as follows:

4 4. If there is conflict between this Article and Article
5 3, 4, or 9, or 12, this Article governs.

6 Sec. 63. Section 554.8111, Code 1997, is amended to read
7 as follows:

8 554.8111 CLEARING CORPORATION RULES.

9 A rule adopted by a clearing corporation governing rights
10 and obligations among the clearing corporation and its
11 participants in the clearing corporation is effective even if
12 the rule conflicts with this ~~Article~~ chapter and affects
13 another party who does not consent to the rule.

14 Sec. 64. Section 554.8205, unnumbered paragraph 1, Code
15 1997, is amended to read as follows:

16 An unauthorized signature placed on a security certificate
17 before or in the course of issue is ineffective, but the
18 signature is effective in favor of a purchaser for value of
19 the certificated security if the purchaser is without notice
20 of the lack of authority and the signing has been done by:

21 Sec. 65. Section 554.8401, subsection 1, unnumbered
22 paragraph 1, Code 1997, is amended to read as follows:

23 If a certificated security in registered form is presented
24 to an issuer with a request to register transfer or an
25 instruction is presented to an issuer with a request to
26 register transfer of an uncertificated security, the issuer
27 shall register the transfer as requested if:

28 Sec. 66. Section 554.9305, Code 1997, is amended to read
29 as follows:

30 554.9305 WHEN POSSESSION BY SECURED PARTY PERFECTS
31 SECURITY INTEREST WITHOUT FILING.

32 A security interest in ~~letters of credit~~ ~~(section~~
33 ~~554-5114)~~ goods, instruments, money, negotiable documents, or
34 chattel paper may be perfected by the secured party's taking
35 possession of the collateral. A security interest in the

1 right to proceeds of a written letter of credit may be
2 perfected by the secured party's taking possession of the
3 letter of credit. If such collateral other than goods covered
4 by a negotiable document is held by a bailee, the secured
5 party is deemed to have possession from the time the bailee
6 receives notification of the secured party's interest. A
7 security interest is perfected by possession from the time
8 possession is taken without a relation back and continues only
9 so long as possession is retained, unless otherwise specified
10 in this Article. The security interest may be otherwise
11 perfected as provided in this Article before or after the
12 period of possession by the secured party.

13 Sec. 67. Section 589.6, Code 1997, is amended to read as
14 follows:

15 589.6 INSTRUMENTS AFFECTING REAL ESTATE.

16 All instruments in writing executed by a corporation before
17 July 1, 1996, which are more than one year old, conveying,
18 encumbering, or affecting real estate, including releases, or
19 satisfactions of mortgages, judgments, or any other liens by
20 entry of the release or satisfaction upon the page where the
21 lien appears recorded or entered, where the corporate seal of
22 the corporation has not been affixed or attached, and which
23 are otherwise legally and properly executed, are legal, valid,
24 and binding as though the corporate seal had been attached or
25 affixed.

26 Sec. 68. Section 602.8102, subsection 32, Code 1997, is
27 amended by striking the subsection.

28 Sec. 69. Section 602.8104, subsection 2, paragraph j, Code
29 1997, is amended by striking the paragraph.

30 Sec. 70. Section 690.1, Code 1997, is amended to read as
31 follows:

32 690.1 CRIMINAL IDENTIFICATION.

33 The ~~director~~ commissioner of public safety may provide in
34 the department a bureau of criminal identification. The
35 ~~director~~ commissioner may adopt rules for the same. The

1 sheriff of each county and the chief of police of each city
2 shall furnish to the department criminal identification
3 records and other information as directed by the director
4 commissioner of public safety.

5 Sec. 71. Section 724.11, Code 1997, is amended to read as
6 follows:

7 724.11 ISSUANCE OF PERMIT TO CARRY WEAPONS.

8 Applications for permits to carry weapons shall be made to
9 the sheriff of the county in which the applicant resides.
10 Applications from persons who are nonresidents of the state,
11 or whose need to go armed arises out of employment by the
12 state, shall be made to the commissioner of public safety. In
13 either case, the issuance of the permit shall be by and at the
14 discretion of the sheriff or commissioner, who shall, before
15 issuing the permit, determine that the requirements of
16 sections 724.6 to 724.10 have been satisfied. However, the
17 training program requirements in section 724.9 may be waived
18 for renewal permits. The issuing officer shall collect a fee
19 of ten dollars, except from a duly appointed peace officer or
20 correctional officer, for each permit issued. Renewal permits
21 or duplicate permits shall be issued for a fee of five
22 dollars. The issuing officer shall notify the commissioner of
23 public safety of the issuance of any permit at least monthly
24 and forward to the director commissioner an amount equal to
25 two dollars for each permit issued and one dollar for each
26 renewal or duplicate permit issued. All such fees received by
27 the commissioner shall be paid to the treasurer of state and
28 deposited in the operating account of the department of public
29 safety to offset the cost of administering this chapter. Any
30 unspent balance as of June 30 of each year shall revert to the
31 general fund as provided by section 8.33.

32 Sec. 72. Section 901A.1, subsection 2, Code 1997, is
33 amended to read as follows:

34 2. As used in this section chapter, the term "prior
35 conviction" includes a plea of guilty, deferred judgment,

1 deferred or suspended sentence, or adjudication of
2 delinquency.

3 EXPLANATION

4 This bill contains the following nonsubstantive Code
5 corrections:

6 Code section 7G.1(7): In the section relating to the
7 sesquicentennial commission, the reference to Code section
8 321.34, former subsection 14, is stricken. Subsection 14 of
9 Code section 321.34, relating to the sesquicentennial vehicle
10 plates, was stricken by 1996 Acts, chapter 1088, section 8,
11 effective January 1, 1997. Sesquicentennial plates remain
12 valid through the month of expiration in 1997. New subsection
13 14 relates to handicapped special plates.

14 Code sections 10A.108(1), unnumbered paragraph 2;
15 10A.108(4), unnumbered paragraph 1: In the sections relating
16 to liens for certain entitlement benefits or provider payments
17 inappropriately obtained from the department of human
18 services, the words "or provider payments" are added after
19 "benefits" to coordinate with the amendment to subsection 1,
20 unnumbered paragraph 1, in 1996 Acts, chapter 1052, section 2.
21 The collections are by the department of inspections and
22 appeals.

23 Code section 12.40(3): Refers to businesses located in
24 certain cities, not to the cities themselves, as ineligible to
25 borrow under the rural small business transfer linked
26 investment program. This is intended to clarify the amendment
27 in 1996 Acts, chapter 1058, section 7.

28 Code section 15.114(1)(c): In the new section governing
29 microbusiness enterprise assistance, the term "microbusiness
30 organization" is changed to "microenterprise organization" as
31 the defined term for the nonprofit corporation contracting to
32 conduct the program. "Microenterprise organization" is the
33 term used for this corporation in the rest of the section.

34 Code section 15A.7(4): In the new section establishing a
35 program involving a "supplemental new jobs credit from

1 withholding" under community college agreements with
2 employers, "this subsection" is changed to "this section" to
3 reflect apparent intent of provision.

4 Code sections 80.16, 690.1, and 724.11: In the sections
5 relating to bonding of public safety employees, the creation
6 of the bureau of criminal identification, and the issuance of
7 weapons permits, a reference to the head of the department of
8 public safety is corrected by changing "director" to
9 "commissioner". This reference was apparently overlooked
10 during the implementation of name changes throughout the Code
11 following the 1986 state government reorganization.

12 Code section 84A.7(2): In the new section relating to the
13 Iowa conservation corps in the department of workforce
14 development, a terminology change from "the disabled" to
15 "persons with disabilities" is made to conform to the changes
16 made in 1996 Acts, chapter 1129, and also to revise
17 terminology describing others eligible for jobs in the corps.

18 Code section 97A.7(5): In the section relating to the
19 financial powers of the board of trustees of the public safety
20 peace officers' retirement, accident, and disability system,
21 an obsolete subsection authorizing this board to invest funds
22 of the municipal fire and police retirement systems created
23 under Code chapter 411 is stricken. Municipal fire and police
24 retirement systems now have their own statewide board.

25 Code section 97B.49(17)(c)(1): In the section governing
26 retirement allowances under IPERS, a subparagraph that is no
27 longer relevant is stricken because of the item veto of 1996
28 Acts, chapter 1187, section 32, which would have added a new
29 paragraph "e" to Code section 97B.49(5) reducing the
30 percentage multiplier for average annual wages in excess of
31 \$55,000.

32 Code section 97B.80, unnumbered paragraph 1: In the
33 section on veteran's credit under IPERS, the correct reference
34 to federal law governing retired pay for nonregular service in
35 the armed forces is substituted for the current reference.

1 Code section 99D.25A, subsection 2: In the subsection
2 prohibiting the administration of phenylbutazone beyond
3 certain concentration levels in horses, an incorrect reference
4 to a metric unit of measurement is corrected.

5 Code section 135.11(16): Strikes from the duties of the
6 Iowa department of public health a subsection relating to data
7 required by the former health data commission. The health
8 data commission, governed under former Code chapter 145, was
9 repealed effective July 1, 1996. Its successor, the community
10 health management information system (Code chapter 144C)
11 chapter, is not connected with the Iowa department of public
12 health. The insurance division of the department of commerce
13 is responsible for enforcement of chapter 144C.

14 Code section 135.107(3)(c)(2)(a): In the section on the
15 center for rural health and primary care, the words "service
16 in exchange for each year of scholarship receipt" are
17 substituted for "service in exchange for each year of loan
18 repayment" in the paragraph relating to primary care provider
19 scholarships. The preceding paragraph relates to primary care
20 provider loans. The amendments in 1996 Acts, chapter 1128,
21 sections 2 and 3, inserted the same language in both
22 paragraphs.

23 Code section 137E.1(11): A grammatical correction is made
24 in the definition of "potentially hazardous food" in the
25 vending machine chapter by changing the phrase "progressive
26 growth or infectious or toxigenic microorganisms" to
27 "progressive growth of infectious or toxigenic
28 microorganisms".

29 Code section 191.3, unnumbered paragraph 1: In the
30 provision relating to notice of the use of imitation cheese,
31 the words "as in this subtitle defined" are stricken because
32 there is no longer a definition in the Iowa Code. The former
33 definition was repealed by 1991 Acts, chapter 74, section 2.

34 Code sections 229.33, 230.6(1), and 230.7: In the sections
35 relating to persons with mental illness, references to "this

1 Act" (meaning 1975 Iowa Acts, chapter 139) are changed by
2 substituting "chapter 229", the new Code chapter enacted at
3 that time. Chapter 229 relates to the hospitalization of
4 persons with mental illness. The use of a Code reference
5 eliminates the need for asterisks and footnotes at these
6 sections.

7 Code section 231.53: In the section directing the
8 department of elder affairs to coordinate with job training
9 partnership programs, the term "department of workforce
10 development" is substituted for "department of economic
11 development" as the administering agency and strikes related
12 references to the department of economic development.
13 Administrative responsibility for job training partnership
14 programs was transferred to the department of workforce
15 development under 1996 Acts, chapter 1186. See Code section
16 84A.5(6)(e).

17 Code section 231C.4: In the new chapter relating to
18 assisted living programs for the elderly, the provision
19 relating to rules by the state fire marshal is amended by
20 inserting the word "standards" after "fire and safety" for
21 clarity. This is the wording used in the headnote.

22 Code section 232.89(1): A new sentence denying an
23 incarcerated noncustodial parent's right to counsel in CINA
24 proceedings in juvenile court is amended to provide that the
25 denial is limited to "court-appointed" counsel. This appears
26 to have been the intent under 1996 Acts, chapter 1193, section
27 5.

28 Code section 249F.1(2)(b)(6): In the chapter relating to
29 medical assistance debts and the transfer of assets, the
30 wording relating to one of the types of permitted transfers is
31 revised. The deletion of certain language by amendment in
32 1996 Acts, chapter 1107, section 3, resulted in awkward
33 sentence structure.

34 Code section 256B.2(3), unnumbered paragraph 1: In the
35 provision relating to special education services and

1 cooperation between the area education agencies and the board
2 of regents, a reference to "this Act" (meaning 1974 Iowa Acts,
3 chapter 1172) is changed by substituting "this chapter",
4 meaning chapter 256B, the special education chapter.

5 Code section 257.21, unnumbered paragraph 2: In the
6 section describing the computation of the property tax and
7 income surtax amounts in school districts where the
8 instructional support program is authorized, a reference to a
9 now-repealed provision which granted a seed capital credit on
10 the state income tax is stricken.

11 Code section 257.31(17)(d): In the new provision listing
12 duties of the school budget review committee relating to
13 school transportation assistance aid, a reference intended to
14 cite provision on the transfer of funds from fees for special
15 school transportation registration plates is corrected.

16 Code section 260C.39, unnumbered paragraphs 3 and 4: In
17 the section relating to community colleges and combining
18 merged areas, paragraphs dealing with the allocation of
19 additional state funds from the community college excellence
20 2000 account under former section 260D.14A are stricken.
21 Section 260D.14A was repealed by 1996 Acts, chapter 1215,
22 section 59.

23 Code section 260C.45, unnumbered paragraph 3: In the
24 section relating to the quality instructional centers program
25 for community colleges, a paragraph on funding from the
26 community college excellence 2000 account is stricken.

27 Code section 260C.46: References to funding from the
28 community college excellence 2000 account in the section on
29 community college sharing agreements are stricken.

30 Code section 260F.8(1): In the provision on reallocation
31 of funds for community college jobs training programs, awkward
32 wording which resulted from the amendment in 1996 Acts,
33 chapter 1180, section 15 is revised.

34 Code section 282.18(9), unnumbered paragraph 2: A
35 conforming change is made in the portion of the open

1 enrollment section dealing with financial arrangements in
2 cases where there has been a change in family residence but
3 the child continues in the original district without
4 interruption. An amendment in 1996 Acts, chapter 1157,
5 section 2, changed the basis of computation for payment by the
6 district of residence to the receiving district in subsection
7 7 but failed to change similar language in subsection 9.

8 Code section 321.210(1), unnumbered paragraph 1: In the
9 section relating to suspension of driver's licenses, the words
10 "twenty days" are changed to "thirty days" to conform to the
11 change in the notice period in the last paragraph of the
12 subsection by 1996 Acts, chapter 1152, section 15.

13 Code section 321E.14, unnumbered paragraph 2: In the
14 chapter relating to vehicles of excessive size and weight, a
15 paragraph relating to an obsolete provision stricken by 1996
16 Acts, chapter 1089, section 8, is stricken. The obsolete
17 provision affected the transportation of certain soil
18 conservation equipment for the 1983 registration year.

19 Code section 321L.1(4)(a): In the provision relating to
20 handicapped parking permits, the correct subsection reference
21 for handicapped registration plates under section 321.34 as
22 amended is substituted for the current reference. Former
23 subsection 7 was stricken and a new provision for handicapped
24 special plates was added (now numbered as subsection 14) by
25 1996 Acts, chapter 1088, sections 4 and 8.

26 Code section 331.438(2): In the section relating to mental
27 health and developmental disability funding, "allowed growth
28 factor adjustment" is substituted for "inflation factor
29 adjustment". "Inflation factor adjustment" provisions were
30 item vetoed in 1995. The new mechanism for growth added by
31 1996 Acts, chapter 1205, is known as the "allowed growth
32 factor adjustment".

33 Code section 331.602(14): A conforming change is made in
34 the list of duties of the county recorder by striking the
35 subsection relating to the livestock brand book and

1 supplements. Under section 169A.11, as amended by 1995 Acts,
2 chapter 60, section 7, the county recorder is no longer
3 responsible for keeping the brand book. The county's copy is
4 delivered to the sheriff.

5 Code section 372.4, unnumbered paragraph 2; 372.5,
6 unnumbered paragraph 3; and 372.12: The date "July 1, 1975"
7 is inserted as the operative effective date for municipal home
8 rule legislation. Substituting the date in these provisions
9 eliminates the need for asterisks and footnotes in the Code
10 citing specific session law chapters.

11 Code section 422.6, unnumbered paragraph 1; 422.10,
12 unnumbered paragraph 2; 422.12C(1), unnumbered paragraph 1;
13 and 422D.2: In the provisions relating to individual income
14 taxes, references to former section 422.11C (relating to the
15 seed capital credit) are stricken. The section was repealed
16 effective January 1, 1996, pursuant to 1992 Acts, chapter
17 1200, sections 2 and 4.

18 Code section 425.40: In the section relating to the low-
19 income tax credit and reimbursement fund, a reference to a
20 standing appropriation which was deleted from subsection 1 by
21 item veto in 1993 is stricken. See 1993 Acts, chapter 180,
22 section 9.

23 Code section 441.73(2) and (4): Terminology in the section
24 creating the litigation expense fund is corrected. The
25 section contains two references to the "litigation defense
26 fund". These appear to be erroneous and are changed to
27 "litigation expense fund" to match the headnote and other
28 references.

29 Code section 455A.11: In the section requiring the
30 department of natural resources to give preferences in
31 employment in temporary positions in conservation and outdoor
32 recreation, a reference to the former green thumb program and
33 its eligibility requirements is stricken and "lower income
34 persons who are sixty years of age or older" is substituted.
35 These age and income specifications were set out in former

1 Code section 15.227(1)(c). The new conservation corps
2 provision (section 84A.7, enacted in 1996 Iowa Acts, chapter
3 1186, section 14) mentions programs for the elderly but does
4 not contain details about eligibility for individual programs.

5 Code section 457B.1, article V, paragraph c: In the
6 portion of the midwest interstate low-level radioactive waste
7 compact relating to the suspension of certain rights of a
8 party state, the word "not" is inserted. The word was
9 inadvertently omitted in drafting the 1996 amendment. (See
10 1996 Iowa Acts, chapter 1051.) The official language of the
11 compact includes the word "not".

12 Code section 462A.77(3)(b): In the provision relating to
13 vessel certificates of title, a reference to section 462A.82
14 is corrected by specifying subsections 1 and 2 only (transfers
15 by operation of law). The change is made because 1996 Iowa
16 Acts, chapter 1020, section 2, expanded the scope of section
17 462A.82 by adding a new subsection 3 from which vessels
18 documented with the coast guard are not exempt.

19 Code section 499.4: A conforming change is made in chapter
20 499 by adding to those who are authorized to use the term
21 "cooperative" in their names or advertising. Section 501.104
22 authorizes use of the term by the new type of cooperative
23 corporations established in chapter 501.

24 Code section 501.404(1)(b): In the new chapter on
25 cooperative corporations, a provision relating to conflicts of
26 interest is amended to specify that the reference is to
27 subsection 2, paragraph "a", which refers to "another entity
28 in which the director has a material financial interest".

29 Code section 501.408: A correction in terminology is made
30 in a provision adapting the law on indemnification under
31 chapter 490 (corporations) to apply to the new chapter on
32 cooperatives.

33 Code section 502.207B: In the chapter on securities
34 regulation, obsolete references are deleted from the section
35 requiring reporting to legislative committees. The seed

1 capital tax credit was repealed effective January 1, 1996.

2 Code section 502.404: The words "this chapter" are
3 substituted for "this Act" in section relating to securities
4 broker-dealers and agents. Chapter 502 was newly enacted in
5 1975, and the reference was to 1975 Acts, chapter 234.

6 Code section 505.8(2): In the provision concerning rules
7 established by the commissioner of insurance, the term
8 "community health management information system" is
9 substituted for the former "state health data commission".
10 CHMIS is the successor organization to the health data
11 commission.

12 Code sections 523A.2(1)(d) and 523E.2(1)(d): In the
13 chapters regulating the sale of funeral services and
14 merchandise and cemetery merchandise, new sentences
15 authorizing the submission of information in an electronic
16 format are amended by changing "annual reports" to "notices"
17 to fit the context in each case. Annual reports are covered
18 by the language just preceding these paragraphs. See 1996
19 Iowa Acts, chapter 1160, sections 1, 2, 11, and 12.

20 Code section 524.1802(2): In the provision setting out
21 limitations on acquisitions by bank holding companies, a
22 reference to former section 524.1903 is stricken. That
23 section was one of several sections on regional banking which
24 were repealed by 1996 Iowa Acts, chapter 1056, section 24.

25 Code section 542B.27(1), unnumbered paragraph 1: In the
26 section on civil penalties for practicing engineering or land
27 surveying without a license, a reference is changed from
28 "other penalties provided for in this section" to "other
29 penalties provided for in this chapter".

30 Code section 542B.35(2)(c): A grammatical change is made
31 in a provision relating to real property inspection reports,
32 by substituting "a person shall not claim to be a licensed
33 land surveyor or a professional engineer" for "a person shall
34 not represent themselves as a licensed land surveyor or a
35 professional engineer".

1 Code section 543B.46(3): In the provision relating to
2 trust accounts of real estate brokers, a reference to "this
3 subsection" is added to replace "this section" where
4 exceptions are made for certain types of individual farm
5 accounts and individual property management accounts.

6 Code section 554.2512(1)(b): In the section of the Uniform
7 Commercial Code relating to payment by the buyer before
8 inspection of goods, the words "the provisions of" preceding
9 "this chapter" are stricken to conform the language to the
10 Uniform Act adopted in other states.

11 Code section 554.5116(4): In Article 5 of the Uniform
12 Commercial Code (letters of credit), a reference to Article 12
13 (funds transfers) is added to the list in the provision
14 stating that if there is a conflict between Article 5 and
15 certain other articles, Article 5 governs. The reference to
16 Article 12 was missed in 1996 Iowa Acts, chapter 1026, section
17 15, because of failure to translate "Article 4A" for purposes
18 of the Uniform Act into "Article 12" for purposes of the Iowa
19 Code.

20 Code section 554.8111: In the new section of Article 8 of
21 the Uniform Commercial Code (investment securities) relating
22 to conflicts between the UCC and certain clearing corporation
23 rules, "this chapter" is substituted for "this Article". It
24 appears from the commentary accompanying the Article 8
25 revisions that a reference to chapter 554 was intended.

26 Code section 554.8205, unnumbered paragraph 1: In the UCC
27 section relating to unauthorized signatures on security
28 certificates, the word "before" is added. The word was
29 inadvertently omitted when the section was amended in 1996
30 Iowa Acts, chapter 1138, section 28.

31 Code section 554.8401(1), unnumbered paragraph 1: In the
32 UCC provision relating to the issuer's duty to register
33 transfers of securities, the words "of an uncertificated
34 security" are inserted in the same manner as included in the
35 Uniform Act. See 1996 Iowa Acts, chapter 1138, section 41.

1 Code section 554.9305: The provision in Article 9 of the
2 Uniform Commercial Code is amended by striking "letters of
3 credit" (section 554.5114). This language is stricken in the
4 Uniform Act. See 1996 Iowa Acts, chapter 1026, section 27.

5 Code section 589.6: The word "or" is added in a section on
6 instruments affecting real estate, to read "releases or
7 satisfactions of mortgages, judgments, or any other liens".
8 This appears to be the intended meaning of the provision.

9 Code sections 602.8102(32) and 602.8104(2)(j): In the
10 sections relating to the duties and records of the clerk of
11 the district court, references to the marriage license book
12 and other vital statistics duties which are transferred to the
13 county recorder are stricken. The county recorder becomes the
14 county registrar of vital statistics effective July 1, 1997.
15 See Code section 144.9.

16 Code section 901A.1(2): In the definitions section of the
17 chapter on sexually predatory offenses, "section" is changed
18 to "chapter" for the applicability of the term "prior
19 conviction". The term is not used in the definitions section,
20 but it is used in the next section.

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H-1023

1 Amend House File 200 as follows:

2 1. Page 11, by inserting after line 10 the
3 following:

4 "Sec. _____. Section 282.18, subsection 7, Code
5 1997, is amended to read as follows:

6 7. A pupil participating in open enrollment shall
7 be counted, for state school foundation aid purposes,
8 in the pupil's district of residence. A pupil's
9 residence, for purposes of this section, means a
10 residence under section 282.1. The board of directors
11 of the district of residence shall pay to the
12 receiving district the state cost per pupil for the
13 previous school year, plus any moneys received for the
14 pupil as a result of the non-English speaking
15 weighting under section 280.4, subsection 3, for the
16 previous school year multiplied by the state cost per
17 pupil for the previous year. The district of
18 residence shall also transmit the phase III moneys
19 allocated to the district for the previous year for
20 the full-time equivalent attendance of the pupil, who
21 is the subject of the request, to the receiving
22 district specified in the request for transfer."

23 2. Page 11, by striking lines 26 and 27 and
24 inserting the following: "~~lower-of-the-two-district~~
25 ~~costs-per-pupil-or-other-costs-to-the-receiving~~
26 ~~district amount calculated in subsection 7, until~~
27 the".

28 3. Page 13, by inserting after line 28 the
29 following:

30 "Sec. _____. Section 421.16, Code 1997, is amended
31 to read as follows:

32 421.16 EXPENSES.

33 The director, deputy directors, ~~secretary,~~ and
34 ~~assistants~~ department employees are entitled to
35 receive from the state their actual necessary expenses
36 while traveling on the business of the department.
37 The expenditures shall be sworn to by the party who
38 incurred the expense, and approved and allowed by the
39 director. However, such expenses shall not be allowed
40 residents of Polk county while in the city of Des
41 Moines or traveling between their homes and the city
42 of Des Moines."

43 4. Page 14, by inserting after line 21 the
44 following:

45 "Sec. _____. Section 422.26, unnumbered paragraph 2,
46 Code 1997, is amended to read as follows:

47 The lien shall attach at the time the tax becomes
48 due and payable and shall continue for ten years from
49 the date an assessment is issued unless sooner
50 released or otherwise discharged. The lien may,

H-1023

1 within ten years from the date an assessment is
2 issued, be extended by filing for record a notice with
3 the appropriate county official of any county and from
4 the time of such filing, the lien shall be extended to
5 the property in such county for ten years, unless
6 sooner released or otherwise discharged, with no limit
7 on the number of extensions. ~~Biens-having-attached~~
8 ~~prior-to-January-17-1969-will-expire-on-January-17~~
9 ~~1979-unless-extended-by-the-director.~~ The director
10 shall charge off any account whose lien is allowed to
11 lapse and may charge off any account and release the
12 corresponding lien before the lien has lapsed if the
13 director determines under uniform rules prescribed by
14 the director that the account is uncollectible or
15 collection costs involved would not warrant collection
16 of the amount due."

17 5. Page 15, by inserting after line 2 the
18 following:

19 "Sec. ____ . Section 424.18, Code 1997, is amended
20 to read as follows:

21 424.18 EFFECTIVE DATE.

22 The environmental protection charge is imposed
23 beginning July 1, 1989. For all deposits subject to
24 the charge made on or after July 1, 1989, the
25 depositor and receiver are obligated to pay the charge
26 as provided in this chapter. ~~The-amount-of-the~~
27 ~~initial-environmental-protection-charge-as-calculated~~
28 ~~after-determination-of-the-cost-factor-by-the-board~~
29 ~~and-the-required-forms-and-procedures-shall-be~~
30 ~~published-in-the-Iowa-administrative-bulletin-prior-to~~
31 ~~July-17-1989."~~

32 6. Page 15, by inserting after line 27 the
33 following:

34 "Sec. ____ . Section 427A.12, subsection 5, Code
35 1997, is amended to read as follows:

36 5. For each state fiscal year ending with or
37 before the year in which the ninth increase in the
38 additional personal property tax credit under this
39 division becomes effective, each taxing district shall
40 be reimbursed from the personal property tax
41 replacement fund in an amount equal to its personal
42 property tax replacement base multiplied by a fraction
43 the numerator of which is the total assessed value of
44 all personal property, excluding livestock, in the
45 taxing district, on which taxes are not payable during
46 the fiscal year because of the various tax credits
47 granted by this chapter, and the denominator of which
48 is the total assessed value of all personal property
49 in the taxing district, excluding livestock but
50 including other personal property eligible for tax

1 credits granted by this chapter. For-the-half-year
2 beginning-January-17-1974-and-ending-June-30-1974,
3 the-amount-of-reimbursement-shall-be-half-the-amount
4 determined-pursuant-to-this-subsection. The county
5 auditor shall certify and forward to the director of
6 the department of management and the director of
7 revenue and finance, at the times and in the form
8 directed by the director of the department of
9 management, any information needed for the purposes of
10 this subsection. The director of the department of
11 management shall make any necessary corrections and
12 certify the appropriate information to the director of
13 revenue and finance.

14 Sec. _____. Section 427A.12, subsection 6, Code
15 1997, is amended to read as follows:

16 6. The amount due each taxing district shall be
17 paid in the form of warrants payable to the respective
18 county treasurers by the director of revenue and
19 finance on May 15 of each fiscal year, taking into
20 consideration the relative budget and cash position of
21 the state resources. For-the-fiscal-year-beginning
22 July-17-1984-and-ending-June-30-1985, one-half-of-the
23 amount-due-each-taxing-district-shall-be-paid-to-the
24 respective-county-treasurers-by-the-state-comptroller
25 on-May-15-1985. For the fiscal year beginning July
26 1, 1985 and ending June 30, 1986, and for each
27 succeeding fiscal year the amount due each taxing
28 district shall be paid in the form of warrants payable
29 to the respective county treasurers by the director of
30 revenue and finance on July 15 and May 15 of that
31 fiscal year, taking into consideration the relative
32 budget and cash position of the state resources. The
33 July 15 payment shall be equal to the amount paid on
34 May 15 of the preceding fiscal year and the payments
35 received shall be an account receivable for each
36 taxing district for the preceding fiscal year. The
37 May 15 payment is equal to one-half of the amount of
38 the additional personal property tax credit payable
39 for the fiscal year. The county treasurer shall pay
40 the proceeds to the various taxing districts in the
41 county.

42 Sec. _____. Section 441.21, subsection 4, Code 1997,
43 is amended by striking the subsection.

44 Sec. _____. Section 441.46, unnumbered paragraph 2,
45 Code 1997, is amended to read as follows:

46 The-assessment-date-for-property-taxes-for-the
47 fiscal-period-beginning-January-17-1973-and-ending
48 June-30-1974-and-which-became-delinquent-during-the
49 fiscal-period-beginning-January-17-1974-and-ending
50 June-30-1975, was-January-17-1973.-The-assessment

1 date-for-property-taxes-for-the-fiscal-year-beginning
2 July-1,-1974-and-ending-June-30,-1975-and-which-became
3 delinquent-during-the-fiscal-year-beginning-July-1,
4 1975-and-ending-June-30,-1976,-was-January-1,-1974.
5 Thereafter,-the The assessment date is January 1 for
6 taxes for the fiscal year which commences six months
7 after the assessment date and which become delinquent
8 during the fiscal year commencing eighteen months
9 after the assessment date."

10 7. Page 16, by striking lines 9 through 13 and
11 inserting the following: "an amount necessary to pay
12 litigation expenses. However,-the-amount-of-funds
13 transferred-to-the-litigation-expense-fund-for-the
14 fiscal-year-beginning-July-1,-1992,-shall-not-exceed
15 three-hundred-fifty-thousand-dollars-and-the The
16 amount of the fund for the-succeeding each fiscal
17 years year shall not exceed seven hundred".

18 8. Page 16, by striking lines 22 through 31.

19 9. By renumbering, relettering, or redesignating
20 and correcting internal references as necessary.

By COMMITTEE ON JUDICIARY
LAMBERTI of Polk, Chairperson

H-1023 FILED FEBRUARY 11, 1997

(p. 336) adopted 2/17/97

S- 3/19 Judiciary
S- 3/20/97 Do Pass

HOUSE FILE 200
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 23)

(As Amended and Passed by the House, February 17, 1997)

Passed House, Date _____ Passed Senate, Date (p.980) 4-7-97
Vote: Ayes _____ Nays _____ Vote: Ayes 44 Nays 0
Approved April 11, 1997

A BILL FOR

1 An Act relating to nonsubstantive Code corrections.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____

Deleted Language *

1 Section 1. Section 7G.1, subsection 7, Code 1997, is
2 amended to read as follows:

3 7. FUNDS RECEIVED. All funds received by the commission,
4 including but not limited to gifts, transfers, endowments,
5 application and other fees related to the issuance of
6 sesquicentennial motor vehicle registration plates ~~pursuant-to~~
7 ~~section-321-347-subsection-14~~, moneys from the sale of
8 mementos and products related to the purposes of the
9 commission, and appropriations, shall be credited to the
10 sesquicentennial fund and are appropriated to the commission
11 to be invested or used to support the activities of the
12 commission. Notwithstanding section 8.33, any balance in the
13 fund on June 30 of any fiscal year shall not revert to the
14 general fund of the state.

15 Sec. 2. Section 10A.108, subsection 1, unnumbered
16 paragraph 2, Code 1997, is amended to read as follows:

17 A lien under this section shall not attach to any amount of
18 inappropriately obtained benefits or provider payments, or
19 portions of the benefits or provider payments, attributable to
20 errors by the department of human services. Liens shall only
21 attach to the amounts of inappropriately obtained benefits or
22 provider payments or portions of the benefits or provider
23 payments which were obtained due to false, misleading,
24 incomplete, or inaccurate information submitted by a person in
25 connection with the application for or receipt of benefits or
26 provider payments.

27 Sec. 3. Section 10A.108, subsection 4, unnumbered
28 paragraph 1, Code 1997, is amended to read as follows:

29 The county recorder of each county shall prepare and
30 maintain in the recorder's office an index of liens of debts
31 established based upon benefits or provider payments
32 inappropriately obtained from and owed the department of human
33 services, which provides appropriate columns for all of the
34 following data, under the names of debtors, arranged
35 alphabetically:

1 Sec. 4. Section 12.40, subsection 3, Code 1997, is amended
2 to read as follows:

3 3. In order to qualify as an eligible borrower, the rural
4 small business must be located in a city with a population of
5 five thousand or less. A business in a city located in a
6 county with a population in excess of three hundred thousand,
7 if the city is contiguous to another city in the county and
8 that other city is contiguous to the largest city in that
9 county, shall be ineligible to qualify as a borrower.

10 Sec. 5. Section 15.114, subsection 1, paragraph c, Code
11 1997, is amended to read as follows:

12 c. "Microbusiness Microenterprise organization" means a
13 nonprofit corporation organized under chapter 504A which is
14 exempt from taxation pursuant to section 501(c) of the
15 Internal Revenue Code and which has a principal mission of
16 actively engaging in microbusiness development, training,
17 technical assistance, and capital access for the start-up or
18 expansion of microbusinesses.

19 Sec. 6. Section 15A.7, subsection 4, Code 1997, is amended
20 to read as follows:

21 4. To provide funds for the payment of the costs of the
22 additional project, a community college may borrow money,
23 issue and sell certificates, and secure the payment of the
24 certificates in the same manner as described in section
25 260E.6, including, but not limited to, providing the
26 assessment of an annual levy as described in section 260E.6,
27 subsection 4. The program and credit authorized by this
28 ~~subsection~~ section are in addition to, and not in lieu of, the
29 program and credit authorized in chapter 260E.

30 Sec. 7. Section 80.16, Code 1997, is amended to read as
31 follows:

32 80.16 BONDS.

33 All special agents appointed by the commissioner of public
34 safety pursuant to section 80.7 shall furnish bond as required
35 by the commissioner in the amount of five thousand dollars.

1 All members of the state department of public safety excepting
2 the members of the clerical force shall be bonded for the
3 faithful performance of their duties, in such an amount as the
4 commissioner of public safety may deem necessary, but not less
5 than five thousand dollars for any one position, and clerical
6 employees may be so bonded. The ~~director~~ commissioner is
7 authorized to purchase bond coverage with departmental funds,
8 either in blanket bond form or in individual bond form or in
9 any combination thereof.

10 Sec. 8. Section 84A.7, subsection 2, Code 1997, is amended
11 to read as follows:

12 2. IOWA CONSERVATION CORPS ESTABLISHED. The Iowa
13 conservation corps is established in this state to provide
14 meaningful and productive public service jobs for the youth,
15 ~~the unemployed persons, the-disabled persons with~~
16 disabilities, the disadvantaged persons, and the elderly
17 persons, and to provide participants with an opportunity to
18 explore careers, gain work experience, and contribute to the
19 general welfare of their communities and the state. The corps
20 shall provide opportunities in the areas of natural resource
21 and wildlife conservation, park maintenance and restoration,
22 land management, energy savings, community improvement
23 projects, tourism, economic development, and work benefiting
24 human services programs. The department of workforce
25 development shall administer the corps and shall adopt rules
26 governing its operation, eligibility for participation, cash
27 contributions, and implementation of an incentive program.

28 Sec. 9. Section 97A.7, subsection 5, Code 1997, is amended
29 by striking the subsection.

30 Sec. 10. Section 97B.49, subsection 17, paragraph c,
31 subparagraph (1), Code 1997, is amended by striking the
32 subparagraph.

33 Sec. 11. Section 97B.80, unnumbered paragraph 1, Code
34 1997, is amended to read as follows:

35 Effective July 1, 1992, a vested or retired member, who at

1 any time served on active duty in the armed forces of the
2 United States, upon submitting verification of the dates of
3 the active duty service, may make employer and employee
4 contributions to the system based upon the member's covered
5 wages for the most recent full calendar year in which the
6 member had reportable wages at the applicable rates in effect
7 for that year under sections 97B.11 and 97B.49, for all or a
8 portion of the period of time of the active duty service, in
9 increments of one or more calendar quarters, and receive
10 credit for membership service and prior service for the period
11 of time for which the contributions are made. If the member's
12 most recent covered wages were earned prior to the most recent
13 calendar year, the member's covered wages shall be adjusted by
14 the department by an inflation factor to reflect changes in
15 the economy. The department shall adjust benefits for a six-
16 month period prior to the date the member pays contributions
17 under this section if the member is receiving a retirement
18 allowance at the time the contribution payment is made.
19 Verification of active duty service and payment of
20 contributions shall be made to the department. However, a
21 member is not eligible to make contributions under this
22 section if the member is receiving, is eligible to receive, or
23 may in the future be eligible to receive retirement pay from
24 the United States government for active duty in the armed
25 forces, except for retirement pay granted by the United States
26 government under retired pay for nonregular service (~~10-U.S.C.~~
27 ~~§-13317-et-seq-~~) pursuant to 10 U.S.C. § 12731--12739. A
28 member receiving retired pay for nonregular service who makes
29 contributions under this section shall provide information
30 required by the department documenting time periods covered
31 under retired pay for nonregular service.

32 Sec. 12. Section 99D.25A, subsection 2, Code 1997, is
33 amended to read as follows:

34 2. Phenylbutazone shall not be administered to a horse in
35 dosages which would result in concentrations of more than two

1 point two micrograms of the substance or its metabolites per
2 ~~millimeter~~ milliliter of blood.

3 Sec. 13. Section 135.11, subsection 16, Code 1997, is
4 amended by striking the subsection.

5 Sec. 14. Section 135.107, subsection 3, paragraph c,
6 subparagraph (2), subparagraph subdivision (a), Code 1997, is
7 amended to read as follows:

8 (a) Determination of eligibility requirements and
9 qualifications of an applicant to receive scholarships under
10 the program, including but not limited to years of obligated
11 service, clinical practice requirements, and residency
12 requirements. One year of obligated service shall be provided
13 by the applicant in exchange for each year of ~~loan-repayment~~
14 scholarship receipt, unless federal requirements otherwise
15 require.

16 Sec. 15. Section 137E.1, subsection 11, Code 1997, is
17 amended to read as follows:

18 11. "Potentially hazardous food" means any food that
19 consists in whole or in part of milk or milk products, eggs,
20 meat, poultry, fish, shell fish, edible crustacea, or other
21 ingredients including synthetic ingredients, in a form capable
22 of supporting rapid and progressive growth ~~or~~ of infectious or
23 toxigenic microorganisms. The term does not include clean,
24 whole, uncracked, odor-free shell eggs or foods which have a
25 pH level of 4.5 or below or a water activity (Aw) value of
26 0.85 or less.

27 Sec. 16. Section 191.3, unnumbered paragraph 1, Code 1997,
28 is amended to read as follows:

29 Every person owning or in charge of any place where food or
30 drink is sold who uses or serves therein imitation cheese, ~~as~~
31 ~~in-this-subtitle-defined~~, shall display at all times opposite
32 each table or place of service a placard for such imitation,
33 with the words "Imitation served here", without other
34 matter, printed in black roman letters not less than three
35 inches in height and two inches in width, on a white card

1 twelve by twenty-two inches in dimensions.

2 Sec. 17. Section 229.33, Code 1997, is amended to read as
3 follows:

4 229.33 HEARING.

5 If, on such report and statement, and the hearing of
6 testimony if any is offered, the judge shall find that such
7 person is not seriously mentally impaired, the judge shall
8 order the person's discharge; if the contrary, the judge shall
9 so state, and authorize the continued detention of the person,
10 subject to all applicable requirements of ~~this-Act~~ chapter
11 229.

12 Sec. 18. Section 230.6, subsection 1, Code 1997, is
13 amended to read as follows:

14 1. If the administrator finds that the decision of the
15 court as to legal settlement is correct, the administrator
16 shall cause said patient either to be transferred to a state
17 hospital for persons with mental illness at the expense of the
18 state, or to be transferred, with approval of the court as
19 required by ~~this-Act~~ chapter 229 to the place of foreign
20 settlement.

21 Sec. 19. Section 230.7, Code 1997, is amended to read as
22 follows:

23 230.7 TRANSFER OF NONRESIDENTS.

24 Upon determining that a patient in a state hospital who has
25 been involuntarily hospitalized under ~~this-Act~~ chapter 229 or
26 admitted voluntarily at public expense was not a resident of
27 this state at the time of the involuntary hospitalization or
28 admission, the administrator may cause that patient to be
29 conveyed to the patient's place of residence. However, a
30 transfer under this section may be made only if the patient's
31 condition so permits and other reasons do not render the
32 transfer inadvisable. If the patient was involuntarily
33 hospitalized, prior approval of the transfer must be obtained
34 from the court which ordered the patient hospitalized.

35 Sec. 20. Section 231.53, Code 1997, is amended to read as

1 follows:

2 231.53 COORDINATION WITH JOB TRAINING PARTNERSHIP ACT.

3 The employment and training program administered by the
4 department shall be coordinated with the training program for
5 older individuals administered by the department of ~~economic~~
6 development workforce development under the Job Training
7 Partnership Act.

8 A proposed annual plan for coordinating these programs
9 shall be developed jointly by the department of elder affairs,
10 ~~the department of economic development~~, the department of
11 education, and the department of workforce development for
12 submittal to the state job training coordinating council. The
13 state job training coordinating council shall take the
14 proposed plan under advisement in preparing a final annual
15 plan for coordinating these programs which will be submitted
16 to the governor.

17 After the end of each annual planning period, the
18 department of elder affairs, ~~the department of economic~~
19 ~~development~~, the department of education, and the department
20 of workforce development shall submit a joint report to the
21 state job training coordinating council describing the
22 services provided to elderly Iowans, assessing the extent to
23 which coordination of programs was achieved, and making
24 recommendations for improving coordination.

25 Sec. 21. Section 231C.4, Code 1997, is amended to read as
26 follows:

27 231C.4 FIRE AND SAFETY STANDARDS.

28 The state fire marshal shall adopt rules, in coordination
29 with the department, relating to the certification or
30 voluntary accreditation and monitoring of the fire and safety
31 standards of certified or voluntarily accredited assisted
32 living programs.

33 Sec. 22. Section 232.89, subsection 1, Code 1997, is
34 amended to read as follows:

35 1. Upon the filing of a petition the parent, guardian, or

1 custodian identified in the petition shall have the right to
2 counsel in connection with all subsequent hearings and
3 proceedings. If that person desires but is financially unable
4 to employ counsel, the court shall appoint counsel. However,
5 an incarcerated parent without legal custody shall not have
6 the right to court-appointed counsel.

7 Sec. 23. Section 249F.1, subsection 2, paragraph b,
8 subparagraph (6), Code 1997, is amended to read as follows:

9 (6) Transfers of assets that would, at the time of the
10 transferor's application for medical assistance, have been
11 exempt from consideration as a resource if ~~it had been~~
12 retained by the transferor, pursuant to 42 U.S.C. § 1382b(a),
13 as implemented by regulations adopted by the secretary of the
14 United States department of health and human services.

15 Sec. 24. Section 256B.2, subsection 3, unnumbered
16 paragraph 1, Code 1997, is amended to read as follows:

17 It is the policy of this state to require school districts
18 and state operated educational programs to provide or make
19 provision, as an integral part of public education, for a free
20 and appropriate public education sufficient to meet the needs
21 of all children requiring special education. This chapter is
22 not to be construed as encouraging separate facilities or
23 segregated programs designed to meet the needs of children
24 requiring special education when the children can benefit from
25 all or part of the education program as offered by the local
26 school district. To the maximum extent possible, children
27 requiring special education shall attend regular classes and
28 shall be educated with children who do not require special
29 education. Whenever possible, hindrances to learning and to
30 the normal functioning of children requiring special education
31 within the regular school environment shall be overcome by the
32 provision of special aids and services rather than by separate
33 programs for those in need of special education. Special
34 classes, separate schooling, or other removal of children
35 requiring special education from the regular educational

1 environment, shall occur only when, and to the extent that the
2 nature or severity of the educational disability is such, that
3 education in regular classes, even with the use of
4 supplementary aids and services, cannot be accomplished
5 satisfactorily. For those children who cannot adapt to the
6 regular educational or home living conditions, and who are
7 attending facilities under chapters 263, 269, and 270, upon
8 the request of the board of directors of an area education
9 agency, the department of human services shall provide
10 residential or detention facilities and the area education
11 agency shall provide special education programs and services.
12 The area education agencies shall cooperate with the board of
13 regents to provide the services required by this Act chapter.

14 Sec. 25. Section 257.21, unnumbered paragraph 2, Code
15 1997, is amended to read as follows:

16 The instructional support income surtax shall be imposed on
17 the state individual income tax for the calendar year during
18 which the school's budget year begins, or for a taxpayer's
19 fiscal year ending during the second half of that calendar
20 year and after the date the board adopts a resolution to
21 participate in the program or the first half of the succeeding
22 calendar year, and shall be imposed on all individuals
23 residing in the school district on the last day of the
24 applicable tax year. As used in this section, "state
25 individual income tax" means the taxes computed under section
26 422.5, less the credits allowed in sections 422.11A, 422.11B,
27 ~~422.11C~~ 422.12, and 422.12B.

28 Sec. 26. Section 257.31, subsection 17, paragraph d, Code
29 1997, is amended to read as follows:

30 d. Funds transferred to the committee in accordance with
31 section 321.34, subsection ~~12~~ 22, are appropriated to and may
32 be expended for the purposes of the committee, as described in
33 this section. However, highest priority shall be given to
34 districts that meet the conditions described in this
35 subsection. Notwithstanding any other provision of the Code,

1 unencumbered or unobligated funds transferred to the committee
2 pursuant to section 321.34, subsection ~~12~~ 22, remaining on
3 June 30 of the fiscal year for which the funds were
4 transferred, shall not revert but shall be available for
5 expenditure for the purposes of this subsection in subsequent
6 fiscal years.

7 Sec. 27. Section 260C.39, unnumbered paragraphs 3 and 4,
8 Code 1997, are amended by striking the unnumbered paragraphs.

9 Sec. 28. Section 260C.45, unnumbered paragraph 3, Code
10 1997, is amended by striking the paragraph.

11 Sec. 29. Section 260C.46, Code 1997, is amended to read as
12 follows:

13 260C.46 PROGRAM AND ADMINISTRATIVE SHARING.

14 By September 1, 1990, the department shall establish
15 guidelines and an approval process for program sharing
16 agreements and for administrative sharing agreements entered
17 into by two or more community colleges or by a community
18 college and a higher education institution under the control
19 of the board of regents. Guidelines established shall be
20 designed to increase student access to programs, enhance
21 educational program offerings throughout the state, and
22 enhance interinstitutional cooperation in program offerings.
23 ~~A-community-college-must-submit-an-application-and-obtain~~
24 ~~approval-from-the-department-in-order-to-become-eligible-to~~
25 ~~receive-funds-from-the-community-college-excellence-2000~~
26 ~~account-under-section-260D-14A-for-an-administrative-sharing~~
27 ~~or-program-sharing-agreement.--The-application-shall-describe~~
28 ~~the-sharing-agreement, costs, and benefits associated with the~~
29 ~~sharing proposal.~~

30 Sec. 30. Section 260F.8, subsection 1, Code 1997, is
31 amended to read as follows:

32 1. For each fiscal year, the department shall make funds
33 available to the community colleges. The department shall
34 allocate by formula from the moneys in the fund an amount for
35 each community college to be used to provide the financial

1 assistance for proposals of businesses whose applications have
2 been approved by the department. The financial assistance
3 shall be provided by the department from the amount set aside
4 for that community college. If any portion of the moneys set
5 aside for a community college have not been used or committed
6 by May 1 of the fiscal year, that portion is available for use
7 by the department to provide financial assistance to
8 businesses ~~located in~~ applying to other community colleges.
9 The department shall adopt by rule a formula for this set-
10 aside.

11 Sec. 31. Section 282.18, subsection 7, Code 1997, is
12 amended to read as follows:

13 7. A pupil participating in open enrollment shall be
14 counted, for state school foundation aid purposes, in the
15 pupil's district of residence. A pupil's residence, for
16 purposes of this section, means a residence under section
17 282.1. The board of directors of the district of residence
18 shall pay to the receiving district the state cost per pupil
19 for the previous school year, plus any moneys received for the
20 pupil as a result of the non-English speaking weighting under
21 section 280.4, subsection 3, for the previous school year
22 multiplied by the state cost per pupil for the previous year.
23 The district of residence shall also transmit the phase III
24 moneys allocated to the district for the previous year for the
25 full-time equivalent attendance of the pupil, who is the
26 subject of the request, to the receiving district specified in
27 the request for transfer.

28 Sec. 32. Section 282.18, subsection 9, unnumbered
29 paragraph 2, Code 1997, is amended to read as follows:

30 If a request to transfer is due to a change in family
31 residence, change in the state in which the family residence
32 is located, a change in a child's parents' marital status, a
33 guardianship proceeding, placement in foster care, adoption,
34 participation in a foreign exchange program, or participation
35 in a substance abuse or mental health treatment program, and

1 the child, who is the subject of the request, is not currently
2 using any provision of open enrollment, the parent or guardian
3 of the child shall have the option to have the child remain in
4 the child's original district of residence under open
5 enrollment with no interruption in the child's educational
6 program. If a parent or guardian exercises this option, the
7 child's new district of residence is not required to pay the
8 ~~lower-of-the-two-district-costs-per-pupil-or-other-costs-to~~
9 ~~the-receiving-district~~ amount calculated in subsection 7,
10 until the start of the first full year of enrollment of the
11 child.

12 Sec. 33. Section 321.210, subsection 1, unnumbered
13 paragraph 1, Code 1997, is amended to read as follows:

14 The department is authorized to establish rules providing
15 for the suspension of the license of an operator upon ~~twenty~~
16 thirty days' notice and without preliminary hearing upon a
17 showing by its records or other sufficient evidence that the
18 licensee:

19 Sec. 34. Section 321E.14, unnumbered paragraph 2, Code
20 1997, is amended by striking the paragraph.

21 Sec. 35. Section 321L.1, subsection 4, paragraph a, Code
22 1997, is amended to read as follows:

23 a. A handicapped registration plate issued to or for a
24 handicapped person under section 321.34, subsection 7 14.

25 Sec. 36. Section 331.438, subsection 2, Code 1997, is
26 amended to read as follows:

27 2. Except as modified based upon the actual amount of the
28 appropriation for purposes of state payment under section
29 331.439, the amount of the state payment for a fiscal year
30 shall be calculated by applying the ~~inflation~~ allowed growth
31 factor adjustment established in accordance with section
32 331.439, subsection 3, for that fiscal year to the amount of
33 county expenditures for qualified services in the previous
34 fiscal year. A state payment is the state funding a county
35 receives pursuant to section 426B.2, subsection 2. Any state

1 funding received by a county for property tax relief in
2 accordance with section 426B.2, subsections 1 and 3, is not a
3 state payment and shall not be included in the state payment
4 calculation made pursuant to this subsection.

5 Sec. 37. Section 331.602, subsection 14, Code 1997, is
6 amended by striking the subsection.

7 Sec. 38. Section 372.4, unnumbered paragraph 2, Code 1997,
8 is amended to read as follows:

9 However, a city governed, on ~~the-effective-date-of-this~~
10 ~~section~~ July 1, 1975, by the mayor-council form composed of a
11 mayor and a council consisting of two council members elected
12 at large, and one council member from each of four wards, or a
13 special charter city governed, on ~~the-effective-date-of-this~~
14 ~~section~~ July 1, 1975, by the mayor-council form composed of a
15 mayor and a council consisting of two council members elected
16 at large and one council member elected from each of eight
17 wards, may continue until the form of government is changed as
18 provided in section 372.2 or section 372.9. While a city is
19 thus operating with an even number of council members, the
20 mayor may vote to break a tie vote on motions not involving
21 ordinances, resolutions or appointments made by the council
22 alone, and in a special charter city operating with ten
23 council members under this section, the mayor may vote to
24 break a tie vote on all measures.

25 Sec. 39. Section 372.5, unnumbered paragraph 3, Code 1997,
26 is amended to read as follows:

27 However, a city governed, on ~~the-effective-date-of-this~~
28 ~~section~~ July 1, 1975, by the commission form and having a
29 council composed of a mayor and two council members elected at
30 large may continue with a council of three until the form of
31 government is changed as provided in section 372.2 or section
32 372.9 or without changing the form, may submit to the voters
33 the question of increasing the council to five members
34 assigned to the five departments as set out in this section.

35 Sec. 40. Section 372.12, unnumbered paragraph 1, Code

1 1997, is amended to read as follows:

2 A city may not adopt the special charter form but a city
3 governed by a special charter on ~~the-effective-date-of-the~~
4 ~~city-code~~ July 1, 1975, is considered to have the special
5 charter form although it may utilize elements of the mayor-
6 council form in conjunction with the provisions of its special
7 charter. In adopting and filing its charter as required in
8 section 372.1, a special charter city shall include the
9 provisions of its charter and any provisions of the mayor-
10 council form which are followed by the city on ~~the-effective~~
11 ~~date-of-the-city-code~~ July 1, 1975.

12 Sec. 41. Section 421.16, Code 1997, is amended to read as
13 follows:

14 421.16 EXPENSES.

15 The director, deputy directors, secretary, and assistants
16 department employees are entitled to receive from the state
17 their actual necessary expenses while traveling on the
18 business of the department. The expenditures shall be sworn
19 to by the party who incurred the expense, and approved and
20 allowed by the director. However, such expenses shall not be
21 allowed residents of Polk county while in the city of Des
22 Moines or traveling between their homes and the city of Des
23 Moines.

24 Sec. 42. Section 422.6, unnumbered paragraph 1, Code 1997,
25 is amended to read as follows:

26 The tax imposed by section 422.5 less the credits allowed
27 under sections 422.10, 422.11A, and 422.11B, and ~~422.11C,~~ and
28 the personal exemption credit allowed under section 422.12
29 apply to and are a charge against estates and trusts with
30 respect to their taxable income, and the rates are the same as
31 those applicable to individuals. The fiduciary shall make the
32 return of income for the estate or trust for which the
33 fiduciary acts, whether the income is taxable to the estate or
34 trust or to the beneficiaries.

35 Sec. 43. Section 422.10, unnumbered paragraph 2, Code

1 1997, is amended to read as follows:

2 Any credit in excess of the tax liability imposed by
3 section 422.5 less the credits allowed under sections 422.11A,
4 ~~422.11E~~, 422.12, and 422.12B for the taxable year shall be
5 refunded with interest computed under section 422.25. In lieu
6 of claiming a refund, a taxpayer may elect to have the
7 overpayment shown on the taxpayer's final, completed return
8 credited to the tax liability for the following taxable year.

9 Sec. 44. Section 422.12C, subsection 1, unnumbered
10 paragraph 1, Code 1997, is amended to read as follows:

11 The taxes imposed under this division, less the credits
12 allowed under sections 422.11A, 422.11B, ~~422.11E~~, 422.12, and
13 422.12B shall be reduced by a child and dependent care credit
14 equal to the following percentages of the federal child and
15 dependent care credit provided in section 21 of the Internal
16 Revenue Code:

17 Sec. 45. Section 422.26, unnumbered paragraph 2, Code
18 1997, is amended to read as follows:

19 The lien shall attach at the time the tax becomes due and
20 payable and shall continue for ten years from the date an
21 assessment is issued unless sooner released or otherwise
22 discharged. The lien may, within ten years from the date an
23 assessment is issued, be extended by filing for record a
24 notice with the appropriate county official of any county and
25 from the time of such filing, the lien shall be extended to
26 the property in such county for ten years, unless sooner
27 released or otherwise discharged, with no limit on the number
28 of extensions. Liens having attached prior to January 1,
29 1969, will expire on January 1, 1979, unless extended by the
30 director. The director shall charge off any account whose
31 lien is allowed to lapse and may charge off any account and
32 release the corresponding lien before the lien has lapsed if
33 the director determines under uniform rules prescribed by the
34 director that the account is uncollectible or collection costs
35 involved would not warrant collection of the amount due.

1 Sec. 46. Section 422D.2, Code 1997, is amended to read as
2 follows:

3 422D.2 LOCAL INCOME SURTAX.

4 A county may impose by ordinance a local income surtax as
5 provided in section 422D.1 at the rate set by the board of
6 supervisors, of up to one percent, on the state individual
7 income tax of each individual residing in the county at the
8 end of the individual's applicable tax year. However, the
9 cumulative total of the percents of income surtax imposed on
10 any taxpayer in the county shall not exceed twenty percent.
11 The reason for imposing the surtax and the amount needed shall
12 be set out in the ordinance. The surtax rate shall be set to
13 raise only the amount needed. For purposes of this section,
14 "state individual income tax" means the tax computed under
15 section 422.5, less the credits allowed in sections 422.11A,
16 422.11B, ~~422.11C~~, 422.12, and 422.12B.

17 Sec. 47. Section 424.18, Code 1997, is amended to read as
18 follows:

19 424.18 EFFECTIVE DATE.

20 The environmental protection charge is imposed beginning
21 July 1, 1989. For all deposits subject to the charge made on
22 or after July 1, 1989, the depositor and receiver are
23 obligated to pay the charge as provided in this chapter. The
24 amount-of-the-initial-environmental-protection-charge-as
25 calculated-after-determination-of-the-cost-factor-by-the-board
26 and-the-required-forms-and-procedures-shall-be-published-in
27 the-Iowa-administrative-bulletin-prior-to-July-1, 1989.

28 Sec. 48. Section 425.40, Code 1997, is amended to read as
29 follows:

30 425.40 LOW-INCOME FUND CREATED.

31 1. A low-income tax credit and reimbursement fund is
32 created.

33 2. If the amount appropriated ~~under subsection 1 plus any~~
34 ~~supplemental appropriation made~~ for purposes of this section
35 for a fiscal year is insufficient to pay all claims in full,

1 the director shall pay, in full, all claims to be paid during
2 the fiscal year for reimbursement of rent constituting
3 property taxes paid or if moneys are insufficient to pay all
4 such claims on a pro rata basis. If the amount of claims for
5 credit for property taxes due to be paid during the fiscal
6 year exceed the amount remaining after payment to renters, the
7 director of revenue and finance shall prorate the payments to
8 the counties for the property tax credit. In order for the
9 director to carry out the requirements of this subsection,
10 notwithstanding any provision to the contrary in this
11 division, claims for reimbursement for rent constituting
12 property taxes paid filed before May 1 of the fiscal year
13 shall be eligible to be paid in full during the fiscal year
14 and those claims filed on or after May 1 of the fiscal year
15 shall be eligible to be paid during the following fiscal year
16 and the director is not required to make payments to counties
17 for the property tax credit before June 15 of the fiscal year.

18 Sec. 49. Section 427A.12, subsection 5, Code 1997, is
19 amended to read as follows:

20 5. For each state fiscal year ending with or before the
21 year in which the ninth increase in the additional personal
22 property tax credit under this division becomes effective,
23 each taxing district shall be reimbursed from the personal
24 property tax replacement fund in an amount equal to its
25 personal property tax replacement base multiplied by a
26 fraction the numerator of which is the total assessed value of
27 all personal property, excluding livestock, in the taxing
28 district, on which taxes are not payable during the fiscal
29 year because of the various tax credits granted by this
30 chapter, and the denominator of which is the total assessed
31 value of all personal property in the taxing district,
32 excluding livestock but including other personal property
33 eligible for tax credits granted by this chapter. For the
34 half-year beginning January 1, 1974, and ending June 30, 1974,
35 the amount of reimbursement shall be half the amount

1 ~~determined-pursuant-to-this-subsection.~~ The county auditor
2 ~~shall certify and forward to the director of the department of~~
3 ~~management and the director of revenue and finance, at the~~
4 ~~times and in the form directed by the director of the~~
5 ~~department of management, any information needed for the~~
6 ~~purposes of this subsection. The director of the department~~
7 ~~of management shall make any necessary corrections and certify~~
8 ~~the appropriate information to the director of revenue and~~
9 ~~finance.~~

10 Sec. 50. Section 427A.12, subsection 6, Code 1997, is
11 amended to read as follows:

12 6. The amount due each taxing district shall be paid in
13 the form of warrants payable to the respective county
14 treasurers by the director of revenue and finance on May 15 of
15 each fiscal year, taking into consideration the relative
16 budget and cash position of the state resources. ~~For the~~
17 ~~fiscal-year-beginning-July-1, 1984-and-ending-June-30, 1985,~~
18 ~~one-half-of-the-amount-due-each-taxing-district-shall-be-paid~~
19 ~~to-the-respective-county-treasurers-by-the-state-comptroller~~
20 ~~on-May-15, 1985.~~ For the fiscal year beginning July 1, 1985
21 and ending June 30, 1986, and for each succeeding fiscal year
22 the amount due each taxing district shall be paid in the form
23 of warrants payable to the respective county treasurers by the
24 director of revenue and finance on July 15 and May 15 of that
25 fiscal year, taking into consideration the relative budget and
26 cash position of the state resources. The July 15 payment
27 shall be equal to the amount paid on May 15 of the preceding
28 fiscal year and the payments received shall be an account
29 receivable for each taxing district for the preceding fiscal
30 year. The May 15 payment is equal to one-half of the amount
31 of the additional personal property tax credit payable for the
32 fiscal year. The county treasurer shall pay the proceeds to
33 the various taxing districts in the county.

34 Sec. 51. Section 441.21, subsection 4, Code 1997, is
35 amended by striking the subsection.

1 Sec. 52. Section 441.46, unnumbered paragraph 2, Code
2 1997, is amended to read as follows:

3 ~~The assessment date for property taxes for the fiscal~~
4 ~~period beginning January 1, 1973 and ending June 30, 1974 and~~
5 ~~which became delinquent during the fiscal period beginning~~
6 ~~January 1, 1974 and ending June 30, 1975, was January 1, 1973.~~
7 ~~The assessment date for property taxes for the fiscal year~~
8 ~~beginning July 1, 1974 and ending June 30, 1975 and which~~
9 ~~became delinquent during the fiscal year beginning July 1,~~
10 ~~1975 and ending June 30, 1976, was January 1, 1974.~~

11 Thereafter, the The assessment date is January 1 for taxes for
12 the fiscal year which commences six months after the
13 assessment date and which become delinquent during the fiscal
14 year commencing eighteen months after the assessment date.

15 Sec. 53. Section 441.73, subsections 2 and 4, Code 1997,
16 are amended to read as follows:

17 2. If the director of revenue and finance determines that
18 foreseeable litigation expenses will exceed the amount
19 available from appropriations made to the department of
20 revenue and finance, the director of revenue and finance may
21 apply to the executive council for use of funds on deposit in
22 the litigation defense expense fund. The initial application
23 for approval shall include an estimate of potential litigation
24 expenses, allocated to each of the next four succeeding
25 calendar quarters and substantiated by a breakdown of all
26 anticipated costs for legal counsel, expert witnesses, and
27 other applicable litigation expenses.

28 4. The executive council shall transfer for the fiscal
29 year beginning July 1, 1992, and each fiscal year thereafter,
30 from funds established in sections 405A.8, 425.1, and 426.1,
31 an amount necessary to pay litigation expenses. However, the
32 amount of funds transferred to the litigation expense fund for
33 the fiscal year beginning July 1, 1992, shall not exceed three
34 hundred fifty thousand dollars and the The amount of the fund
35 for the succeeding each fiscal years year shall not exceed

1 seven hundred thousand dollars. The executive council shall
2 determine annually the proportionate amounts to be transferred
3 from the three separate funds. At any time when no litigation
4 is pending or in progress the balance in the litigation
5 defense expense fund shall not exceed one hundred thousand
6 dollars. Any excess moneys shall be transferred in a
7 proportionate amount back to the funds from which they were
8 originally transferred.

* 9 Sec. 54. Section 457B.1, article V, paragraph c, Code
10 1997, is amended to read as follows:

11 c. If a party state's right to have waste generated within
12 its borders disposed of at compact facilities, or at any
13 noncompact facility made available to the region by an
14 agreement entered into by the commission under article III,
15 section h, subsection 6, is suspended, low-level radioactive
16 waste generated within its borders by any person shall not be
17 disposed of at any such facility during the period of the
18 suspension.

19 Sec. 55. Section 462A.77, subsection 3, paragraph b, Code
20 1997, is amended to read as follows:

21 b. A person who is the owner of a vessel that is
22 documented with the United States coast guard is not required
23 to file an application for a certificate of title for the
24 vessel and the vessel is exempt from the requirements of
25 sections section 462A.82, subsections 1 and 2, and section
26 462A.84.

27 Sec. 56. Section 499.4, Code 1997, is amended to read as
28 follows:

29 499.4 USE OF TERM "COOPERATIVE" RESTRICTED.

30 No person or firm, and no corporation hereafter organized,
31 which is not an association as defined herein in this chapter
32 or a cooperative as defined in chapter 501, shall use the word
33 "cooperative" or any abbreviation thereof in its name or
34 advertising or in any connection with its business, except
35 foreign associations admitted under section 499.54. The

1 attorney general or any association or any member thereof may
2 sue and enjoin such use.

3 Sec. 57. Section 501.404, subsection 1, paragraph b, Code
4 1997, is amended to read as follows:

5 b. The material facts of the transaction and the
6 director's interest were disclosed or known to the
7 shareholders entitled to vote and they authorized, approved,
8 or ratified the transaction. For purposes of this paragraph,
9 a conflict of interest transaction is authorized, approved, or
10 ratified if it receives a majority of the votes entitled to be
11 counted under this paragraph. Shares owned by or voted under
12 the control of a director who has a direct or indirect
13 interest in the transaction, and shares owned by or voted
14 under the control of an entity described in subsection 2,
15 paragraph "a", shall not be counted in a vote of members to
16 determine whether to authorize, approve, or ratify a conflict
17 of interest transaction under this paragraph. The vote of
18 those shares, however, is counted in determining whether the
19 transaction is approved under other sections of this chapter.
20 A majority of the votes, whether or not the shareholders are
21 present, that are entitled to be counted in a vote on the
22 transaction under this paragraph constitutes a quorum for the
23 purpose of taking action under this paragraph.

24 Sec. 58. Section 501.408, Code 1997, is amended to read as
25 follows:

26 501.408 INDEMNIFICATION.

27 A cooperative may indemnify a present or former director,
28 officer, employee, or agent in the manner and in the instances
29 authorized in sections 490.850 through 490.858, provided that
30 where these sections provide for action by the shareholders
31 these sections are applicable to actions by the members, and
32 where these sections refer to the cooperative corporation
33 these sections are applicable to a cooperative.

34 Sec. 59. Section 502.207B, Code 1997, is amended to read
35 as follows:

1 502.207B LEGISLATIVE REVIEW AND OVERSIGHT.

2 The director of revenue and finance and the administrator
3 of the securities bureau of the insurance division shall each
4 report on an annual basis to the senate's and house of
5 representatives' committees on ways and means concerning
6 ~~issuers-using-the-seed-capital-tax-credit,-as-authorized-for~~
7 ~~personal-taxpayers-by-section-422-11E-and-for-corporate~~
8 ~~taxpayers-by-section-422-33,-subsection-8,-and~~ the expedited
9 filing by registration system provided by section 502.207A.

10 Sec. 60. Section 502.404, Code 1997, is amended to read as
11 follows:

12 502.404 PROHIBITED TRANSACTIONS OF BROKER-DEALERS AND
13 AGENTS.

14 A broker-dealer or agent shall not effect a transaction in,
15 or induce or attempt to induce the purchase or sale of, any
16 security in this state by means of any manipulative, deceptive
17 or other fraudulent scheme, device, or contrivance, fictitious
18 quotation, or in violation of this Act chapter or any rule or
19 order hereunder. A broker-dealer or agent shall not recommend
20 to a customer the purchase, sale or exchange of a security
21 without reasonable grounds to believe that the transaction or
22 recommendation is suitable for the customer based upon
23 reasonable inquiry concerning the customer's investment
24 objectives, financial situation and needs, and other relevant
25 information known by the broker-dealer.

26 Sec. 61. Section 505.8, subsection 2, Code 1997, is
27 amended to read as follows:

28 2. The commissioner shall, subject to chapter 17A,
29 establish, publish, and enforce rules not inconsistent with
30 law for the enforcement of this subtitle and for the
31 enforcement of the laws, the administration and supervision of
32 which are imposed on the division, including rules to
33 establish fees sufficient to administer the laws, where
34 appropriate fees are not otherwise provided for in rule or
35 statute, and as necessary to obtain from persons authorized to

1 do business in the state or regulated by the division that
2 data required ~~pursuant-to-former-section-145-3~~ by the state
3 ~~health-data-commission~~ community health management information
4 system.

5 Sec. 62. Section 523A.2, subsection 1, paragraph d, Code
6 1997, is amended to read as follows:

7 d. A financial institution referred to in paragraph "a"
8 shall file notice with the commissioner of all funds deposited
9 under the trust agreement. The notice shall be on forms
10 prescribed by the commissioner and shall be filed not later
11 than March 1 of each year. Each notice shall contain the
12 required information for all deposits made during the previous
13 calendar year. Forms may be obtained from the commissioner.
14 The commissioner may accept ~~annual-reports~~ notices submitted
15 in an electronic format, such as computer diskettes.

16 Sec. 63. Section 523E.2, subsection 1, paragraph d, Code
17 1997, is amended to read as follows:

18 d. A financial institution referred to in paragraph "a"
19 shall file notice with the commissioner of all funds deposited
20 under the trust agreement. The notice shall be on forms
21 prescribed by the commissioner and shall be filed not later
22 than March 1 of each year. Each notice shall contain the
23 required information for all deposits made during the previous
24 calendar year. Forms may be obtained from the commissioner.
25 The commissioner may accept ~~annual-reports~~ notices submitted
26 in an electronic format, such as computer diskettes.

27 Sec. 64. Section 524.1802, subsection 2, Code 1997, is
28 amended to read as follows:

29 2. A bank holding company shall not acquire a bank or bank
30 holding company pursuant to section 524.1805 ~~or-524-1903~~ if,
31 following that acquisition, those state and national banks
32 located in this state in which out-of-state bank holding
33 companies directly or indirectly control more than twenty-five
34 percent of the voting shares or have the power to control in
35 any manner the election of the majority of directors would

1 have, in the aggregate, more than thirty-five percent of the
2 sum of the total time and demand deposits of all state and
3 national banks located in this state plus the total time and
4 demand deposits of all offices located in this state of
5 savings and loan associations and savings banks, whether
6 chartered under the law of this or another state or under
7 federal law, as determined by the superintendent on the basis
8 of the most recent reports of those financial institutions to
9 their supervisory authorities.

10 Sec. 65. Section 542B.27, subsection 1, unnumbered
11 paragraph 1, Code 1997, is amended to read as follows:

12 In addition to any other penalties provided for in this
13 ~~section~~ chapter, the board may by order impose a civil penalty
14 upon a person who is not licensed under this chapter as a
15 professional engineer or a land surveyor and who does any of
16 the following:

17 Sec. 66. Section 542B.35, subsection 2, paragraph c, Code
18 1997, is amended to read as follows:

19 c. A person who completes the real property inspection
20 report shall not ~~represent-themselves-as~~ claim to be a
21 licensed land surveyor or a professional engineer for purposes
22 of the report.

23 Sec. 67. Section 543B.46, subsection 3, Code 1997, is
24 amended to read as follows:

25 3. Each broker shall authorize the real estate commission
26 to examine each trust account and shall obtain the
27 certification of the bank or savings and loan association
28 attesting to each trust account and consenting to the
29 examination and audit of each account by a duly authorized
30 representative of the commission. The certification and
31 consent shall be furnished on forms prescribed by the
32 commission. This subsection does not apply to an individual
33 farm account maintained in the name of the owner or owners for
34 the purpose of conducting ongoing farm business whether it is
35 conducted by the farm owner or by an agent or farm manager.

1 when the account is part of a farm management agreement
2 between the owner and agent or manager. This ~~section~~
3 subsection also does not apply to an individual property
4 management account maintained in the name of the owner or
5 owners for the purpose of conducting ongoing property
6 management whether it is conducted by the property owner or by
7 an agent or manager when the account is part of a property
8 management agreement between the owner and agent or manager.

9 Sec. 68. Section 554.2512, subsection 1, paragraph b, Code
10 1997, is amended to read as follows:

11 b. despite tender of the required documents the
12 circumstances would justify injunction against honor under the
13 ~~provisions-of~~ this chapter (section 554.5109, subsection 2).

14 Sec. 69. Section 554.5116, subsection 4, Code 1997, is
15 amended to read as follows:

16 4. If there is conflict between this Article and Article
17 3, 4, or 9, or 12, this Article governs.

18 Sec. 70. Section 554.8111, Code 1997, is amended to read
19 as follows:

20 554.8111 CLEARING CORPORATION RULES.

21 A rule adopted by a clearing corporation governing rights
22 and obligations among the clearing corporation and its
23 participants in the clearing corporation is effective even if
24 the rule conflicts with this ~~Article~~ chapter and affects
25 another party who does not consent to the rule.

26 Sec. 71. Section 554.8205, unnumbered paragraph 1, Code
27 1997, is amended to read as follows:

28 An unauthorized signature placed on a security certificate
29 before or in the course of issue is ineffective, but the
30 signature is effective in favor of a purchaser for value of
31 the certificated security if the purchaser is without notice
32 of the lack of authority and the signing has been done by:

33 Sec. 72. Section 554.8401, subsection 1, unnumbered
34 paragraph 1, Code 1997, is amended to read as follows:

35 If a certificated security in registered form is presented

1 to an issuer with a request to register transfer or an
2 instruction is presented to an issuer with a request to
3 register transfer of an uncertificated security, the issuer
4 shall register the transfer as requested if:

5 Sec. 73. Section 554.9305, Code 1997, is amended to read
6 as follows:

7 554.9305 WHEN POSSESSION BY SECURED PARTY PERFECTS
8 SECURITY INTEREST WITHOUT FILING.

9 A security interest in ~~letters-of-credit-(section~~
10 ~~554:5114)~~ goods, instruments, money, negotiable documents, or
11 chattel paper may be perfected by the secured party's taking
12 possession of the collateral. A security interest in the
13 right to proceeds of a written letter of credit may be
14 perfected by the secured party's taking possession of the
15 letter of credit. If such collateral other than goods covered
16 by a negotiable document is held by a bailee, the secured
17 party is deemed to have possession from the time the bailee
18 receives notification of the secured party's interest. A
19 security interest is perfected by possession from the time
20 possession is taken without a relation back and continues only
21 so long as possession is retained, unless otherwise specified
22 in this Article. The security interest may be otherwise
23 perfected as provided in this Article before or after the
24 period of possession by the secured party.

25 Sec. 74. Section 589.6, Code 1997, is amended to read as
26 follows:

27 589.6 INSTRUMENTS AFFECTING REAL ESTATE.

28 All instruments in writing executed by a corporation before
29 July 1, 1996, which are more than one year old, conveying,
30 encumbering, or affecting real estate, including releases, or
31 satisfactions of mortgages, judgments, or any other liens by
32 entry of the release or satisfaction upon the page where the
33 lien appears recorded or entered, where the corporate seal of
34 the corporation has not been affixed or attached, and which
35 are otherwise legally and properly executed, are legal, valid,

1 and binding as though the corporate seal had been attached or
2 affixed.

3 Sec. 75. Section 602.8102, subsection 32, Code 1997, is
4 amended by striking the subsection.

5 Sec. 76. Section 602.8104, subsection 2, paragraph j, Code
6 1997, is amended by striking the paragraph.

7 Sec. 77. Section 690.1, Code 1997, is amended to read as
8 follows:

9 690.1 CRIMINAL IDENTIFICATION.

10 The ~~director~~ commissioner of public safety may provide in
11 the department a bureau of criminal identification. The
12 ~~director~~ commissioner may adopt rules for the same. The
13 sheriff of each county and the chief of police of each city
14 shall furnish to the department criminal identification
15 records and other information as directed by the ~~director~~
16 commissioner of public safety.

17 Sec. 78. Section 724.11, Code 1997, is amended to read as
18 follows:

19 724.11 ISSUANCE OF PERMIT TO CARRY WEAPONS.

20 Applications for permits to carry weapons shall be made to
21 the sheriff of the county in which the applicant resides.
22 Applications from persons who are nonresidents of the state,
23 or whose need to go armed arises out of employment by the
24 state, shall be made to the commissioner of public safety. In
25 either case, the issuance of the permit shall be by and at the
26 discretion of the sheriff or commissioner, who shall, before
27 issuing the permit, determine that the requirements of
28 sections 724.6 to 724.10 have been satisfied. However, the
29 training program requirements in section 724.9 may be waived
30 for renewal permits. The issuing officer shall collect a fee
31 of ten dollars, except from a duly appointed peace officer or
32 correctional officer, for each permit issued. Renewal permits
33 or duplicate permits shall be issued for a fee of five
34 dollars. The issuing officer shall notify the commissioner of
35 public safety of the issuance of any permit at least monthly

1 and forward to the ~~director~~ commissioner an amount equal to
2 two dollars for each permit issued and one dollar for each
3 renewal or duplicate permit issued. All such fees received by
4 the commissioner shall be paid to the treasurer of state and
5 deposited in the operating account of the department of public
6 safety to offset the cost of administering this chapter. Any
7 unspent balance as of June 30 of each year shall revert to the
8 general fund as provided by section 8.33.

9 Sec. 79. Section 901A.1, subsection 2, Code 1997, is
10 amended to read as follows:

11 2. As used in this ~~section~~ chapter, the term "prior
12 conviction" includes a plea of guilty, deferred judgment,
13 deferred or suspended sentence, or adjudication of
14 delinquency.

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HSB 23

JUDICIARY

HOUSE FILE HF 200

BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON LAMBERTI)

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

A BILL FOR

1 An Act relating to nonsubstantive Code corrections.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 7G.1, subsection 7, Code 1997, is
2 amended to read as follows:

3 7. FUNDS RECEIVED. All funds received by the commission,
4 including but not limited to gifts, transfers, endowments,
5 application and other fees related to the issuance of
6 sesquicentennial motor vehicle registration plates ~~pursuant-to~~
7 ~~section-321-347-subsection-14~~, moneys from the sale of
8 mementos and products related to the purposes of the
9 commission, and appropriations, shall be credited to the
10 sesquicentennial fund and are appropriated to the commission
11 to be invested or used to support the activities of the
12 commission. Notwithstanding section 8.33, any balance in the
13 fund on June 30 of any fiscal year shall not revert to the
14 general fund of the state.

15 Sec. 2. Section 10A.108, subsection 1, unnumbered
16 paragraph 2, Code 1997, is amended to read as follows:

17 A lien under this section shall not attach to any amount of
18 inappropriately obtained benefits or provider payments, or
19 portions of the benefits or provider payments, attributable to
20 errors by the department of human services. Liens shall only
21 attach to the amounts of inappropriately obtained benefits or
22 provider payments or portions of the benefits or provider
23 payments which were obtained due to false, misleading,
24 incomplete, or inaccurate information submitted by a person in
25 connection with the application for or receipt of benefits or
26 provider payments.

27 Sec. 3. Section 10A.108, subsection 4, unnumbered
28 paragraph 1, Code 1997, is amended to read as follows:

29 The county recorder of each county shall prepare and
30 maintain in the recorder's office an index of liens of debts
31 established based upon benefits or provider payments
32 inappropriately obtained from and owed the department of human
33 services, which provides appropriate columns for all of the
34 following data, under the names of debtors, arranged
35 alphabetically:

1 Sec. 4. Section 12.40, subsection 3, Code 1997, is amended
2 to read as follows:

3 3. In order to qualify as an eligible borrower, the rural
4 small business must be located in a city with a population of
5 five thousand or less. A business in a city located in a
6 county with a population in excess of three hundred thousand,
7 if the city is contiguous to another city in the county and
8 that other city is contiguous to the largest city in that
9 county, shall be ineligible to qualify as a borrower.

10 Sec. 5. Section 15.114, subsection 1, paragraph c, Code
11 1997, is amended to read as follows:

12 c. "Microbusiness Microenterprise organization" means a
13 nonprofit corporation organized under chapter 504A which is
14 exempt from taxation pursuant to section 501(c) of the
15 Internal Revenue Code and which has a principal mission of
16 actively engaging in microbusiness development, training,
17 technical assistance, and capital access for the start-up or
18 expansion of microbusinesses.

19 Sec. 6. Section 15A.7, subsection 4, Code 1997, is amended
20 to read as follows:

21 4. To provide funds for the payment of the costs of the
22 additional project, a community college may borrow money,
23 issue and sell certificates, and secure the payment of the
24 certificates in the same manner as described in section
25 260E.6, including, but not limited to, providing the
26 assessment of an annual levy as described in section 260E.6,
27 subsection 4. The program and credit authorized by this
28 subsection section are in addition to, and not in lieu of, the
29 program and credit authorized in chapter 260E.

30 Sec. 7. Section 80.16, Code 1997, is amended to read as
31 follows:

32 80.16 BONDS.

33 All special agents appointed by the commissioner of public
34 safety pursuant to section 80.7 shall furnish bond as required
35 by the commissioner in the amount of five thousand dollars.

1 All members of the state department of public safety excepting
2 the members of the clerical force shall be bonded for the
3 faithful performance of their duties, in such an amount as the
4 commissioner of public safety may deem necessary, but not less
5 than five thousand dollars for any one position, and clerical
6 employees may be so bonded. The ~~director~~ commissioner is
7 authorized to purchase bond coverage with departmental funds,
8 either in blanket bond form or in individual bond form or in
9 any combination thereof.

10 Sec. 8. Section 84A.7, subsection 2, Code 1997, is amended
11 to read as follows:

12 2. IOWA CONSERVATION CORPS ESTABLISHED. The Iowa
13 conservation corps is established in this state to provide
14 meaningful and productive public service jobs for the youth,
15 the unemployed persons, ~~the-disabled~~ persons with
16 disabilities, ~~the~~ disadvantaged persons, and ~~the~~ elderly
17 persons, and to provide participants with an opportunity to
18 explore careers, gain work experience, and contribute to the
19 general welfare of their communities and the state. The corps
20 shall provide opportunities in the areas of natural resource
21 and wildlife conservation, park maintenance and restoration,
22 land management, energy savings, community improvement
23 projects, tourism, economic development, and work benefiting
24 human services programs. The department of workforce
25 development shall administer the corps and shall adopt rules
26 governing its operation, eligibility for participation, cash
27 contributions, and implementation of an incentive program.

28 Sec. 9. Section 97A.7, subsection 5, Code 1997, is amended
29 by striking the subsection.

30 Sec. 10. Section 97B.49, subsection 17, paragraph c,
31 subparagraph (1), Code 1997, is amended by striking the
32 subparagraph.

33 Sec. 11. Section 97B.80, unnumbered paragraph 1, Code
34 1997, is amended to read as follows:

35 Effective July 1, 1992, a vested or retired member, who at

1 any time served on active duty in the armed forces of the
2 United States, upon submitting verification of the dates of
3 the active duty service, may make employer and employee
4 contributions to the system based upon the member's covered
5 wages for the most recent full calendar year in which the
6 member had reportable wages at the applicable rates in effect
7 for that year under sections 97B.11 and 97B.49, for all or a
8 portion of the period of time of the active duty service, in
9 increments of one or more calendar quarters, and receive
10 credit for membership service and prior service for the period
11 of time for which the contributions are made. If the member's
12 most recent covered wages were earned prior to the most recent
13 calendar year, the member's covered wages shall be adjusted by
14 the department by an inflation factor to reflect changes in
15 the economy. The department shall adjust benefits for a six-
16 month period prior to the date the member pays contributions
17 under this section if the member is receiving a retirement
18 allowance at the time the contribution payment is made.
19 Verification of active duty service and payment of
20 contributions shall be made to the department. However, a
21 member is not eligible to make contributions under this
22 section if the member is receiving, is eligible to receive, or
23 may in the future be eligible to receive retirement pay from
24 the United States government for active duty in the armed
25 forces, except for retirement pay granted by the United States
26 government under retired pay for nonregular service (~~10-U.S.C.~~
27 ~~§-13317--et-seq-)~~ pursuant to 10 U.S.C. § 12731--12739. A
28 member receiving retired pay for nonregular service who makes
29 contributions under this section shall provide information
30 required by the department documenting time periods covered
31 under retired pay for nonregular service.

32 Sec. 12. Section 99D.25A, subsection 2, Code 1997, is
33 amended to read as follows:

34 2. Phenylbutazone shall not be administered to a horse in
35 dosages which would result in concentrations of more than two

1 point two micrograms of the substance or its metabolites per
2 ~~millimeter~~ milliliter of blood.

3 Sec. 13. Section 135.11, subsection 16, Code 1997, is
4 amended by striking the subsection.

5 Sec. 14. Section 135.107, subsection 3, paragraph c,
6 subparagraph (2), subparagraph subdivision (a), Code 1997, is
7 amended to read as follows:

8 (a) Determination of eligibility requirements and
9 qualifications of an applicant to receive scholarships under
10 the program, including but not limited to years of obligated
11 service, clinical practice requirements, and residency
12 requirements. One year of obligated service shall be provided
13 by the applicant in exchange for each year of ~~loan-repayment~~
14 scholarship receipt, unless federal requirements otherwise
15 require.

16 Sec. 15. Section 137E.1, subsection 11, Code 1997, is
17 amended to read as follows:

18 11. "Potentially hazardous food" means any food that
19 consists in whole or in part of milk or milk products, eggs,
20 meat, poultry, fish, shell fish, edible crustacea, or other
21 ingredients including synthetic ingredients, in a form capable
22 of supporting rapid and progressive growth ~~or~~ of infectious or
23 toxigenic microorganisms. The term does not include clean,
24 whole, uncracked, odor-free shell eggs or foods which have a
25 pH level of 4.5 or below or a water activity (Aw) value of
26 0.85 or less.

27 Sec. 16. Section 191.3, unnumbered paragraph 1, Code 1997,
28 is amended to read as follows:

29 Every person owning or in charge of any place where food or
30 drink is sold who uses or serves therein imitation cheese~~,-as~~
31 ~~in-this-subtitle-defined~~, shall display at all times opposite
32 each table or place of service a placard for such imitation,
33 with the words "Imitation served here", without other
34 matter, printed in black roman letters not less than three
35 inches in height and two inches in width, on a white card

1 twelve by twenty-two inches in dimensions.

2 Sec. 17. Section 229.33, Code 1997, is amended to read as
3 follows:

4 229.33 HEARING.

5 If, on such report and statement, and the hearing of
6 testimony if any is offered, the judge shall find that such
7 person is not seriously mentally impaired, the judge shall
8 order the person's discharge; if the contrary, the judge shall
9 so state, and authorize the continued detention of the person,
10 subject to all applicable requirements of ~~this-Aet~~ chapter
11 229.

12 Sec. 18. Section 230.6, subsection 1, Code 1997, is
13 amended to read as follows:

14 1. If the administrator finds that the decision of the
15 court as to legal settlement is correct, the administrator
16 shall cause said patient either to be transferred to a state
17 hospital for persons with mental illness at the expense of the
18 state, or to be transferred, with approval of the court as
19 required by ~~this-Aet~~ chapter 229 to the place of foreign
20 settlement.

21 Sec. 19. Section 230.7, Code 1997, is amended to read as
22 follows:

23 230.7 TRANSFER OF NONRESIDENTS.

24 Upon determining that a patient in a state hospital who has
25 been involuntarily hospitalized under ~~this-Aet~~ chapter 229 or
26 admitted voluntarily at public expense was not a resident of
27 this state at the time of the involuntary hospitalization or
28 admission, the administrator may cause that patient to be
29 conveyed to the patient's place of residence. However, a
30 transfer under this section may be made only if the patient's
31 condition so permits and other reasons do not render the
32 transfer inadvisable. If the patient was involuntarily
33 hospitalized, prior approval of the transfer must be obtained
34 from the court which ordered the patient hospitalized.

35 Sec. 20. Section 231.53, Code 1997, is amended to read as

1 follows:

2 231.53 COORDINATION WITH JOB TRAINING PARTNERSHIP ACT.

3 The employment and training program administered by the
4 department shall be coordinated with the training program for
5 older individuals administered by the department of economic
6 development workforce development under the Job Training
7 Partnership Act.

8 A proposed annual plan for coordinating these programs
9 shall be developed jointly by the department of elder affairs,
10 ~~the department of economic development~~, the department of
11 education, and the department of workforce development for
12 submittal to the state job training coordinating council. The
13 state job training coordinating council shall take the
14 proposed plan under advisement in preparing a final annual
15 plan for coordinating these programs which will be submitted
16 to the governor.

17 After the end of each annual planning period, the
18 department of elder affairs, ~~the department of economic~~
19 ~~development~~, the department of education, and the department
20 of workforce development shall submit a joint report to the
21 state job training coordinating council describing the
22 services provided to elderly Iowans, assessing the extent to
23 which coordination of programs was achieved, and making
24 recommendations for improving coordination.

25 Sec. 21. Section 231C.4, Code 1997, is amended to read as
26 follows:

27 231C.4 FIRE AND SAFETY STANDARDS.

28 The state fire marshal shall adopt rules, in coordination
29 with the department, relating to the certification or
30 voluntary accreditation and monitoring of the fire and safety
31 standards of certified or voluntarily accredited assisted
32 living programs.

33 Sec. 22. Section 232.89, subsection 1, Code 1997, is
34 amended to read as follows:

35 1. Upon the filing of a petition the parent, guardian, or

1 custodian identified in the petition shall have the right to
2 counsel in connection with all subsequent hearings and
3 proceedings. If that person desires but is financially unable
4 to employ counsel, the court shall appoint counsel. However,
5 an incarcerated parent without legal custody shall not have
6 the right to court-appointed counsel.

7 Sec. 23. Section 249F.1, subsection 2, paragraph b,
8 subparagraph (6), Code 1997, is amended to read as follows:

9 (6) Transfers of assets that would, at the time of the
10 transferor's application for medical assistance, have been
11 exempt from consideration as a resource if ~~it had been~~
12 retained by the transferor, pursuant to 42 U.S.C. § 1382b(a),
13 as implemented by regulations adopted by the secretary of the
14 United States department of health and human services.

15 Sec. 24. Section 256B.2, subsection 3, unnumbered
16 paragraph 1, Code 1997, is amended to read as follows:

17 It is the policy of this state to require school districts
18 and state operated educational programs to provide or make
19 provision, as an integral part of public education, for a free
20 and appropriate public education sufficient to meet the needs
21 of all children requiring special education. This chapter is
22 not to be construed as encouraging separate facilities or
23 segregated programs designed to meet the needs of children
24 requiring special education when the children can benefit from
25 all or part of the education program as offered by the local
26 school district. To the maximum extent possible, children
27 requiring special education shall attend regular classes and
28 shall be educated with children who do not require special
29 education. Whenever possible, hindrances to learning and to
30 the normal functioning of children requiring special education
31 within the regular school environment shall be overcome by the
32 provision of special aids and services rather than by separate
33 programs for those in need of special education. Special
34 classes, separate schooling, or other removal of children
35 requiring special education from the regular educational

1 environment, shall occur only when, and to the extent that the
2 nature or severity of the educational disability is such, that
3 education in regular classes, even with the use of
4 supplementary aids and services, cannot be accomplished
5 satisfactorily. For those children who cannot adapt to the
6 regular educational or home living conditions, and who are
7 attending facilities under chapters 263, 269, and 270, upon
8 the request of the board of directors of an area education
9 agency, the department of human services shall provide
10 residential or detention facilities and the area education
11 agency shall provide special education programs and services.
12 The area education agencies shall cooperate with the board of
13 regents to provide the services required by this Act chapter.

14 Sec. 25. Section 257.21, unnumbered paragraph 2, Code
15 1997, is amended to read as follows:

16 The instructional support income surtax shall be imposed on
17 the state individual income tax for the calendar year during
18 which the school's budget year begins, or for a taxpayer's
19 fiscal year ending during the second half of that calendar
20 year and after the date the board adopts a resolution to
21 participate in the program or the first half of the succeeding
22 calendar year, and shall be imposed on all individuals
23 residing in the school district on the last day of the
24 applicable tax year. As used in this section, "state
25 individual income tax" means the taxes computed under section
26 422.5, less the credits allowed in sections 422.11A, 422.11B,
27 ~~422.11C~~, 422.12, and 422.12B.

28 Sec. 26. Section 257.31, subsection 17, paragraph d, Code
29 1997, is amended to read as follows:

30 d. Funds transferred to the committee in accordance with
31 section 321.34, subsection ~~12~~ 22, are appropriated to and may
32 be expended for the purposes of the committee, as described in
33 this section. However, highest priority shall be given to
34 districts that meet the conditions described in this
35 subsection. Notwithstanding any other provision of the Code,

1 unencumbered or unobligated funds transferred to the committee
2 pursuant to section 321.34, subsection ~~12~~ 22, remaining on
3 June 30 of the fiscal year for which the funds were
4 transferred, shall not revert but shall be available for
5 expenditure for the purposes of this subsection in subsequent
6 fiscal years.

7 Sec. 27. Section 260C.39, unnumbered paragraphs 3 and 4,
8 Code 1997, are amended by striking the unnumbered paragraphs.

9 Sec. 28. Section 260C.45, unnumbered paragraph 3, Code
10 1997, is amended by striking the paragraph.

11 Sec. 29. Section 260C.46, Code 1997, is amended to read as
12 follows:

13 260C.46 PROGRAM AND ADMINISTRATIVE SHARING.

14 By September 1, 1990, the department shall establish
15 guidelines and an approval process for program sharing
16 agreements and for administrative sharing agreements entered
17 into by two or more community colleges or by a community
18 college and a higher education institution under the control
19 of the board of regents. Guidelines established shall be
20 designed to increase student access to programs, enhance
21 educational program offerings throughout the state, and
22 enhance interinstitutional cooperation in program offerings.
23 ~~A community college must submit an application and obtain~~
24 ~~approval from the department in order to become eligible to~~
25 ~~receive funds from the community college excellence 2000~~
26 ~~account under section 260D.14A for an administrative sharing~~
27 ~~or program sharing agreement. The application shall describe~~
28 ~~the sharing agreement, costs, and benefits associated with the~~
29 ~~sharing proposal.~~

30 Sec. 30. Section 260F.8, subsection 1, Code 1997, is
31 amended to read as follows:

32 1. For each fiscal year, the department shall make funds
33 available to the community colleges. The department shall
34 allocate by formula from the moneys in the fund an amount for
35 each community college to be used to provide the financial

1 assistance for proposals of businesses whose applications have
2 been approved by the department. The financial assistance
3 shall be provided by the department from the amount set aside
4 for that community college. If any portion of the moneys set
5 aside for a community college have not been used or committed
6 by May 1 of the fiscal year, that portion is available for use
7 by the department to provide financial assistance to
8 businesses ~~located in~~ applying to other community colleges.
9 The department shall adopt by rule a formula for this set-
10 aside.

11 Sec. 31. Section 282.18, subsection 9, unnumbered
12 paragraph 2, Code 1997, is amended to read as follows:

13 If a request to transfer is due to a change in family
14 residence, change in the state in which the family residence
15 is located, a change in a child's parents' marital status, a
16 guardianship proceeding, placement in foster care, adoption,
17 participation in a foreign exchange program, or participation
18 in a substance abuse or mental health treatment program, and
19 the child, who is the subject of the request, is not currently
20 using any provision of open enrollment, the parent or guardian
21 of the child shall have the option to have the child remain in
22 the child's original district of residence under open
23 enrollment with no interruption in the child's educational
24 program. If a parent or guardian exercises this option, the
25 child's new district of residence is not required to pay the
26 ~~lower-of-the-two-district-costs-per-pupil-or-other~~ costs
27 described in subsection 7 to the receiving district until the
28 start of the first full year of enrollment of the child.

29 Sec. 32. Section 321.210, subsection 1, unnumbered
30 paragraph 1, Code 1997, is amended to read as follows:

31 The department is authorized to establish rules providing
32 for the suspension of the license of an operator upon ~~twenty~~
33 thirty days' notice and without preliminary hearing upon a
34 showing by its records or other sufficient evidence that the
35 licensee:

1 Sec. 33. Section 321E.14, unnumbered paragraph 2, Code
2 1997, is amended by striking the paragraph.

3 Sec. 34. Section 321L.1, subsection 4, paragraph a, Code
4 1997, is amended to read as follows:

5 a. A handicapped registration plate issued to or for a
6 handicapped person under section 321.34, subsection 7 14.

7 Sec. 35. Section 331.438, subsection 2, Code 1997, is
8 amended to read as follows:

9 2. Except as modified based upon the actual amount of the
10 appropriation for purposes of state payment under section
11 331.439, the amount of the state payment for a fiscal year
12 shall be calculated by applying the ~~inflation~~ allowed growth
13 factor adjustment established in accordance with section
14 331.439, subsection 3, for that fiscal year to the amount of
15 county expenditures for qualified services in the previous
16 fiscal year. A state payment is the state funding a county
17 receives pursuant to section 426B.2, subsection 2. Any state
18 funding received by a county for property tax relief in
19 accordance with section 426B.2, subsections 1 and 3, is not a
20 state payment and shall not be included in the state payment
21 calculation made pursuant to this subsection.

22 Sec. 36. Section 331.602, subsection 14, Code 1997, is
23 amended by striking the subsection.

24 Sec. 37. Section 372.4, unnumbered paragraph 2, Code 1997,
25 is amended to read as follows:

26 However, a city governed, on ~~the-effective-date-of-this~~
27 ~~section~~ July 1, 1975, by the mayor-council form composed of a
28 mayor and a council consisting of two council members elected
29 at large, and one council member from each of four wards, or a
30 special charter city governed, on ~~the-effective-date-of-this~~
31 ~~section~~ July 1, 1975, by the mayor-council form composed of a
32 mayor and a council consisting of two council members elected
33 at large and one council member elected from each of eight
34 wards, may continue until the form of government is changed as
35 provided in section 372.2 or section 372.9. While a city is

1 thus operating with an even number of council members, the
2 mayor may vote to break a tie vote on motions not involving
3 ordinances, resolutions or appointments made by the council
4 alone, and in a special charter city operating with ten
5 council members under this section, the mayor may vote to
6 break a tie vote on all measures.

7 Sec. 38. Section 372.5, unnumbered paragraph 3, Code 1997,
8 is amended to read as follows:

9 However, a city governed, on ~~the-effective-date-of-this~~
10 section July 1, 1975, by the commission form and having a
11 council composed of a mayor and two council members elected at
12 large may continue with a council of three until the form of
13 government is changed as provided in section 372.2 or section
14 372.9 or without changing the form, may submit to the voters
15 the question of increasing the council to five members
16 assigned to the five departments as set out in this section.

17 Sec. 39. Section 372.12, unnumbered paragraph 1, Code
18 1997, is amended to read as follows:

19 A city may not adopt the special charter form but a city
20 governed by a special charter on ~~the-effective-date-of-the~~
21 city-code July 1, 1975, is considered to have the special
22 charter form although it may utilize elements of the mayor-
23 council form in conjunction with the provisions of its special
24 charter. In adopting and filing its charter as required in
25 section 372.1, a special charter city shall include the
26 provisions of its charter and any provisions of the mayor-
27 council form which are followed by the city on ~~the-effective~~
28 date-of-the-city-code July 1, 1975.

29 Sec. 40. Section 422.6, unnumbered paragraph 1, Code 1997,
30 is amended to read as follows:

31 The tax imposed by section 422.5 less the credits allowed
32 under sections 422.10, 422.11A, and 422.11B, ~~and 422.11C~~, and
33 the personal exemption credit allowed under section 422.12
34 apply to and are a charge against estates and trusts with
35 respect to their taxable income, and the rates are the same as

1 those applicable to individuals. The fiduciary shall make the
2 return of income for the estate or trust for which the
3 fiduciary acts, whether the income is taxable to the estate or
4 trust or to the beneficiaries.

5 Sec. 41. Section 422.10, unnumbered paragraph 2, Code
6 1997, is amended to read as follows:

7 Any credit in excess of the tax liability imposed by
8 section 422.5 less the credits allowed under sections 422.11A,
9 ~~422.11C~~, 422.12, and 422.12B for the taxable year shall be
10 refunded with interest computed under section 422.25. In lieu
11 of claiming a refund, a taxpayer may elect to have the
12 overpayment shown on the taxpayer's final, completed return
13 credited to the tax liability for the following taxable year.

14 Sec. 42. Section 422.12C, subsection 1, unnumbered
15 paragraph 1, Code 1997, is amended to read as follows:

16 The taxes imposed under this division, less the credits
17 allowed under sections 422.11A, 422.11B, ~~422.11C~~, 422.12, and
18 422.12B shall be reduced by a child and dependent care credit
19 equal to the following percentages of the federal child and
20 dependent care credit provided in section 21 of the Internal
21 Revenue Code:

22 Sec. 43. Section 422D.2, Code 1997, is amended to read as
23 follows:

24 422D.2 LOCAL INCOME SURTAX.

25 A county may impose by ordinance a local income surtax as
26 provided in section 422D.1 at the rate set by the board of
27 supervisors, of up to one percent, on the state individual
28 income tax of each individual residing in the county at the
29 end of the individual's applicable tax year. However, the
30 cumulative total of the percents of income surtax imposed on
31 any taxpayer in the county shall not exceed twenty percent.
32 The reason for imposing the surtax and the amount needed shall
33 be set out in the ordinance. The surtax rate shall be set to
34 raise only the amount needed. For purposes of this section,
35 "state individual income tax" means the tax computed under

1 section 422.5, less the credits allowed in sections 422.11A,
2 422.11B, ~~422.11C~~, 422.12, and 422.12B.

3 Sec. 44. Section 425.40, Code 1997, is amended to read as
4 follows:

5 425.40 LOW-INCOME FUND CREATED.

6 1. A low-income tax credit and reimbursement fund is
7 created.

8 2. If the amount appropriated ~~under subsection 1 plus any~~
9 ~~supplemental appropriation made~~ for purposes of this section
10 for a fiscal year is insufficient to pay all claims in full,
11 the director shall pay, in full, all claims to be paid during
12 the fiscal year for reimbursement of rent constituting
13 property taxes paid or if moneys are insufficient to pay all
14 such claims on a pro rata basis. If the amount of claims for
15 credit for property taxes due to be paid during the fiscal
16 year exceed the amount remaining after payment to renters, the
17 director of revenue and finance shall prorate the payments to
18 the counties for the property tax credit. In order for the
19 director to carry out the requirements of this subsection,
20 notwithstanding any provision to the contrary in this
21 division, claims for reimbursement for rent constituting
22 property taxes paid filed before May 1 of the fiscal year
23 shall be eligible to be paid in full during the fiscal year
24 and those claims filed on or after May 1 of the fiscal year
25 shall be eligible to be paid during the following fiscal year
26 and the director is not required to make payments to counties
27 for the property tax credit before June 15 of the fiscal year.

28 Sec. 45. Section 441.73, subsections 2 and 4, Code 1997,
29 are amended to read as follows:

30 2. If the director of revenue and finance determines that
31 foreseeable litigation expenses will exceed the amount
32 available from appropriations made to the department of
33 revenue and finance, the director of revenue and finance may
34 apply to the executive council for use of funds on deposit in
35 the litigation defense expense fund. The initial application

1 for approval shall include an estimate of potential litigation
2 expenses, allocated to each of the next four succeeding
3 calendar quarters and substantiated by a breakdown of all
4 anticipated costs for legal counsel, expert witnesses, and
5 other applicable litigation expenses.

6 4. The executive council shall transfer for the fiscal
7 year beginning July 1, 1992, and each fiscal year thereafter,
8 from funds established in sections 405A.8, 425.1, and 426.1,
9 an amount necessary to pay litigation expenses. However, the
10 amount of funds transferred to the litigation expense fund for
11 the fiscal year beginning July 1, 1992, shall not exceed three
12 hundred fifty thousand dollars and the amount of the fund for
13 the succeeding fiscal years shall not exceed seven hundred
14 thousand dollars. The executive council shall determine
15 annually the proportionate amounts to be transferred from the
16 three separate funds. At any time when no litigation is
17 pending or in progress the balance in the litigation defense
18 expense fund shall not exceed one hundred thousand dollars.
19 Any excess moneys shall be transferred in a proportionate
20 amount back to the funds from which they were originally
21 transferred.

22 Sec. 46. Section 455A.11, Code 1997, is amended to read as
23 follows:

24 455A.11 PREFERENCES IN TEMPORARY EMPLOYMENT.

25 In its employment of persons in temporary positions in
26 conservation and outdoor recreation, the department of natural
27 resources shall give preference to lower income persons
28 ~~meeting-eligibility-requirements-for-the-green-thumb-program~~
29 ~~under-section-15-227~~ who are sixty years of age or older and
30 to persons working toward an advanced education in natural
31 resources and conservation.

32 Sec. 47. Section 457B.1, article V, paragraph c, Code
33 1997, is amended to read as follows:

34 c. If a party state's right to have waste generated within
35 its borders disposed of at compact facilities, or at any

1 noncompact facility made available to the region by an
2 agreement entered into by the commission under article III,
3 section h, subsection 6, is suspended, low-level radioactive
4 waste generated within its borders by any person shall not be
5 disposed of at any such facility during the period of the
6 suspension.

7 Sec. 48. Section 462A.77, subsection 3, paragraph b, Code
8 1997, is amended to read as follows:

9 b. A person who is the owner of a vessel that is
10 documented with the United States coast guard is not required
11 to file an application for a certificate of title for the
12 vessel and the vessel is exempt from the requirements of
13 ~~sections~~ section 462A.82, subsections 1 and 2, and section
14 462A.84.

15 Sec. 49. Section 499.4, Code 1997, is amended to read as
16 follows:

17 499.4 USE OF TERM "COOPERATIVE" RESTRICTED.

18 No person or firm, and no corporation hereafter organized,
19 which is not an association as defined herein in this chapter
20 or a cooperative as defined in chapter 501, shall use the word
21 "cooperative" or any abbreviation thereof in its name or
22 advertising or in any connection with its business, except
23 foreign associations admitted under section 499.54. The
24 attorney general or any association or any member thereof may
25 sue and enjoin such use.

26 Sec. 50. Section 501.404, subsection 1, paragraph b, Code
27 1997, is amended to read as follows:

28 b. The material facts of the transaction and the
29 director's interest were disclosed or known to the
30 shareholders entitled to vote and they authorized, approved,
31 or ratified the transaction. For purposes of this paragraph,
32 a conflict of interest transaction is authorized, approved, or
33 ratified if it receives a majority of the votes entitled to be
34 counted under this paragraph. Shares owned by or voted under
35 the control of a director who has a direct or indirect

1 interest in the transaction, and shares owned by or voted
2 under the control of an entity described in subsection 2,
3 paragraph "a", shall not be counted in a vote of members to
4 determine whether to authorize, approve, or ratify a conflict
5 of interest transaction under this paragraph. The vote of
6 those shares, however, is counted in determining whether the
7 transaction is approved under other sections of this chapter.
8 A majority of the votes, whether or not the shareholders are
9 present, that are entitled to be counted in a vote on the
10 transaction under this paragraph constitutes a quorum for the
11 purpose of taking action under this paragraph.

12 Sec. 51. Section 501.408, Code 1997, is amended to read as
13 follows:

14 501.408 INDEMNIFICATION.

15 A cooperative may indemnify a present or former director,
16 officer, employee, or agent in the manner and in the instances
17 authorized in sections 490.850 through 490.858, provided that
18 where these sections provide for action by the shareholders
19 these sections are applicable to actions by the members, and
20 where these sections refer to the cooperative corporation
21 these sections are applicable to a cooperative.

22 Sec. 52. Section 502.207B, Code 1997, is amended to read
23 as follows:

24 502.207B LEGISLATIVE REVIEW AND OVERSIGHT.

25 The director of revenue and finance and the administrator
26 of the securities bureau of the insurance division shall each
27 report on an annual basis to the senate's and house of
28 representatives' committees on ways and means concerning
29 ~~issuers-using-the-seed-capital-tax-credit, as authorized for~~
30 ~~personal-taxpayers-by-section-422-11C-and-for-corporate~~
31 ~~taxpayers-by-section-422-337-subsection-87-and~~ the expedited
32 filing by registration system provided by section 502.207A.

33 Sec. 53. Section 502.404, Code 1997, is amended to read as
34 follows:

35 502.404 PROHIBITED TRANSACTIONS OF BROKER-DEALERS AND

1 AGENTS.

2 A broker-dealer or agent shall not effect a transaction in,
3 or induce or attempt to induce the purchase or sale of, any
4 security in this state by means of any manipulative, deceptive
5 or other fraudulent scheme, device, or contrivance, fictitious
6 quotation, or in violation of this Act chapter or any rule or
7 order hereunder. A broker-dealer or agent shall not recommend
8 to a customer the purchase, sale or exchange of a security
9 without reasonable grounds to believe that the transaction or
10 recommendation is suitable for the customer based upon
11 reasonable inquiry concerning the customer's investment
12 objectives, financial situation and needs, and other relevant
13 information known by the broker-dealer.

14 Sec. 54. Section 505.8, subsection 2, Code 1997, is
15 amended to read as follows:

16 2. The commissioner shall, subject to chapter 17A,
17 establish, publish, and enforce rules not inconsistent with
18 law for the enforcement of this subtitle and for the
19 enforcement of the laws, the administration and supervision of
20 which are imposed on the division, including rules to
21 establish fees sufficient to administer the laws, where
22 appropriate fees are not otherwise provided for in rule or
23 statute, and as necessary to obtain from persons authorized to
24 do business in the state or regulated by the division that
25 data required ~~pursuant-to-former-section-145-3~~ by the state
26 ~~health-data-commission~~ community health management information
27 system.

28 Sec. 55. Section 523A.2, subsection 1, paragraph d, Code
29 1997, is amended to read as follows:

30 d. A financial institution referred to in paragraph "a"
31 shall file notice with the commissioner of all funds deposited
32 under the trust agreement. The notice shall be on forms
33 prescribed by the commissioner and shall be filed not later
34 than March 1 of each year. Each notice shall contain the
35 required information for all deposits made during the previous

1 calendar year. Forms may be obtained from the commissioner.
2 The commissioner may accept ~~annual-reports~~ notices submitted
3 in an electronic format, such as computer diskettes.

4 Sec. 56. Section 523E.2, subsection 1, paragraph d, Code
5 1997, is amended to read as follows:

6 d. A financial institution referred to in paragraph "a"
7 shall file notice with the commissioner of all funds deposited
8 under the trust agreement. The notice shall be on forms
9 prescribed by the commissioner and shall be filed not later
10 than March 1 of each year. Each notice shall contain the
11 required information for all deposits made during the previous
12 calendar year. Forms may be obtained from the commissioner.
13 The commissioner may accept ~~annual-reports~~ notices submitted
14 in an electronic format, such as computer diskettes.

15 Sec. 57. Section 524.1802, subsection 2, Code 1997, is
16 amended to read as follows:

17 2. A bank holding company shall not acquire a bank or bank
18 holding company pursuant to section 524.1805 ~~or-524-1903~~ if,
19 following that acquisition, those state and national banks
20 located in this state in which out-of-state bank holding
21 companies directly or indirectly control more than twenty-five
22 percent of the voting shares or have the power to control in
23 any manner the election of the majority of directors would
24 have, in the aggregate, more than thirty-five percent of the
25 sum of the total time and demand deposits of all state and
26 national banks located in this state plus the total time and
27 demand deposits of all offices located in this state of
28 savings and loan associations and savings banks, whether
29 chartered under the law of this or another state or under
30 federal law, as determined by the superintendent on the basis
31 of the most recent reports of those financial institutions to
32 their supervisory authorities.

33 Sec. 58. Section 542B.27, subsection 1, unnumbered
34 paragraph 1, Code 1997, is amended to read as follows:

35 In addition to any other penalties provided for in this

1 ~~section~~ chapter, the board may by order impose a civil penalty
2 upon a person who is not licensed under this chapter as a
3 professional engineer or a land surveyor and who does any of
4 the following:

5 Sec. 59. Section 542B.35, subsection 2, paragraph c, Code
6 1997, is amended to read as follows:

7 c. A person who completes the real property inspection
8 report shall not ~~represent-themselves-as~~ claim to be a
9 licensed land surveyor or a professional engineer for purposes
10 of the report.

11 Sec. 60. Section 543B.46, subsection 3, Code 1997, is
12 amended to read as follows:

13 3. Each broker shall authorize the real estate commission
14 to examine each trust account and shall obtain the
15 certification of the bank or savings and loan association
16 attesting to each trust account and consenting to the
17 examination and audit of each account by a duly authorized
18 representative of the commission. The certification and
19 consent shall be furnished on forms prescribed by the
20 commission. This subsection does not apply to an individual
21 farm account maintained in the name of the owner or owners for
22 the purpose of conducting ongoing farm business whether it is
23 conducted by the farm owner or by an agent or farm manager
24 when the account is part of a farm management agreement
25 between the owner and agent or manager. This ~~section~~
26 subsection also does not apply to an individual property
27 management account maintained in the name of the owner or
28 owners for the purpose of conducting ongoing property
29 management whether it is conducted by the property owner or by
30 an agent or manager when the account is part of a property
31 management agreement between the owner and agent or manager.

32 Sec. 61. Section 554.2512, subsection 1, paragraph b, Code
33 1997, is amended to read as follows:

34 b. despite tender of the required documents the
35 circumstances would justify injunction against honor under the

1 ~~provisions of~~ this chapter (section 554.5109, subsection 2).

2 Sec. 62. Section 554.5116, subsection 4, Code 1997, is
3 amended to read as follows:

4 4. If there is conflict between this Article and Article
5 3, 4, or 9, or 12, this Article governs.

6 Sec. 63. Section 554.8111, Code 1997, is amended to read
7 as follows:

8 554.8111 CLEARING CORPORATION RULES.

9 A rule adopted by a clearing corporation governing rights
10 and obligations among the clearing corporation and its
11 participants in the clearing corporation is effective even if
12 the rule conflicts with this ~~Article~~ chapter and affects
13 another party who does not consent to the rule.

14 Sec. 64. Section 554.8205, unnumbered paragraph 1, Code
15 1997, is amended to read as follows:

16 An unauthorized signature placed on a security certificate
17 before or in the course of issue is ineffective, but the
18 signature is effective in favor of a purchaser for value of
19 the certificated security if the purchaser is without notice
20 of the lack of authority and the signing has been done by:

21 Sec. 65. Section 554.8401, subsection 1, unnumbered
22 paragraph 1, Code 1997, is amended to read as follows:

23 If a certificated security in registered form is presented
24 to an issuer with a request to register transfer or an
25 instruction is presented to an issuer with a request to
26 register transfer of an uncertificated security, the issuer
27 shall register the transfer as requested if:

28 Sec. 66. Section 554.9305, Code 1997, is amended to read
29 as follows:

30 554.9305 WHEN POSSESSION BY SECURED PARTY PERFECTS
31 SECURITY INTEREST WITHOUT FILING.

32 A security interest in ~~letters-of-credit-(section~~
33 ~~554-5114)~~, goods, instruments, money, negotiable documents, or
34 chattel paper may be perfected by the secured party's taking
35 possession of the collateral. A security interest in the

1 right to proceeds of a written letter of credit may be
2 perfected by the secured party's taking possession of the
3 letter of credit. If such collateral other than goods covered
4 by a negotiable document is held by a bailee, the secured
5 party is deemed to have possession from the time the bailee
6 receives notification of the secured party's interest. A
7 security interest is perfected by possession from the time
8 possession is taken without a relation back and continues only
9 so long as possession is retained, unless otherwise specified
10 in this Article. The security interest may be otherwise
11 perfected as provided in this Article before or after the
12 period of possession by the secured party.

13 Sec. 67. Section 589.6, Code 1997, is amended to read as
14 follows:

15 589.6 INSTRUMENTS AFFECTING REAL ESTATE.

16 All instruments in writing executed by a corporation before
17 July 1, 1996, which are more than one year old, conveying,
18 encumbering, or affecting real estate, including releases, or
19 satisfactions of mortgages, judgments, or any other liens by
20 entry of the release or satisfaction upon the page where the
21 lien appears recorded or entered, where the corporate seal of
22 the corporation has not been affixed or attached, and which
23 are otherwise legally and properly executed, are legal, valid,
24 and binding as though the corporate seal had been attached or
25 affixed.

26 Sec. 68. Section 602.8102, subsection 32, Code 1997, is
27 amended by striking the subsection.

28 Sec. 69. Section 602.8104, subsection 2, paragraph j, Code
29 1997, is amended by striking the paragraph.

30 Sec. 70. Section 690.1, Code 1997, is amended to read as
31 follows:

32 690.1 CRIMINAL IDENTIFICATION.

33 The ~~director~~ commissioner of public safety may provide in
34 the department a bureau of criminal identification. The
35 ~~director~~ commissioner may adopt rules for the same. The

1 sheriff of each county and the chief of police of each city
2 shall furnish to the department criminal identification
3 records and other information as directed by the ~~director~~
4 commissioner of public safety.

5 Sec. 71. Section 724.11, Code 1997, is amended to read as
6 follows:

7 724.11 ISSUANCE OF PERMIT TO CARRY WEAPONS.

8 Applications for permits to carry weapons shall be made to
9 the sheriff of the county in which the applicant resides.
10 Applications from persons who are nonresidents of the state,
11 or whose need to go armed arises out of employment by the
12 state, shall be made to the commissioner of public safety. In
13 either case, the issuance of the permit shall be by and at the
14 discretion of the sheriff or commissioner, who shall, before
15 issuing the permit, determine that the requirements of
16 sections 724.6 to 724.10 have been satisfied. However, the
17 training program requirements in section 724.9 may be waived
18 for renewal permits. The issuing officer shall collect a fee
19 of ten dollars, except from a duly appointed peace officer or
20 correctional officer, for each permit issued. Renewal permits
21 or duplicate permits shall be issued for a fee of five
22 dollars. The issuing officer shall notify the commissioner of
23 public safety of the issuance of any permit at least monthly
24 and forward to the ~~director~~ commissioner an amount equal to
25 two dollars for each permit issued and one dollar for each
26 renewal or duplicate permit issued. All such fees received by
27 the commissioner shall be paid to the treasurer of state and
28 deposited in the operating account of the department of public
29 safety to offset the cost of administering this chapter. Any
30 unspent balance as of June 30 of each year shall revert to the
31 general fund as provided by section 8.33.

32 Sec. 72. Section 901A.1, subsection 2, Code 1997, is
33 amended to read as follows:

34 2. As used in this ~~section~~ chapter, the term "prior
35 conviction" includes a plea of guilty, deferred judgment,

1 deferred or suspended sentence, or adjudication of
2 delinquency.

3

EXPLANATION

4 This bill contains the following nonsubstantive Code
5 corrections:

6 Code section 7G.1(7): In the section relating to the
7 sesquicentennial commission, the reference to Code section
8 321.34, former subsection 14, is stricken. Subsection 14 of
9 Code section 321.34, relating to the sesquicentennial vehicle
10 plates, was stricken by 1996 Acts, chapter 1088, section 8,
11 effective January 1, 1997. Sesquicentennial plates remain
12 valid through the month of expiration in 1997. New subsection
13 14 relates to handicapped special plates.

14 Code sections 10A.108(1), unnumbered paragraph 2;
15 10A.108(4), unnumbered paragraph 1: In the sections relating
16 to liens for certain entitlement benefits or provider payments
17 inappropriately obtained from the department of human
18 services, the words "or provider payments" are added after
19 "benefits" to coordinate with the amendment to subsection 1,
20 unnumbered paragraph 1, in 1996 Acts, chapter 1052, section 2.
21 The collections are by the department of inspections and
22 appeals.

23 Code section 12.40(3): Refers to businesses located in
24 certain cities, not to the cities themselves, as ineligible to
25 borrow under the rural small business transfer linked
26 investment program. This is intended to clarify the amendment
27 in 1996 Acts, chapter 1058, section 7.

28 Code section 15.114(1)(c): In the new section governing
29 microbusiness enterprise assistance, the term "microbusiness
30 organization" is changed to "microenterprise organization" as
31 the defined term for the nonprofit corporation contracting to
32 conduct the program. "Microenterprise organization" is the
33 term used for this corporation in the rest of the section.

34 Code section 15A.7(4): In the new section establishing a
35 program involving a "supplemental new jobs credit from

1 withholding" under community college agreements with
2 employers, "this subsection" is changed to "this section" to
3 reflect apparent intent of provision.

4 Code sections 80.16, 690.1, and 724.11: In the sections
5 relating to bonding of public safety employees, the creation
6 of the bureau of criminal identification, and the issuance of
7 weapons permits, a reference to the head of the department of
8 public safety is corrected by changing "director" to
9 "commissioner". This reference was apparently overlooked
10 during the implementation of name changes throughout the Code
11 following the 1986 state government reorganization.

12 Code section 84A.7(2): In the new section relating to the
13 Iowa conservation corps in the department of workforce
14 development, a terminology change from "the disabled" to
15 "persons with disabilities" is made to conform to the changes
16 made in 1996 Acts, chapter 1129, and also to revise
17 terminology describing others eligible for jobs in the corps.

18 Code section 97A.7(5): In the section relating to the
19 financial powers of the board of trustees of the public safety
20 peace officers' retirement, accident, and disability system,
21 an obsolete subsection authorizing this board to invest funds
22 of the municipal fire and police retirement systems created
23 under Code chapter 411 is stricken. Municipal fire and police
24 retirement systems now have their own statewide board.

25 Code section 97B.49(17)(c)(1): In the section governing
26 retirement allowances under IPERS, a subparagraph that is no
27 longer relevant is stricken because of the item veto of 1996
28 Acts, chapter 1187, section 32, which would have added a new
29 paragraph "e" to Code section 97B.49(5) reducing the
30 percentage multiplier for average annual wages in excess of
31 \$55,000.

32 Code section 97B.80, unnumbered paragraph 1: In the
33 section on veteran's credit under IPERS, the correct reference
34 to federal law governing retired pay for nonregular service in
35 the armed forces is substituted for the current reference.

1 Code section 99D.25A, subsection 2: In the subsection
2 prohibiting the administration of phenylbutazone beyond
3 certain concentration levels in horses, an incorrect reference
4 to a metric unit of measurement is corrected.

5 Code section 135.11(16): Strikes from the duties of the
6 Iowa department of public health a subsection relating to data
7 required by the former health data commission. The health
8 data commission, governed under former Code chapter 145, was
9 repealed effective July 1, 1996. Its successor, the community
10 health management information system (Code chapter 144C)
11 chapter, is not connected with the Iowa department of public
12 health. The insurance division of the department of commerce
13 is responsible for enforcement of chapter 144C.

14 Code section 135.107(3)(c)(2)(a): In the section on the
15 center for rural health and primary care, the words "service
16 in exchange for each year of scholarship receipt" are
17 substituted for "service in exchange for each year of loan
18 repayment" in the paragraph relating to primary care provider
19 scholarships. The preceding paragraph relates to primary care
20 provider loans. The amendments in 1996 Acts, chapter 1128,
21 sections 2 and 3, inserted the same language in both
22 paragraphs.

23 Code section 137E.1(11): A grammatical correction is made
24 in the definition of "potentially hazardous food" in the
25 vending machine chapter by changing the phrase "progressive
26 growth or infectious or toxigenic microorganisms" to
27 "progressive growth of infectious or toxigenic
28 microorganisms".

29 Code section 191.3, unnumbered paragraph 1: In the
30 provision relating to notice of the use of imitation cheese,
31 the words "as in this subtitle defined" are stricken because
32 there is no longer a definition in the Iowa Code. The former
33 definition was repealed by 1991 Acts, chapter 74, section 2.

34 Code sections 229.33, 230.6(1), and 230.7: In the sections
35 relating to persons with mental illness, references to "this

1 Act" (meaning 1975 Iowa Acts, chapter 139) are changed by
2 substituting "chapter 229", the new Code chapter enacted at
3 that time. Chapter 229 relates to the hospitalization of
4 persons with mental illness. The use of a Code reference
5 eliminates the need for asterisks and footnotes at these
6 sections.

7 Code section 231.53: In the section directing the
8 department of elder affairs to coordinate with job training
9 partnership programs, the term "department of workforce
10 development" is substituted for "department of economic
11 development" as the administering agency and strikes related
12 references to the department of economic development.
13 Administrative responsibility for job training partnership
14 programs was transferred to the department of workforce
15 development under 1996 Acts, chapter 1186. See Code section
16 84A.5(6)(e).

17 Code section 231C.4: In the new chapter relating to
18 assisted living programs for the elderly, the provision
19 relating to rules by the state fire marshal is amended by
20 inserting the word "standards" after "fire and safety" for
21 clarity. This is the wording used in the headnote.

22 Code section 232.89(1): A new sentence denying an
23 incarcerated noncustodial parent's right to counsel in CINA
24 proceedings in juvenile court is amended to provide that the
25 denial is limited to "court-appointed" counsel. This appears
26 to have been the intent under 1996 Acts, chapter 1193, section
27 5.

28 Code section 249F.1(2)(b)(6): In the chapter relating to
29 medical assistance debts and the transfer of assets, the
30 wording relating to one of the types of permitted transfers is
31 revised. The deletion of certain language by amendment in
32 1996 Acts, chapter 1107, section 3, resulted in awkward
33 sentence structure.

34 Code section 256B.2(3), unnumbered paragraph 1: In the
35 provision relating to special education services and

1 cooperation between the area education agencies and the board
2 of regents, a reference to "this Act" (meaning 1974 Iowa Acts,
3 chapter 1172) is changed by substituting "this chapter",
4 meaning chapter 256B, the special education chapter.

5 Code section 257.21, unnumbered paragraph 2: In the
6 section describing the computation of the property tax and
7 income surtax amounts in school districts where the
8 instructional support program is authorized, a reference to a
9 now-repealed provision which granted a seed capital credit on
10 the state income tax is stricken.

11 Code section 257.31(17)(d): In the new provision listing
12 duties of the school budget review committee relating to
13 school transportation assistance aid, a reference intended to
14 cite provision on the transfer of funds from fees for special
15 school transportation registration plates is corrected.

16 Code section 260C.39, unnumbered paragraphs 3 and 4: In
17 the section relating to community colleges and combining
18 merged areas, paragraphs dealing with the allocation of
19 additional state funds from the community college excellence
20 2000 account under former section 260D.14A are stricken.
21 Section 260D.14A was repealed by 1996 Acts, chapter 1215,
22 section 59.

23 Code section 260C.45, unnumbered paragraph 3: In the
24 section relating to the quality instructional centers program
25 for community colleges, a paragraph on funding from the
26 community college excellence 2000 account is stricken.

27 Code section 260C.46: References to funding from the
28 community college excellence 2000 account in the section on
29 community college sharing agreements are stricken.

30 Code section 260F.8(1): In the provision on reallocation
31 of funds for community college jobs training programs, awkward
32 wording which resulted from the amendment in 1996 Acts,
33 chapter 1180, section 15 is revised.

34 Code section 282.18(9), unnumbered paragraph 2: A
35 conforming change is made in the portion of the open

1 enrollment section dealing with financial arrangements in
2 cases where there has been a change in family residence but
3 the child continues in the original district without
4 interruption. An amendment in 1996 Acts, chapter 1157,
5 section 2, changed the basis of computation for payment by the
6 district of residence to the receiving district in subsection
7 7 but failed to change similar language in subsection 9.

8 Code section 321.210(1), unnumbered paragraph 1: In the
9 section relating to suspension of driver's licenses, the words
10 "twenty days" are changed to "thirty days" to conform to the
11 change in the notice period in the last paragraph of the
12 subsection by 1996 Acts, chapter 1152, section 15.

13 Code section 321E.14, unnumbered paragraph 2: In the
14 chapter relating to vehicles of excessive size and weight, a
15 paragraph relating to an obsolete provision stricken by 1996
16 Acts, chapter 1089, section 8, is stricken. The obsolete
17 provision affected the transportation of certain soil
18 conservation equipment for the 1983 registration year.

19 Code section 321L.1(4)(a): In the provision relating to
20 handicapped parking permits, the correct subsection reference
21 for handicapped registration plates under section 321.34 as
22 amended is substituted for the current reference. Former
23 subsection 7 was stricken and a new provision for handicapped
24 special plates was added (now numbered as subsection 14) by
25 1996 Acts, chapter 1088, sections 4 and 8.

26 Code section 331.438(2): In the section relating to mental
27 health and developmental disability funding, "allowed growth
28 factor adjustment" is substituted for "inflation factor
29 adjustment". "Inflation factor adjustment" provisions were
30 item vetoed in 1995. The new mechanism for growth added by
31 1996 Acts, chapter 1205, is known as the "allowed growth
32 factor adjustment".

33 Code section 331.602(14): A conforming change is made in
34 the list of duties of the county recorder by striking the
35 subsection relating to the livestock brand book and

1 supplements. Under section 169A.11, as amended by 1995 Acts,
2 chapter 60, section 7, the county recorder is no longer
3 responsible for keeping the brand book. The county's copy is
4 delivered to the sheriff.

5 Code section 372.4, unnumbered paragraph 2; 372.5,
6 unnumbered paragraph 3; and 372.12: The date "July 1, 1975"
7 is inserted as the operative effective date for municipal home
8 rule legislation. Substituting the date in these provisions
9 eliminates the need for asterisks and footnotes in the Code
10 citing specific session law chapters.

11 Code section 422.6, unnumbered paragraph 1; 422.10,
12 unnumbered paragraph 2; 422.12C(1), unnumbered paragraph 1;
13 and 422D.2: In the provisions relating to individual income
14 taxes, references to former section 422.11C (relating to the
15 seed capital credit) are stricken. The section was repealed
16 effective January 1, 1996, pursuant to 1992 Acts, chapter
17 1200, sections 2 and 4.

18 Code section 425.40: In the section relating to the low-
19 income tax credit and reimbursement fund, a reference to a
20 standing appropriation which was deleted from subsection 1 by
21 item veto in 1993 is stricken. See 1993 Acts, chapter 180,
22 section 9.

23 Code section 441.73(2) and (4): Terminology in the section
24 creating the litigation expense fund is corrected. The
25 section contains two references to the "litigation defense
26 fund". These appear to be erroneous and are changed to
27 "litigation expense fund" to match the headnote and other
28 references.

29 Code section 455A.11: In the section requiring the
30 department of natural resources to give preferences in
31 employment in temporary positions in conservation and outdoor
32 recreation, a reference to the former green thumb program and
33 its eligibility requirements is stricken and "lower income
34 persons who are sixty years of age or older" is substituted.
35 These age and income specifications were set out in former

1 Code section 15.227(1)(c). The new conservation corps
2 provision (section 84A.7, enacted in 1996 Iowa Acts, chapter
3 1186, section 14) mentions programs for the elderly but does
4 not contain details about eligibility for individual programs.

5 Code section 457B.1, article V, paragraph c: In the
6 portion of the midwest interstate low-level radioactive waste
7 compact relating to the suspension of certain rights of a
8 party state, the word "not" is inserted. The word was
9 inadvertently omitted in drafting the 1996 amendment. (See
10 1996 Iowa Acts, chapter 1051.) The official language of the
11 compact includes the word "not".

12 Code section 462A.77(3)(b): In the provision relating to
13 vessel certificates of title, a reference to section 462A.82
14 is corrected by specifying subsections 1 and 2 only (transfers
15 by operation of law). The change is made because 1996 Iowa
16 Acts, chapter 1020, section 2, expanded the scope of section
17 462A.82 by adding a new subsection 3 from which vessels
18 documented with the coast guard are not exempt.

19 Code section 499.4: A conforming change is made in chapter
20 499 by adding to those who are authorized to use the term
21 "cooperative" in their names or advertising. Section 501.104
22 authorizes use of the term by the new type of cooperative
23 corporations established in chapter 501.

24 Code section 501.404(1)(b): In the new chapter on
25 cooperative corporations, a provision relating to conflicts of
26 interest is amended to specify that the reference is to
27 subsection 2, paragraph "a", which refers to "another entity
28 in which the director has a material financial interest".

29 Code section 501.408: A correction in terminology is made
30 in a provision adapting the law on indemnification under
31 chapter 490 (corporations) to apply to the new chapter on
32 cooperatives.

33 Code section 502.207B: In the chapter on securities
34 regulation, obsolete references are deleted from the section
35 requiring reporting to legislative committees. The seed

1 capital tax credit was repealed effective January 1, 1996.

2 Code section 502.404: The words "this chapter" are
3 substituted for "this Act" in section relating to securities
4 broker-dealers and agents. Chapter 502 was newly enacted in
5 1975, and the reference was to 1975 Acts, chapter 234.

6 Code section 505.8(2): In the provision concerning rules
7 established by the commissioner of insurance, the term
8 "community health management information system" is
9 substituted for the former "state health data commission".
10 CHMIS is the successor organization to the health data
11 commission.

12 Code sections 523A.2(1)(d) and 523E.2(1)(d): In the
13 chapters regulating the sale of funeral services and
14 merchandise and cemetery merchandise, new sentences
15 authorizing the submission of information in an electronic
16 format are amended by changing "annual reports" to "notices"
17 to fit the context in each case. Annual reports are covered
18 by the language just preceding these paragraphs. See 1996
19 Iowa Acts, chapter 1160, sections 1, 2, 11, and 12.

20 Code section 524.1802(2): In the provision setting out
21 limitations on acquisitions by bank holding companies, a
22 reference to former section 524.1903 is stricken. That
23 section was one of several sections on regional banking which
24 were repealed by 1996 Iowa Acts, chapter 1056, section 24.

25 Code section 542B.27(1), unnumbered paragraph 1: In the
26 section on civil penalties for practicing engineering or land
27 surveying without a license, a reference is changed from
28 "other penalties provided for in this section" to "other
29 penalties provided for in this chapter".

30 Code section 542B.35(2)(c): A grammatical change is made
31 in a provision relating to real property inspection reports,
32 by substituting "a person shall not claim to be a licensed
33 land surveyor or a professional engineer" for "a person shall
34 not represent themselves as a licensed land surveyor or a
35 professional engineer".

1 Code section 543B.46(3): In the provision relating to
2 trust accounts of real estate brokers, a reference to "this
3 subsection" is added to replace "this section" where
4 exceptions are made for certain types of individual farm
5 accounts and individual property management accounts.

6 Code section 554.2512(1)(b): In the section of the Uniform
7 Commercial Code relating to payment by the buyer before
8 inspection of goods, the words "the provisions of" preceding
9 "this chapter" are stricken to conform the language to the
10 Uniform Act adopted in other states.

11 Code section 554.5116(4): In Article 5 of the Uniform
12 Commercial Code (letters of credit), a reference to Article 12
13 (funds transfers) is added to the list in the provision
14 stating that if there is a conflict between Article 5 and
15 certain other articles, Article 5 governs. The reference to
16 Article 12 was missed in 1996 Iowa Acts, chapter 1026, section
17 15, because of failure to translate "Article 4A" for purposes
18 of the Uniform Act into "Article 12" for purposes of the Iowa
19 Code.

20 Code section 554.8111: In the new section of Article 8 of
21 the Uniform Commercial Code (investment securities) relating
22 to conflicts between the UCC and certain clearing corporation
23 rules, "this chapter" is substituted for "this Article". It
24 appears from the commentary accompanying the Article 8
25 revisions that a reference to chapter 554 was intended.

26 Code section 554.8205, unnumbered paragraph 1: In the UCC
27 section relating to unauthorized signatures on security
28 certificates, the word "before" is added. The word was
29 inadvertently omitted when the section was amended in 1996
30 Iowa Acts, chapter 1138, section 28.

31 Code section 554.8401(1), unnumbered paragraph 1: In the
32 UCC provision relating to the issuer's duty to register
33 transfers of securities, the words "of an uncertificated
34 security" are inserted in the same manner as included in the
35 Uniform Act. See 1996 Iowa Acts, chapter 1138, section 41.

1 Code section 554.9305: The provision in Article 9 of the
2 Uniform Commercial Code is amended by striking "letters of
3 credit" (section 554.5114). This language is stricken in the
4 Uniform Act. See 1996 Iowa Acts, chapter 1026, section 27.

5 Code section 589.6: The word "or" is added in a section on
6 instruments affecting real estate, to read "releases or
7 satisfactions of mortgages, judgments, or any other liens".
8 This appears to be the intended meaning of the provision.

9 Code sections 602.8102(32) and 602.8104(2)(j): In the
10 sections relating to the duties and records of the clerk of
11 the district court, references to the marriage license book
12 and other vital statistics duties which are transferred to the
13 county recorder are stricken. The county recorder becomes the
14 county registrar of vital statistics effective July 1, 1997.
15 See Code section 144.9.

16 Code section 901A.1(2): In the definitions section of the
17 chapter on sexually predatory offenses, "section" is changed
18 to "chapter" for the applicability of the term "prior
19 conviction". The term is not used in the definitions section,
20 but it is used in the next section.

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HOUSE FILE 200

AN ACT

RELATING TO NONSUBSTANTIVE CODE CORRECTIONS.

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

Section 1. Section 7G.1, subsection 7, Code 1997, is amended to read as follows:

7. FUNDS RECEIVED. All funds received by the commission, including but not limited to gifts, transfers, endowments, application and other fees related to the issuance of sesquicentennial motor vehicle registration plates pursuant to ~~section 321:347-subsection 14~~, moneys from the sale of mementos and products related to the purposes of the commission, and appropriations, shall be credited to the sesquicentennial fund and are appropriated to the commission to be invested or used to support the activities of the commission. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

Sec. 2. Section 10A.108, subsection 1, unnumbered paragraph 2, Code 1997, is amended to read as follows:

A lien under this section shall not attach to any amount of inappropriately obtained benefits or provider payments, or portions of the benefits or provider payments, attributable to errors by the department of human services. Liens shall only attach to the amounts of inappropriately obtained benefits or provider payments or portions of the benefits or provider payments which were obtained due to false, misleading, incomplete, or inaccurate information submitted by a person in connection with the application for or receipt of benefits or provider payments.

Sec. 3. Section 10A.108, subsection 4, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The county recorder of each county shall prepare and maintain in the recorder's office an index of liens of debts established based upon benefits or provider payments inappropriately obtained from and owed the department of human services, which provides appropriate columns for all of the following data, under the names of debtors, arranged alphabetically:

Sec. 4. Section 12.40, subsection 3, Code 1997, is amended to read as follows:

3. In order to qualify as an eligible borrower, the rural small business must be located in a city with a population of five thousand or less. A business in a city located in a county with a population in excess of three hundred thousand, if the city is contiguous to another city in the county and that other city is contiguous to the largest city in that county, shall be ineligible to qualify as a borrower.

Sec. 5. Section 15.114, subsection 1, paragraph c, Code 1997, is amended to read as follows:

c. "Microbusiness Microenterprise organization" means a nonprofit corporation organized under chapter 504A which is exempt from taxation pursuant to section 501(c) of the Internal Revenue Code and which has a principal mission of actively engaging in microbusiness development, training, technical assistance, and capital access for the start-up or expansion of microbusinesses.

Sec. 6. Section 15A.7, subsection 4, Code 1997, is amended to read as follows:

4. To provide funds for the payment of the costs of the additional project, a community college may borrow money, issue and sell certificates, and secure the payment of the certificates in the same manner as described in section 260E.6, including, but not limited to, providing the assessment of an annual levy as described in section 260E.6, subsection 4. The program and credit authorized by this ~~subsection~~ section are in addition to, and not in lieu of, the program and credit authorized in chapter 260E.

Sec. 7. Section 80.16, Code 1997, is amended to read as follows:

80.16 BONDS.

All special agents appointed by the commissioner of public safety pursuant to section 80.7 shall furnish bond as required by the commissioner in the amount of five thousand dollars. All members of the state department of public safety excepting the members of the clerical force shall be bonded for the faithful performance of their duties, in such an amount as the commissioner of public safety may deem necessary, but not less than five thousand dollars for any one position, and clerical employees may be so bonded. The ~~director~~ commissioner is authorized to purchase bond coverage with departmental funds, either in blanket bond form or in individual bond form or in any combination thereof.

Sec. 8. Section 84A.7, subsection 2, Code 1997, is amended to read as follows:

2. IOWA CONSERVATION CORPS ESTABLISHED. The Iowa conservation corps is established in this state to provide meaningful and productive public service jobs for the youth, the unemployed persons, the ~~disabled~~ persons with disabilities, the disadvantaged persons, and the elderly persons, and to provide participants with an opportunity to explore careers, gain work experience, and contribute to the general welfare of their communities and the state. The corps shall provide opportunities in the areas of natural resource and wildlife conservation, park maintenance and restoration, land management, energy savings, community improvement projects, tourism, economic development, and work benefiting human services programs. The department of workforce development shall administer the corps and shall adopt rules governing its operation, eligibility for participation, cash contributions, and implementation of an incentive program.

Sec. 9. Section 97A.7, subsection 5, Code 1997, is amended by striking the subsection.

Sec. 10. Section 97B.49, subsection 17, paragraph c, subparagraph (1), Code 1997, is amended by striking the subparagraph.

Sec. 11. Section 97B.80, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Effective July 1, 1992, a vested or retired member, who at any time served on active duty in the armed forces of the United States, upon submitting verification of the dates of the active duty service, may make employer and employee contributions to the system based upon the member's covered wages for the most recent full calendar year in which the member had reportable wages at the applicable rates in effect for that year under sections 97B.11 and 97B.49, for all or a portion of the period of time of the active duty service, in increments of one or more calendar quarters, and receive credit for membership service and prior service for the period of time for which the contributions are made. If the member's most recent covered wages were earned prior to the most recent calendar year, the member's covered wages shall be adjusted by the department by an inflation factor to reflect changes in the economy. The department shall adjust benefits for a six-month period prior to the date the member pays contributions under this section if the member is receiving a retirement allowance at the time the contribution payment is made. Verification of active duty service and payment of contributions shall be made to the department. However, a member is not eligible to make contributions under this section if the member is receiving, is eligible to receive, or may in the future be eligible to receive retirement pay from the United States government for active duty in the armed forces, except for retirement pay granted by the United States government under retired pay for nonregular service ~~(10-U.S.C. § 1331, et seq.)~~ pursuant to 10 U.S.C. § 12731--12739. A member receiving retired pay for nonregular service who makes contributions under this section shall provide information required by the department documenting time periods covered under retired pay for nonregular service.

Sec. 12. Section 99D.25A, subsection 2, Code 1997, is amended to read as follows:

2. Phenylbutazone shall not be administered to a horse in dosages which would result in concentrations of more than two point two micrograms of the substance or its metabolites per ~~millimeter~~ milliliter of blood.

Sec. 13. Section 135.11, subsection 16, Code 1997, is amended by striking the subsection.

Sec. 14. Section 135.107, subsection 3, paragraph c, subparagraph (2), subparagraph subdivision (a), Code 1997, is amended to read as follows:

(a) Determination of eligibility requirements and qualifications of an applicant to receive scholarships under the program, including but not limited to years of obligated service, clinical practice requirements, and residency requirements. One year of obligated service shall be provided by the applicant in exchange for each year of ~~loan-repayment~~ scholarship receipt, unless federal requirements otherwise require.

Sec. 15. Section 137E.1, subsection 11, Code 1997, is amended to read as follows:

11. "Potentially hazardous food" means any food that consists in whole or in part of milk or milk products, eggs, meat, poultry, fish, shell fish, edible crustacea, or other ingredients including synthetic ingredients, in a form capable of supporting rapid and progressive growth ~~or of~~ of infectious or toxigenic microorganisms. The term does not include clean, whole, uncracked, odor-free shell eggs or foods which have a pH level of 4.5 or below or a water activity (Aw) value of 0.85 or less.

Sec. 16. Section 191.3, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Every person owning or in charge of any place where food or drink is sold who uses or serves therein imitation cheese, ~~as in this subtitle defined,~~ shall display at all times opposite each table or place of service a placard for such imitation, with the words "Imitation served here", without other matter, printed in black roman letters not less than three inches in height and two inches in width, on a white card twelve by twenty-two inches in dimensions.

Sec. 17. Section 229.33, Code 1997, is amended to read as follows:

229.33 HEARING.

If, on such report and statement, and the hearing of testimony if any is offered, the judge shall find that such person is not seriously mentally impaired, the judge shall order the person's discharge; if the contrary, the judge shall so state, and authorize the continued detention of the person, subject to all applicable requirements of this Act chapter 229.

Sec. 18. Section 230.6, subsection 1, Code 1997, is amended to read as follows:

1. If the administrator finds that the decision of the court as to legal settlement is correct, the administrator shall cause said patient either to be transferred to a state hospital for persons with mental illness at the expense of the state, or to be transferred, with approval of the court as required by this Act chapter 229 to the place of foreign settlement.

Sec. 19. Section 230.7, Code 1997, is amended to read as follows:

230.7 TRANSFER OF NONRESIDENTS.

Upon determining that a patient in a state hospital who has been involuntarily hospitalized under this Act chapter 229 or admitted voluntarily at public expense was not a resident of this state at the time of the involuntary hospitalization or admission, the administrator may cause that patient to be conveyed to the patient's place of residence. However, a transfer under this section may be made only if the patient's condition so permits and other reasons do not render the transfer inadvisable. If the patient was involuntarily hospitalized, prior approval of the transfer must be obtained from the court which ordered the patient hospitalized.

Sec. 20. Section 231.53, Code 1997, is amended to read as follows:

231.53 COORDINATION WITH JOB TRAINING PARTNERSHIP ACT.

The employment and training program administered by the department shall be coordinated with the training program for older individuals administered by the department of economic development workforce development under the Job Training Partnership Act.

A proposed annual plan for coordinating these programs shall be developed jointly by the department of elder affairs, ~~the department of economic development~~, the department of education, and the department of workforce development for submittal to the state job training coordinating council. The state job training coordinating council shall take the proposed plan under advisement in preparing a final annual plan for coordinating these programs which will be submitted to the governor.

After the end of each annual planning period, the department of elder affairs, ~~the department of economic development~~, the department of education, and the department of workforce development shall submit a joint report to the state job training coordinating council describing the services provided to elderly Iowans, assessing the extent to which coordination of programs was achieved, and making recommendations for improving coordination.

Sec. 21. Section 231C.4, Code 1997, is amended to read as follows:

231C.4 FIRE AND SAFETY STANDARDS.

The state fire marshal shall adopt rules, in coordination with the department, relating to the certification or voluntary accreditation and monitoring of the fire and safety standards of certified or voluntarily accredited assisted living programs.

Sec. 22. Section 232.89, subsection 1, Code 1997, is amended to read as follows:

1. Upon the filing of a petition the parent, guardian, or custodian identified in the petition shall have the right to counsel in connection with all subsequent hearings and proceedings. If that person desires but is financially unable to employ counsel, the court shall appoint counsel. However,

an incarcerated parent without legal custody shall not have the right to court-appointed counsel.

Sec. 23. Section 249F.1, subsection 2, paragraph b, subparagraph (6), Code 1997, is amended to read as follows:

(6) Transfers of assets that would, at the time of the transferor's application for medical assistance, have been exempt from consideration as a resource if ~~it had been~~ retained by the transferor, pursuant to 42 U.S.C. § 1382b(a), as implemented by regulations adopted by the secretary of the United States department of health and human services.

Sec. 24. Section 256B.2, subsection 3, unnumbered paragraph 1, Code 1997, is amended to read as follows:

It is the policy of this state to require school districts and state operated educational programs to provide or make provision, as an integral part of public education, for a free and appropriate public education sufficient to meet the needs of all children requiring special education. This chapter is not to be construed as encouraging separate facilities or segregated programs designed to meet the needs of children requiring special education when the children can benefit from all or part of the education program as offered by the local school district. To the maximum extent possible, children requiring special education shall attend regular classes and shall be educated with children who do not require special education. Whenever possible, hindrances to learning and to the normal functioning of children requiring special education within the regular school environment shall be overcome by the provision of special aids and services rather than by separate programs for those in need of special education. Special classes, separate schooling, or other removal of children requiring special education from the regular educational environment, shall occur only when, and to the extent that the nature or severity of the educational disability is such, that education in regular classes, even with the use of supplementary aids and services, cannot be accomplished satisfactorily. For those children who cannot adapt to the regular educational or home living conditions, and who are

attending facilities under chapters 263, 269, and 270, upon the request of the board of directors of an area education agency, the department of human services shall provide residential or detention facilities and the area education agency shall provide special education programs and services. The area education agencies shall cooperate with the board of regents to provide the services required by this Act chapter.

Sec. 25. Section 257.21, unnumbered paragraph 2, Code 1997, is amended to read as follows:

The instructional support income surtax shall be imposed on the state individual income tax for the calendar year during which the school's budget year begins, or for a taxpayer's fiscal year ending during the second half of that calendar year and after the date the board adopts a resolution to participate in the program or the first half of the succeeding calendar year, and shall be imposed on all individuals residing in the school district on the last day of the applicable tax year. As used in this section, "state individual income tax" means the taxes computed under section 422.5, less the credits allowed in sections 422.11A, 422.11B, ~~422.11C~~, 422.12, and 422.12B.

Sec. 26. Section 257.31, subsection 17, paragraph d, Code 1997, is amended to read as follows:

d. Funds transferred to the committee in accordance with section 321.34, subsection ~~12~~ 22, are appropriated to and may be expended for the purposes of the committee, as described in this section. However, highest priority shall be given to districts that meet the conditions described in this subsection. Notwithstanding any other provision of the Code, unencumbered or unobligated funds transferred to the committee pursuant to section 321.34, subsection ~~12~~ 22, remaining on June 30 of the fiscal year for which the funds were transferred, shall not revert but shall be available for expenditure for the purposes of this subsection in subsequent fiscal years.

Sec. 27. Section 260C.39, unnumbered paragraphs 3 and 4, Code 1997, are amended by striking the unnumbered paragraphs.

Sec. 28. Section 260C.45, unnumbered paragraph 3, Code 1997, is amended by striking the paragraph.

Sec. 29. Section 260C.46, Code 1997, is amended to read as follows:

260C.46 PROGRAM AND ADMINISTRATIVE SHARING.

By September 1, 1990, the department shall establish guidelines and an approval process for program sharing agreements and for administrative sharing agreements entered into by two or more community colleges or by a community college and a higher education institution under the control of the board of regents. Guidelines established shall be designed to increase student access to programs, enhance educational program offerings throughout the state, and enhance interinstitutional cooperation in program offerings. ~~A community college must submit an application and obtain approval from the department in order to become eligible to receive funds from the community college excellence 2000 account under section 260B:14A for an administrative sharing or program sharing agreement. The application shall describe the sharing agreement, costs, and benefits associated with the sharing proposal.~~

Sec. 30. Section 260F.8, subsection 1, Code 1997, is amended to read as follows:

1. For each fiscal year, the department shall make funds available to the community colleges. The department shall allocate by formula from the moneys in the fund an amount for each community college to be used to provide the financial assistance for proposals of businesses whose applications have been approved by the department. The financial assistance shall be provided by the department from the amount set aside for that community college. If any portion of the moneys set aside for a community college have not been used or committed by May 1 of the fiscal year, that portion is available for use by the department to provide financial assistance to businesses ~~located in~~ applying to other community colleges. The department shall adopt by rule a formula for this set-aside.

Sec. 31. Section 282.18, subsection 7, Code 1997, is amended to read as follows:

7. A pupil participating in open enrollment shall be counted, for state school foundation aid purposes, in the pupil's district of residence. A pupil's residence, for purposes of this section, means a residence under section 282.1. The board of directors of the district of residence shall pay to the receiving district the state cost per pupil for the previous school year, plus any moneys received for the pupil as a result of the non-English speaking weighting under section 280.4, subsection 3, for the previous school year multiplied by the state cost per pupil for the previous year. The district of residence shall also transmit the phase III moneys allocated to the district for the previous year for the full-time equivalent attendance of the pupil, who is the subject of the request, to the receiving district specified in the request for transfer.

Sec. 32. Section 282.18, subsection 9, unnumbered paragraph 2, Code 1997, is amended to read as follows:

If a request to transfer is due to a change in family residence, change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, and the child, who is the subject of the request, is not currently using any provision of open enrollment, the parent or guardian of the child shall have the option to have the child remain in the child's original district of residence under open enrollment with no interruption in the child's educational program. If a parent or guardian exercises this option, the child's new district of residence is not required to pay the ~~lower-of-the-two-district-costs-per-pupil-or-other-costs-to-the-receiving-district~~ amount calculated in subsection 7, until the start of the first full year of enrollment of the child.

Sec. 33. Section 321.210, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The department is authorized to establish rules providing for the suspension of the license of an operator upon twenty thirty days' notice and without preliminary hearing upon a showing by its records or other sufficient evidence that the licensee:

Sec. 34. Section 321E.14, unnumbered paragraph 2, Code 1997, is amended by striking the paragraph.

Sec. 35. Section 321L.1, subsection 4, paragraph a, Code 1997, is amended to read as follows:

a. A handicapped registration plate issued to or for a handicapped person under section 321.34, subsection 7 14.

Sec. 36. Section 331.438, subsection 2, Code 1997, is amended to read as follows:

2. Except as modified based upon the actual amount of the appropriation for purposes of state payment under section 331.439, the amount of the state payment for a fiscal year shall be calculated by applying the ~~inflation~~ allowed growth factor adjustment established in accordance with section 331.439, subsection 3, for that fiscal year to the amount of county expenditures for qualified services in the previous fiscal year. A state payment is the state funding a county receives pursuant to section 426B.2, subsection 2. Any state funding received by a county for property tax relief in accordance with section 426B.2, subsections 1 and 3, is not a state payment and shall not be included in the state payment calculation made pursuant to this subsection.

Sec. 37. Section 331.602, subsection 14, Code 1997, is amended by striking the subsection.

Sec. 38. Section 372.4, unnumbered paragraph 2, Code 1997, is amended to read as follows:

However, a city governed, on ~~the-effective-date-of-this~~ section July 1, 1975, by the mayor-council form composed of a mayor and a council consisting of two council members elected at large, and one council member from each of four wards, or a special charter city governed, on ~~the-effective-date-of-this~~

section July 1, 1975, by the mayor-council form composed of a mayor and a council consisting of two council members elected at large and one council member elected from each of eight wards, may continue until the form of government is changed as provided in section 372.2 or section 372.9. While a city is thus operating with an even number of council members, the mayor may vote to break a tie vote on motions not involving ordinances, resolutions or appointments made by the council alone, and in a special charter city operating with ten council members under this section, the mayor may vote to break a tie vote on all measures.

Sec. 39. Section 372.5, unnumbered paragraph 3, Code 1997, is amended to read as follows:

However, a city governed, on ~~the effective date of this section July 1, 1975~~, by the commission form and having a council composed of a mayor and two council members elected at large may continue with a council of three until the form of government is changed as provided in section 372.2 or section 372.9 or without changing the form, may submit to the voters the question of increasing the council to five members assigned to the five departments as set out in this section.

Sec. 40. Section 372.12, unnumbered paragraph 1, Code 1997, is amended to read as follows:

A city may not adopt the special charter form but a city governed by a special charter on ~~the effective date of the city code July 1, 1975~~, is considered to have the special charter form although it may utilize elements of the mayor-council form in conjunction with the provisions of its special charter. In adopting and filing its charter as required in section 372.1, a special charter city shall include the provisions of its charter and any provisions of the mayor-council form which are followed by the city on ~~the effective date of the city code July 1, 1975~~.

Sec. 41. Section 421.16, Code 1997, is amended to read as follows:

421.16 EXPENSES.

The director, deputy directors, ~~secretary~~, and ~~assistants~~ department employees are entitled to receive from the state their actual necessary expenses while traveling on the business of the department. The expenditures shall be sworn to by the party who incurred the expense, and approved and allowed by the director. However, such expenses shall not be allowed residents of Polk county while in the city of Des Moines or traveling between their homes and the city of Des Moines.

Sec. 42. Section 422.6, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The tax imposed by section 422.5 less the credits allowed under sections 422.10, 422.11A, ~~and 422.11B~~, ~~and 422.11E~~, and the personal exemption credit allowed under section 422.12 apply to and are a charge against estates and trusts with respect to their taxable income, and the rates are the same as those applicable to individuals. The fiduciary shall make the return of income for the estate or trust for which the fiduciary acts, whether the income is taxable to the estate or trust or to the beneficiaries.

Sec. 43. Section 422.10, unnumbered paragraph 2, Code 1997, is amended to read as follows:

Any credit in excess of the tax liability imposed by section 422.5 less the credits allowed under sections 422.11A, ~~422.11E~~, 422.12, and 422.12B for the taxable year shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following taxable year.

Sec. 44. Section 422.12C, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The taxes imposed under this division, less the credits allowed under sections 422.11A, 422.11B, ~~422.11E~~, 422.12, and 422.12B shall be reduced by a child and dependent care credit equal to the following percentages of the federal child and dependent care credit provided in section 21 of the Internal Revenue Code:

Sec. 45. Section 422.26, unnumbered paragraph 2, Code 1997, is amended to read as follows:

The lien shall attach at the time the tax becomes due and payable and shall continue for ten years from the date an assessment is issued unless sooner released or otherwise discharged. The lien may, within ten years from the date an assessment is issued, be extended by filing for record a notice with the appropriate county official of any county and from the time of such filing, the lien shall be extended to the property in such county for ten years, unless sooner released or otherwise discharged, with no limit on the number of extensions. ~~Liens having attached prior to January 1, 1969, will expire on January 1, 1979, unless extended by the director.~~ The director shall charge off any account whose lien is allowed to lapse and may charge off any account and release the corresponding lien before the lien has lapsed if the director determines under uniform rules prescribed by the director that the account is uncollectible or collection costs involved would not warrant collection of the amount due.

Sec. 46. Section 422D.2, Code 1997, is amended to read as follows:

422D.2 LOCAL INCOME SURTAX.

A county may impose by ordinance a local income surtax as provided in section 422D.1 at the rate set by the board of supervisors, of up to one percent, on the state individual income tax of each individual residing in the county at the end of the individual's applicable tax year. However, the cumulative total of the percents of income surtax imposed on any taxpayer in the county shall not exceed twenty percent. The reason for imposing the surtax and the amount needed shall be set out in the ordinance. The surtax rate shall be set to raise only the amount needed. For purposes of this section, "state individual income tax" means the tax computed under section 422.5, less the credits allowed in sections 422.11A, 422.11B, ~~422.11C,~~ 422.12, and 422.12B.

Sec. 47. Section 424.18, Code 1997, is amended to read as follows:

424.18 EFFECTIVE DATE.

The environmental protection charge is imposed beginning July 1, 1989. For all deposits subject to the charge made on or after July 1, 1989, the depositor and receiver are obligated to pay the charge as provided in this chapter. ~~The amount of the initial environmental protection charge as calculated after determination of the cost factor by the board and the required forms and procedures shall be published in the Iowa administrative bulletin prior to July 1, 1989.~~

Sec. 48. Section 425.40, Code 1997, is amended to read as follows:

425.40 LOW-INCOME FUND CREATED.

1. A low-income tax credit and reimbursement fund is created.
2. If the amount appropriated under ~~subsection 1 plus any supplemental appropriation made~~ for purposes of this section for a fiscal year is insufficient to pay all claims in full, the director shall pay, in full, all claims to be paid during the fiscal year for reimbursement of rent constituting property taxes paid or if moneys are insufficient to pay all such claims on a pro rata basis. If the amount of claims for credit for property taxes due to be paid during the fiscal year exceed the amount remaining after payment to renters, the director of revenue and finance shall prorate the payments to the counties for the property tax credit. In order for the director to carry out the requirements of this subsection, notwithstanding any provision to the contrary in this division, claims for reimbursement for rent constituting property taxes paid filed before May 1 of the fiscal year shall be eligible to be paid in full during the fiscal year and those claims filed on or after May 1 of the fiscal year shall be eligible to be paid during the following fiscal year and the director is not required to make payments to counties for the property tax credit before June 15 of the fiscal year.

Sec. 49. Section 427A.12, subsection 5, Code 1997, is amended to read as follows:

5. For each state fiscal year ending with or before the year in which the ninth increase in the additional personal

property tax credit under this division becomes effective, each taxing district shall be reimbursed from the personal property tax replacement fund in an amount equal to its personal property tax replacement base multiplied by a fraction the numerator of which is the total assessed value of all personal property, excluding livestock, in the taxing district, on which taxes are not payable during the fiscal year because of the various tax credits granted by this chapter, and the denominator of which is the total assessed value of all personal property in the taxing district, excluding livestock but including other personal property eligible for tax credits granted by this chapter. ~~Per the half-year beginning January 1, 1974, and ending June 30, 1974, the amount of reimbursement shall be half the amount determined pursuant to this subsection.~~ The county auditor shall certify and forward to the director of the department of management and the director of revenue and finance, at the times and in the form directed by the director of the department of management, any information needed for the purposes of this subsection. The director of the department of management shall make any necessary corrections and certify the appropriate information to the director of revenue and finance.

Sec. 50. Section 427A.12, subsection 6, Code 1997, is amended to read as follows:

6. The amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the director of revenue and finance on May 15 of each fiscal year, taking into consideration the relative budget and cash position of the state resources. ~~For the fiscal year beginning July 1, 1984 and ending June 30, 1985, one-half of the amount due each taxing district shall be paid to the respective county treasurers by the state comptroller on May 15, 1985.~~ For the fiscal year beginning July 1, 1985 and ending June 30, 1986, and for each succeeding fiscal year the amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the

director of revenue and finance on July 15 and May 15 of that fiscal year, taking into consideration the relative budget and cash position of the state resources. The July 15 payment shall be equal to the amount paid on May 15 of the preceding fiscal year and the payments received shall be an account receivable for each taxing district for the preceding fiscal year. The May 15 payment is equal to one-half of the amount of the additional personal property tax credit payable for the fiscal year. The county treasurer shall pay the proceeds to the various taxing districts in the county.

Sec. 51. Section 441.21, subsection 4, Code 1997, is amended by striking the subsection.

Sec. 52. Section 441.46, unnumbered paragraph 2, Code 1997, is amended to read as follows:

~~The assessment date for property taxes for the fiscal period beginning January 1, 1973 and ending June 30, 1974 and which became delinquent during the fiscal period beginning January 1, 1974 and ending June 30, 1975, was January 1, 1973. The assessment date for property taxes for the fiscal year beginning July 1, 1974 and ending June 30, 1975 and which became delinquent during the fiscal year beginning July 1, 1975 and ending June 30, 1976, was January 1, 1974. Thereafter, the~~ The assessment date is January 1 for taxes for the fiscal year which commences six months after the assessment date and which become delinquent during the fiscal year commencing eighteen months after the assessment date.

Sec. 53. Section 441.73, subsections 2 and 4, Code 1997, are amended to read as follows:

2. If the director of revenue and finance determines that foreseeable litigation expenses will exceed the amount available from appropriations made to the department of revenue and finance, the director of revenue and finance may apply to the executive council for use of funds on deposit in the litigation defense expense fund. The initial application for approval shall include an estimate of potential litigation expenses, allocated to each of the next four succeeding calendar quarters and substantiated by a breakdown of all

anticipated costs for legal counsel, expert witnesses, and other applicable litigation expenses.

4. The executive council shall transfer for the fiscal year beginning July 1, 1992, and each fiscal year thereafter, from funds established in sections 405A.8, 425.1, and 426.1, an amount necessary to pay litigation expenses. ~~However, the amount of funds transferred to the litigation expense fund for the fiscal year beginning July 1, 1992, shall not exceed three hundred fifty thousand dollars and the~~ The amount of the fund for the succeeding each fiscal years year shall not exceed seven hundred thousand dollars. The executive council shall determine annually the proportionate amounts to be transferred from the three separate funds. At any time when no litigation is pending or in progress the balance in the litigation defense expense fund shall not exceed one hundred thousand dollars. Any excess moneys shall be transferred in a proportionate amount back to the funds from which they were originally transferred.

Sec. 54. Section 457B.1, article V, paragraph c, Code 1997, is amended to read as follows:

c. If a party state's right to have waste generated within its borders disposed of at compact facilities, or at any noncompact facility made available to the region by an agreement entered into by the commission under article III, section h, subsection 6, is suspended, low-level radioactive waste generated within its borders by any person shall not be disposed of at any such facility during the period of the suspension.

Sec. 55. Section 462A.77, subsection 3, paragraph b, Code 1997, is amended to read as follows:

b. A person who is the owner of a vessel that is documented with the United States coast guard is not required to file an application for a certificate of title for the vessel and the vessel is exempt from the requirements of sections section 462A.82, subsections 1 and 2, and section 462A.84.

Sec. 56. Section 499.4, Code 1997, is amended to read as follows:

499.4 USE OF TERM "COOPERATIVE" RESTRICTED.

No person or firm, and no corporation hereafter organized, which is not an association as defined herein in this chapter or a cooperative as defined in chapter 501, shall use the word "cooperative" or any abbreviation thereof in its name or advertising or in any connection with its business, except foreign associations admitted under section 499.54. The attorney general or any association or any member thereof may sue and enjoin such use.

Sec. 57. Section 501.404, subsection 1, paragraph b, Code 1997, is amended to read as follows:

b. The material facts of the transaction and the director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved, or ratified the transaction. For purposes of this paragraph, a conflict of interest transaction is authorized, approved, or ratified if it receives a majority of the votes entitled to be counted under this paragraph. Shares owned by or voted under the control of a director who has a direct or indirect interest in the transaction, and shares owned by or voted under the control of an entity described in subsection 2, paragraph "a", shall not be counted in a vote of members to determine whether to authorize, approve, or ratify a conflict of interest transaction under this paragraph. The vote of those shares, however, is counted in determining whether the transaction is approved under other sections of this chapter. A majority of the votes, whether or not the shareholders are present, that are entitled to be counted in a vote on the transaction under this paragraph constitutes a quorum for the purpose of taking action under this paragraph.

Sec. 58. Section 501.408, Code 1997, is amended to read as follows:

501.408 INDEMNIFICATION.

A cooperative may indemnify a present or former director, officer, employee, or agent in the manner and in the instances

authorized in sections 490.850 through 490.858, provided that where these sections provide for action by the shareholders these sections are applicable to actions by the members, and where these sections refer to the cooperative corporation these sections are applicable to a cooperative.

Sec. 59. Section 502.207B, Code 1997, is amended to read as follows:

502.207B LEGISLATIVE REVIEW AND OVERSIGHT.

The director of revenue and finance and the administrator of the securities bureau of the insurance division shall each report on an annual basis to the senate's and house of representatives' committees on ways and means concerning ~~issuers-using-the-seed-capital-tax-credit-as-authorized-for-personal-taxpayers-by-section-422-11C-and-for-corporate-taxpayers-by-section-422-337-subsection-87-and~~ the expedited filing by registration system provided by section 502.207A.

Sec. 60. Section 502.404, Code 1997, is amended to read as follows:

502.404 PROHIBITED TRANSACTIONS OF BROKER-DEALERS AND AGENTS.

A broker-dealer or agent shall not effect a transaction in, or induce or attempt to induce the purchase or sale of, any security in this state by means of any manipulative, deceptive or other fraudulent scheme, device, or contrivance, fictitious quotation, or in violation of this Act chapter or any rule or order hereunder. A broker-dealer or agent shall not recommend to a customer the purchase, sale or exchange of a security without reasonable grounds to believe that the transaction or recommendation is suitable for the customer based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and other relevant information known by the broker-dealer.

Sec. 61. Section 505.8, subsection 2, Code 1997, is amended to read as follows:

2. The commissioner shall, subject to chapter 17A, establish, publish, and enforce rules not inconsistent with law for the enforcement of this subtitle and for the

enforcement of the laws, the administration and supervision of which are imposed on the division, including rules to establish fees sufficient to administer the laws, where appropriate fees are not otherwise provided for in rule or statute, and as necessary to obtain from persons authorized to do business in the state or regulated by the division that data required ~~pursuant-to-former-section-145-3~~ by the state health-data-commission community health management information system.

Sec. 62. Section 523A.2, subsection 1, paragraph d, Code 1997, is amended to read as follows:

d. A financial institution referred to in paragraph "a" shall file notice with the commissioner of all funds deposited under the trust agreement. The notice shall be on forms prescribed by the commissioner and shall be filed not later than March 1 of each year. Each notice shall contain the required information for all deposits made during the previous calendar year. Forms may be obtained from the commissioner. The commissioner may accept ~~annual-reports~~ notices submitted in an electronic format, such as computer diskettes.

Sec. 63. Section 523E.2, subsection 1, paragraph d, Code 1997, is amended to read as follows:

d. A financial institution referred to in paragraph "a" shall file notice with the commissioner of all funds deposited under the trust agreement. The notice shall be on forms prescribed by the commissioner and shall be filed not later than March 1 of each year. Each notice shall contain the required information for all deposits made during the previous calendar year. Forms may be obtained from the commissioner. The commissioner may accept ~~annual-reports~~ notices submitted in an electronic format, such as computer diskettes.

Sec. 64. Section 524.1802, subsection 2, Code 1997, is amended to read as follows:

2. A bank holding company shall not acquire a bank or bank holding company pursuant to section 524.1805 ~~or-524-1903~~ if, following that acquisition, those state and national banks located in this state in which out-of-state bank holding

companies directly or indirectly control more than twenty-five percent of the voting shares or have the power to control in any manner the election of the majority of directors would have, in the aggregate, more than thirty-five percent of the sum of the total time and demand deposits of all state and national banks located in this state plus the total time and demand deposits of all offices located in this state of savings and loan associations and savings banks, whether chartered under the law of this or another state or under federal law, as determined by the superintendent on the basis of the most recent reports of those financial institutions to their supervisory authorities.

Sec. 65. Section 542B.27, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

In addition to any other penalties provided for in this section chapter, the board may by order impose a civil penalty upon a person who is not licensed under this chapter as a professional engineer or a land surveyor and who does any of the following:

Sec. 66. Section 542B.35, subsection 2, paragraph c, Code 1997, is amended to read as follows:

c. A person who completes the real property inspection report shall not ~~represent-themselves-as~~ claim to be a licensed land surveyor or a professional engineer for purposes of the report.

Sec. 67. Section 543B.46, subsection 3, Code 1997, is amended to read as follows:

3. Each broker shall authorize the real estate commission to examine each trust account and shall obtain the certification of the bank or savings and loan association attesting to each trust account and consenting to the examination and audit of each account by a duly authorized representative of the commission. The certification and consent shall be furnished on forms prescribed by the commission. This subsection does not apply to an individual farm account maintained in the name of the owner or owners for the purpose of conducting ongoing farm business whether it is

conducted by the farm owner or by an agent or farm manager when the account is part of a farm management agreement between the owner and agent or manager. This section subsection also does not apply to an individual property management account maintained in the name of the owner or owners for the purpose of conducting ongoing property management whether it is conducted by the property owner or by an agent or manager when the account is part of a property management agreement between the owner and agent or manager.

Sec. 68. Section 554.2512, subsection 1, paragraph b, Code 1997, is amended to read as follows:

b. despite tender of the required documents the circumstances would justify injunction against honor under ~~the provisions of~~ this chapter (section 554.5109, subsection 2).

Sec. 69. Section 554.5116, subsection 4, Code 1997, is amended to read as follows:

4. If there is conflict between this Article and Article 3, 4, ~~or 9,~~ or 12, this Article governs.

Sec. 70. Section 554.8111, Code 1997, is amended to read as follows:

554.8111 CLEARING CORPORATION RULES.

A rule adopted by a clearing corporation governing rights and obligations among the clearing corporation and its participants in the clearing corporation is effective even if the rule conflicts with this ~~Article~~ chapter and affects another party who does not consent to the rule.

Sec. 71. Section 554.8205, unnumbered paragraph 1, Code 1997, is amended to read as follows:

An unauthorized signature placed on a security certificate before or in the course of issue is ineffective, but the signature is effective in favor of a purchaser for value of the certificated security if the purchaser is without notice of the lack of authority and the signing has been done by:

Sec. 72. Section 554.8401, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

If a certificated security in registered form is presented to an issuer with a request to register transfer or an

instruction is presented to an issuer with a request to register transfer of an uncertificated security, the issuer shall register the transfer as requested if:

Sec. 73. Section 554.9305, Code 1997, is amended to read as follows:

554.9305 WHEN POSSESSION BY SECURED PARTY PERFECTS SECURITY INTEREST WITHOUT FILING.

A security interest in ~~letters-of-credit-(section 554-5114)~~, goods, instruments, money, negotiable documents, or chattel paper may be perfected by the secured party's taking possession of the collateral. A security interest in the right to proceeds of a written letter of credit may be perfected by the secured party's taking possession of the letter of credit. If such collateral other than goods covered by a negotiable document is held by a bailee, the secured party is deemed to have possession from the time the bailee receives notification of the secured party's interest. A security interest is perfected by possession from the time possession is taken without a relation back and continues only so long as possession is retained, unless otherwise specified in this Article. The security interest may be otherwise perfected as provided in this Article before or after the period of possession by the secured party.

Sec. 74. Section 589.6, Code 1997, is amended to read as follows:

589.6 INSTRUMENTS AFFECTING REAL ESTATE.

All instruments in writing executed by a corporation before July 1, 1996, which are more than one year old, conveying, encumbering, or affecting real estate, including releases, or satisfactions of mortgages, judgments, or any other liens by entry of the release or satisfaction upon the page where the lien appears recorded or entered, where the corporate seal of the corporation has not been affixed or attached, and which are otherwise legally and properly executed, are legal, valid, and binding as though the corporate seal had been attached or affixed.

Sec. 75. Section 602.8102, subsection 32, Code 1997, is amended by striking the subsection.

Sec. 76. Section 602.8104, subsection 2, paragraph j, Code 1997, is amended by striking the paragraph.

Sec. 77. Section 690.1, Code 1997, is amended to read as follows:

690.1 CRIMINAL IDENTIFICATION.

The ~~director~~ commissioner of public safety may provide in the department a bureau of criminal identification. The ~~director~~ commissioner may adopt rules for the same. The sheriff of each county and the chief of police of each city shall furnish to the department criminal identification records and other information as directed by the ~~director~~ commissioner of public safety.

Sec. 78. Section 724.11, Code 1997, is amended to read as follows:

724.11 ISSUANCE OF PERMIT TO CARRY WEAPONS.

Applications for permits to carry weapons shall be made to the sheriff of the county in which the applicant resides. Applications from persons who are nonresidents of the state, or whose need to go armed arises out of employment by the state, shall be made to the commissioner of public safety. In either case, the issuance of the permit shall be by and at the discretion of the sheriff or commissioner, who shall, before issuing the permit, determine that the requirements of sections 724.6 to 724.10 have been satisfied. However, the training program requirements in section 724.9 may be waived for renewal permits. The issuing officer shall collect a fee of ten dollars, except from a duly appointed peace officer or correctional officer, for each permit issued. Renewal permits or duplicate permits shall be issued for a fee of five dollars. The issuing officer shall notify the commissioner of public safety of the issuance of any permit at least monthly and forward to the ~~director~~ commissioner an amount equal to two dollars for each permit issued and one dollar for each renewal or duplicate permit issued. All such fees received by the commissioner shall be paid to the treasurer of state and

deposited in the operating account of the department of public safety to offset the cost of administering this chapter. Any unspent balance as of June 30 of each year shall revert to the general fund as provided by section 8.33.

Sec. 79. Section 901A.1, subsection 2, Code 1997, is amended to read as follows:

2. As used in this ~~section~~ chapter, the term "prior conviction" includes a plea of guilty, deferred judgment, deferred or suspended sentence, or adjudication of delinquency.

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 200, Seventy-seventh General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved April 11, 1997

TERRY E. BRANSTAD
Governor