

*Lamberti, Chr.
Kramer
Flynn*

Succeeded By
(SF) HF 2331

*SSB 3198
Appropriations*

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON LAMBERTI)

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

A BILL FOR

1 An Act relating to public funding provisions involving the
2 compensation and benefits for public officials and employees,
3 county mental health allowed growth, regulatory and other
4 properly related matters of the state, making and reducing
5 appropriations, and providing effective dates.

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

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DIVISION I
COMPENSATION AND BENEFITS

Section 1.

1. STATE BOARD OF REGENTS DEMUTUALIZATION PROCEEDS

TRANSFER. The state board of regents shall transfer by June 1, 2002, to the treasurer of state for deposit in the salary adjustment fund the sum of \$30,000,000 from the proceeds received by the state board of regents as a result of the demutualization of the principal mutual holding company. The amount transferred represents the portion of the funds utilized by the state board of regents institutions for employer contributions toward the premiums on insurance policies which were paid from state general fund appropriations for previous fiscal years.

2. COLLECTIVE BARGAINING AGREEMENTS FUNDED -- REGENTS DEMUTUALIZATION PROCEEDS.

The state board of regents demutualization proceeds transferred pursuant to subsection 1 to the salary adjustment fund are appropriated and shall be distributed by the department of management to the various state departments, boards, commissions, councils, and agencies, including the state board of regents, for the fiscal year beginning July 1, 2002, and ending June 30, 2003, in the amount of \$30,000,000, or so much thereof as may be necessary, to fully fund the following annual pay adjustments, expense reimbursements, and related benefits:

- a. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the blue collar bargaining unit.
- b. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the public safety bargaining unit.
- c. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the security bargaining unit.
- d. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the technical bargaining unit.

3198

1 e. The collective bargaining agreement negotiated pursuant
2 to chapter 20 for employees in the professional fiscal and
3 staff bargaining unit.

4 f. The collective bargaining agreement negotiated pursuant
5 to chapter 20 for employees in the university of northern Iowa
6 faculty bargaining unit.

7 g. The collective bargaining agreement negotiated pursuant
8 to chapter 20 for employees in the clerical bargaining unit.

9 h. The collective bargaining agreement negotiated pursuant
10 to chapter 20 for employees in the professional social
11 services bargaining unit.

12 i. The collective bargaining agreement negotiated pursuant
13 to chapter 20 for employees in the community-based corrections
14 bargaining unit.

15 j. The collective bargaining agreement negotiated pursuant
16 to chapter 20 for employees in the judicial branch of
17 government bargaining unit.

18 k. The collective bargaining agreement negotiated pursuant
19 to chapter 20 for employees in the patient care bargaining
20 unit.

21 l. The collective bargaining agreement negotiated pursuant
22 to chapter 20 for employees in the science bargaining unit.

23 m. The collective bargaining agreement negotiated pursuant
24 to chapter 20 for employees in the state university of Iowa
25 graduate student bargaining unit.

26 n. The collective bargaining agreement negotiated pursuant
27 to chapter 20 for employees in the state university of Iowa
28 hospital and clinics tertiary health care bargaining unit.

29 o. The annual pay adjustments, related benefits, and
30 expense reimbursements referred to in sections 2 and 3 of this
31 division of this Act for employees not covered by a collective
32 bargaining agreement.

33 3. In distributing moneys from the salary adjustment fund,
34 the department of management shall take into consideration the
35 special circumstances of those state institutions operating

1 under the net general fund appropriation budgeting system so
2 that such institutions are not adversely affected because of
3 the use of that budgeting system.

4 Sec. 2. NONCONTRACT STATE EMPLOYEES -- GENERAL.

5 1. a. For the fiscal year beginning July 1, 2002, the
6 maximum salary levels of all pay plans provided for in section
7 19A.9, subsection 2, as they exist for the fiscal year ending
8 June 30, 2002, shall be increased by 3 percent for the pay
9 period beginning October 25, 2002, and any additional changes
10 in the pay plans shall be approved by the governor.

11 b. For the fiscal year beginning July 1, 2002, employees
12 may receive a step increase or the equivalent of a step
13 increase.

14 2. The pay plans for state employees who are exempt from
15 chapter 19A and who are included in the department of revenue
16 and finance's centralized payroll system shall be increased in
17 the same manner as provided in subsection 1, and any
18 additional changes in any executive branch pay plans shall be
19 approved by the governor.

20 3. This section does not apply to members of the general
21 assembly, board members, commission members, salaries of
22 persons set by the general assembly pursuant to this division
23 of this Act or salaries of appointed state officers set by the
24 governor, other persons designated, employees designated under
25 section 19A.3, subsection 5, and employees covered by 581 IAC
26 4.6(3).

27 4. The pay plans for the bargaining eligible employees of
28 the state shall be increased in the same manner as provided in
29 subsection 1, and any additional changes in such executive
30 branch pay plans shall be approved by the governor. As used
31 in this section, "bargaining eligible employee" means an
32 employee who is eligible to organize under chapter 20, but has
33 not done so.

34 5. The policies for implementation of this section shall
35 be approved by the governor.

1 Sec. 3. STATE EMPLOYEES -- STATE BOARD OF REGENTS. Funds
 2 from the appropriation in section 1, subsection 2 of this
 3 division of this Act, not to exceed \$18,000,000, shall be
 4 allocated to the state board of regents for the purposes of
 5 providing increases for state board of regents employees
 6 covered by section 1 of this division of this Act and for
 7 state board of regents employees not covered by a collective
 8 bargaining agreement as follows:

9 1. For regents merit system employees and merit
 10 supervisory employees to fund for the fiscal year, increases
 11 comparable to those provided for similar contract-covered
 12 employees in this division of this Act.

13 2. For faculty members and professional and scientific
 14 employees to fund for the fiscal year, percentage increases
 15 comparable to those provided for contract-covered employees in
 16 section 1, subsection 2, paragraph "f", of this division of
 17 this Act.

18 Sec. 4. STATE COURTS -- JUSTICES, JUDGES, AND MAGISTRATES.

19 1. Funds from the appropriation in section 1, subsection 2
 20 of this division of this Act, not to exceed \$2,970,000, shall
 21 be allocated to the judicial branch for the purpose of
 22 providing increases in salaries for state judges, justices,
 23 and magistrates and for increases for other judicial branch
 24 employees. The salary rates specified in subsection 2 are for
 25 the fiscal year beginning July 1, 2002, effective for the pay
 26 period beginning December 20, 2002, and for subsequent fiscal
 27 years until otherwise provided by the general assembly.

28 2. The following annual salary rates shall be paid to the
 29 persons holding the judicial positions indicated during the
 30 fiscal year beginning July 1, 2002, effective with the pay
 31 period beginning December 20, 2002, and for subsequent pay
 32 periods.

- 33 a. Chief justice of the supreme court:
- 34 \$ 124,550
- 35 b. Each justice of the supreme court:

1	.....	\$	120,100
2	c. Chief judge of the court of appeals:		
3	.....	\$	119,980
4	d. Each associate judge of the court of appeals:		
5	.....	\$	115,540
6	e. Each chief judge of a judicial district:		
7	.....	\$	114,470
8	f. Each district judge except the chief judge of a		
9	judicial district:		
10	.....	\$	109,810
11	g. Each district associate judge:		
12	.....	\$	95,700
13	h. Each associate juvenile judge:		
14	.....	\$	95,700
15	i. Each associate probate judge:		
16	.....	\$	95,700
17	j. Each judicial magistrate:		
18	.....	\$	28,530
19	k. Each senior judge:		
20	.....	\$	6,370

21 3. Persons receiving the salary rates established under
22 subsection 2 shall not receive any additional salary
23 adjustments provided by this division of this Act.

24 Sec. 5. APPROPRIATIONS FROM ROAD FUNDS.

25 1. There is appropriated from the road use tax fund to the
26 salary adjustment fund for the fiscal year beginning July 1,
27 2002, and ending June 30, 2003, the following amount, or so
28 much thereof as may be necessary, to be used for the purpose
29 designated:

30 To supplement other funds appropriated by the general
31 assembly:

32	\$	1,588,368
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33 2. There is appropriated from the primary road fund to the
34 salary adjustment fund, for the fiscal year beginning July 1,
35 2002, and ending June 30, 2003, the following amount, or so

1 much thereof as may be necessary, to be used for the purpose
2 designated:

3 To supplement other funds appropriated by the general
4 assembly:

5 \$ 8,627,499

6 3. Except as otherwise provided in this division of this
7 Act, the amounts appropriated in subsections 1 and 2 shall be
8 used to fund the annual pay adjustments, expense
9 reimbursements, and related benefits for public employees as
10 provided in this division of this Act.

11 Sec. 6. SPECIAL FUNDS -- AUTHORIZATION. For departmental
12 revolving, trust, or special funds, except for the primary
13 road fund or the road use tax fund, for which the general
14 assembly has established an operating budget, a supplemental
15 expenditure authorization is provided, unless otherwise
16 provided, in an amount necessary to fund salary adjustments,
17 as provided in this division of this Act.

18 Sec. 7. GENERAL FUND SALARY MONEYS. Funds appropriated
19 for distribution from the salary adjustment fund in section 1,
20 subsection 2 of this division of this Act relate only to
21 salaries supported from general fund appropriations of the
22 state except for employees of the state board of regents. The
23 funds allocated in this division of this Act for employees of
24 the state board of regents shall exclude general university
25 indirect costs and general university federal funds.

26 Sec. 8. FEDERAL FUNDS APPROPRIATED. For the fiscal year
27 beginning July 1, 2002, and ending June 30, 2003, all federal
28 grants to and the federal receipts of the agencies affected by
29 this division of this Act which are received and may be
30 expended for purposes of this division of this Act are
31 appropriated for those purposes and as set forth in the
32 federal grants or receipts.

33 Sec. 9. STATE TROOPER MEAL ALLOWANCE. For the fiscal year
34 beginning July 1, 2002, and ending June 30, 2003, the sworn
35 peace officers in the department of public safety who are not

1 covered by a collective bargaining agreement negotiated
2 pursuant to chapter 20 shall receive the same per diem meal
3 allowance as the sworn peace officers in the department of
4 public safety who are covered by a collective bargaining
5 agreement negotiated pursuant to chapter 20.

6 Sec. 10. SALARY MODEL COORDINATOR. Of the funds
7 appropriated in section 1, subsection 2, of this division of
8 this Act, \$126,767 for the fiscal year beginning July 1, 2002,
9 is allocated to the department of management for salary and
10 support of the salary model coordinator who shall work in
11 conjunction with the legislative fiscal bureau to maintain the
12 state's salary model used for analyzing, comparing, and
13 projecting state employee salary and benefit information,
14 including information relating to employees of the state board
15 of regents. The department of revenue and finance, the
16 department of personnel, the five institutions under the
17 jurisdiction of the state board of regents, the judicial
18 district departments of correctional services, and the state
19 department of transportation shall provide salary data to the
20 department of management and the legislative fiscal bureau to
21 operate the state's salary model. The format and frequency of
22 provision of the salary data shall be determined by the
23 department of management and the legislative fiscal bureau.
24 The information shall be used in collective bargaining
25 processes under chapter 20 and in calculating the funding
26 needs contained within the annual salary adjustment
27 legislation. A state employee organization as defined in
28 section 20.3, subsection 4, may request information produced
29 by the model, but the information provided shall not contain
30 information attributable to individual employees.

31 Sec. 11. HEALTH INSURANCE INCENTIVE PROGRAMS. For the
32 fiscal year beginning July 1, 2002, and ending June 30, 2003,
33 the department of revenue and finance shall administer the
34 health insurance incentive programs as contained in the
35 collective bargaining agreements. The incentive payment shall

1 be distributed in the paycheck of an eligible state employee
 2 if the employee is employed by a central state agency. Each
 3 judicial district department of correctional services and the
 4 state board of regents shall provide monthly to the department
 5 of revenue and finance a list of their employee counts by
 6 benefit plan that qualify for the incentive and the amount of
 7 the incentive due. The judicial district department of
 8 correctional services and the state board of regents shall
 9 include the amount of the incentive payment in their eligible
 10 employees' paychecks as soon as the payment is
 11 administratively practical.

12 Sec. 12. TERMINAL LIABILITY HEALTH INSURANCE SURCHARGE.
 13 For the period beginning July 1, 2002, and ending January 3,
 14 2003, the department of personnel shall include in the rates
 15 for the Wellmark Blue Cross/Blue Shield Program 3 Plus,
 16 Wellmark Blue Cross/Blue Shield Program 3 plus with a
 17 comprehensive major medical overlay, and Iowa Select Preferred
 18 Provider Organization health insurance plans a surcharge, as
 19 determined by the department of management, on only the
 20 employer's share of the health insurance premium cost to fund
 21 the state's share of the terminal liability of the existing
 22 Wellmark health insurance contract. The department of revenue
 23 and finance shall collect the surcharge from state agencies,
 24 the state fair board, state board of regents, and the judicial
 25 district departments of correctional services. The proceeds
 26 of the surcharge shall be credited to the terminal liability
 27 health insurance fund created in section 421.46. The health
 28 insurance plans provided to state employees covered by the
 29 state police officers council collective bargaining agreement
 30 are exempt from the surcharge provided in this section.

31 Sec. 13. 2002 Iowa Acts, Senate File 2304, section 21,
 32 subsection 3, is amended to read as follows:
 33 3. As part of implementing the reduction made in
 34 subsection 1, notwithstanding the annual salary rates
 35 authorized for justices, judges, and magistrates in 2001 Iowa

1 Acts, chapter 190, section 1, for the fiscal year beginning
2 July 1, 2001, those salary rates shall be reduced by applying
3 a 5 percent reduction to the portion of annual salary
4 attributable to the period beginning on the effective date of
5 this Act through June 30 20, 2002. Subsection 2 does not
6 apply to justices, judges, and magistrates subject to this
7 subsection.

8 Sec. 14. 2002 Iowa Acts, Senate File 2304, section 25,
9 subsections 3 and 4, are amended to read as follows:

10 3. As part of implementing the reduction made in this
11 section, notwithstanding the annual salary rates authorized
12 for elective executive branch officials in 2000 Iowa Acts,
13 chapter 1219, section 3, for the fiscal year beginning July 1,
14 2001, the salary rates for such officials shall be reduced by
15 applying a 5 percent reduction to the portion of annual salary
16 attributable to the period beginning on the effective date of
17 this Act through June 30 20, 2002. Subsection 2 does not
18 apply to elective executive branch officials subject to this
19 subsection.

20 4. As part of implementing the reduction made in this
21 section, notwithstanding the annual salaries established under
22 2001 Iowa Acts, chapter 190, section 3, for the fiscal year
23 beginning July 1, 2001, each of those salaries shall be
24 reduced by applying a 5 percent reduction to the portion of
25 the salary attributable to the period beginning on the
26 effective date of this Act through June 30 20, 2002.
27 Subsection 2 does not apply to appointed executive branch
28 officers subject to this subsection.

29 Sec. 15. Section 421.46, subsection 2, Code Supplement
30 2001, is amended by striking the subsection.

31 Sec. 16. EFFECTIVE DATE. Section 1, subsection 1 of this
32 Act relating to the state board of regents demutualization
33 proceeds transfer, being deemed of immediate importance, takes
34 effect upon enactment.

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DIVISION II

1 STATUTORY AND SESSION LAW CHANGES

2 Sec. 17. Section 8.63, subsection 4, Code 2001, is amended
3 to read as follows:

4 4. a. In order for the innovations fund to be self-
5 supporting, the innovations fund committee shall establish
6 repayment schedules for each innovation fund loan awarded.
7 Agencies shall repay the funds over a period not to exceed
8 five years with interest, at a rate to be determined by the
9 innovations fund committee.

10 ~~b.--If-the-department-of-management-and-the-department-of~~
11 ~~revenue-and-finance-certify-that-the-savings-from-a-proposed~~
12 ~~innovations-fund-project-will-result-in-a-net-increase-in-the~~
13 ~~balance-of-the-general-fund-of-the-state-without-a~~
14 ~~corresponding-cost-savings-to-the-requesting-agency,-and-if~~
15 ~~the-requesting-agency-meets-all-other-eligibility~~
16 ~~requirements,-the-innovations-fund-committee-may-approve-the~~
17 ~~loan-for-the-project-and-not-require-repayment-by-the~~
18 ~~requesting-agency.--There-is-appropriated-from-the-general~~
19 ~~fund-of-the-state-to-the-department-of-revenue-and-finance-an~~
20 ~~amount-sufficient-to-repay-the-loan-amount.~~

21 Sec. 18. Section 12.21, Code 2001, is amended to read as
22 follows:

23 12.21 ACCEPTING CREDIT CARD PAYMENTS.

24 1. The treasurer of state may enter into an agreement with
25 a financial institution or other credit card processor to
26 provide credit card receipt processing for state departments
27 which are authorized by the treasurer of state to accept
28 payment by credit card.

29 2. A department which accepts authorized by the treasurer
30 of state to accept payment by credit card payments may adjust
31 its fees to reflect the cost of credit card receipt processing
32 as determined by the treasurer of state. ~~A-fee-may-be-charged~~
33 ~~by-a-department-for-using-the-credit-card-payment-method~~
34 ~~notwithstanding-any-other-provision-of-the-Code-setting~~
35 ~~specific-fees.~~ The fees charged to a payer shall be the same

1 regardless of payment method unless otherwise permitted in the
2 agreement with the financial institution or credit card
3 processor.

4 3. The credit card charges applied by a financial
5 institution or credit card processor for credit card receipts
6 accepted in accordance with subsection 1 shall be considered
7 to be part of the payment due and accepted. A state
8 department authorized by the treasurer of state to accept
9 payment by credit card shall pay the credit card receipt
10 processing charges from aggregate fees collected.

11 4. The treasurer of state shall adopt rules to implement
12 this section.

13 Sec. 19. Section 14B.203, subsection 3, Code Supplement
14 2001, is amended to read as follows:

15 3. In addition to other forms of payment, credit cards
16 shall be accepted in payment for moneys owed to a governmental
17 entity as provided in this section, according to rules which
18 shall be adopted by the treasurer of state under section
19 12.21. The fees to be charged shall not exceed those
20 permitted by statute.---A governmental entity may adjust its
21 fees to reflect the cost of processing as determined by the
22 treasurer of state.---The discount charged by the credit card
23 issuer may be included in determining the fees to be paid for
24 completing a financial transaction under this section by using
25 a credit card.

26 Sec. 20. Section 14B.205, Code 2001, is amended to read as
27 follows:

28 14B.205 CREDIT CARDS ACCEPTED.

29 In addition to other forms of payment, credit cards may
30 shall be accepted in accordance with section 12.21 in payment
31 for any fees, including but not limited to interest,
32 penalties, subscriptions, registrations, purchases,
33 applications, licenses, permits, or other filings transmitted
34 or transactions conducted electronically. ~~The fees to be~~
35 ~~charged shall not exceed those permitted by statute, except~~

1 ~~that the discount charged by the credit card issuer may be~~
2 ~~included in determining the fee to be charged for records~~
3 ~~transmitted or transactions conducted electronically.~~

4 Sec. 21. Section 15.108, subsection 9, paragraph e, Code
5 Supplement 2001, is amended to read as follows:

6 e. ~~At the director's discretion, accept~~ Accept payment by
7 credit card in accordance with section 12.21 of any fees,
8 interest, penalties, subscriptions, registrations, purchases,
9 or other payments, or any portion of such payments, which are
10 due or collected by the department. ~~The department may adjust~~
11 ~~the amount of the payment to reflect the costs of processing~~
12 ~~the payment as determined by the treasurer of state and the~~
13 ~~payment by credit card shall include, in addition to all other~~
14 ~~charges, any discount charged by the credit card issuer.~~

15 Sec. 22. Section 15E.112, subsection 1, Code 2001, is
16 amended to read as follows:

17 1. A value-added agricultural products and processes
18 financial assistance fund is created within the state treasury
19 under the control of the department. The fund shall consist
20 of moneys allocated from the Iowa strategic investment fund
21 created in section 15.313, those appropriated moneys, and any
22 other moneys available to and obtained or accepted by the
23 department from the federal government or private sources for
24 placement in the fund. The assets of the fund shall be used
25 by the department only for administration and carrying out the
26 purposes of section 15E.111.

27 Sec. 23. Section 18.75, subsection 6, Code 2001, is
28 amended to read as follows:

29 6. Have legal custody of all Codes, session laws, books of
30 annotations, tables of corresponding sections, publications,
31 except premium lists published by the Iowa state fair board,
32 containing reprints of statutes or administrative rules, or
33 both, reports of state departments, and reports of the supreme
34 court, and sell, account for, and distribute the same as
35 provided by law. However, the legislative service bureau

1 shall solicit and process orders for the distribution of all
2 printed Codes, session laws, administrative codes and
3 bulletins, court rules, and the state roster.

4 Sec. 24. Section 18.97A, Code 2001, is amended by adding
5 the following new unnumbered paragraph:

6 NEW UNNUMBERED PARAGRAPH. The office of the governor, the
7 supreme court, and the legislative council shall control the
8 number of copies of the printed publications enumerated in
9 section 18.97 distributed to recipients in their respective
10 branches.

11 Sec. 25. Section 101.24, Code 2001, is amended by adding
12 the following new subsection:

13 NEW SUBSECTION. 5. If a tank manufactured for aboveground
14 use at a tank site meets the requirements of sections 2-3.5
15 and 2-3.6 of the standard national fire protection association
16 30 flammable and combustible liquids code, 1993 edition, and
17 the tank owner has complied with section 101.22 on or before
18 June 30, 2001, the fire marshal shall consider the aboveground
19 tank equivalent of the underwriters laboratory rated tanks
20 described in section 2-2.3.1(a) of the standard national fire
21 protection association 30 flammable and combustible liquids
22 code, 1993 edition, for purposes of this chapter.

23 Sec. 26. NEW SECTION. 239B.2B ELIGIBILITY OF
24 NONCITIZENS.

25 A person who meets the conditions of eligibility under
26 section 239B.2 and who meets either of the following
27 requirements shall be eligible for participation in the family
28 investment program:

29 1. The person is a conditional resident alien who was
30 battered or subjected to extreme cruelty, or whose child was
31 battered or subjected to extreme cruelty, perpetrated by the
32 person's spouse who is a United States citizen or lawful
33 permanent resident as described in 8 C.F.R. § 216.5(a)(3).

34 2. The person was battered or subjected to extreme
35 cruelty, or the person's child was battered or subjected to

1 extreme cruelty, perpetrated by the person's spouse who is a
2 United States citizen or lawful permanent resident and the
3 person's petition has been approved or a petition is pending
4 that sets forth a prima facie case that the person has
5 noncitizen status under any of the following categories:

6 a. Status as a spouse or child of a United States citizen
7 or lawful permanent resident under the federal Immigration and
8 Nationality Act, § 204(a)(1), as codified in 8 U.S.C. §
9 1154(a)(1)(A).

10 b. Status as a spouse or child who was battered or
11 subjected to extreme cruelty by a United States citizen or
12 lawful permanent resident, under the federal Immigration and
13 Nationality Act, § 204(a)(iii), as codified in 8 U.S.C. §
14 1154(a)(1)(A)(iii).

15 c. Classification as a person lawfully admitted for
16 permanent residence under the federal Immigration and
17 Nationality Act.

18 d. Suspension of deportation and adjustment of status
19 under the federal Immigration and Nationality Act, § 244(a),
20 as in effect before the date of enactment of the federal
21 Illegal Immigration Reform and Immigrant Responsibility Act of
22 1996.

23 e. Cancellation of removal or adjustment of status under
24 the federal Immigration and Nationality Act, § 240A, as
25 codified in 8 U.S.C. § 1229b.

26 f. Status as an asylee, if asylum is pending, under the
27 federal Immigration and Nationality Act, § 208, as codified in
28 8 U.S.C. § 1158.

29 Sec. 27. Section 249A.3, subsection 2, paragraph a, Code
30 Supplement 2001, is amended to read as follows:

31 a. As provided either pursuant to subparagraph (1) or
32 pursuant to subparagraphs (2) and (3):

33 (1) As allowed under 42 U.S.C. §
34 1396a(a)(10)(A)(ii)(XIII), individuals with disabilities, who
35 are less than sixty-five years of age, who are members of

1 families whose income is less than two hundred fifty percent
2 of the most recently revised official poverty ~~line~~ guidelines
3 published by the ~~federal-office-of-management-and-budget~~
4 United States department of health and human services for the
5 family, who have earned income and who are eligible for
6 supplemental security income or supplemental security income-
7 related medical assistance or-additional-medical-assistance
8 under this section if earnings are disregarded. As allowed by
9 42 U.S.C. § 1396a(r)(2), unearned income shall also be
10 disregarded in determining whether an individual is eligible
11 for assistance under this paragraph subparagraph. For the
12 purposes of determining the amount of an individual's
13 resources under this paragraph subparagraph and as allowed by
14 42 U.S.C. § 1396a(r)(2), a maximum of ten thousand dollars of
15 available resources shall be disregarded and any additional
16 resources held in a retirement account, in a medical savings
17 account, or in any other account approved under rules adopted
18 by the department shall also be disregarded. Individuals
19 eligible for assistance under this paragraph subparagraph,
20 whose individual income exceeds one hundred fifty percent of
21 the official poverty ~~line~~ guidelines published by the ~~federal~~
22 ~~office-of-management-and-budget~~ United States department of
23 health and human services for an individual, shall pay a
24 premium. The amount of the premium shall be based on a
25 sliding fee schedule adopted by rule of the department and
26 shall be based on a percentage of the individual's income.
27 The maximum premium payable by an individual whose income
28 exceeds one hundred fifty percent of the official poverty ~~line~~
29 guidelines shall be commensurate with premiums-charged-for
30 private the cost of state employees' group health insurance in
31 this state. ~~This-paragraph-shall-be-implemented-no-later-than~~
32 ~~March-17-2000-~~

33 (2) As allowed under 42 U.S.C. § 1396a(a)(10)(A)(ii)(XV),
34 individuals who are at least sixteen years of age but less
35 than sixty-five years of age who, but for earnings in excess

1 of the limit established under 42 U.S.C. § 1396d(q)(2)(B),
 2 would be considered to be receiving federal supplemental
 3 security income, and who are members of families whose income
 4 is less than two hundred fifty percent of the most recently
 5 revised official poverty guidelines published by the United
 6 States department of health and human services for the family,
 7 subject to a resource limit of twelve thousand dollars for an
 8 individual and thirteen thousand dollars for a couple. For
 9 the purposes of determining the amount of an individual's or
 10 couple's resources under this subparagraph, any resources held
 11 in a retirement account, in a medical savings account, or in
 12 any other account approved under rules adopted by the
 13 department shall be disregarded. Individuals eligible for
 14 assistance under this subparagraph whose individual income
 15 exceeds one hundred fifty percent of the official poverty
 16 guidelines for an individual shall pay a premium. The amount
 17 of the premium shall be based on a sliding fee schedule
 18 adopted by rule of the department and shall be based on a
 19 percentage of the individual's income. The maximum premium
 20 payable by an individual whose income exceeds one hundred
 21 fifty percent of the official poverty guidelines shall be
 22 commensurate with the cost of state employees' group health
 23 insurance in this state, but shall not exceed seven and one-
 24 half percent of income, unless the individual's income exceeds
 25 four hundred fifty percent of the official poverty guidelines.

26 (3) As allowed under 42 U.S.C. § 1396a(a)(10)(A)(ii)(XVI),
 27 employed individuals with a medically improved disability, as
 28 defined in 42 U.S.C. § 1396d(v)(1), who are members of
 29 families whose income is less than two hundred fifty percent
 30 of the most recently revised official poverty guidelines
 31 published by the United States department of health and human
 32 services for the family, subject to a resource limit of twelve
 33 thousand dollars for an individual and thirteen thousand
 34 dollars for a couple. For the purposes of determining the
 35 amount of an individual's or couple's resources under this

1 subparagraph, any resources held in a retirement account, in a
2 medical savings account, or in any other account approved
3 under rules adopted by the department shall be disregarded.
4 Individuals eligible for assistance under this subparagraph
5 whose individual income exceeds one hundred fifty percent of
6 the official poverty guidelines for an individual shall pay a
7 premium. The amount of the premium shall be based on a
8 sliding fee schedule adopted by rule of the department and
9 shall be based on a percentage of the individual's income.
10 The maximum premium payable by an individual whose income
11 exceeds one hundred fifty percent of the official poverty
12 guidelines shall be commensurate with the cost of state
13 employees' group health insurance in this state, but shall not
14 exceed seven and one-half percent of income, unless the
15 individual's income exceeds four hundred fifty percent of the
16 official poverty guidelines.

17 Sec. 28. Section 256.67, subsection 1, Code Supplement
18 2001, is amended to read as follows:

19 1. Act as administrator and executive secretary of the
20 region library service area in accordance with the objectives
21 and policies adopted by the area board of trustees and with
22 the intent of this chapter.

23 Sec. 29. Section 260G.4B, subsection 1, Code Supplement
24 2001, is amended to read as follows:

25 1. The total amount of program job credits from all
26 employers which shall be allocated for all accelerated career
27 education programs in the state in any one fiscal year shall
28 not exceed the sum of three million dollars in the fiscal year
29 beginning July 1, 2000, three million dollars in the fiscal
30 year beginning July 1, 2001, three million dollars in the
31 fiscal year beginning July 1, 2002, and six million dollars in
32 the fiscal year beginning July 1, ~~2002~~ 2003, and every fiscal
33 year thereafter. Any increase in program job credits above
34 the six-million-dollar limitation per fiscal year shall be
35 developed, based on recommendations in a study which shall be

1 conducted by the department of economic development of the
 2 needs and performance of approved programs in the fiscal years
 3 beginning July 1, 2000, and July 1, 2001. The study's
 4 findings and recommendations shall be submitted to the general
 5 assembly by the department by December 31, 2002. The study
 6 shall include but not be limited to an examination of the
 7 quality of the programs, the number of program participant
 8 placements, the wages and benefits in program jobs, the level
 9 of employer contributions, the size of participating
 10 employers, and employer locations. A community college shall
 11 file a copy of each agreement with the department of economic
 12 development. The department shall maintain an annual record
 13 of the proposed program job credits under each agreement for
 14 each fiscal year. Upon receiving a copy of an agreement, the
 15 department shall allocate any available amount of program job
 16 credits to the community college according to the agreement
 17 sufficient for the fiscal year and for the term of the
 18 agreement. When the total available program job credits are
 19 allocated for a fiscal year, the department shall notify all
 20 community colleges that the maximum amount has been allocated
 21 and that further program job credits will not be available for
 22 the remainder of the fiscal year. Once program job credits
 23 have been allocated to a community college, the full
 24 allocation shall be received by the community college
 25 throughout the fiscal year and for the term of the agreement
 26 even if the statewide program job credit maximum amount is
 27 subsequently allocated and used.

28 Sec. 30. Section 368.4, Code 2001, as amended by 2002 Iowa
 29 Acts, House File 582, if enacted, is amended to read as
 30 follows:

31 368.4 ANNEXING MORATORIUM.

32 A city, following notice and hearing, may by resolution
 33 agree with another city or cities to refrain from annexing
 34 specifically described territory for a period not to exceed
 35 ten years and, following notice and hearing, may by resolution

1 extend the agreement for subsequent periods not to exceed ten
2 years each. Notice of a hearing shall be served by regular
3 mail at least thirty days before the hearing on the city
4 development board, on the board of supervisors of the county
5 in which the territory is located, and on all persons owning
6 land within the area subject to the agreement. The notice
7 shall include the time and place of the hearing, describe the
8 territory subject to the proposed agreement, and the general
9 terms of the agreement. After passage of a resolution by the
10 cities approving the agreements, a copy of the agreement and a
11 copy of any resolution extending an agreement shall be filed
12 with the city development board within ten days of enactment.
13 If such an agreement is in force, the board shall dismiss a
14 petition or plan which violates the terms of the agreement.

15 Sec. 31. Section 368.26, if enacted by 2002 Iowa Acts,
16 House File 582, is amended to read as follows:

17 368.26 FAILURE TO PROVIDE MUNICIPAL SERVICES.

18 If a city fails to provide municipal services to territory
19 involuntarily annexed, according to the plan filed pursuant to
20 section 368.11, within three years after city taxes are
21 imposed in the annexed territory, the city development board
22 shall initiate proceedings to sever the annexed territory from
23 the city. However, a city may appeal to the board for an
24 additional three years to provide municipal services if good
25 cause is shown. A petition for severance filed pursuant to
26 this section shall be filed and acted upon in the same manner
27 as a petition under section 368.11. For purposes of this
28 section ~~and-section-368-117-subsection-14~~, "municipal
29 services" means services selected by a landowner to be
30 provided by the city, including, but not limited to, water
31 supply, sewage disposal, street and road maintenance, and
32 police and fire protection, if the provision of such services
33 is within the legal authority of the annexing city.

34 Sec. 32. Section 421.17, subsection 31, Code Supplement
35 2001, is amended to read as follows:

1 ~~At the director's discretion, accept~~ Accept payment of
2 taxes, penalties, interest, and fees, or any portion thereof
3 of the payment, by credit card in accordance with section
4 12.21. ~~The director may adjust the payable amount to reflect~~
5 ~~the costs of processing the payment as determined by the~~
6 ~~treasurer of state and the payment by credit card shall~~
7 ~~include, in addition to all other charges, any discount~~
8 ~~charged by the credit card issuer.~~

9 Sec. 33. Section 421.17, subsection 34, paragraph f, Code
10 Supplement 2001, is amended to read as follows:

11 f. ~~At the director's discretion, the~~ The department may
12 shall accept payment of debts, interest, and fees, or any
13 portion of the payment by credit card in accordance with
14 section 12.21. ~~The director may adjust the payable amount to~~
15 ~~reflect the costs of processing the payment as determined by~~
16 ~~the treasurer of state and the payment by credit card shall~~
17 ~~include, in addition to all other charges, any discount charge~~
18 ~~by the credit card issuer.~~

19 Sec. 34. Section 455A.4, subsection 5, Code 2001, is
20 amended to read as follows:

21 5. The department may accept payment of any fees,
22 interest, penalties, subscriptions, or other payments due or
23 collected by the department, or any portion of such payments,
24 by credit card in accordance with section 12.21. ~~The~~
25 ~~department may adjust the amount of the payment to reflect the~~
26 ~~costs of processing the payment as determined by the treasurer~~
27 ~~of state and the payment by credit card shall include, in~~
28 ~~addition to all other charges, any discount charged by the~~
29 ~~credit card issuer.~~

30 Sec. 35. Section 476.97, subsection 11, paragraph g,
31 subparagraph (4), Code 2001, as amended by 2002 Iowa Acts,
32 Senate File 429, section 2, is amended by striking the
33 subparagraph and inserting in lieu thereof the following:

34 (4) Rates may be adjusted by the board to reflect any
35 changes in revenues, expenses, and investment due to exogenous

1 factors beyond the control of the local exchange carrier,
2 including, but not limited to, the effects of local
3 competition. The board shall have one hundred eighty days to
4 consider rate changes proposed under this subparagraph, but
5 for good cause may grant one extension of sixty days, not to
6 exceed a total of two hundred forty days.

7 Sec. 36. Section 514I.5, subsection 3, Code 2001, is
8 amended to read as follows:

9 3. Members appointed by the governor shall serve two-year
10 staggered terms as designated by the governor, and legislative
11 members of the board shall serve two-year terms. The filling
12 of positions reserved for the public representatives,
13 vacancies, membership terms, payment of compensation and
14 expenses, and removal of the members are governed by chapter
15 69. Members of the board are entitled to receive
16 reimbursement of actual expenses incurred in the discharge of
17 their duties. Public members of the board are also eligible
18 to receive compensation as provided in section 7E.6. The
19 members shall select a chairperson on an annual basis from
20 among the membership of the board.

21 Sec. 37. Section 541A.1, subsection 7, Code 2001, is
22 amended to read as follows:

23 7. "Individual development account" means a either of the
24 following:

25 a. A financial instrument which that is certified to have
26 the characteristics described in section 541A.2 by the
27 operating organization.

28 b. A financial instrument that is certified by the
29 operating organization to have the characteristics described
30 in and funded by a federal individual development account
31 program under which federal and state funding contributed to
32 match account holder deposits is deposited by an operating
33 organization in accordance with federal law and regulations,
34 and which includes but is not limited to any of the programs
35 implemented under the following federal laws:

1 (1) The federal Personal Responsibility and Work
2 Opportunity Act of 1996, 42 U.S.C. § 604(h).

3 (2) The federal Assets for Independence Act, Pub. L. No.
4 105-285, Title IV.

5 Sec. 38. Section 541A.3, subsection 1, unnumbered
6 paragraph 1, Code 2001, is amended to read as follows:

7 Payment by the state of a savings refund on amounts of up
8 to two thousand dollars per calendar year that an account
9 holder deposits in the account holder's account. Moneys
10 transferred to an individual development account from another
11 individual development account shall not be considered an
12 account holder deposit for purposes of determining a savings
13 refund. Payment of a savings refund either shall be made
14 directly to the account holder's account or to an operating
15 organization's central reserve account for later distribution
16 to the account holder's account in the most appropriate manner
17 as determined by the administrator. The state savings refund
18 shall be the indicated percentage of the amount deposited:

19 Sec. 39. Section 541A.3, subsection 5, Code 2001, is
20 amended to read as follows:

21 5. The administrator shall coordinate the filing of claims
22 for savings refunds authorized under subsection 1, between
23 account holders, operating organizations, and the department
24 of revenue and finance. Claims approved by the administrator
25 may be paid by the department of revenue and finance to each
26 account, ~~or~~ for an aggregate amount for distribution to the
27 accounts in a particular financial institution, or to an
28 operating organization's central reserve account for later
29 distribution to the account holders' accounts depending on the
30 efficiency for issuing the refunds. Claims shall be initially
31 filed with the administrator on or before a date established
32 by the administrator. Claims approved by the administrator
33 shall be paid from the general fund of the state in the manner
34 specified in section 422.74.

35 Sec. 40. Section 556.12, subsection 1, Code 2001, is

1 amended to read as follows:

2 1. If a report has been filed with the treasurer of state,
3 or property has been paid or delivered to the treasurer of
4 state, for the fiscal year ending on June 30 as required by
5 section 556.11, the treasurer of state shall provide for the
6 publication annually of at least one notice ~~not-later-than~~
7 which notice shall not be published between the following
8 September 10 and the following November 30 10. Each notice
9 shall be published at least once each week for two successive
10 weeks in an English language newspaper of general circulation
11 in the county in this state in which is located the last known
12 address of any person to be named in the notice. If an
13 address is not listed or if the address is outside this state,
14 the notice shall be published in the county in which the
15 holder of the abandoned property has its principal place of
16 business within this state.

17 Sec. 41. Section 602.1302, subsection 3, Code 2001, is
18 amended to read as follows:

19 3. A revolving fund is created in the state treasury for
20 the payment of jury and witness fees, and mileage, and costs
21 related to summoning jurors by the judicial branch. The
22 judicial branch shall deposit any reimbursements to the state
23 for the payment of jury and witness fees and mileage in the
24 revolving fund. Notwithstanding section 8.33, unencumbered
25 and unobligated receipts in the revolving fund at the end of a
26 fiscal year do not revert to the general fund of the state.
27 The judicial branch shall on or before February 1 file a
28 financial accounting of the moneys in the revolving fund with
29 the legislative fiscal bureau. The accounting shall include
30 an estimate of disbursements from the revolving fund for the
31 remainder of the fiscal year and for the next fiscal year.

32 Sec. 42. Section 602.8108, subsection 5, Code Supplement
33 2001, is amended to read as follows:

34 5. A court technology and modernization fund is
35 established as a separate fund in the state treasury. The

1 state court administrator shall allocate one million dollars
2 of the moneys received under subsection 2 to be deposited in
3 the fund, which shall be administered by the supreme court and
4 shall be used as follows:

5 ~~a. Eighty percent shall be used~~ to enhance the ability of
6 the judicial branch to process cases more quickly and
7 efficiently, to electronically transmit information to state
8 government, local governments, law enforcement agencies, and
9 the public, and to improve public access to the court system.
10 ~~Moneys in this paragraph shall not be used for the Iowa court~~
11 ~~information system.~~

12 ~~b. Twenty percent shall be used in equal amounts to~~
13 ~~facilitate alternative dispute resolution and methods to~~
14 ~~resolve domestic abuse cases, which may include personnel for~~
15 ~~hearings under section 236.4.~~

16 Sec. 43. 2001 Iowa Acts, chapter 182, section 7,
17 subsection 2, is amended by adding the following new
18 paragraph:

19 NEW PARAGRAPH. g. Notwithstanding section 8.33, any
20 moneys which exceed the amount budgeted in the fiscal year
21 beginning July 1, 2001, and ending June 30, 2002, that remain
22 unencumbered or unobligated at the close of the fiscal year
23 shall not revert but shall remain available for expenditure by
24 the veterans home until the close of the succeeding fiscal
25 year. For the purposes of this paragraph, "moneys" means cash
26 receipts, accruals attributable to the fiscal year beginning
27 July 1, 2001, and ending June 30, 2002, and the amount of the
28 estimated reversions to the general fund, as last agreed to by
29 the state revenue estimating conference during fiscal year
30 beginning July 1, 2001.

31 Sec. 44. Section 904.108, subsection 1, paragraph o, Code
32 Supplement 2001, is amended to read as follows:

33 o. Establish and maintain a correctional training center
34 ~~at the Mount Pleasant correctional facility~~ program.

35 Sec. 45. IOWA CONGRESSIONAL MEDAL OF HONOR RECIPIENTS.

1 The department of cultural affairs shall conduct a study to
2 identify an appropriate location in the state capitol for a
3 plaque and display honoring the Iowa recipients of the
4 congressional medal of honor. The department shall report the
5 findings and recommendations of the study to the governor and
6 general assembly on or before December 31, 2002.

7 Sec. 46. DUPLICATION AND REORGANIZATION REVIEWS. In
8 implementing the requirements of 2002 Iowa Acts, Senate File
9 2326, division I, involving the department of general
10 services, department of management, department of personnel,
11 and information technology department identifying duplicative
12 positions or studying the reorganization of state government,
13 those departments shall consult with the departments that may
14 be affected, consider previously conducted studies or reviews,
15 and identify the projected impacts of recommended changes upon
16 the general fund of the state, road use tax fund, and any
17 other affected funding source.

18 Sec. 47. CHEROKEE MENTAL HEALTH INSTITUTE -- RELOCATION OF
19 SEXUALLY VIOLENT PREDATORS UNIT. In implementing the
20 relocation of the unit for commitment of sexually violent
21 predators from Oakdale to the state mental health institute at
22 Cherokee in the fiscal year beginning July 1, 2002, in
23 accordance with the requirement in the appropriation for the
24 unit in 2002 Iowa Acts, Senate File 2326, it is the intent of
25 the general assembly that the department of human services
26 complete the renovation of space at the institute and the
27 relocation of the unit as expeditiously as possible. If
28 requested by the department of human services as necessary to
29 complete the renovation of space and relocation as
30 expeditiously as possible, notwithstanding any provision of
31 law or rule to the contrary, the department of general
32 services shall grant a waiver for purposes of the renovation
33 project from those requirements in administrative rule and
34 policy that would otherwise govern the length of time the
35 renovation project components are noticed.

1 Sec. 48. EXPENDITURE REPORTS. For the fiscal year
 2 beginning July 1, 2002, the department of agriculture and land
 3 stewardship and the department of natural resources shall each
 4 file a written report on a quarterly basis with the
 5 chairpersons and ranking members of the joint appropriations
 6 subcommittee on agriculture and natural resources and the
 7 legislative fiscal bureau regarding all expenditures of moneys
 8 appropriated from the general fund of the state or from other
 9 funds available to either department during the quarter and
 10 the number of full-time equivalent positions allocated during
 11 the quarter.

12 Sec. 49. IPERS POSITIONS. The number of full-time
 13 equivalent positions authorized the Iowa public employees'
 14 retirement system division in 2002 Iowa Acts, Senate File
 15 2326, section 15, subsection 1, if enacted, is increased by
 16 2.00 full-time equivalent positions.

17 Sec. 50. 2002 Iowa Acts, Senate File 2326, section 25,
 18 unnumbered paragraph 4, if enacted, is amended to read as
 19 follows:

20 If 2002 Iowa Acts, House File 681, is enacted and provides
 21 for the pledging of collateral in relation to the deposit of
 22 uninsured public funds, then the treasurer of state is
 23 authorized not more than the following additional full-time
 24 equivalent positions for the purposes provided for in that
 25 Act:

26	FTEs	2.00
27	<u>FTE</u>	<u>1.00</u>

28 Sec. 51. SCOPE OF PRACTICE REVIEW COMMITTEE. 2002 Iowa
 29 Acts, Senate File 2326, section 91, subsection 10, paragraph
 30 a, if enacted, is amended to read as follows:

31 a. The department may expend funds received from licensing
 32 fees in addition to amounts appropriated in this subsection,
 33 if those additional expenditures are directly the result of a
 34 ~~scope-of-practice-review-committee-or~~ unanticipated litigation
 35 costs arising from the discharge of an examining board's

1 regulatory duties. Before the department expends or encumbers
2 funds for ~~a-scope-of-practice-review-committee-or~~ an amount in
3 excess of the funds budgeted for an examining board, the
4 director of the department of management shall approve the
5 expenditure or encumbrance. The amounts necessary to fund any
6 unanticipated litigation ~~or-scope-of-practice-review-committee~~
7 expense in the fiscal year beginning July 1, 2002, shall not
8 exceed 5 percent of the average annual fees generated by the
9 boards for the previous two fiscal years.

10 Sec. 52. SCOPE OF PRACTICE REVIEW COMMITTEE. 2002 Iowa
11 Acts, Senate File 2326, section 98, if enacted, is repealed.

12 Sec. 53. 2002 Iowa Acts, Senate File 2326, section 134, if
13 enacted, is amended to read as follows:

14 SEC. 134. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
15 DEVELOPMENTAL DISABILITIES (MH/MR/DD) ALLOWED GROWTH FACTOR
16 ADJUSTMENT AND ALLOCATIONS -- DISTRIBUTION FOR FY 2002-2003.

17 1. For the fiscal year beginning July 1, 2002, the moneys
18 appropriated in 2001 Acts, chapter 176, section 1, as amended
19 by this division of this Act, for distribution to counties of
20 the county mental health, mental retardation, and

21 developmental disabilities allowed growth factor adjustment,
22 shall be distributed as provided in this section in lieu of
23 the provisions of section 331.438, subsection 2, and section
24 331.439, subsection 3, and chapter 426B, as follows:

25 a. The first ~~\$2,000,000~~ 500,000 shall be credited to the
26 risk pool created in the property tax relief fund and shall be
27 distributed pursuant to section 426B.5, subsection 2.

28 b. The remaining ~~\$12,500,000~~ 14,000,000 shall be
29 distributed as provided in this section.

30 2. The following formula amounts shall be utilized only to
31 calculate preliminary distribution amounts for fiscal year
32 2002-2003 under this section by applying the indicated formula
33 provisions to the formula amounts and producing a preliminary
34 distribution total for each county:

35 a. For calculation of an allowed growth factor adjustment

1 amount for each county in accordance with the formula in
 2 section 331.438, subsection 2, paragraph "b":
 3 \$ 12,000,000

4 b. For calculation of a distribution amount for eligible
 5 counties from the per capita expenditure target pool created
 6 in the property tax relief fund in accordance with the
 7 requirements in section 426B.5, subsection 1:
 8 \$ ~~12,492,712~~
 9 14,492,712

10 c. For calculation of a distribution amount for counties
 11 from the mental health and developmental disabilities (MH/DD)
 12 community services fund in accordance with the formula
 13 provided in this division of this Act:
 14 \$ 18,127,352

15 3. Notwithstanding any contrary provisions of sections
 16 225C.7, 331.438, subsection 2, 331.439, subsection 3, and
 17 426B.5, the moneys allocated for distribution in subsection 1,
 18 paragraph "b", and in any other Act of the Seventy-ninth
 19 General Assembly, 2002 Session, for distribution to counties
 20 in the fiscal year beginning July 1, 2002, for purposes of the
 21 mental health and developmental disabilities (MH/DD) community
 22 services fund under section 225C.7, and for the allowed growth
 23 factor adjustment for services paid under a county's section
 24 331.424A mental health, mental retardation, and developmental
 25 disabilities services fund and as calculated under subsection
 26 2 to produce preliminary distribution amounts for counties
 27 shall be subject to withholding as provided in this section.

28 4. After applying the applicable statutory distribution
 29 formulas to the amounts indicated in subsection 2 for purposes
 30 of formula calculations to produce preliminary distribution
 31 totals, the department of human services shall apply a
 32 withholding factor to adjust an eligible individual county's
 33 preliminary distribution total. An ending balance percentage
 34 for each county shall be determined by expressing the county's
 35 ending balance on a modified accrual basis under generally

1 accepted accounting principles for the fiscal year beginning
2 July 1, 2001, in the county's mental health, mental
3 retardation, and developmental disabilities services fund
4 created under section 331.424A, as a percentage of the
5 county's gross expenditures from that fund for that fiscal
6 year. The withholding factor for a county shall be the
7 following applicable percent:

8 a. For an ending balance percentage of less than 10
9 percent, a withholding factor of 0 percent.

10 b. For an ending balance percentage of 10 through 24
11 percent, a withholding factor of 25 41.47 percent.

12 c. For an ending balance percentage of 25 through 34
13 percent, a withholding factor of 60 percent.

14 d. For an ending balance percentage of 35 through 44
15 percent, a withholding factor of 85 percent.

16 e. For an ending balance percentage of 45 percent or more,
17 a withholding factor of 100 percent.

18 5. The total withholding amounts applied pursuant to
19 subsection 4 shall be equal to a withholding target amount of
20 ~~\$11,992,712~~ 12,492,712 and the appropriation made in this
21 division of this Act for the MH/DD community services fund and
22 the appropriation made in 2001 Iowa Acts, chapter 176, section
23 1, as amended by this division of this Act shall be reduced by
24 the amount necessary to attain the withholding target amount.
25 If the department of human services determines that the amount
26 to be withheld in accordance with subsection 4 is not equal to
27 the target withholding amount, the department shall adjust the
28 withholding factors listed in subsection 4 as necessary to
29 achieve the withholding target amount. However, in making
30 such adjustments to the withholding factors, the department
31 shall strive to minimize changes to the withholding factors
32 for those ending balance percentage ranges that are lower than
33 others and shall not adjust the zero withholding factor
34 specified in subsection 4, paragraph "a".

35 6. A In order to be eligible for a funding distribution

1 under this section, a county must levy at least 70 percent of
 2 the maximum allowed for the county's services fund under
 3 section 331.424A for taxes due and payable in the fiscal year
 4 beginning July 1, 2002, and comply with the December 1, 2002,
 5 filing deadline for the county annual financial report in
 6 accordance with section 331.403. The amount that would
 7 otherwise be available for distribution to a county that fails
 8 to so comply shall be proportionately distributed among the
 9 eligible counties.

10 7. The department of human services shall authorize the
 11 issuance of warrants payable to the county treasurer for the
 12 distribution amounts due the counties eligible under this
 13 section and notwithstanding prior practice for the MH/DD
 14 community services fund, the warrants shall be issued in
 15 January 2003.

16 Sec. 54. 2002 Iowa Acts, Senate File 2326, section 104,
 17 subsection 12, if enacted, is amended to read as follows:

18 ~~12. If-federal-funding-is-received-or-if-moneys-are~~
 19 ~~appropriated,-the-department-may-participate~~ Of the moneys
 20 appropriated in this section, \$150,000 shall be used as state
 21 matching funds, in combination with federal and private funds,
 22 for participation in a federal home telecare pilot program
 23 intended to manage health care needs of subpopulations of
 24 Iowans and specifically including subpopulations of Iowans who
 25 require high utilization of health care services and represent
 26 a disproportionate share of consumption of health care
 27 services. The program shall be administered by the Iowa
 28 telecare consortium, which is a collaboration of public,
 29 private, academic, and governmental participants coordinated
 30 by Des Moines university -- osteopathic medical center. The
 31 program may direct telecare services to persons with diagnoses
 32 of specific nonacute chronic illnesses, which may include, but
 33 are not limited to, chronic obstructive pulmonary disease,
 34 congestive heart disease, diabetes, and asthma. Des Moines
 35 university -- osteopathic medical center shall submit a report

1 to the general assembly by January 15, 2003, regarding the
2 status of the pilot program. The program guidelines shall be
3 consistent with those specified under 2001 Iowa Acts, chapter
4 191, section 7, subsection 15.

5 Sec. 55. 2002 Iowa Acts, Senate File 2326, section 154,
6 subsection 2, unnumbered paragraph 2, if enacted, is amended
7 to read as follows:

8 Riverboat enforcement costs shall be billed in accordance
9 with section 99F.10, subsection 4, and section 99F.10A. The
10 costs shall be not more than the department's estimated
11 expenditures, including salary adjustment, for riverboat
12 enforcement for the fiscal year. The costs billed to the
13 riverboats shall not be more than \$1,280,000 in excess of the
14 amount billed to the riverboats in the fiscal year beginning
15 July 1, 2001. Racetrack enforcement costs shall be billed in
16 accordance with section 99D.14, subsection 7, and section
17 99D.14A. The costs shall be not more than the department's
18 estimated expenditures, including salary adjustment, for
19 racetrack enforcement for the fiscal year. The costs billed
20 to the racetracks shall not be more than \$420,000 in excess of
21 the amount billed to the racetracks in the fiscal year
22 beginning July 1, 2001.

23 Sec. 56. PUBLIC TRANSIT ASSISTANCE APPROPRIATION. 2002
24 Iowa Acts, Senate File 2326, section 175, subsection 14, if
25 enacted, is amended by striking the subsection.

26 Sec. 57. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.
27 Notwithstanding section 312.2, subsection 14, the amount
28 appropriated from the general fund of the state under section
29 312.2, subsection 14, to the state department of
30 transportation for public transit assistance under chapter
31 324A for the fiscal year beginning July 1, 2001, and ending
32 June 30, 2002, is reduced by the following amount:

33 \$ 1,107,938

34 Sec. 58. Chapter 2A, Code 2001, is repealed.

35 Sec. 59. EFFECTIVE DATE -- CONTINGENCY -- REPORT TO CODE

1 EDITOR. The section of this division of this Act amending
 2 section 249A.3, relating to the optional category of
 3 individuals covered under the medical assistance program
 4 relating to persons with disabilities who have earned income,
 5 takes effect only if the department does not win the appeal
 6 against the centers for Medicare and Medicaid of the United
 7 States department of health and human services relating to the
 8 state plan amendment. The department shall notify the Code
 9 editor when the department is notified of a decision on the
 10 appeal in order to identify an effective date.

11 Sec. 60. EFFECTIVE DATE. The section of this division of
 12 this Act that amends 2001 Iowa Acts, chapter 182, section 7,
 13 being deemed of immediate importance, takes effect upon
 14 enactment.

15 DIVISION III

16 CORRECTIVE AMENDMENTS

17 Sec. 61. Section 8.55, subsection 2, paragraph d, if
 18 enacted by 2002 Iowa Acts, House File 2075, section 1, is
 19 amended to read as follows:

20 d. Notwithstanding paragraph "a", any moneys in excess of
 21 the maximum balance in the economic emergency fund after the
 22 distribution of the surplus in the general fund of the state
 23 at the conclusion of each fiscal year and after the
 24 appropriate ~~amount~~ amounts have been transferred pursuant to
 25 paragraphs "b" and "c" shall not be transferred to the general
 26 fund of the state but shall be transferred to the endowment
 27 for Iowa's health account of the tobacco settlement trust
 28 fund. The total amount transferred, in the aggregate, under
 29 this paragraph for all fiscal years shall not exceed the
 30 difference between fifty-one million five hundred thousand
 31 dollars and the amounts transferred to the endowment for
 32 Iowa's health account to repay the amounts transferred or
 33 appropriated from the endowment for Iowa's health account in
 34 2002 Iowa Acts, House File 2245, 2002 Iowa Acts, Senate File
 35 2304, and 2002 Iowa Acts, Senate File 2315.

1 Sec. 62. Section 10D.1, unnumbered paragraph 1, as enacted
2 by 2002 Iowa Acts, Senate File 2210, section 3, is amended to
3 read as follows:

4 As used in this section chapter, unless the context
5 otherwise requires:

6 Sec. 63. Section 15E.42, subsection 3, as enacted by 2002
7 Iowa Acts, House File 2271, section 2, is amended to read as
8 follows:

9 3. "Investor" means an individual making a cash investment
10 in a qualifying business or a person making a cash investment
11 in a community-based seed capital fund. "Investor" does not
12 include a person which is a current or previous owner, member,
13 or shareholder in a qualified qualifying business.

14 Sec. 64. Section 15E.43, subsection 1, paragraph a, as
15 enacted by 2002 Iowa Acts, House File 2271, section 3, is
16 amended to read as follows:

17 a. For tax years beginning on or after January 1, 2002, a
18 tax credit shall be allowed against the taxes imposed in
19 chapter 422, division II, for a portion of an individual
20 taxpayer's equity investment, as provided in subsection 2, in
21 a qualified qualifying business. An individual shall not
22 claim a tax credit under this paragraph of a partnership,
23 limited liability company, S corporation, estate, or trust
24 electing to have income taxed directly to the individual.

25 Sec. 65. Section 15E.224, subsection 1, as enacted by 2002
26 Iowa Acts, House File 2078, section 4, is amended to read as
27 follows:

28 1. An Iowa capital investment corporation may be organized
29 as a private, not-for-profit corporation under chapter 504A.
30 The Iowa capital investment corporation is not a public
31 corporation or instrumentality of the state and shall not
32 enjoy any of the privileges and shall not be required to
33 comply with the requirements of a state agency. Except as
34 otherwise provided in this division, this division does not
35 exempt the corporation from the requirements under state law

1 which apply to other corporations organized under chapter
 2 504A. The purposes of an Iowa capital investment corporation
 3 shall be to organize the Iowa fund of funds, to select a
 4 venture capital investment fund allocation manager to select
 5 venture capital fund investments by the Iowa fund of funds, to
 6 negotiate the terms of a contract with the venture capital
 7 investment fund allocation manager, to execute the contract
 8 with the selected venture capital investment fund allocation
 9 manager on behalf of the Iowa fund of funds, to receive
 10 investment returns from the Iowa fund of funds, and to
 11 reinvest the investment returns in additional venture capital
 12 investments designed to result in a significant potential to
 13 create jobs and to diversify and stabilize the economy of the
 14 state. The corporation shall not exercise governmental
 15 functions and shall not have members. The obligations of the
 16 corporation are not obligations of this state or any political
 17 subdivision of this state within the meaning of any
 18 constitutional or statutory debt limitations, but are
 19 obligations of the corporation payable solely and only from
 20 the corporation's funds. The corporation shall not and cannot
 21 pledge the credit or taxing power of this state or any
 22 political subdivision of this state or make its debts payable
 23 out of any moneys except those of the corporation.

24 Sec. 66. Section 29A.90, subsection 3, if enacted by 2002
 25 Iowa Acts, Senate File 2124, section 24, is amended to read as
 26 follows:

27 3. "Military service" means full-time active state service
 28 or state active duty, as defined in section 29A.1, for a
 29 period of at least ninety consecutive days, commencing on or
 30 after the effective date of this division of this Act.

31 Sec. 67. Section 41.1, subsection 28, Code 2001, as
 32 amended by 2001 Iowa Acts, First Extraordinary Session,
 33 chapter 1, section 2, is amended to read as follows:

34 28. The twenty-eighth representative district in Dubuque
 35 county shall consist of those portions of Dubuque and Table

S.F. _____ H.F. _____

1 Mound townships and the city of Dubuque bounded by a line
2 commencing at the point Asbury road intersects the east
3 corporate limit of the city of Asbury, then proceeding first
4 south, and then in a clockwise manner along the corporate
5 limits of the city of Asbury until it intersects the west east
6 boundary of Dubuque Center township, then proceeding first
7 south, and then in a clockwise manner along the west boundary
8 of Dubuque Center township until it intersects the east
9 boundary of Vernon township and the corporate limits of the
10 city of Dubuque, then proceeding first west south, and then in
11 a counterclockwise manner along the corporate limits of the
12 city of Dubuque until it intersects the south boundary of
13 Dubuque township, then proceeding east along the south
14 boundary of Dubuque township until it intersects the corporate
15 limits of the city of Dubuque, then proceeding first east, and
16 then in a counterclockwise manner along the corporate limits
17 of the city of Dubuque until it intersects the east boundary
18 of Table Mound township, then proceeding north along the
19 boundary of Table Mound township until it intersects the
20 corporate limits of the city of Dubuque, then proceeding first
21 east, and then in a counterclockwise manner along the
22 corporate limits of the city of Dubuque until it intersects
23 the Peosta channel of the Mississippi river, then proceeding
24 southwesterly along the Peosta channel until it intersects
25 East Sixteenth street, then proceeding southwesterly along
26 East Sixteenth street until it intersects Kerper boulevard,
27 then proceeding northerly along Kerper boulevard until it
28 intersects Fengler street, then proceeding northwest along
29 Fengler street until it intersects the I & M Rail Link tracks,
30 then proceeding southwest along the I & M Rail Link tracks
31 until it intersects the extension of Stafford street, then
32 proceeding westerly along the extension of Stafford street
33 until it intersects Garfield avenue, then proceeding southwest
34 along Garfield avenue until it intersects East Twentieth
35 street, then proceeding southwesterly along East Twentieth

1 street until it intersects Central avenue, then proceeding
2 northwest along Central avenue until it intersects West
3 Twenty-third street, then proceeding southwesterly along West
4 Twenty-third street until it intersects Valeria street, then
5 proceeding northwesterly along Valeria street until it
6 intersects Kaufmann avenue, then proceeding southeast along
7 Kaufmann avenue until it intersects Hempstead street, then
8 proceeding southwest along Hempstead street until it
9 intersects Montcrest street, then proceeding westerly along
10 Montcrest street until it intersects Portland street, then
11 proceeding southwest along Portland street until it intersects
12 Abbott street, then proceeding south along Abbott street until
13 it intersects Lowell street, then proceeding east along Lowell
14 street until it intersects Harold street, then proceeding
15 south along Harold street until it intersects Clarke drive,
16 then proceeding easterly along Clarke drive until it
17 intersects Foye street, then proceeding southerly along Foye
18 street until it intersects West Locust street, then proceeding
19 west along West Locust street until it intersects Kirkwood
20 street, then proceeding southwest along Kirkwood street until
21 it intersects Cox street, then proceeding southeast along Cox
22 street until it intersects Loras boulevard, then proceeding
23 southwest along Loras boulevard until it intersects Wood
24 street, then proceeding southeast along Wood street until it
25 intersects University avenue, then proceeding east along
26 University avenue until it intersects Delhi street, then
27 proceeding southwest along Delhi street until it intersects
28 West Fifth street, then proceeding southeast along West Fifth
29 street until it intersects College street, then proceeding
30 southerly along College street until it intersects West Third
31 street, then proceeding southwest along West Third street
32 until it intersects North Grandview avenue, then proceeding
33 south along North Grandview avenue until it intersects Hale
34 street, then proceeding west along Hale street until it
35 intersects North Algona street, then proceeding north along

1 North Algona street until it intersects Bennett street, then
2 proceeding west along Bennett street until it intersects
3 McCormick street, then proceeding northerly along McCormick
4 street until it intersects Mineral street, then proceeding
5 west along Mineral street until it intersects O'Hagen street,
6 then proceeding north along O'Hagen street until it intersects
7 Pearl street, then proceeding west along Pearl street until it
8 intersects Finley street, then proceeding northwest along
9 Finley street until it intersects University avenue, then
10 proceeding northeast along University avenue until it
11 intersects Asbury road, then proceeding northwesterly along
12 Asbury road until it intersects Wilbricht lane, then
13 proceeding west along Wilbricht lane until it intersects Flora
14 Park road, then proceeding southwesterly along Flora Park road
15 until it intersects Pennsylvania avenue, then proceeding west
16 along Pennsylvania avenue until it intersects Churchill drive,
17 then proceeding north along Churchill drive until it
18 intersects St. Anne drive, then proceeding west along St.
19 Anne drive until it intersects Carter road, then proceeding
20 north along Carter road until it intersects Hillcrest road,
21 then proceeding west along Hillcrest road until it intersects
22 John F. Kennedy road, then proceeding north along John F.
23 Kennedy road until it intersects Hillcrest road, then
24 proceeding west along Hillcrest road until it intersects Key
25 Largo drive, then proceeding south along Key Largo drive until
26 it intersects Keymeer drive, then proceeding east along
27 Keymeer drive until it intersects Key Way drive, then
28 proceeding south along Key Way drive until it intersects the
29 north fork of Catfish creek, then proceeding west along the
30 north fork of Catfish creek until it intersects the extension
31 of Winne court, then proceeding north along Winne court and
32 its extension until it intersects Hillcrest road, then
33 proceeding east along Hillcrest road until it intersects the
34 north branch of the north fork of Catfish creek, then
35 proceeding northwesterly along the north branch of the north

1 fork of Catfish creek until it intersects the northwest branch
2 of the north fork of Catfish creek, then proceeding northwest
3 along the northwest branch of the north fork of Catfish creek
4 until it intersects Asbury road, then proceeding west along
5 Asbury road to the point of origin.

6 Sec. 68. Section 53.7, subsection 2, Code 2001, as amended
7 by 2002 Iowa Acts, House File 2409, section 11, is amended to
8 read as follows:

9 2. It is unlawful for any public officer or employee, or
10 any person acting under color of a public officer or employee,
11 to knowingly require a public employee to solicit an
12 application or request for an application for an absentee
13 ballot, or to knowingly ~~requires-that~~ require an employee to
14 take an affidavit or request for an affidavit in connection
15 with an absentee ballot application.

16 Sec. 69. Section 303A.7, subsection 1, as enacted by 2002
17 Iowa Acts, House File 2571, section 8, is amended to read as
18 follows:

19 1. An Iowa cultural trust grant account is created in the
20 office of the treasurer of state under the control of the
21 board to receive interest attributable to the investment of
22 trust fund moneys as required by section 303A.4, subsection 4.
23 The moneys in the grant account are appropriated to the board
24 for purposes of the Iowa cultural trust created in section
25 303A.4. Moneys in the grant account shall not be subject to
26 appropriation for any other purpose by the general assembly,
27 but shall be used only for the purposes of the Iowa cultural
28 trust. The treasurer of state shall act as custodian of the
29 grant account and disburse moneys contained in the grant
30 account as directed by the board. The board shall make
31 expenditures from the grant account consistent with the
32 purposes of the Iowa cultural trust.

33 Sec. 70. Section 356.36A, as enacted by 2002 Iowa Acts,
34 Senate File 2278, section 1, is amended to read as follows:

35 356.36A CONFINEMENT AND DETENTION REPORT -- DESIGN

1 PROPOSALS.

2 The division of criminal and juvenile justice planning of
3 the department of human rights, in consultation with the
4 department of corrections, the Iowa county attorneys
5 association, the Iowa state sheriff's association, the Iowa
6 association of chiefs of police and peace officers, a
7 statewide organization representing rural property taxpayers,
8 the Iowa league of cities, and the Iowa board of supervisors
9 association, shall prepare a report analyzing the confinement
10 and detention needs of jails and facilities established
11 pursuant to ~~chapter~~ chapters 356 and 356A. The report for
12 each type of jail or facility shall include but is not limited
13 to an inventory of prisoner space, daily prisoner counts,
14 options for detention of prisoners with mental illness or
15 substance abuse service needs, and the compliance status under
16 section 356.36 for each jail or facility. The report shall
17 contain an inventory of recent jail or facility construction
18 projects in which voters have approved the issuance of general
19 obligation bonds, essential county purpose bonds, revenue
20 bonds, or bonds issued pursuant to chapter 422B. The report
21 shall be revised periodically as directed by the administrator
22 of the division of criminal and juvenile justice planning.
23 The first submission of the report shall include
24 recommendations on offender data needed to estimate jail space
25 needs in the next two, three, and five years, on a county,
26 geographic region, and statewide basis, which may be based
27 upon information submitted pursuant to section 356.49.

28 Sec. 71. Section 359.49, subsection 7A, unnumbered
29 paragraph 1, as enacted by 2002 Iowa Acts, House File 2448,
30 section 1, is amended to read as follows:

31 A township that has entered into an agreement with a
32 municipality to receive fire protection service or emergency
33 medical service from the municipality may request that a
34 portion of its taxes be paid directly to the municipality
35 providing the fire protection service or emergency medical

1 service. Each year, the township must note its request on the
2 budget and must attach a copy of the emergency services
3 agreement to each copy of the budget transmitted to the county
4 auditor. The auditor shall direct the county treasurer as to
5 what portion of the township taxes to disburse to the
6 municipality providing the fire protection service or
7 emergency medical service.

8 Sec. 72. Section 524.814, Code 2001, is amended to read as
9 follows:

10 524.814 PLEDGE OF ASSETS.

11 Pursuant to a resolution of its board of directors, a state
12 bank may lend or pledge its assets for the following purposes,
13 and for no other purposes:

14 1. To secure deposits of the state bank or a bank that is
15 an affiliate of the state bank when a customer is required to
16 obtain such security, or a bank is required to provide
17 security, by the laws of the United States, by any agency or
18 instrumentality of the United States, by the laws of the state
19 of Iowa, by the state board of regents, by a resolution or
20 ordinance relating to the issuance of bonds, by the terms of
21 any interstate compact or by order of any court of competent
22 jurisdiction. The lending of securities to a bank that is an
23 affiliate, or the pledging of securities for the account of a
24 bank that is an affiliate, shall be on terms and conditions
25 that are consistent with safe and sound banking practices.

26 2. To secure money borrowed by the state bank, provided
27 that capital notes or debentures issued pursuant to section
28 524.404 shall not in any event be secured by a pledge of
29 assets or otherwise.

30 3. To secure participations sold to the federal
31 agricultural mortgage corporation.

32 Sec. 73. Section 633.4213, subsection 1, Code Supplement
33 2001, as amended by 2002 Iowa Acts, House File 2531, if
34 enacted, is amended to read as follows:

35 1. The trustee shall inform each qualified beneficiary of

1 ~~their~~ the beneficiary's right to receive an annual accounting
2 and a copy of the trust instrument. The trustee shall also
3 inform each qualified beneficiary about the process necessary
4 to obtain an annual accounting or a copy of the trust
5 instrument, if not provided. The trustee shall further inform
6 the beneficiary whether the beneficiary will, or will not,
7 receive an annual accounting if the beneficiary fails to take
8 any action. If a beneficiary has previously been provided the
9 notice required by this section, additional notice shall not
10 be required due to a change of trustees or a change in the
11 composition of the qualified beneficiaries.

12 Sec. 74. Section 724.26, as amended by 2002 Iowa Acts,
13 House File 2363, section 4, is amended to read as follows:

14 724.26 POSSESSION, RECEIPT, TRANSPORTATION, OR DOMINION
15 AND CONTROL OF FIREARMS AND OFFENSIVE WEAPONS BY FELONS.

16 A person who is convicted of a felony in a state or federal
17 court, or who is adjudicated delinquent on the basis of
18 conduct that would constitute a felony if committed by an
19 adult, and who knowingly has under the person's dominion and
20 control or possession, or receives, or transports or causes to
21 be transported a firearm or offensive weapon is guilty of a
22 class "D" felony.

23 Sec. 75. 2001 Iowa Acts, chapter 174, section 1,
24 subsection 1, unnumbered paragraph 3, as enacted by 2002 Iowa
25 Acts, Senate File 2315, section 4, is amended to read as
26 follows:

27 For the fiscal year beginning July 1, 2002, and ending June
28 30, 2003, of the \$75,000,000 to be deposited in the endowment
29 for Iowa's health account of the tobacco settlement trust fund
30 under this subsection, ~~the-first~~ \$20,000,000 is appropriated
31 to the department of management to pay that part of foundation
32 aid which represents the allowable growth amounts for all
33 school districts. An appropriation from the general fund of
34 the state for foundation aid which is supplanted by the
35 appropriation made in this subsection, shall be reduced by the

1 amount of the appropriation which supplants it.

2 Sec. 76. 2002 Iowa Acts, Senate File 348, section 14, if
3 enacted, is amended to read as follows:

4 SEC. 14. EXPEDITED APPLICATION PROCEDURE. The state board
5 of education shall develop an expedited charter school
6 application procedure for the fiscal year beginning July 1,
7 ~~2003~~ 2002, for purposes of receiving federal planning funds
8 issued pursuant to the federal Elementary and Secondary
9 Education Act of 1965, Title X, Part C, as codified in 20
10 U.S.C. § 8061-8067.

11 Sec. 77. 2002 Iowa Acts, Senate File 2326, section 38,
12 subsection 2, if enacted, is amended to read as follows:

13 2. If House File ~~2524~~ 2617 is enacted by the Seventy-ninth
14 General Assembly, 2002 Session, the amount appropriated in
15 subsection 1 shall be increased by \$38,000. The increased
16 amount shall be used to fill a vacant position in the dairy
17 products control bureau.

18 Sec. 78. 2002 Iowa Acts, Senate File 2326, section 175,
19 subsection 2, unnumbered paragraph 2, if enacted, is amended
20 to read as follows:

21 If total approved claims for reimbursement for nonpublic
22 school pupil transportation claims exceed the amount
23 appropriated in this ~~section~~ subsection, the department of
24 education shall prorate the amount of each claim.

25 Sec. 79. 2002 Iowa Acts, House File 2453, section 6, if
26 enacted, is repealed.

27 Sec. 80. EFFECTIVE DATE. The sections in this division of
28 this Act amending new Code section 29A.90, subsection 3, and
29 2002 Iowa Acts, Senate File 348, section 14, being deemed of
30 immediate importance, take effect upon enactment.

31 Sec. 81. CONTINGENT EFFECTIVE DATE. The section in this
32 division of this Act amending section 524.814 is effective
33 contingent upon the enactment of 2002 Iowa Acts, House File
34 681.

35

DIVISION IV

1 MH/MR/DD -- FY 2003-2004 ALLOWED GROWTH

2 Sec. 82. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
3 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT
4 AND ALLOCATIONS -- FISCAL YEAR 2003-2004. There is
5 appropriated from the general fund of the state to the
6 department of human services for the fiscal year beginning
7 July 1, 2003, and ending June 30, 2004, the following amount,
8 or so much thereof as is necessary, to be used for the purpose
9 designated:

10 For distribution to counties of the county mental health,
11 mental retardation, and developmental disabilities allowed
12 growth factor adjustment, as provided in this section in lieu
13 of the provisions of section 331.438, subsection 2, and
14 section 331.439, subsection 3, and chapter 426B:

15 \$ 19,073,638

16 1. The funding appropriated in this section is the allowed
17 growth factor adjustment for fiscal year 2003-2004, and is
18 allocated as follows:

19 a. For distribution as provided in this section:

20 \$ 17,073,638

21 b. For deposit in the risk pool created in the property
22 tax relief fund and for distribution in accordance with
23 section 426B.5, subsection 2:

24 \$ 2,000,000

25 2. The following formula amounts shall be utilized only to
26 calculate preliminary distribution amounts for fiscal year
27 2003-2004 under this section by applying the indicated formula
28 provisions to the formula amounts and producing a preliminary
29 distribution total for each county:

30 a. For calculation of an allowed growth factor adjustment
31 amount for each county in accordance with the formula in
32 section 331.438, subsection 2, paragraph "b":

33 \$ 12,000,000

34 b. For calculation of a distribution amount for eligible
35 counties from the per capita expenditure target pool created

1 in the property tax relief fund in accordance with the
2 requirements in section 426B.5, subsection 1:

3 \$ 12,492,712

4 c. For calculation of a distribution amount for counties
5 from the mental health and developmental disabilities (MH/DD)
6 community services fund in accordance with the formula
7 provided in 2002 Iowa Acts, Senate File 2326, section 119,
8 subsection 1:

9 \$ 18,127,352

10 3. Notwithstanding any contrary provisions of sections
11 225C.7, 331.438, subsection 2, 331.439, subsection 3, and
12 426B.5, the moneys allocated for distribution in subsection 1,
13 paragraph "b", and in any other Act of the Eightieth General
14 Assembly, 2003 Session, for distribution to counties in the
15 fiscal year beginning July 1, 2003, for purposes of the mental
16 health and developmental disabilities (MH/DD) community
17 services fund under section 225C.7, and for the allowed growth
18 factor adjustment for services paid under a county's section
19 331.424A mental health, mental retardation, and developmental
20 disabilities services fund and as calculated under subsection
21 2 to produce preliminary distribution amounts for counties
22 shall be subject to withholding as provided in this section.

23 4. After applying the applicable statutory distribution
24 formulas to the amounts indicated in subsection 2 for purposes
25 to produce preliminary distribution totals, the department of
26 human services shall apply a withholding factor to adjust an
27 eligible individual county's preliminary distribution total.
28 An ending balance percentage for each county shall be
29 determined by expressing the county's ending balance on a
30 modified accrual basis under generally accepted accounting
31 principles for the fiscal year beginning July 1, 2002, in the
32 county's mental health, mental retardation, and developmental
33 disabilities services fund created under section 331.424A, as
34 a percentage of the county's gross expenditures from that fund
35 for that fiscal year. The withholding factor for a county

1 shall be the following applicable percent:

2 a. For an ending balance percentage of less than 10
3 percent, a withholding factor of 0 percent.

4 b. For an ending balance percentage of 10 through 24
5 percent, a withholding factor of 25 percent.

6 c. For an ending balance percentage of 25 through 34
7 percent, a withholding factor of 60 percent.

8 d. For an ending balance percentage of 35 through 44
9 percent, a withholding factor of 85 percent.

10 e. For an ending balance percentage of 45 percent or more,
11 a withholding factor of 100 percent.

12 5. The total withholding amounts applied pursuant to
13 subsection 4 shall be equal to a withholding target amount of
14 \$7,419,074 and the appropriation enacted by the Eightieth
15 General Assembly, 2003 Session, for the MH/DD community
16 services fund shall be reduced by the amount necessary to
17 attain the withholding target amount. If the department of
18 human services determines that the amount to be withheld in
19 accordance with subsection 4 is not equal to the target
20 withholding amount, the department shall adjust the
21 withholding factors listed in subsection 4 as necessary to
22 achieve the withholding target amount. However, in making
23 such adjustments to the withholding factors, the department
24 shall strive to minimize changes to the withholding factors
25 for those ending balance percentage ranges that are lower than
26 others and shall not adjust the zero withholding factor
27 specified in subsection 4, paragraph "a".

28 6. A county must comply with both the requirements listed
29 in this subsection to be eligible to receive a funding
30 distribution under this section. The amount that would
31 otherwise be available for distribution to a county that fails
32 to so comply shall be proportionately distributed among the
33 eligible counties. Both of the following requirements are
34 applicable:

35 a. A county must comply with the December 1, 2003, filing

1 deadline for the county annual financial report in accordance
2 with section 331.403.

3 b. A county must levy the not less than 70 percent of the
4 maximum amount allowed for the county's mental health, mental
5 retardation, and developmental disabilities services fund
6 under section 331.424A for taxes due and payable in the fiscal
7 year beginning July 1, 2003.

8 7. The department of human services shall authorize the
9 issuance of warrants payable to the county treasurer for the
10 distribution amounts due the counties eligible under this
11 section and notwithstanding prior practice for the MH/DD
12 community services fund, the warrants shall be issued in
13 January 2004.

14 EXPLANATION

15 DIVISION I - Division I of this bill relates to and
16 appropriates moneys for the fiscal year beginning July 1,
17 2002, to fund salary adjustments for employees subject to
18 collective bargaining agreements, and certain noncontract
19 employees. Division I provides the funding from the transfer
20 of a percentage of the proceeds received by the state board of
21 regents as a result of the principal mutual holding company's
22 demutualization.

23 Division I allocates appropriations to the state board of
24 regents to fund its collective bargaining agreements and
25 provide merit employees not covered by a collective bargaining
26 agreement with increases comparable to similar contract-
27 covered employees and faculty and the professional and
28 scientific employees not covered under a collective bargaining
29 agreement with a percentage increase similar to the university
30 of northern Iowa faculty bargaining unit.

31 Division I allocates moneys to the judicial branch to fund
32 salary increases for judges, justices, and magistrates and for
33 increases for other judicial branch employees. The salary
34 increases amount to 3 percent but do not begin until December
35 20, 2002.

1 Division I allocates moneys to fund collective bargaining
2 agreements and similar percentage increases for noncontract
3 state employees but the noncontract employees' increase does
4 not begin until October 25, 2002.

5 Division I also provides supplemental authorization to fund
6 salaries from trust, revolving, and special funds for which
7 the general assembly has established a budget.

8 Division I funds salary model coordinator, to maintain, in
9 conjunction with the legislative fiscal bureau, the state's
10 salary model.

11 Division I provides for the collection of a surcharge on
12 the state employee's share of the health insurance premium
13 cost to the state's share of the terminal liability of the
14 existing Wellmark health insurance contract. The health
15 insurance plans of the state police officers council
16 collective bargaining unit are exempt from the surcharge.

17 DIVISION II - Division II makes statutory changes to the
18 Code as follows:

19 Code section 8.63(4) is amended to eliminate a standing
20 appropriation to agencies to pay off their loans to the
21 innovations fund if the agency project results in a net
22 increase to the general fund of the state.

23 Code section 12.21, concerning the authority of the
24 treasurer of state to enter into an agreement with a financial
25 institution or credit card processor to provide credit card
26 receipt processing for state departments, is amended to
27 provide that any credit card charges shall be considered to be
28 part of the payment due and any charges paid shall be paid
29 from the aggregate fees collected by the state agency.

30 Code sections 14B.203(3), 14B.205, 15.108(9), 421.17(31),
31 421.17(34), and 455A.4(5) are amended to reflect the
32 amendments to Code section 12.21.

33 Code section 15E.112 is amended to allow moneys in the
34 value-added agricultural products and process financial
35 assistance fund to be used for administration of the fund.

1 Code section 18.75 is amended to provide that the
2 legislative service bureau shall solicit and process orders
3 for the distribution of state publications produced by the
4 bureau.

5 Code section 18.97A is amended to provide that the
6 governor, supreme court, and legislative council shall control
7 the number of state publications distributed by the
8 legislative service bureau to recipients in their respective
9 branches.

10 Code section 101.24, new subsection 5, is enacted to
11 provide that a tank manufactured for aboveground use at a tank
12 site that meets the requirements for the regular venting of
13 the tank in case of fire to relieve excessive internal
14 pressure caused by fire exposure and has notified the state
15 fire marshal of the existence of the tank, its age, type, and
16 uses shall be considered the equivalent of underwriters
17 laboratory rated tanks.

18 New Code section 239B.2A is enacted to make eligible for
19 the family investment program a conditional resident alien who
20 was battered or subject to extreme cruelty or whose child was
21 battered or subject to extreme cruelty by a person who is a U.
22 S. citizen or lawful permanent resident.

23 Code section 249A.3, relating to an optional category
24 covered under the medical assistance program for persons with
25 disabilities who have earned income, is amended. Current law
26 provides one option, whereas the amendment provides an
27 additional, alternative two-part option. The two-part option
28 is subject to a contingent effectiveness provision so that the
29 option only takes effect if the department of human services
30 does not win its appeal against the federal centers for
31 Medicare and Medicaid services.

32 Code section 256.67 is amended to correct a reference to a
33 library service area.

34 Code section 260G.4B amends the accelerated career
35 education program by reducing the total amount of program job

1 credits from all employers during the 2002-2003 fiscal year
2 from \$6 million to \$3 million.

3 Code section 368.4 is amended to specify that a city's
4 notice of the hearing on annexation shall be served by regular
5 mail.

6 New Code section 368.26, relating to annexing moratorium,
7 is amended to strike an incorrect reference and specifies that
8 the "municipal services" to be provided in an annexed area
9 must be within the legal authority of the annexing city.

10 Code section 476.97 is amended to permit the utilities
11 board 180 days to consider certain rate changes, with one 60-
12 day extension possible.

13 Code section 514I.5 is amended to provide that the members
14 of the hawk-i board, who are appointed by the governor, are to
15 serve two-year staggered terms as designated by the governor.

16 The Code section 541A.1 definition of an individual
17 development account is amended to include a financial
18 instrument certified by an operating organization to comply
19 with federal requirements involving state and federal funds
20 deposited to match account holder deposits, including two
21 existing federal programs. Under current law, Code section
22 541A.3 provides that a state savings refund must be paid
23 directly to an account holder's account. The bill allows for
24 payment of the state savings refund to an operating
25 organization's central reserve account for later distribution
26 to an account holder's account.

27 Code section 556.12 is amended to provide that the annual
28 publication of lists of unclaimed property by the treasurer of
29 state shall not be done between September 10 and November 10
30 of each year. Under current law, the treasurer is required to
31 make the annual publication no later than November 30.

32 Code section 602.1302(3) is amended to permit the cost of
33 summoning jurors to be paid from a revolving fund established
34 in Code section 602.1302.

35 Code section 602.8108(5) is amended to eliminate the

1 requirement that 20 percent of the court technology and
2 modernization fund be used for alternative dispute resolution
3 and methods to resolve domestic abuse. The amendment also
4 permits the fund to be used for the Iowa court information
5 system.

6 Code section 904.108 is amended to provide that the
7 department of corrections shall maintain a correctional
8 training program, but the program does not necessarily need to
9 be located at the Mount Pleasant correctional facility.

10 A section of this division amends 2001 Iowa Acts, chapter
11 182, section 7, subsection 2, to allow the Iowa veterans home
12 to retain certain moneys which exceed the amount budgeted in
13 the fiscal year beginning July 1, 2001, and ending June 30,
14 2002, that remain unencumbered or unobligated at the close of
15 that fiscal year.

16 A section of the division directs the department of
17 cultural affairs to identify an appropriate location in the
18 state capitol for a plaque honoring Iowa recipients of the
19 congressional medal of honor.

20 A section of this division requires the departments of
21 general services, management, personnel, and information
22 technology in studying reorganization and identifying
23 duplicative positions to consult with the affected agencies
24 and to consider previous studies.

25 A section of this division provides for transitional
26 language involving the implementation of the relocation of the
27 unit for commitment of sexually violent predators from Oakdale
28 to the state mental health institute at Cherokee.

29 A section of this division requires the departments of
30 agriculture and land stewardship and natural resources to
31 submit quarterly written reports on their expenditures and
32 FTEs allocated for the previous quarter.

33 A section of this division increases the FTEs authorized
34 for the Iowa public employees' retirement system division by
35 two FTEs.

1 A section of this division amends an appropriation made to
2 the office of the treasurer of state by reducing the
3 authorized FTEs from 2.00 to 1.00 for the purpose of carrying
4 out the requirements of House File 681 if enacted.

5 Two sections of this division eliminate the extension of
6 the scope of practice review committee and references to the
7 committee under an appropriation to the Iowa department of
8 public health in Senate File 2326.

9 A section of this division affects the county mental
10 health, mental retardation, and developmental disabilities
11 (MH/MR/DD) allowed growth factor adjustment for fiscal year
12 2002-2003. Under Code section 331.439, the statute
13 establishing the adjustment must be enacted during the fiscal
14 year in progress two years prior to the fiscal year to which
15 the adjustment is applicable. The section amends the
16 provisions for distribution of the adjustment if enacted in
17 Senate File 2326 during the 2002 legislative session for
18 fiscal year 2002-2003.

19 Under 2001 Iowa Acts, chapter 176, the growth factor
20 adjustment for fiscal year 2002-2003 was to be distributed by
21 law in lieu of the distribution formula in Code sections
22 331.438 and 331.439. The division also includes the
23 appropriation for the MH/DD community services fund in the
24 distribution formula. The division provides allocation
25 amounts to be used for calculating preliminary distribution
26 amounts in accordance with statutory formulas. After a
27 preliminary amount is determined using the formulas, a
28 withholding amount is applied, based upon a county's MH/DD
29 community services fund balance at the close of the previous
30 fiscal year. A county must comply with a financial reporting
31 deadline and levy the maximum allowable amount to be eligible
32 to receive a distribution.

33 One section of this division directs that some of the
34 moneys appropriated for medical assistance be used as state
35 matching funds for participation in a federal telecare pilot

1 program.

2 A section of this division amends Senate File 2326 to limit
3 the amount of riverboat and racetrack enforcement costs that
4 may be billed to the riverboats and racetracks to a specified
5 amount in excess of the amount billed in the fiscal year
6 beginning July 2001.

7 Two sections of this division relate to the standing
8 appropriation for public transit assistance for two different
9 fiscal years. One section removes the amount appropriated
10 from Senate File 2326 and the other section provides for a
11 reduction by a specified amount of the standing appropriation.

12 Code chapter 2A is repealed. This chapter establishes the
13 commission on compensation, expenses, and salaries for elected
14 state officials.

15 DIVISION III - Division III contains corrective amendments
16 to Code and session law provisions enacted or amended in bills
17 passed earlier in the 2002 legislative session or in the first
18 2001 special session.

19 Code section 8.55 is amended to correct a grammatical
20 mistake and to refer to multiple amounts rather than a single
21 amount being transferred from the economic emergency fund to
22 other funds.

23 Code section 10D.1 is amended to correctly state that the
24 new Code chapter 10D definitions, relating to the holding of
25 agricultural land by qualified enterprises involved in baby
26 chick and fertilized egg production, are applicable to the
27 chapter rather than just the definitional section itself.

28 Code sections 15E.42 and 15E.43 are amended to correctly
29 refer to the defined term "qualifying business" rather than
30 "qualified business" in the new Code provisions relating to
31 investment tax credits.

32 Code section 15E.224 is amended to correctly refer to the
33 venture capital investment fund allocation manager for the
34 Iowa fund of funds.

35 Code section 29A.90, new subsection 3, is amended to

1 clarify that the effective date referred to is the effective
2 date of the division that enacts subsection 3 since there are
3 different effective dates for the various divisions of the
4 Act.

5 Code section 41.1 is amended to correct the legal
6 description of the twenty-eighth house district as passed in
7 the first 2001 special session. The correction does not
8 affect population statistics for the house district.

9 Code section 53.7 is amended to correct grammatical errors
10 describing unlawful solicitations or requests for absentee
11 ballots.

12 New Code section 303A.7 is amended to correctly refer to
13 the office of the treasurer of state.

14 New Code section 356.36A is amended to include a reference
15 to another Code chapter for which reports on the needs of
16 jails established pursuant to that chapter are to apply.

17 Code section 359.49 is amended to correctly refer to a
18 municipality's provision to a township of either fire
19 protection service or emergency medical service in return for
20 receipt of a portion of township taxes.

21 Code section 524.814 is amended to permit an Iowa state
22 bank to lend or pledge its securities for the account of its
23 affiliate in order to provide collateral for the public funds
24 of the affiliate. This provision is contingent upon the
25 enactment of House File 681.

26 Code section 633.4213 is amended to correct a grammatical
27 error relating to a qualified beneficiary of a trust and the
28 beneficiary's right to receive an annual accounting and a copy
29 of the trust instrument.

30 Code section 724.26, relating to possession of a firearm by
31 a felon, is amended to correct a grammatical error by striking
32 an unnecessary conjunction.

33 A new session law paragraph enacted in 2002 legislation is
34 amended to delete the words "the first" in relation to an
35 appropriation of moneys from gambling revenues flowing through

1 the tobacco settlement trust fund to pay school foundation aid
2 relating to allowable growth.

3 A section of this division corrects the fiscal year from
4 July 1, 2003, to July 1, 2002, to which applies the state
5 board of education's expedited charter school application
6 procedure for purposes of receiving federal funds.

7 A provision in an appropriations bill that increases the
8 amount of the appropriation contingent upon the enactment of
9 House File 2524 is amended to change the reference to the
10 enactment of House File 2617 since House File 2524 was passed
11 out of committee and the bill number was changed.

12 A provision in an appropriation bill that relates to the
13 proration of each claim for reimbursement for nonpublic school
14 pupils transportation claims is amended to change reference
15 from "section" to "subsection".

16 A section of this division, enacted in 2002 and related to
17 the state medical examiner, is repealed since the bill section
18 no longer contains any change to the Code section set out in
19 the bill section.

20 Division IV makes an appropriation and establishes the
21 allowed mental health, mental retardation, and developmental
22 disabilities growth factor adjustment for fiscal year 2003-
23 2004 and distributes the appropriation in a similar manner as
24 the bill provides for fiscal year 2002-2003.

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Substituted for by HF 2623
4/12/02
(P. 1196)

FILED APR 11 2002

SENATE FILE 2331
BY COMMITTEE ON APPROPRIATIONS
(SUCCESSOR TO SSB 3198)

WITHDRAWN
4/12/02

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

A BILL FOR

1 An Act relating to public funding provisions involving the
2 compensation and benefits for public officials and employees,
3 county mental health allowed growth, regulatory and other
4 properly related matters of the state, making and reducing
5 appropriations, and providing effective dates.

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

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SF 2331

DIVISION I

COMPENSATION AND BENEFITS

Section 1.

1. STATE BOARD OF REGENTS DEMUTUALIZATION PROCEEDS TRANSFER. The state board of regents shall transfer by June 1, 2002, to the treasurer of state for deposit in the salary adjustment fund the sum of \$30,000,000 from the proceeds received by the state board of regents as a result of the demutualization of the principal mutual holding company. The amount transferred represents the portion of the funds utilized by the state board of regents institutions for employer contributions toward the premiums on insurance policies which were paid from state general fund appropriations for previous fiscal years.

2. COLLECTIVE BARGAINING AGREEMENTS FUNDED -- REGENTS DEMUTUALIZATION PROCEEDS. The state board of regents demutualization proceeds transferred pursuant to subsection 1 to the salary adjustment fund are appropriated and shall be distributed by the department of management to the various state departments, boards, commissions, councils, and agencies, including the state board of regents, for the fiscal year beginning July 1, 2002, and ending June 30, 2003, in the amount of \$30,000,000, or so much thereof as may be necessary, to fully fund the following annual pay adjustments, expense reimbursements, and related benefits:

a. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the blue collar bargaining unit.

b. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the public safety bargaining unit.

c. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the security bargaining unit.

d. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the technical bargaining unit.

1 e. The collective bargaining agreement negotiated pursuant
2 to chapter 20 for employees in the professional fiscal and
3 staff bargaining unit.

4 f. The collective bargaining agreement negotiated pursuant
5 to chapter 20 for employees in the university of northern Iowa
6 faculty bargaining unit.

7 g. The collective bargaining agreement negotiated pursuant
8 to chapter 20 for employees in the clerical bargaining unit.

9 h. The collective bargaining agreement negotiated pursuant
10 to chapter 20 for employees in the professional social
11 services bargaining unit.

12 i. The collective bargaining agreement negotiated pursuant
13 to chapter 20 for employees in the community-based corrections
14 bargaining unit.

15 j. The collective bargaining agreement negotiated pursuant
16 to chapter 20 for employees in the judicial branch of
17 government bargaining unit.

18 k. The collective bargaining agreement negotiated pursuant
19 to chapter 20 for employees in the patient care bargaining
20 unit.

21 l. The collective bargaining agreement negotiated pursuant
22 to chapter 20 for employees in the science bargaining unit.

23 m. The collective bargaining agreement negotiated pursuant
24 to chapter 20 for employees in the state university of Iowa
25 graduate student bargaining unit.

26 n. The collective bargaining agreement negotiated pursuant
27 to chapter 20 for employees in the state university of Iowa
28 hospital and clinics tertiary health care bargaining unit.

29 o. The annual pay adjustments, related benefits, and
30 expense reimbursements referred to in sections 2 and 3 of this
31 division of this Act for employees not covered by a collective
32 bargaining agreement.

33 3. In distributing moneys from the salary adjustment fund,
34 the department of management shall take into consideration the
35 special circumstances of those state institutions operating

1 under the net general fund appropriation budgeting system so
2 that such institutions are not adversely affected because of
3 the use of that budgeting system.

4 Sec. 2. NONCONTRACT STATE EMPLOYEES -- GENERAL.

5 1. a. For the fiscal year beginning July 1, 2002, the
6 maximum salary levels of all pay plans provided for in section
7 19A.9, subsection 2, as they exist for the fiscal year ending
8 June 30, 2002, shall be increased by 3 percent for the pay
9 period beginning October 25, 2002, and any additional changes
10 in the pay plans shall be approved by the governor.

11 b. For the fiscal year beginning July 1, 2002, employees
12 may receive a step increase or the equivalent of a step
13 increase.

14 2. The pay plans for state employees who are exempt from
15 chapter 19A and who are included in the department of revenue
16 and finance's centralized payroll system shall be increased in
17 the same manner as provided in subsection 1, and any
18 additional changes in any executive branch pay plans shall be
19 approved by the governor.

20 3. This section does not apply to members of the general
21 assembly, board members, commission members, salaries of
22 persons set by the general assembly pursuant to this division
23 of this Act or salaries of appointed state officers set by the
24 governor, other persons designated, employees designated under
25 section 19A.3, subsection 5, and employees covered by 581 IAC
26 4.6(3).

27 4. The pay plans for the bargaining eligible employees of
28 the state shall be increased in the same manner as provided in
29 subsection 1, and any additional changes in such executive
30 branch pay plans shall be approved by the governor. As used
31 in this section, "bargaining eligible employee" means an
32 employee who is eligible to organize under chapter 20, but has
33 not done so.

34 5. The policies for implementation of this section shall
35 be approved by the governor.

1 Sec. 3. STATE EMPLOYEES -- STATE BOARD OF REGENTS. Funds
2 from the appropriation in section 1, subsection 2 of this
3 division of this Act, not to exceed \$18,000,000, shall be
4 allocated to the state board of regents for the purposes of
5 providing increases for state board of regents employees
6 covered by section 1 of this division of this Act and for
7 state board of regents employees not covered by a collective
8 bargaining agreement as follows:

9 1. For regents merit system employees and merit
10 supervisory employees to fund for the fiscal year, increases
11 comparable to those provided for similar contract-covered
12 employees in this division of this Act.

13 2. For faculty members and professional and scientific
14 employees to fund for the fiscal year, percentage increases
15 comparable to those provided for contract-covered employees in
16 section 1, subsection 2, paragraph "f", of this division of
17 this Act.

18 Sec. 4. STATE COURTS -- JUSTICES, JUDGES, AND MAGISTRATES.

19 1. Funds from the appropriation in section 1, subsection 2
20 of this division of this Act, not to exceed \$2,970,000, shall
21 be allocated to the judicial branch for the purpose of
22 providing increases in salaries for state judges, justices,
23 and magistrates and for increases for other judicial branch
24 employees. The salary rates specified in subsection 2 are for
25 the fiscal year beginning July 1, 2002, effective for the pay
26 period beginning December 20, 2002, and for subsequent fiscal
27 years until otherwise provided by the general assembly.

28 2. The following annual salary rates shall be paid to the
29 persons holding the judicial positions indicated during the
30 fiscal year beginning July 1, 2002, effective with the pay
31 period beginning December 20, 2002, and for subsequent pay
32 periods.

33 a. Chief justice of the supreme court:
34 \$ 124,550

35 b. Each justice of the supreme court:

1	.....	\$	120,100
2	c. Chief judge of the court of appeals:		
3	.....	\$	119,980
4	d. Each associate judge of the court of appeals:		
5	.....	\$	115,540
6	e. Each chief judge of a judicial district:		
7	.....	\$	114,470
8	f. Each district judge except the chief judge of a		
9	judicial district:		
10	.....	\$	109,810
11	g. Each district associate judge:		
12	.....	\$	95,700
13	h. Each associate juvenile judge:		
14	.....	\$	95,700
15	i. Each associate probate judge:		
16	.....	\$	95,700
17	j. Each judicial magistrate:		
18	.....	\$	28,530
19	k. Each senior judge:		
20	.....	\$	6,370

21 3. Persons receiving the salary rates established under
22 subsection 2 shall not receive any additional salary
23 adjustments provided by this division of this Act.

24 Sec. 5. APPROPRIATIONS FROM ROAD FUNDS.

25 1. There is appropriated from the road use tax fund to the
26 salary adjustment fund for the fiscal year beginning July 1,
27 2002, and ending June 30, 2003, the following amount, or so
28 much thereof as may be necessary, to be used for the purpose
29 designated:

30 To supplement other funds appropriated by the general
31 assembly:

32	\$	1,588,368
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33 2. There is appropriated from the primary road fund to the
34 salary adjustment fund, for the fiscal year beginning July 1,
35 2002, and ending June 30, 2003, the following amount, or so

1 much thereof as may be necessary, to be used for the purpose
2 designated:

3 To supplement other funds appropriated by the general
4 assembly:

5 \$ 8,627,499

6 3. Except as otherwise provided in this division of this
7 Act, the amounts appropriated in subsections 1 and 2 shall be
8 used to fund the annual pay adjustments, expense
9 reimbursements, and related benefits for public employees as
10 provided in this division of this Act.

11 Sec. 6. SPECIAL FUNDS -- AUTHORIZATION. For departmental
12 revolving, trust, or special funds, except for the primary
13 road fund or the road use tax fund, for which the general
14 assembly has established an operating budget, a supplemental
15 expenditure authorization is provided, unless otherwise
16 provided, in an amount necessary to fund salary adjustments,
17 as provided in this division of this Act.

18 Sec. 7. GENERAL FUND SALARY MONEYS. Funds appropriated
19 for distribution from the salary adjustment fund in section 1,
20 subsection 2 of this division of this Act relate only to
21 salaries supported from general fund appropriations of the
22 state except for employees of the state board of regents. The
23 funds allocated in this division of this Act for employees of
24 the state board of regents shall exclude general university
25 indirect costs and general university federal funds.

26 Sec. 8. FEDERAL FUNDS APPROPRIATED. For the fiscal year
27 beginning July 1, 2002, and ending June 30, 2003, all federal
28 grants to and the federal receipts of the agencies affected by
29 this division of this Act which are received and may be
30 expended for purposes of this division of this Act are
31 appropriated for those purposes and as set forth in the
32 federal grants or receipts.

33 Sec. 9. STATE TROOPER MEAL ALLOWANCE. For the fiscal year
34 beginning July 1, 2002, and ending June 30, 2003, the sworn
35 peace officers in the department of public safety who are not

1 covered by a collective bargaining agreement negotiated
2 pursuant to chapter 20 shall receive the same per diem meal
3 allowance as the sworn peace officers in the department of
4 public safety who are covered by a collective bargaining
5 agreement negotiated pursuant to chapter 20.

6 Sec. 10. SALARY MODEL COORDINATOR. Of the funds
7 appropriated in section 1, subsection 2, of this division of
8 this Act, \$126,767 for the fiscal year beginning July 1, 2002,
9 is allocated to the department of management for salary and
10 support of the salary model coordinator who shall work in
11 conjunction with the legislative fiscal bureau to maintain the
12 state's salary model used for analyzing, comparing, and
13 projecting state employee salary and benefit information,
14 including information relating to employees of the state board
15 of regents. The department of revenue and finance, the
16 department of personnel, the five institutions under the
17 jurisdiction of the state board of regents, the judicial
18 district departments of correctional services, and the state
19 department of transportation shall provide salary data to the
20 department of management and the legislative fiscal bureau to
21 operate the state's salary model. The format and frequency of
22 provision of the salary data shall be determined by the
23 department of management and the legislative fiscal bureau.
24 The information shall be used in collective bargaining
25 processes under chapter 20 and in calculating the funding
26 needs contained within the annual salary adjustment
27 legislation. A state employee organization as defined in
28 section 20.3, subsection 4, may request information produced
29 by the model, but the information provided shall not contain
30 information attributable to individual employees.

31 Sec. 11. HEALTH INSURANCE INCENTIVE PROGRAMS. For the
32 fiscal year beginning July 1, 2002, and ending June 30, 2003,
33 the department of revenue and finance shall administer the
34 health insurance incentive programs as contained in the
35 collective bargaining agreements. The incentive payment shall

1 be distributed in the paycheck of an eligible state employee
2 if the employee is employed by a central state agency. Each
3 judicial district department of correctional services and the
4 state board of regents shall provide monthly to the department
5 of revenue and finance a list of their employee counts by
6 benefit plan that qualify for the incentive and the amount of
7 the incentive due. The judicial district department of
8 correctional services and the state board of regents shall
9 include the amount of the incentive payment in their eligible
10 employees' paychecks as soon as the payment is
11 administratively practical.

12 Sec. 12. TERMINAL LIABILITY HEALTH INSURANCE SURCHARGE.
13 For the period beginning July 1, 2002, and ending January 3,
14 2003, the department of personnel shall include in the rates
15 for the Wellmark Blue Cross/Blue Shield Program 3 Plus,
16 Wellmark Blue Cross/Blue Shield Program 3 plus with a
17 comprehensive major medical overlay, and Iowa Select Preferred
18 Provider Organization health insurance plans a surcharge, as
19 determined by the department of management, on only the
20 employer's share of the health insurance premium cost to fund
21 the state's share of the terminal liability of the existing
22 Wellmark health insurance contract. The department of revenue
23 and finance shall collect the surcharge from state agencies,
24 the state fair board, state board of regents, and the judicial
25 district departments of correctional services. The proceeds
26 of the surcharge shall be credited to the terminal liability
27 health insurance fund created in section 421.46. The health
28 insurance plans provided to state employees covered by the
29 state police officers council collective bargaining agreement
30 are exempt from the surcharge provided in this section.

31 Sec. 13. 2002 Iowa Acts, Senate File 2304, section 21,
32 subsection 3, is amended to read as follows:

33 3. As part of implementing the reduction made in
34 subsection 1, notwithstanding the annual salary rates
35 authorized for justices, judges, and magistrates in 2001 Iowa

1 Acts, chapter 190, section 1, for the fiscal year beginning
2 July 1, 2001, those salary rates shall be reduced by applying
3 a 5 percent reduction to the portion of annual salary
4 attributable to the period beginning on the effective date of
5 this Act through June 30 20, 2002. Subsection 2 does not
6 apply to justices, judges, and magistrates subject to this
7 subsection.

8 Sec. 14. 2002 Iowa Acts, Senate File 2304, section 25,
9 subsections 3 and 4, are amended to read as follows:

10 3. As part of implementing the reduction made in this
11 section, notwithstanding the annual salary rates authorized
12 for elective executive branch officials in 2000 Iowa Acts,
13 chapter 1219, section 3, for the fiscal year beginning July 1,
14 2001, the salary rates for such officials shall be reduced by
15 applying a 5 percent reduction to the portion of annual salary
16 attributable to the period beginning on the effective date of
17 this Act through June 30 20, 2002. Subsection 2 does not
18 apply to elective executive branch officials subject to this
19 subsection.

20 4. As part of implementing the reduction made in this
21 section, notwithstanding the annual salaries established under
22 2001 Iowa Acts, chapter 190, section 3, for the fiscal year
23 beginning July 1, 2001, each of those salaries shall be
24 reduced by applying a 5 percent reduction to the portion of
25 the salary attributable to the period beginning on the
26 effective date of this Act through June 30 20, 2002.

27 Subsection 2 does not apply to appointed executive branch
28 officers subject to this subsection.

29 Sec. 15. Section 421.46, subsection 2, Code Supplement
30 2001, is amended by striking the subsection.

31 Sec. 16. EFFECTIVE DATE. Section 1, subsection 1 of this
32 Act relating to the state board of regents demutualization
33 proceeds transfer, being deemed of immediate importance, takes
34 effect upon enactment.

35 DIVISION II

1 STATUTORY AND SESSION LAW CHANGES

2 Sec. 17. Section 8.63, subsection 4, Code 2001, is amended
3 to read as follows:

4 4. a. In order for the innovations fund to be self-
5 supporting, the innovations fund committee shall establish
6 repayment schedules for each innovation fund loan awarded.
7 Agencies shall repay the funds over a period not to exceed
8 five years with interest, at a rate to be determined by the
9 innovations fund committee.

10 ~~b.---If-the-department-of-management-and-the-department-of~~
11 ~~revenue-and-finance-certify-that-the-savings-from-a-proposed~~
12 ~~innovations-fund-project-will-result-in-a-net-increase-in-the~~
13 ~~balance-of-the-general-fund-of-the-state-without-a~~
14 ~~corresponding-cost-savings-to-the-requesting-agency,-and-if~~
15 ~~the-requesting-agency-meets-all-other-eligibility~~
16 ~~requirements,-the-innovations-fund-committee-may-approve-the~~
17 ~~loan-for-the-project-and-not-require-repayment-by-the~~
18 ~~requesting-agency.---There-is-appropriated-from-the-general~~
19 ~~fund-of-the-state-to-the-department-of-revenue-and-finance-an~~
20 ~~amount-sufficient-to-repay-the-loan-amount.~~

21 Sec. 18. Section 12.21, Code 2001, is amended to read as
22 follows:

23 12.21 ACCEPTING CREDIT CARD PAYMENTS.

24 1. The treasurer of state may enter into an agreement with
25 a financial institution or other credit card processor to
26 provide credit card receipt processing for state departments
27 which are authorized by the treasurer of state to accept
28 payment by credit card.

29 2. A department ~~which-accepts~~ authorized by the treasurer
30 of state to accept payment by credit card payments may adjust
31 its fees to reflect the cost of credit card receipt processing
32 as determined by the treasurer of state. ~~A-fee-may-be-charged~~
33 ~~by-a-department-for-using-the-credit-card-payment-method~~
34 ~~notwithstanding-any-other-provision-of-the-Code-setting~~
35 ~~specific-fees.~~ The fees charged to a payer shall be the same

1 regardless of payment method unless otherwise permitted in the
2 agreement with the financial institution or credit card
3 processor.

4 3. The credit card charges applied by a financial
5 institution or credit card processor for credit card receipts
6 accepted in accordance with subsection 1 shall be considered
7 to be part of the payment due and accepted. A state
8 department authorized by the treasurer of state to accept
9 payment by credit card shall pay the credit card receipt
10 processing charges from aggregate fees collected.

11 4. The treasurer of state shall adopt rules to implement
12 this section.

13 Sec. 19. Section 14B.203, subsection 3, Code Supplement
14 2001, is amended to read as follows:

15 3. In addition to other forms of payment, credit cards
16 shall be accepted in payment for moneys owed to a governmental
17 entity as provided in this section, according to rules which
18 ~~shall be adopted by the treasurer of state under section~~
19 ~~12.21. The fees to be charged shall not exceed those~~
20 ~~permitted by statute. A governmental entity may adjust its~~
21 ~~fees to reflect the cost of processing as determined by the~~
22 ~~treasurer of state. The discount charged by the credit card~~
23 ~~issuer may be included in determining the fees to be paid for~~
24 ~~completing a financial transaction under this section by using~~
25 ~~a credit card.~~

26 Sec. 20. Section 14B.205, Code 2001, is amended to read as
27 follows:

28 14B.205 CREDIT CARDS ACCEPTED.

29 In addition to other forms of payment, credit cards may
30 shall be accepted in accordance with section 12.21 in payment
31 for any fees, including but not limited to interest,
32 penalties, subscriptions, registrations, purchases,
33 applications, licenses, permits, or other filings transmitted
34 or transactions conducted electronically. ~~The fees to be~~
35 ~~charged shall not exceed those permitted by statute, except~~

1 ~~that the discount charged by the credit card issuer may be~~
2 ~~included in determining the fee to be charged for records~~
3 ~~transmitted or transactions conducted electronically:~~

4 Sec. 21. Section 15.108, subsection 9, paragraph e, Code
5 Supplement 2001, is amended to read as follows:

6 e. ~~At the director's discretion, accept~~ Accept payment by
7 credit card in accordance with section 12.21 of any fees,
8 interest, penalties, subscriptions, registrations, purchases,
9 or other payments, or any portion of such payments, which are
10 due or collected by the department. ~~The department may adjust~~
11 ~~the amount of the payment to reflect the costs of processing~~
12 ~~the payment as determined by the treasurer of state and the~~
13 ~~payment by credit card shall include, in addition to all other~~
14 ~~charges, any discount charged by the credit card issuer.~~

15 Sec. 22. Section 15E.112, subsection 1, Code 2001, is
16 amended to read as follows:

17 1. A value-added agricultural products and processes
18 financial assistance fund is created within the state treasury
19 under the control of the department. The fund shall consist
20 of moneys allocated from the Iowa strategic investment fund
21 created in section 15.313, those appropriated moneys, and any
22 other moneys available to and obtained or accepted by the
23 department from the federal government or private sources for
24 placement in the fund. The assets of the fund shall be used
25 by the department only for administration and carrying out the
26 purposes of section 15E.111.

27 Sec. 23. Section 18.75, subsection 6, Code 2001, is
28 amended to read as follows:

29 6. Have legal custody of all Codes, session laws, books of
30 annotations, tables of corresponding sections, publications,
31 except premium lists published by the Iowa state fair board,
32 containing reprints of statutes or administrative rules, or
33 both, reports of state departments, and reports of the supreme
34 court, and sell, account for, and distribute the same as
35 provided by law. However, the legislative service bureau

1 shall solicit and process orders for the distribution of all
2 printed Codes, session laws, administrative codes and
3 bulletins, court rules, and the state roster.

4 Sec. 24. Section 18.97A, Code 2001, is amended by adding
5 the following new unnumbered paragraph:

6 NEW UNNUMBERED PARAGRAPH. The office of the governor, the
7 supreme court, and the legislative council shall control the
8 number of copies of the printed publications enumerated in
9 section 18.97 distributed to recipients in their respective
10 branches.

11 Sec. 25. Section 101.24, Code 2001, is amended by adding
12 the following new subsection:

13 NEW SUBSECTION. 5. If a tank manufactured for aboveground
14 use at a tank site meets the requirements of sections 2-3.5
15 and 2-3.6 of the standard national fire protection association
16 30 flammable and combustible liquids code, 1993 edition, and
17 the tank owner has complied with section 101.22 on or before
18 June 30, 2001, the fire marshal shall consider the aboveground
19 tank equivalent of the underwriters laboratory rated tanks
20 described in section 2-2.3.1(a) of the standard national fire
21 protection association 30 flammable and combustible liquids
22 code, 1993 edition, for purposes of this chapter.

23 Sec. 26. NEW SECTION. 239B.2B ELIGIBILITY OF
24 NONCITIZENS.

25 A person who meets the conditions of eligibility under
26 section 239B.2 and who meets either of the following
27 requirements shall be eligible for participation in the family
28 investment program:

29 1. The person is a conditional resident alien who was
30 battered or subjected to extreme cruelty, or whose child was
31 battered or subjected to extreme cruelty, perpetrated by the
32 person's spouse who is a United States citizen or lawful
33 permanent resident as described in 8 C.F.R. § 216.5(a)(3).

34 2. The person was battered or subjected to extreme
35 cruelty, or the person's child was battered or subjected to

1 extreme cruelty, perpetrated by the person's spouse who is a
2 United States citizen or lawful permanent resident and the
3 person's petition has been approved or a petition is pending
4 that sets forth a prima facie case that the person has
5 noncitizen status under any of the following categories:

6 a. Status as a spouse or child of a United States citizen
7 or lawful permanent resident under the federal Immigration and
8 Nationality Act, § 204(a)(1), as codified in 8 U.S.C. §
9 1154(a)(1)(A).

10 b. Status as a spouse or child who was battered or
11 subjected to extreme cruelty by a United States citizen or
12 lawful permanent resident, under the federal Immigration and
13 Nationality Act, § 204(a)(iii), as codified in 8 U.S.C. §
14 1154(a)(1)(A)(iii).

15 c. Classification as a person lawfully admitted for
16 permanent residence under the federal Immigration and
17 Nationality Act.

18 d. Suspension of deportation and adjustment of status
19 under the federal Immigration and Nationality Act, § 244(a),
20 as in effect before the date of enactment of the federal
21 Illegal Immigration Reform and Immigrant Responsibility Act of
22 1996.

23 e. Cancellation of removal or adjustment of status under
24 the federal Immigration and Nationality Act, § 240A, as
25 codified in 8 U.S.C. § 1229b.

26 f. Status as an asylee, if asylum is pending, under the
27 federal Immigration and Nationality Act, § 208, as codified in
28 8 U.S.C. § 1158.

29 Sec. 27. Section 249A.3, subsection 2, paragraph a, Code
30 Supplement 2001, is amended to read as follows:

31 a. As provided either pursuant to subparagraph (1) or
32 pursuant to subparagraphs (2) and (3):

33 (1) As allowed under 42 U.S.C. §
34 1396a(a)(10)(A)(ii)(XIII), individuals with disabilities, who
35 are less than sixty-five years of age, who are members of

1 families whose income is less than two hundred fifty percent
2 of the most recently revised official poverty ~~line~~ guidelines
3 published by the ~~federal-office-of-management-and-budget~~
4 United States department of health and human services for the
5 family, who have earned income and who are eligible for
6 supplemental security income or supplemental security income-
7 related medical assistance or-additional-medical-assistance
8 under this section if earnings are disregarded. As allowed by
9 42 U.S.C. § 1396a(r)(2), unearned income shall also be
10 disregarded in determining whether an individual is eligible
11 for assistance under this ~~paragraph~~ subparagraph. For the
12 purposes of determining the amount of an individual's
13 resources under this ~~paragraph~~ subparagraph and as allowed by
14 42 U.S.C. § 1396a(r)(2), a maximum of ten thousand dollars of
15 available resources shall be disregarded and any additional
16 resources held in a retirement account, in a medical savings
17 account, or in any other account approved under rules adopted
18 by the department shall also be disregarded. Individuals
19 eligible for assistance under this ~~paragraph~~ subparagraph,
20 whose individual income exceeds one hundred fifty percent of
21 the official poverty ~~line~~ guidelines published by the ~~federal~~
22 ~~office-of-management-and-budget~~ United States department of
23 health and human services for an individual, shall pay a
24 premium. The amount of the premium shall be based on a
25 sliding fee schedule adopted by rule of the department and
26 shall be based on a percentage of the individual's income.
27 The maximum premium payable by an individual whose income
28 exceeds one hundred fifty percent of the official poverty ~~line~~
29 guidelines shall be commensurate with ~~premiums-charged-for~~
30 private the cost of state employees' group health insurance in
31 this state. ~~This-paragraph-shall-be-implemented-no-later-than~~
32 March-17-2000-

33 (2) As allowed under 42 U.S.C. § 1396a(a)(10)(A)(ii)(XV),
34 individuals who are at least sixteen years of age but less
35 than sixty-five years of age who, but for earnings in excess

1 of the limit established under 42 U.S.C. § 1396d(q)(2)(B),
2 would be considered to be receiving federal supplemental
3 security income, and who are members of families whose income
4 is less than two hundred fifty percent of the most recently
5 revised official poverty guidelines published by the United
6 States department of health and human services for the family,
7 subject to a resource limit of twelve thousand dollars for an
8 individual and thirteen thousand dollars for a couple. For
9 the purposes of determining the amount of an individual's or
10 couple's resources under this subparagraph, any resources held
11 in a retirement account, in a medical savings account, or in
12 any other account approved under rules adopted by the
13 department shall be disregarded. Individuals eligible for
14 assistance under this subparagraph whose individual income
15 exceeds one hundred fifty percent of the official poverty
16 guidelines for an individual shall pay a premium. The amount
17 of the premium shall be based on a sliding fee schedule
18 adopted by rule of the department and shall be based on a
19 percentage of the individual's income. The maximum premium
20 payable by an individual whose income exceeds one hundred
21 fifty percent of the official poverty guidelines shall be
22 commensurate with the cost of state employees' group health
23 insurance in this state, but shall not exceed seven and one-
24 half percent of income, unless the individual's income exceeds
25 four hundred fifty percent of the official poverty guidelines.

26 (3) As allowed under 42 U.S.C. § 1396a(a)(10)(A)(ii)(XVI),
27 employed individuals with a medically improved disability, as
28 defined in 42 U.S.C. § 1396d(v)(1), who are members of
29 families whose income is less than two hundred fifty percent
30 of the most recently revised official poverty guidelines
31 published by the United States department of health and human
32 services for the family, subject to a resource limit of twelve
33 thousand dollars for an individual and thirteen thousand
34 dollars for a couple. For the purposes of determining the
35 amount of an individual's or couple's resources under this

1 subparagraph, any resources held in a retirement account, in a
2 medical savings account, or in any other account approved
3 under rules adopted by the department shall be disregarded.
4 Individuals eligible for assistance under this subparagraph
5 whose individual income exceeds one hundred fifty percent of
6 the official poverty guidelines for an individual shall pay a
7 premium. The amount of the premium shall be based on a
8 sliding fee schedule adopted by rule of the department and
9 shall be based on a percentage of the individual's income.
10 The maximum premium payable by an individual whose income
11 exceeds one hundred fifty percent of the official poverty
12 guidelines shall be commensurate with the cost of state
13 employees' group health insurance in this state, but shall not
14 exceed seven and one-half percent of income, unless the
15 individual's income exceeds four hundred fifty percent of the
16 official poverty guidelines.

17 Sec. 28. Section 256.67, subsection 1, Code Supplement
18 2001, is amended to read as follows:

19 1. Act as administrator and executive secretary of the
20 region library service area in accordance with the objectives
21 and policies adopted by the area board of trustees and with
22 the intent of this chapter.

23 Sec. 29. Section 260G.4B, subsection 1, Code Supplement
24 2001, is amended to read as follows:

25 1. The total amount of program job credits from all
26 employers which shall be allocated for all accelerated career
27 education programs in the state in any one fiscal year shall
28 not exceed the sum of three million dollars in the fiscal year
29 beginning July 1, 2000, three million dollars in the fiscal
30 year beginning July 1, 2001, three million dollars in the
31 fiscal year beginning July 1, 2002, and six million dollars in
32 the fiscal year beginning July 1, ~~2002~~ 2003, and every fiscal
33 year thereafter. Any increase in program job credits above
34 the six-million-dollar limitation per fiscal year shall be
35 developed, based on recommendations in a study which shall be

1 conducted by the department of economic development of the
2 needs and performance of approved programs in the fiscal years
3 beginning July 1, 2000, and July 1, 2001. The study's
4 findings and recommendations shall be submitted to the general
5 assembly by the department by December 31, 2002. The study
6 shall include but not be limited to an examination of the
7 quality of the programs, the number of program participant
8 placements, the wages and benefits in program jobs, the level
9 of employer contributions, the size of participating
10 employers, and employer locations. A community college shall
11 file a copy of each agreement with the department of economic
12 development. The department shall maintain an annual record
13 of the proposed program job credits under each agreement for
14 each fiscal year. Upon receiving a copy of an agreement, the
15 department shall allocate any available amount of program job
16 credits to the community college according to the agreement
17 sufficient for the fiscal year and for the term of the
18 agreement. When the total available program job credits are
19 allocated for a fiscal year, the department shall notify all
20 community colleges that the maximum amount has been allocated
21 and that further program job credits will not be available for
22 the remainder of the fiscal year. Once program job credits
23 have been allocated to a community college, the full
24 allocation shall be received by the community college
25 throughout the fiscal year and for the term of the agreement
26 even if the statewide program job credit maximum amount is
27 subsequently allocated and used.

28 Sec. 30. Section 368.4, Code 2001, as amended by 2002 Iowa
29 Acts, House File 582, if enacted, is amended to read as
30 follows:

31 368.4 ANNEXING MORATORIUM.

32 A city, following notice and hearing, may by resolution
33 agree with another city or cities to refrain from annexing
34 specifically described territory for a period not to exceed
35 ten years and, following notice and hearing, may by resolution

1 extend the agreement for subsequent periods not to exceed ten
2 years each. Notice of a hearing shall be served by regular
3 mail at least thirty days before the hearing on the city
4 development board, on the board of supervisors of the county
5 in which the territory is located, and on all persons owning
6 land within the area subject to the agreement. The notice
7 shall include the time and place of the hearing, describe the
8 territory subject to the proposed agreement, and the general
9 terms of the agreement. After passage of a resolution by the
10 cities approving the agreements, a copy of the agreement and a
11 copy of any resolution extending an agreement shall be filed
12 with the city development board within ten days of enactment.
13 If such an agreement is in force, the board shall dismiss a
14 petition or plan which violates the terms of the agreement.

15 Sec. 31. Section 368.26, if enacted by 2002 Iowa Acts,
16 House File 582, is amended to read as follows:

17 368.26 FAILURE TO PROVIDE MUNICIPAL SERVICES.

18 If a city fails to provide municipal services to territory
19 involuntarily annexed, according to the plan filed pursuant to
20 section 368.11, within three years after city taxes are
21 imposed in the annexed territory, the city development board
22 shall initiate proceedings to sever the annexed territory from
23 the city. However, a city may appeal to the board for an
24 additional three years to provide municipal services if good
25 cause is shown. A petition for severance filed pursuant to
26 this section shall be filed and acted upon in the same manner
27 as a petition under section 368.11. For purposes of this
28 section ~~and-section-368-117-subsection-14~~, "municipal
29 services" means services selected by a landowner to be
30 provided by the city, including, but not limited to, water
31 supply, sewage disposal, street and road maintenance, and
32 police and fire protection, if the provision of such services
33 is within the legal authority of the annexing city.

34 Sec. 32. Section 421.17, subsection 31, Code Supplement
35 2001, is amended to read as follows:

1 31. ~~At the director's discretion, accept~~ Accept payment of
2 taxes, penalties, interest, and fees, or any portion thereof
3 of the payment, by credit card in accordance with section
4 12.21. ~~The director may adjust the payable amount to reflect~~
5 ~~the costs of processing the payment as determined by the~~
6 ~~treasurer of state and the payment by credit card shall~~
7 ~~include, in addition to all other charges, any discount~~
8 ~~charged by the credit card issuer.~~

9 Sec. 33. Section 421.17, subsection 34, paragraph f, Code
10 Supplement 2001, is amended to read as follows:

11 f. ~~At the director's discretion, the~~ The department may
12 shall accept payment of debts, interest, and fees, or any
13 portion of the payment by credit card in accordance with
14 section 12.21. ~~The director may adjust the payable amount to~~
15 ~~reflect the costs of processing the payment as determined by~~
16 ~~the treasurer of state and the payment by credit card shall~~
17 ~~include, in addition to all other charges, any discount charge~~
18 ~~by the credit card issuer.~~

19 Sec. 34. Section 455A.4, subsection 5, Code 2001, is
20 amended to read as follows:

21 5. The department may accept payment of any fees,
22 interest, penalties, subscriptions, or other payments due or
23 collected by the department, or any portion of such payments,
24 by credit card in accordance with section 12.21. ~~The~~
25 ~~department may adjust the amount of the payment to reflect the~~
26 ~~costs of processing the payment as determined by the treasurer~~
27 ~~of state and the payment by credit card shall include, in~~
28 ~~addition to all other charges, any discount charged by the~~
29 ~~credit card issuer.~~

30 Sec. 35. Section 476.97, subsection 11, paragraph g,
31 subparagraph (4), Code 2001, as amended by 2002 Iowa Acts,
32 Senate File 429, section 2, is amended by striking the
33 subparagraph and inserting in lieu thereof the following:

34 (4) Rates may be adjusted by the board to reflect any
35 changes in revenues, expenses, and investment due to exogenous

1 factors beyond the control of the local exchange carrier,
2 including, but not limited to, the effects of local
3 competition. The board shall have one hundred eighty days to
4 consider rate changes proposed under this subparagraph, but
5 for good cause may grant one extension of sixty days, not to
6 exceed a total of two hundred forty days.

7 Sec. 36. Section 514I.5, subsection 3, Code 2001, is
8 amended to read as follows:

9 3. Members appointed by the governor shall serve two-year
10 staggered terms as designated by the governor, and legislative
11 members of the board shall serve two-year terms. The filling
12 of positions reserved for the public representatives,
13 vacancies, membership terms, payment of compensation and
14 expenses, and removal of the members are governed by chapter
15 69. Members of the board are entitled to receive
16 reimbursement of actual expenses incurred in the discharge of
17 their duties. Public members of the board are also eligible
18 to receive compensation as provided in section 7E.6. The
19 members shall select a chairperson on an annual basis from
20 among the membership of the board.

21 Sec. 37. Section 541A.1, subsection 7, Code 2001, is
22 amended to read as follows:

23 7. "Individual development account" means a either of the
24 following:

25 a. A financial instrument which that is certified to have
26 the characteristics described in section 541A.2 by the
27 operating organization.

28 b. A financial instrument that is certified by the
29 operating organization to have the characteristics described
30 in and funded by a federal individual development account
31 program under which federal and state funding contributed to
32 match account holder deposits is deposited by an operating
33 organization in accordance with federal law and regulations,
34 and which includes but is not limited to any of the programs
35 implemented under the following federal laws:

1 (1) The federal Personal Responsibility and Work
2 Opportunity Act of 1996, 42 U.S.C. § 604(h).

3 (2) The federal Assets for Independence Act, Pub. L. No.
4 105-285, Title IV.

5 Sec. 38. Section 541A.3, subsection 1, unnumbered
6 paragraph 1, Code 2001, is amended to read as follows:

7 Payment by the state of a savings refund on amounts of up
8 to two thousand dollars per calendar year that an account
9 holder deposits in the account holder's account. Moneys
10 transferred to an individual development account from another
11 individual development account shall not be considered an
12 account holder deposit for purposes of determining a savings
13 refund. Payment of a savings refund either shall be made
14 directly to the account holder's account or to an operating
15 organization's central reserve account for later distribution
16 to the account holder's account in the most appropriate manner
17 as determined by the administrator. The state savings refund
18 shall be the indicated percentage of the amount deposited:

19 Sec. 39. Section 541A.3, subsection 5, Code 2001, is
20 amended to read as follows:

21 5. The administrator shall coordinate the filing of claims
22 for savings refunds authorized under subsection 1, between
23 account holders, operating organizations, and the department
24 of revenue and finance. Claims approved by the administrator
25 may be paid by the department of revenue and finance to each
26 account, ~~or~~ for an aggregate amount for distribution to the
27 accounts in a particular financial institution, or to an
28 operating organization's central reserve account for later
29 distribution to the account holders' accounts depending on the
30 efficiency for issuing the refunds. Claims shall be initially
31 filed with the administrator on or before a date established
32 by the administrator. Claims approved by the administrator
33 shall be paid from the general fund of the state in the manner
34 specified in section 422.74.

35 Sec. 40. Section 556.12, subsection 1, Code 2001, is

1 amended to read as follows:

2 1. If a report has been filed with the treasurer of state,
3 or property has been paid or delivered to the treasurer of
4 state, for the fiscal year ending on June 30 as required by
5 section 556.11, the treasurer of state shall provide for the
6 publication annually of at least one notice ~~not-later-than~~
7 which notice shall not be published between the following
8 September 10 and the following November 30 10. Each notice
9 shall be published at least once each week for two successive
10 weeks in an English language newspaper of general circulation
11 in the county in this state in which is located the last known
12 address of any person to be named in the notice. If an
13 address is not listed or if the address is outside this state,
14 the notice shall be published in the county in which the
15 holder of the abandoned property has its principal place of
16 business within this state.

17 Sec. 41. Section 602.1302, subsection 3, Code 2001, is
18 amended to read as follows:

19 3. A revolving fund is created in the state treasury for
20 the payment of jury and witness fees, and mileage, and costs
21 related to summoning jurors by the judicial branch. The
22 judicial branch shall deposit any reimbursements to the state
23 for the payment of jury and witness fees and mileage in the
24 revolving fund. Notwithstanding section 8.33, unencumbered
25 and unobligated receipts in the revolving fund at the end of a
26 fiscal year do not revert to the general fund of the state.
27 The judicial branch shall on or before February 1 file a
28 financial accounting of the moneys in the revolving fund with
29 the legislative fiscal bureau. The accounting shall include
30 an estimate of disbursements from the revolving fund for the
31 remainder of the fiscal year and for the next fiscal year.

32 Sec. 42. Section 602.8108, subsection 5, Code Supplement
33 2001, is amended to read as follows:

34 5. A court technology and modernization fund is
35 established as a separate fund in the state treasury. The

1 state court administrator shall allocate one million dollars
2 of the moneys received under subsection 2 to be deposited in
3 the fund, which shall be administered by the supreme court and
4 shall be used as follows:

5 ~~a. Eighty percent shall be used~~ to enhance the ability of
6 the judicial branch to process cases more quickly and
7 efficiently, to electronically transmit information to state
8 government, local governments, law enforcement agencies, and
9 the public, and to improve public access to the court system.
10 ~~Moneys in this paragraph shall not be used for the Iowa court~~
11 ~~information system.~~

12 ~~b. Twenty percent shall be used in equal amounts to~~
13 ~~facilitate alternative dispute resolution and methods to~~
14 ~~resolve domestic abuse cases, which may include personnel for~~
15 ~~hearings under section 236.4.~~

16 Sec. 43. 2001 Iowa Acts, chapter 182, section 7,
17 subsection 2, is amended by adding the following new
18 paragraph:

19 NEW PARAGRAPH. g. Notwithstanding section 8.33, any
20 moneys which exceed the amount budgeted in the fiscal year
21 beginning July 1, 2001, and ending June 30, 2002, that remain
22 unencumbered or unobligated at the close of the fiscal year
23 shall not revert but shall remain available for expenditure by
24 the veterans home until the close of the succeeding fiscal
25 year. For the purposes of this paragraph, "moneys" means cash
26 receipts, accruals attributable to the fiscal year beginning
27 July 1, 2001, and ending June 30, 2002, and the amount of the
28 estimated reversions to the general fund, as last agreed to by
29 the state revenue estimating conference during fiscal year
30 beginning July 1, 2001.

31 Sec. 44. Section 904.108, subsection 1, paragraph o, Code
32 Supplement 2001, is amended to read as follows:

33 o. Establish and maintain a correctional training center
34 ~~at the Mount Pleasant correctional facility~~ program.

35 Sec. 45. IOWA CONGRESSIONAL MEDAL OF HONOR RECIPIENTS.

1 The department of cultural affairs shall conduct a study to
2 identify an appropriate location in the state capitol for a
3 plaque and display honoring the Iowa recipients of the
4 congressional medal of honor. The department shall report the
5 findings and recommendations of the study to the governor and
6 general assembly on or before December 31, 2002.

7 Sec. 46. DUPLICATION AND REORGANIZATION REVIEWS. In
8 implementing the requirements of 2002 Iowa Acts, Senate File
9 2326, division I, involving the department of general
10 services, department of management, department of personnel,
11 and information technology department identifying duplicative
12 positions or studying the reorganization of state government,
13 those departments shall consult with the departments that may
14 be affected, consider previously conducted studies or reviews,
15 and identify the projected impacts of recommended changes upon
16 the general fund of the state, road use tax fund, and any
17 other affected funding source.

18 Sec. 47. CHEROKEE MENTAL HEALTH INSTITUTE -- RELOCATION OF
19 SEXUALLY VIOLENT PREDATORS UNIT. In implementing the
20 relocation of the unit for commitment of sexually violent
21 predators from Oakdale to the state mental health institute at
22 Cherokee in the fiscal year beginning July 1, 2002, in
23 accordance with the requirement in the appropriation for the
24 unit in 2002 Iowa Acts, Senate File 2326, it is the intent of
25 the general assembly that the department of human services
26 complete the renovation of space at the institute and the
27 relocation of the unit as expeditiously as possible. If
28 requested by the department of human services as necessary to
29 complete the renovation of space and relocation as
30 expeditiously as possible, notwithstanding any provision of
31 law or rule to the contrary, the department of general
32 services shall grant a waiver for purposes of the renovation
33 project from those requirements in administrative rule and
34 policy that would otherwise govern the length of time the
35 renovation project components are noticed.

1 Sec. 48. EXPENDITURE REPORTS. For the fiscal year
2 beginning July 1, 2002, the department of agriculture and land
3 stewardship and the department of natural resources shall each
4 file a written report on a quarterly basis with the
5 chairpersons and ranking members of the joint appropriations
6 subcommittee on agriculture and natural resources and the
7 legislative fiscal bureau regarding all expenditures of moneys
8 appropriated from the general fund of the state or from other
9 funds available to either department during the quarter and
10 the number of full-time equivalent positions allocated during
11 the quarter.

12 Sec. 49. IPERS POSITIONS. The number of full-time
13 equivalent positions authorized the Iowa public employees'
14 retirement system division in 2002 Iowa Acts, Senate File
15 2326, section 15, subsection 1, if enacted, is increased by
16 2.00 full-time equivalent positions.

17 Sec. 50. 2002 Iowa Acts, Senate File 2326, section 25,
18 unnumbered paragraph 4, if enacted, is amended to read as
19 follows:

20 If 2002 Iowa Acts, House File 681, is enacted and provides
21 for the pledging of collateral in relation to the deposit of
22 uninsured public funds, then the treasurer of state is
23 authorized not more than the following additional full-time
24 equivalent positions for the purposes provided for in that
25 Act:

26	FTEs	2.00
27	<u>FTE</u>	<u>1.00</u>

28 Sec. 51. SCOPE OF PRACTICE REVIEW COMMITTEE. 2002 Iowa
29 Acts, Senate File 2326, section 91, subsection 10, paragraph
30 a, if enacted, is amended to read as follows:

31 a. The department may expend funds received from licensing
32 fees in addition to amounts appropriated in this subsection,
33 if those additional expenditures are directly the result of a
34 ~~scope-of-practice-review-committee-or~~ unanticipated litigation
35 costs arising from the discharge of an examining board's

1 regulatory duties. Before the department expends or encumbers
2 funds for ~~a-scope-of-practice-review-committee-or~~ an amount in
3 excess of the funds budgeted for an examining board, the
4 director of the department of management shall approve the
5 expenditure or encumbrance. The amounts necessary to fund any
6 unanticipated litigation ~~or-scope-of-practice-review-committee~~
7 expense in the fiscal year beginning July 1, 2002, shall not
8 exceed 5 percent of the average annual fees generated by the
9 boards for the previous two fiscal years.

10 Sec. 52. SCOPE OF PRACTICE REVIEW COMMITTEE. 2002 Iowa
11 Acts, Senate File 2326, section 98, if enacted, is repealed.

12 Sec. 53. 2002 Iowa Acts, Senate File 2326, section 134, if
13 enacted, is amended to read as follows:

14 SEC. 134. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
15 DEVELOPMENTAL DISABILITIES (MH/MR/DD) ALLOWED GROWTH FACTOR
16 ADJUSTMENT AND ALLOCATIONS -- DISTRIBUTION FOR FY 2002-2003.

17 1. For the fiscal year beginning July 1, 2002, the moneys
18 appropriated in 2001 Acts, chapter 176, section 1, as amended
19 by this division of this Act, for distribution to counties of
20 the county mental health, mental retardation, and
21 developmental disabilities allowed growth factor adjustment,
22 shall be distributed as provided in this section in lieu of
23 the provisions of section 331.438, subsection 2, and section
24 331.439, subsection 3, and chapter 426B, as follows:

25 a. The first ~~\$2,000,000~~ 500,000 shall be credited to the
26 risk pool created in the property tax relief fund and shall be
27 distributed pursuant to section 426B.5, subsection 2.

28 b. The remaining ~~\$12,500,000~~ 14,000,000 shall be
29 distributed as provided in this section.

30 2. The following formula amounts shall be utilized only to
31 calculate preliminary distribution amounts for fiscal year
32 2002-2003 under this section by applying the indicated formula
33 provisions to the formula amounts and producing a preliminary
34 distribution total for each county:

35 a. For calculation of an allowed growth factor adjustment

1 amount for each county in accordance with the formula in
2 section 331.438, subsection 2, paragraph "b":

3 \$ 12,000,000

4 b. For calculation of a distribution amount for eligible
5 counties from the per capita expenditure target pool created
6 in the property tax relief fund in accordance with the
7 requirements in section 426B.5, subsection 1:

8 \$ ~~12,492,712~~

9 14,492,712

10 c. For calculation of a distribution amount for counties
11 from the mental health and developmental disabilities (MH/DD)
12 community services fund in accordance with the formula
13 provided in this division of this Act:

14 \$ 18,127,352

15 3. Notwithstanding any contrary provisions of sections
16 225C.7, 331.438, subsection 2, 331.439, subsection 3, and
17 426B.5, the moneys allocated for distribution in subsection 1,
18 paragraph "b", and in any other Act of the Seventy-ninth
19 General Assembly, 2002 Session, for distribution to counties
20 in the fiscal year beginning July 1, 2002, for purposes of the
21 mental health and developmental disabilities (MH/DD) community
22 services fund under section 225C.7, and for the allowed growth
23 factor adjustment for services paid under a county's section
24 331.424A mental health, mental retardation, and developmental
25 disabilities services fund and as calculated under subsection
26 2 to produce preliminary distribution amounts for counties
27 shall be subject to withholding as provided in this section.

28 4. After applying the applicable statutory distribution
29 formulas to the amounts indicated in subsection 2 for purposes
30 of formula calculations to produce preliminary distribution
31 totals, the department of human services shall apply a
32 withholding factor to adjust an eligible individual county's
33 preliminary distribution total. An ending balance percentage
34 for each county shall be determined by expressing the county's
35 ending balance on a modified accrual basis under generally

1 accepted accounting principles for the fiscal year beginning
2 July 1, 2001, in the county's mental health, mental
3 retardation, and developmental disabilities services fund
4 created under section 331.424A, as a percentage of the
5 county's gross expenditures from that fund for that fiscal
6 year. The withholding factor for a county shall be the
7 following applicable percent:

8 a. For an ending balance percentage of less than 10
9 percent, a withholding factor of 0 percent.

10 b. For an ending balance percentage of 10 through 24
11 percent, a withholding factor of ~~25~~ 41.47 percent.

12 c. For an ending balance percentage of 25 through 34
13 percent, a withholding factor of 60 percent.

14 d. For an ending balance percentage of 35 through 44
15 percent, a withholding factor of 85 percent.

16 e. For an ending balance percentage of 45 percent or more,
17 a withholding factor of 100 percent.

18 5. The total withholding amounts applied pursuant to
19 subsection 4 shall be equal to a withholding target amount of
20 ~~\$11,992,712~~ 12,492,712 and the appropriation made in this
21 division of this Act for the MH/DD community services fund and
22 the appropriation made in 2001 Iowa Acts, chapter 176, section
23 1, as amended by this division of this Act shall be reduced by
24 the amount necessary to attain the withholding target amount.
25 If the department of human services determines that the amount
26 to be withheld in accordance with subsection 4 is not equal to
27 the target withholding amount, the department shall adjust the
28 withholding factors listed in subsection 4 as necessary to
29 achieve the withholding target amount. However, in making
30 such adjustments to the withholding factors, the department
31 shall strive to minimize changes to the withholding factors
32 for those ending balance percentage ranges that are lower than
33 others and shall not adjust the zero withholding factor
34 specified in subsection 4, paragraph "a".

35 6. A In order to be eligible for a funding distribution

1 under this section, a county must levy at least 70 percent of
2 the maximum allowed for the county's services fund under
3 section 331.424A for taxes due and payable in the fiscal year
4 beginning July 1, 2002, and comply with the December 1, 2002,
5 filing deadline for the county annual financial report in
6 accordance with section 331.403. The amount that would
7 otherwise be available for distribution to a county that fails
8 to so comply shall be proportionately distributed among the
9 eligible counties.

10 7. The department of human services shall authorize the
11 issuance of warrants payable to the county treasurer for the
12 distribution amounts due the counties eligible under this
13 section and notwithstanding prior practice for the MH/DD
14 community services fund, the warrants shall be issued in
15 January 2003.

16 Sec. 54. 2002 Iowa Acts, Senate File 2326, section 104,
17 subsection 12, if enacted, is amended to read as follows:

18 ~~12. If federal funding is received or if moneys are~~
19 ~~appropriated, the department may participate~~ Of the moneys
20 appropriated in this section, \$150,000 shall be used as state
21 matching funds, in combination with federal and private funds,
22 for participation in a federal home telecare pilot program
23 intended to manage health care needs of subpopulations of
24 Iowans and specifically including subpopulations of Iowans who
25 require high utilization of health care services and represent
26 a disproportionate share of consumption of health care
27 services. The program shall be administered by the Iowa
28 telecare consortium, which is a collaboration of public,
29 private, academic, and governmental participants coordinated
30 by Des Moines university -- osteopathic medical center. The
31 program may direct telecare services to persons with diagnoses
32 of specific nonacute chronic illnesses, which may include, but
33 are not limited to, chronic obstructive pulmonary disease,
34 congestive heart disease, diabetes, and asthma. Des Moines
35 university -- osteopathic medical center shall submit a report

1 to the general assembly by January 15, 2003, regarding the
2 status of the pilot program. The program guidelines shall be
3 consistent with those specified under 2001 Iowa Acts, chapter
4 191, section 7, subsection 15.

5 Sec. 55. 2002 Iowa Acts, Senate File 2326, section 154,
6 subsection 2, unnumbered paragraph 2, if enacted, is amended
7 to read as follows:

8 Riverboat enforcement costs shall be billed in accordance
9 with section 99F.10, subsection 4, and section 99F.10A. The
10 costs shall be not more than the department's estimated
11 expenditures, including salary adjustment, for riverboat
12 enforcement for the fiscal year. The costs billed to the
13 riverboats shall not be more than \$1,280,000 in excess of the
14 amount billed to the riverboats in the fiscal year beginning
15 July 1, 2001. Racetrack enforcement costs shall be billed in
16 accordance with section 99D.14, subsection 7, and section
17 99D.14A. The costs shall be not more than the department's
18 estimated expenditures, including salary adjustment, for
19 racetrack enforcement for the fiscal year. The costs billed
20 to the racetracks shall not be more than \$420,000 in excess of
21 the amount billed to the racetracks in the fiscal year
22 beginning July 1, 2001.

23 Sec. 56. PUBLIC TRANSIT ASSISTANCE APPROPRIATION. 2002
24 Iowa Acts, Senate File 2326, section 175, subsection 14, if
25 enacted, is amended by striking the subsection.

26 Sec. 57. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.
27 Notwithstanding section 312.2, subsection 14, the amount
28 appropriated from the general fund of the state under section
29 312.2, subsection 14, to the state department of
30 transportation for public transit assistance under chapter
31 324A for the fiscal year beginning July 1, 2001, and ending
32 June 30, 2002, is reduced by the following amount:

33 \$ 1,107,938

34 Sec. 58. Chapter 2A, Code 2001, is repealed.

35 Sec. 59. EFFECTIVE DATE -- CONTINGENCY -- REPORT TO CODE

1 EDITOR. The section of this division of this Act amending
2 section 249A.3, relating to the optional category of
3 individuals covered under the medical assistance program
4 relating to persons with disabilities who have earned income,
5 takes effect only if the department does not win the appeal
6 against the centers for Medicare and Medicaid of the United
7 States department of health and human services relating to the
8 state plan amendment. The department shall notify the Code
9 editor when the department is notified of a decision on the
10 appeal in order to identify an effective date.

11 Sec. 60. EFFECTIVE DATE. The section of this division of
12 this Act that amends 2001 Iowa Acts, chapter 182, section 7,
13 being deemed of immediate importance, takes effect upon
14 enactment.

15 DIVISION III

16 CORRECTIVE AMENDMENTS

17 Sec. 61. Section 8.55, subsection 2, paragraph d, if
18 enacted by 2002 Iowa Acts, House File 2075, section 1, is
19 amended to read as follows:

20 d. Notwithstanding paragraph "a", any moneys in excess of
21 the maximum balance in the economic emergency fund after the
22 distribution of the surplus in the general fund of the state
23 at the conclusion of each fiscal year and after the
24 appropriate amount amounts have been transferred pursuant to
25 paragraphs "b" and "c" shall not be transferred to the general
26 fund of the state but shall be transferred to the endowment
27 for Iowa's health account of the tobacco settlement trust
28 fund. The total amount transferred, in the aggregate, under
29 this paragraph for all fiscal years shall not exceed the
30 difference between fifty-one million five hundred thousand
31 dollars and the amounts transferred to the endowment for
32 Iowa's health account to repay the amounts transferred or
33 appropriated from the endowment for Iowa's health account in
34 2002 Iowa Acts, House File 2245, 2002 Iowa Acts, Senate File
35 2304, and 2002 Iowa Acts, Senate File 2315.

1 Sec. 62. Section 10D.1, unnumbered paragraph 1, as enacted
2 by 2002 Iowa Acts, Senate File 2210, section 3, is amended to
3 read as follows:

4 As used in this ~~section~~ chapter, unless the context
5 otherwise requires:

6 Sec. 63. Section 15E.42, subsection 3, as enacted by 2002
7 Iowa Acts, House File 2271, section 2, is amended to read as
8 follows:

9 3. "Investor" means an individual making a cash investment
10 in a qualifying business or a person making a cash investment
11 in a community-based seed capital fund. "Investor" does not
12 include a person which is a current or previous owner, member,
13 or shareholder in a qualified qualifying business.

14 Sec. 64. Section 15E.43, subsection 1, paragraph a, as
15 enacted by 2002 Iowa Acts, House File 2271, section 3, is
16 amended to read as follows:

17 a. For tax years beginning on or after January 1, 2002, a
18 tax credit shall be allowed against the taxes imposed in
19 chapter 422, division II, for a portion of an individual
20 taxpayer's equity investment, as provided in subsection 2, in
21 a qualified qualifying business. An individual shall not
22 claim a tax credit under this paragraph of a partnership,
23 limited liability company, S corporation, estate, or trust
24 electing to have income taxed directly to the individual.

25 Sec. 65. Section 15E.224, subsection 1, as enacted by 2002
26 Iowa Acts, House File 2078, section 4, is amended to read as
27 follows:

28 1. An Iowa capital investment corporation may be organized
29 as a private, not-for-profit corporation under chapter 504A.
30 The Iowa capital investment corporation is not a public
31 corporation or instrumentality of the state and shall not
32 enjoy any of the privileges and shall not be required to
33 comply with the requirements of a state agency. Except as
34 otherwise provided in this division, this division does not
35 exempt the corporation from the requirements under state law

1 which apply to other corporations organized under chapter
2 504A. The purposes of an Iowa capital investment corporation
3 shall be to organize the Iowa fund of funds, to select a
4 venture capital investment fund allocation manager to select
5 venture capital fund investments by the Iowa fund of funds, to
6 negotiate the terms of a contract with the venture capital
7 investment fund allocation manager, to execute the contract
8 with the selected venture capital investment fund allocation
9 manager on behalf of the Iowa fund of funds, to receive
10 investment returns from the Iowa fund of funds, and to
11 reinvest the investment returns in additional venture capital
12 investments designed to result in a significant potential to
13 create jobs and to diversify and stabilize the economy of the
14 state. The corporation shall not exercise governmental
15 functions and shall not have members. The obligations of the
16 corporation are not obligations of this state or any political
17 subdivision of this state within the meaning of any
18 constitutional or statutory debt limitations, but are
19 obligations of the corporation payable solely and only from
20 the corporation's funds. The corporation shall not and cannot
21 pledge the credit or taxing power of this state or any
22 political subdivision of this state or make its debts payable
23 out of any moneys except those of the corporation.

24 Sec. 66. Section 29A.90, subsection 3, if enacted by 2002
25 Iowa Acts, Senate File 2124, section 24, is amended to read as
26 follows:

27 3. "Military service" means full-time active state service
28 or state active duty, as defined in section 29A.1, for a
29 period of at least ninety consecutive days, commencing on or
30 after the effective date of this division of this Act.

31 Sec. 67. Section 41.1, subsection 28, Code 2001, as
32 amended by 2001 Iowa Acts, First Extraordinary Session,
33 chapter 1, section 2, is amended to read as follows:

34 28. The twenty-eighth representative district in Dubuque
35 county shall consist of those portions of Dubuque and Table

1 Mound townships and the city of Dubuque bounded by a line
2 commencing at the point Asbury road intersects the east
3 corporate limit of the city of Asbury, then proceeding first
4 south, and then in a clockwise manner along the corporate
5 limits of the city of Asbury until it intersects the west east
6 boundary of Dubuque Center township, then proceeding first
7 south, and then in a clockwise manner along the west boundary
8 of Dubuque Center township until it intersects the east
9 boundary of Vernon township and the corporate limits of the
10 city of Dubuque, then proceeding first west south, and then in
11 a counterclockwise manner along the corporate limits of the
12 city of Dubuque until it intersects the south boundary of
13 Dubuque township, then proceeding east along the south
14 boundary of Dubuque township until it intersects the corporate
15 limits of the city of Dubuque, then proceeding first east, and
16 then in a counterclockwise manner along the corporate limits
17 of the city of Dubuque until it intersects the east boundary
18 of Table Mound township, then proceeding north along the
19 boundary of Table Mound township until it intersects the
20 corporate limits of the city of Dubuque, then proceeding first
21 east, and then in a counterclockwise manner along the
22 corporate limits of the city of Dubuque until it intersects
23 the Peosta channel of the Mississippi river, then proceeding
24 southwesterly along the Peosta channel until it intersects
25 East Sixteenth street, then proceeding southwesterly along
26 East Sixteenth street until it intersects Kerper boulevard,
27 then proceeding northerly along Kerper boulevard until it
28 intersects Fengler street, then proceeding northwest along
29 Fengler street until it intersects the I & M Rail Link tracks,
30 then proceeding southwest along the I & M Rail Link tracks
31 until it intersects the extension of Stafford street, then
32 proceeding westerly along the extension of Stafford street
33 until it intersects Garfield avenue, then proceeding southwest
34 along Garfield avenue until it intersects East Twentieth
35 street, then proceeding southwesterly along East Twentieth

1 street until it intersects Central avenue, then proceeding
2 northwest along Central avenue until it intersects West
3 Twenty-third street, then proceeding southwesterly along West
4 Twenty-third street until it intersects Valeria street, then
5 proceeding northwesterly along Valeria street until it
6 intersects Kaufmann avenue, then proceeding southeast along
7 Kaufmann avenue until it intersects Hempstead street, then
8 proceeding southwest along Hempstead street until it
9 intersects Montcrest street, then proceeding westerly along
10 Montcrest street until it intersects Portland street, then
11 proceeding southwest along Portland street until it intersects
12 Abbott street, then proceeding south along Abbott street until
13 it intersects Lowell street, then proceeding east along Lowell
14 street until it intersects Harold street, then proceeding
15 south along Harold street until it intersects Clarke drive,
16 then proceeding easterly along Clarke drive until it
17 intersects Foye street, then proceeding southerly along Foye
18 street until it intersects West Locust street, then proceeding
19 west along West Locust street until it intersects Kirkwood
20 street, then proceeding southwest along Kirkwood street until
21 it intersects Cox street, then proceeding southeast along Cox
22 street until it intersects Loras boulevard, then proceeding
23 southwest along Loras boulevard until it intersects Wood
24 street, then proceeding southeast along Wood street until it
25 intersects University avenue, then proceeding east along
26 University avenue until it intersects Delhi street, then
27 proceeding southwest along Delhi street until it intersects
28 West Fifth street, then proceeding southeast along West Fifth
29 street until it intersects College street, then proceeding
30 southerly along College street until it intersects West Third
31 street, then proceeding southwest along West Third street
32 until it intersects North Grandview avenue, then proceeding
33 south along North Grandview avenue until it intersects Hale
34 street, then proceeding west along Hale street until it
35 intersects North Algona street, then proceeding north along

1 North Algona street until it intersects Bennett street, then
2 proceeding west along Bennett street until it intersects
3 McCormick street, then proceeding northerly along McCormick
4 street until it intersects Mineral street, then proceeding
5 west along Mineral street until it intersects O'Hagen street,
6 then proceeding north along O'Hagen street until it intersects
7 Pearl street, then proceeding west along Pearl street until it
8 intersects Finley street, then proceeding northwest along
9 Finley street until it intersects University avenue, then
10 proceeding northeast along University avenue until it
11 intersects Asbury road, then proceeding northwesterly along
12 Asbury road until it intersects Wilbricht lane, then
13 proceeding west along Wilbricht lane until it intersects Flora
14 Park road, then proceeding southwesterly along Flora Park road
15 until it intersects Pennsylvania avenue, then proceeding west
16 along Pennsylvania avenue until it intersects Churchill drive,
17 then proceeding north along Churchill drive until it
18 intersects St. Anne drive, then proceeding west along St.
19 Anne drive until it intersects Carter road, then proceeding
20 north along Carter road until it intersects Hillcrest road,
21 then proceeding west along Hillcrest road until it intersects
22 John F. Kennedy road, then proceeding north along John F.
23 Kennedy road until it intersects Hillcrest road, then
24 proceeding west along Hillcrest road until it intersects Key
25 Largo drive, then proceeding south along Key Largo drive until
26 it intersects Keymeer drive, then proceeding east along
27 Keymeer drive until it intersects Key Way drive, then
28 proceeding south along Key Way drive until it intersects the
29 north fork of Catfish creek, then proceeding west along the
30 north fork of Catfish creek until it intersects the extension
31 of Winne court, then proceeding north along Winne court and
32 its extension until it intersects Hillcrest road, then
33 proceeding east along Hillcrest road until it intersects the
34 north branch of the north fork of Catfish creek, then
35 proceeding northwesterly along the north branch of the north

1 fork of Catfish creek until it intersects the northwest branch
2 of the north fork of Catfish creek, then proceeding northwest
3 along the northwest branch of the north fork of Catfish creek
4 until it intersects Asbury road, then proceeding west along
5 Asbury road to the point of origin.

6 Sec. 68. Section 53.7, subsection 2, Code 2001, as amended
7 by 2002 Iowa Acts, House File 2409, section 11, is amended to
8 read as follows:

9 2. It is unlawful for any public officer or employee, or
10 any person acting under color of a public officer or employee,
11 to knowingly require a public employee to solicit an
12 application or request ~~for~~ an application for an absentee
13 ballot, or to knowingly ~~requires-that~~ require an employee to
14 take an affidavit or request for an affidavit in connection
15 with an absentee ballot application.

16 Sec. 69. Section 303A.7, subsection 1, as enacted by 2002
17 Iowa Acts, House File 2571, section 8, is amended to read as
18 follows:

19 1. An Iowa cultural trust grant account is created in the
20 office of the treasurer of state under the control of the
21 board to receive interest attributable to the investment of
22 trust fund moneys as required by section 303A.4, subsection 4.
23 The moneys in the grant account are appropriated to the board
24 for purposes of the Iowa cultural trust created in section
25 303A.4. Moneys in the grant account shall not be subject to
26 appropriation for any other purpose by the general assembly,
27 but shall be used only for the purposes of the Iowa cultural
28 trust. The treasurer of state shall act as custodian of the
29 grant account and disburse moneys contained in the grant
30 account as directed by the board. The board shall make
31 expenditures from the grant account consistent with the
32 purposes of the Iowa cultural trust.

33 Sec. 70. Section 356.36A, as enacted by 2002 Iowa Acts,
34 Senate File 2278, section 1, is amended to read as follows:

35 356.36A CONFINEMENT AND DETENTION REPORT -- DESIGN

1 PROPOSALS.

2 The division of criminal and juvenile justice planning of
3 the department of human rights, in consultation with the
4 department of corrections, the Iowa county attorneys
5 association, the Iowa state sheriff's association, the Iowa
6 association of chiefs of police and peace officers, a
7 statewide organization representing rural property taxpayers,
8 the Iowa league of cities, and the Iowa board of supervisors
9 association, shall prepare a report analyzing the confinement
10 and detention needs of jails and facilities established
11 pursuant to ~~chapter~~ chapters 356 and 356A. The report for
12 each type of jail or facility shall include but is not limited
13 to an inventory of prisoner space, daily prisoner counts,
14 options for detention of prisoners with mental illness or
15 substance abuse service needs, and the compliance status under
16 section 356.36 for each jail or facility. The report shall
17 contain an inventory of recent jail or facility construction
18 projects in which voters have approved the issuance of general
19 obligation bonds, essential county purpose bonds, revenue
20 bonds, or bonds issued pursuant to chapter 422B. The report
21 shall be revised periodically as directed by the administrator
22 of the division of criminal and juvenile justice planning.
23 The first submission of the report shall include
24 recommendations on offender data needed to estimate jail space
25 needs in the next two, three, and five years, on a county,
26 geographic region, and statewide basis, which may be based
27 upon information submitted pursuant to section 356.49.

28 Sec. 71. Section 359.49, subsection 7A, unnumbered
29 paragraph 1, as enacted by 2002 Iowa Acts, House File 2448,
30 section 1, is amended to read as follows:

31 A township that has entered into an agreement with a
32 municipality to receive fire protection service or emergency
33 medical service from the municipality may request that a
34 portion of its taxes be paid directly to the municipality
35 providing the fire protection service or emergency medical

1 service. Each year, the township must note its request on the
2 budget and must attach a copy of the emergency services
3 agreement to each copy of the budget transmitted to the county
4 auditor. The auditor shall direct the county treasurer as to
5 what portion of the township taxes to disburse to the
6 municipality providing the fire protection service or
7 emergency medical service.

8 Sec. 72. Section 524.814, Code 2001, is amended to read as
9 follows:

10 524.814 PLEDGE OF ASSETS.

11 Pursuant to a resolution of its board of directors, a state
12 bank may lend or pledge its assets for the following purposes,
13 and for no other purposes:

14 1. To secure deposits of the state bank or a bank that is
15 an affiliate of the state bank when a customer is required to
16 obtain such security, or a bank is required to provide
17 security, by the laws of the United States, by any agency or
18 instrumentality of the United States, by the laws of the state
19 of Iowa, by the state board of regents, by a resolution or
20 ordinance relating to the issuance of bonds, by the terms of
21 any interstate compact or by order of any court of competent
22 jurisdiction. The lending of securities to a bank that is an
23 affiliate, or the pledging of securities for the account of a
24 bank that is an affiliate, shall be on terms and conditions
25 that are consistent with safe and sound banking practices.

26 2. To secure money borrowed by the state bank, provided
27 that capital notes or debentures issued pursuant to section
28 524.404 shall not in any event be secured by a pledge of
29 assets or otherwise.

30 3. To secure participations sold to the federal
31 agricultural mortgage corporation.

32 Sec. 73. Section 633.4213, subsection 1, Code Supplement
33 2001, as amended by 2002 Iowa Acts, House File 2531, if
34 enacted, is amended to read as follows:

35 1. The trustee shall inform each qualified beneficiary of

1 ~~their~~ the beneficiary's right to receive an annual accounting
2 and a copy of the trust instrument. The trustee shall also
3 inform each qualified beneficiary about the process necessary
4 to obtain an annual accounting or a copy of the trust
5 instrument, if not provided. The trustee shall further inform
6 the beneficiary whether the beneficiary will, or will not,
7 receive an annual accounting if the beneficiary fails to take
8 any action. If a beneficiary has previously been provided the
9 notice required by this section, additional notice shall not
10 be required due to a change of trustees or a change in the
11 composition of the qualified beneficiaries.

12 Sec. 74. Section 724.26, as amended by 2002 Iowa Acts,
13 House File 2363, section 4, is amended to read as follows:

14 724.26 POSSESSION, RECEIPT, TRANSPORTATION, OR DOMINION
15 AND CONTROL OF FIREARMS AND OFFENSIVE WEAPONS BY FELONS.

16 A person who is convicted of a felony in a state or federal
17 court, or who is adjudicated delinquent on the basis of
18 conduct that would constitute a felony if committed by an
19 adult, and who knowingly has under the person's dominion and
20 control or possession, or receives, or transports or causes to
21 be transported a firearm or offensive weapon is guilty of a
22 class "D" felony.

23 Sec. 75. 2001 Iowa Acts, chapter 174, section 1,
24 subsection 1, unnumbered paragraph 3, as enacted by 2002 Iowa
25 Acts, Senate File 2315, section 4, is amended to read as
26 follows:

27 For the fiscal year beginning July 1, 2002, and ending June
28 30, 2003, of the \$75,000,000 to be deposited in the endowment
29 for Iowa's health account of the tobacco settlement trust fund
30 under this subsection, ~~the-first~~ \$20,000,000 is appropriated
31 to the department of management to pay that part of foundation
32 aid which represents the allowable growth amounts for all
33 school districts. An appropriation from the general fund of
34 the state for foundation aid which is supplanted by the
35 appropriation made in this subsection, shall be reduced by the

1 amount of the appropriation which supplants it.

2 Sec. 76. 2002 Iowa Acts, Senate File 348, section 14, if
3 enacted, is amended to read as follows:

4 SEC. 14. EXPEDITED APPLICATION PROCEDURE. The state board
5 of education shall develop an expedited charter school
6 application procedure for the fiscal year beginning July 1,
7 ~~2003~~ 2002, for purposes of receiving federal planning funds
8 issued pursuant to the federal Elementary and Secondary
9 Education Act of 1965, Title X, Part C, as codified in 20
10 U.S.C. § 8061-8067.

11 Sec. 77. 2002 Iowa Acts, Senate File 2326, section 38,
12 subsection 2, if enacted, is amended to read as follows:

13 2. If House File ~~2524~~ 2617 is enacted by the Seventy-ninth
14 General Assembly, 2002 Session, the amount appropriated in
15 subsection 1 shall be increased by \$38,000. The increased
16 amount shall be used to fill a vacant position in the dairy
17 products control bureau.

18 Sec. 78. 2002 Iowa Acts, Senate File 2326, section 175,
19 subsection 2, unnumbered paragraph 2, if enacted, is amended
20 to read as follows:

21 If total approved claims for reimbursement for nonpublic
22 school pupil transportation claims exceed the amount
23 appropriated in this ~~section~~ subsection, the department of
24 education shall prorate the amount of each claim.

25 Sec. 79. 2002 Iowa Acts, House File 2453, section 6, if
26 enacted, is repealed.

27 Sec. 80. EFFECTIVE DATE. The sections in this division of
28 this Act amending new Code section 29A.90, subsection 3, and
29 2002 Iowa Acts, Senate File 348, section 14, being deemed of
30 immediate importance, take effect upon enactment.

31 Sec. 81. CONTINGENT EFFECTIVE DATE. The section in this
32 division of this Act amending section 524.814 is effective
33 contingent upon the enactment of 2002 Iowa Acts, House File
34 681.

35

DIVISION IV

1 MH/MR/DD -- FY 2003-2004 ALLOWED GROWTH
2 Sec. 82. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
3 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT
4 AND ALLOCATIONS -- FISCAL YEAR 2003-2004. There is
5 appropriated from the general fund of the state to the
6 department of human services for the fiscal year beginning
7 July 1, 2003, and ending June 30, 2004, the following amount,
8 or so much thereof as is necessary, to be used for the purpose
9 designated:

10 For distribution to counties of the county mental health,
11 mental retardation, and developmental disabilities allowed
12 growth factor adjustment, as provided in this section in lieu
13 of the provisions of section 331.438, subsection 2, and
14 section 331.439, subsection 3, and chapter 426B:

15 \$ 19,073,638

16 1. The funding appropriated in this section is the allowed
17 growth factor adjustment for fiscal year 2003-2004, and is
18 allocated as follows:

19 a. For distribution as provided in this section:

20 \$ 17,073,638

21 b. For deposit in the risk pool created in the property
22 tax relief fund and for distribution in accordance with
23 section 426B.5, subsection 2:

24 \$ 2,000,000

25 2. The following formula amounts shall be utilized only to
26 calculate preliminary distribution amounts for fiscal year
27 2003-2004 under this section by applying the indicated formula
28 provisions to the formula amounts and producing a preliminary
29 distribution total for each county:

30 a. For calculation of an allowed growth factor adjustment
31 amount for each county in accordance with the formula in
32 section 331.438, subsection 2, paragraph "b":

33 \$ 12,000,000

34 b. For calculation of a distribution amount for eligible
35 counties from the per capita expenditure target pool created

1 in the property tax relief fund in accordance with the
2 requirements in section 426B.5, subsection 1:
3 \$ 12,492,712

4 c. For calculation of a distribution amount for counties
5 from the mental health and developmental disabilities (MH/DD)
6 community services fund in accordance with the formula
7 provided in 2002 Iowa Acts, Senate File 2326, section 119,
8 subsection 1:

9 \$ 18,127,352

10 3. Notwithstanding any contrary provisions of sections
11 225C.7, 331.438, subsection 2, 331.439, subsection 3, and
12 426B.5, the moneys allocated for distribution in subsection 1,
13 paragraph "b", and in any other Act of the Eightieth General
14 Assembly, 2003 Session, for distribution to counties in the
15 fiscal year beginning July 1, 2003, for purposes of the mental
16 health and developmental disabilities (MH/DD) community
17 services fund under section 225C.7, and for the allowed growth
18 factor adjustment for services paid under a county's section
19 331.424A mental health, mental retardation, and developmental
20 disabilities services fund and as calculated under subsection
21 2 to produce preliminary distribution amounts for counties
22 shall be subject to withholding as provided in this section.

23 4. After applying the applicable statutory distribution
24 formulas to the amounts indicated in subsection 2 for purposes
25 to produce preliminary distribution totals, the department of
26 human services shall apply a withholding factor to adjust an
27 eligible individual county's preliminary distribution total.
28 An ending balance percentage for each county shall be
29 determined by expressing the county's ending balance on a
30 modified accrual basis under generally accepted accounting
31 principles for the fiscal year beginning July 1, 2002, in the
32 county's mental health, mental retardation, and developmental
33 disabilities services fund created under section 331.424A, as
34 a percentage of the county's gross expenditures from that fund
35 for that fiscal year. The withholding factor for a county

1 shall be the following applicable percent:

2 a. For an ending balance percentage of less than 10
3 percent, a withholding factor of 0 percent.

4 b. For an ending balance percentage of 10 through 24
5 percent, a withholding factor of 25 percent.

6 c. For an ending balance percentage of 25 through 34
7 percent, a withholding factor of 60 percent.

8 d. For an ending balance percentage of 35 through 44
9 percent, a withholding factor of 85 percent.

10 e. For an ending balance percentage of 45 percent or more,
11 a withholding factor of 100 percent.

12 5. The total withholding amounts applied pursuant to
13 subsection 4 shall be equal to a withholding target amount of
14 \$7,419,074 and the appropriation enacted by the Eightieth
15 General Assembly, 2003 Session, for the MH/DD community
16 services fund shall be reduced by the amount necessary to
17 attain the withholding target amount. If the department of
18 human services determines that the amount to be withheld in
19 accordance with subsection 4 is not equal to the target
20 withholding amount, the department shall adjust the
21 withholding factors listed in subsection 4 as necessary to
22 achieve the withholding target amount. However, in making
23 such adjustments to the withholding factors, the department
24 shall strive to minimize changes to the withholding factors
25 for those ending balance percentage ranges that are lower than
26 others and shall not adjust the zero withholding factor
27 specified in subsection 4, paragraph "a".

28 6. A county must comply with both the requirements listed
29 in this subsection to be eligible to receive a funding
30 distribution under this section. The amount that would
31 otherwise be available for distribution to a county that fails
32 to so comply shall be proportionately distributed among the
33 eligible counties. Both of the following requirements are
34 applicable:

35 a. A county must comply with the December 1, 2003, filing

1 deadline for the county annual financial report in accordance
2 with section 331.403.

3 b. A county must levy the not less than 70 percent of the
4 maximum amount allowed for the county's mental health, mental
5 retardation, and developmental disabilities services fund
6 under section 331.424A for taxes due and payable in the fiscal
7 year beginning July 1, 2003.

8 7. The department of human services shall authorize the
9 issuance of warrants payable to the county treasurer for the
10 distribution amounts due the counties eligible under this
11 section and notwithstanding prior practice for the MH/DD
12 community services fund, the warrants shall be issued in
13 January 2004.

14 EXPLANATION

15 DIVISION I - Division I of this bill relates to and
16 appropriates moneys for the fiscal year beginning July 1,
17 2002, to fund salary adjustments for employees subject to
18 collective bargaining agreements, and certain noncontract
19 employees. Division I provides the funding from the transfer
20 of a percentage of the proceeds received by the state board of
21 regents as a result of the principal mutual holding company's
22 demutualization.

23 Division I allocates appropriations to the state board of
24 regents to fund its collective bargaining agreements and
25 provide merit employees not covered by a collective bargaining
26 agreement with increases comparable to similar contract-
27 covered employees and faculty and the professional and
28 scientific employees not covered under a collective bargaining
29 agreement with a percentage increase similar to the university
30 of northern Iowa faculty bargaining unit.

31 Division I allocates moneys to the judicial branch to fund
32 salary increases for judges, justices, and magistrates and for
33 increases for other judicial branch employees. The salary
34 increases amount to 3 percent but do not begin until December
35 20, 2002.

1 Division I allocates moneys to fund collective bargaining
2 agreements and similar percentage increases for noncontract
3 state employees but the noncontract employees' increase does
4 not begin until October 25, 2002.

5 Division I also provides supplemental authorization to fund
6 salaries from trust, revolving, and special funds for which
7 the general assembly has established a budget.

8 Division I funds salary model coordinator, to maintain, in
9 conjunction with the legislative fiscal bureau, the state's
10 salary model.

11 Division I provides for the collection of a surcharge on
12 the state employee's share of the health insurance premium
13 cost to the state's share of the terminal liability of the
14 existing Wellmark health insurance contract. The health
15 insurance plans of the state police officers council
16 collective bargaining unit are exempt from the surcharge.

17 DIVISION II - Division II makes statutory changes to the
18 Code as follows:

19 Code section 8.63(4) is amended to eliminate a standing
20 appropriation to agencies to pay off their loans to the
21 innovations fund if the agency project results in a net
22 increase to the general fund of the state.

23 Code section 12.21, concerning the authority of the
24 treasurer of state to enter into an agreement with a financial
25 institution or credit card processor to provide credit card
26 receipt processing for state departments, is amended to
27 provide that any credit card charges shall be considered to be
28 part of the payment due and any charges paid shall be paid
29 from the aggregate fees collected by the state agency.

30 Code sections 14B.203(3), 14B.205, 15.108(9), 421.17(31),
31 421.17(34), and 455A.4(5) are amended to reflect the
32 amendments to Code section 12.21.

33 Code section 15E.112 is amended to allow moneys in the
34 value-added agricultural products and process financial
35 assistance fund to be used for administration of the fund.

1 Code section 18.75 is amended to provide that the
2 legislative service bureau shall solicit and process orders
3 for the distribution of state publications produced by the
4 bureau.

5 Code section 18.97A is amended to provide that the
6 governor, supreme court, and legislative council shall control
7 the number of state publications distributed by the
8 legislative service bureau to recipients in their respective
9 branches.

10 Code section 101.24, new subsection 5, is enacted to
11 provide that a tank manufactured for aboveground use at a tank
12 site that meets the requirements for the regular venting of
13 the tank in case of fire to relieve excessive internal
14 pressure caused by fire exposure and has notified the state
15 fire marshal of the existence of the tank, its age, type, and
16 uses shall be considered the equivalent of underwriters
17 laboratory rated tanks.

18 New Code section 239B.2A is enacted to make eligible for
19 the family investment program a conditional resident alien who
20 was battered or subject to extreme cruelty or whose child was
21 battered or subject to extreme cruelty by a person who is a U.
22 S. citizen or lawful permanent resident.

23 Code section 249A.3, relating to an optional category
24 covered under the medical assistance program for persons with
25 disabilities who have earned income, is amended. Current law
26 provides one option, whereas the amendment provides an
27 additional, alternative two-part option. The two-part option
28 is subject to a contingent effectiveness provision so that the
29 option only takes effect if the department of human services
30 does not win its appeal against the federal centers for
31 Medicare and Medicaid services.

32 Code section 256.67 is amended to correct a reference to a
33 library service area.

34 Code section 260G.4B amends the accelerated career
35 education program by reducing the total amount of program job

1 credits from all employers during the 2002-2003 fiscal year
2 from \$6 million to \$3 million.

3 Code section 368.4 is amended to specify that a city's
4 notice of the hearing on annexation shall be served by regular
5 mail.

6 New Code section 368.26, relating to annexing moratorium,
7 is amended to strike an incorrect reference and specifies that
8 the "municipal services" to be provided in an annexed area
9 must be within the legal authority of the annexing city.

10 Code section 476.97 is amended to permit the utilities
11 board 180 days to consider certain rate changes, with one 60-
12 day extension possible.

13 Code section 514I.5 is amended to provide that the members
14 of the hawk-i board, who are appointed by the governor, are to
15 serve two-year staggered terms as designated by the governor.

16 The Code section 541A.1 definition of an individual
17 development account is amended to include a financial
18 instrument certified by an operating organization to comply
19 with federal requirements involving state and federal funds
20 deposited to match account holder deposits, including two
21 existing federal programs. Under current law, Code section
22 541A.3 provides that a state savings refund must be paid
23 directly to an account holder's account. The bill allows for
24 payment of the state savings refund to an operating
25 organization's central reserve account for later distribution
26 to an account holder's account.

27 Code section 556.12 is amended to provide that the annual
28 publication of lists of unclaimed property by the treasurer of
29 state shall not be done between September 10 and November 10
30 of each year. Under current law, the treasurer is required to
31 make the annual publication no later than November 30.

32 Code section 602.1302(3) is amended to permit the cost of
33 summoning jurors to be paid from a revolving fund established
34 in Code section 602.1302.

35 Code section 602.8108(5) is amended to eliminate the

1 requirement that 20 percent of the court technology and
2 modernization fund be used for alternative dispute resolution
3 and methods to resolve domestic abuse. The amendment also
4 permits the fund to be used for the Iowa court information
5 system.

6 Code section 904.108 is amended to provide that the
7 department of corrections shall maintain a correctional
8 training program, but the program does not necessarily need to
9 be located at the Mount Pleasant correctional facility.

10 A section of this division amends 2001 Iowa Acts, chapter
11 182, section 7, subsection 2, to allow the Iowa veterans home
12 to retain certain moneys which exceed the amount budgeted in
13 the fiscal year beginning July 1, 2001, and ending June 30,
14 2002, that remain unencumbered or unobligated at the close of
15 that fiscal year.

16 A section of the division directs the department of
17 cultural affairs to identify an appropriate location in the
18 state capitol for a plaque honoring Iowa recipients of the
19 congressional medal of honor.

20 A section of this division requires the departments of
21 general services, management, personnel, and information
22 technology in studying reorganization and identifying
23 duplicative positions to consult with the affected agencies
24 and to consider previous studies.

25 A section of this division provides for transitional
26 language involving the implementation of the relocation of the
27 unit for commitment of sexually violent predators from Oakdale
28 to the state mental health institute at Cherokee.

29 A section of this division requires the departments of
30 agriculture and land stewardship and natural resources to
31 submit quarterly written reports on their expenditures and
32 FTEs allocated for the previous quarter.

33 A section of this division increases the FTEs authorized
34 for the Iowa public employees' retirement system division by
35 two FTEs.

1 A section of this division amends an appropriation made to
2 the office of the treasurer of state by reducing the
3 authorized FTEs from 2.00 to 1.00 for the purpose of carrying
4 out the requirements of House File 681 if enacted.

5 Two sections of this division eliminate the extension of
6 the scope of practice review committee and references to the
7 committee under an appropriation to the Iowa department of
8 public health in Senate File 2326.

9 A section of this division affects the county mental
10 health, mental retardation, and developmental disabilities
11 (MH/MR/DD) allowed growth factor adjustment for fiscal year
12 2002-2003. Under Code section 331.439, the statute
13 establishing the adjustment must be enacted during the fiscal
14 year in progress two years prior to the fiscal year to which
15 the adjustment is applicable. The section amends the
16 provisions for distribution of the adjustment if enacted in
17 Senate File 2326 during the 2002 legislative session for
18 fiscal year 2002-2003.

19 Under 2001 Iowa Acts, chapter 176, the growth factor
20 adjustment for fiscal year 2002-2003 was to be distributed by
21 law in lieu of the distribution formula in Code sections
22 331.438 and 331.439. The division also includes the
23 appropriation for the MH/DD community services fund in the
24 distribution formula. The division provides allocation
25 amounts to be used for calculating preliminary distribution
26 amounts in accordance with statutory formulas. After a
27 preliminary amount is determined using the formulas, a
28 withholding amount is applied, based upon a county's MH/DD
29 community services fund balance at the close of the previous
30 fiscal year. A county must comply with a financial reporting
31 deadline and levy the maximum allowable amount to be eligible
32 to receive a distribution.

33 One section of this division directs that some of the
34 moneys appropriated for medical assistance be used as state
35 matching funds for participation in a federal telecare pilot

1 program.

2 A section of this division amends Senate File 2326 to limit
3 the amount of riverboat and racetrack enforcement costs that
4 may be billed to the riverboats and racetracks to a specified
5 amount in excess of the amount billed in the fiscal year
6 beginning July 2001.

7 Two sections of this division relate to the standing
8 appropriation for public transit assistance for two different
9 fiscal years. One section removes the amount appropriated
10 from Senate File 2326 and the other section provides for a
11 reduction by a specified amount of the standing appropriation.

12 Code chapter 2A is repealed. This chapter establishes the
13 commission on compensation, expenses, and salaries for elected
14 state officials.

15 DIVISION III - Division III contains corrective amendments
16 to Code and session law provisions enacted or amended in bills
17 passed earlier in the 2002 legislative session or in the first
18 2001 special session.

19 Code section 8.55 is amended to correct a grammatical
20 mistake and to refer to multiple amounts rather than a single
21 amount being transferred from the economic emergency fund to
22 other funds.

23 Code section 10D.1 is amended to correctly state that the
24 new Code chapter 10D definitions, relating to the holding of
25 agricultural land by qualified enterprises involved in baby
26 chick and fertilized egg production, are applicable to the
27 chapter rather than just the definitional section itself.

28 Code sections 15E.42 and 15E.43 are amended to correctly
29 refer to the defined term "qualifying business" rather than
30 "qualified business" in the new Code provisions relating to
31 investment tax credits.

32 Code section 15E.224 is amended to correctly refer to the
33 venture capital investment fund allocation manager for the
34 Iowa fund of funds.

35 Code section 29A.90, new subsection 3, is amended to

1 clarify that the effective date referred to is the effective
2 date of the division that enacts subsection 3 since there are
3 different effective dates for the various divisions of the
4 Act.

5 Code section 41.1 is amended to correct the legal
6 description of the twenty-eighth house district as passed in
7 the first 2001 special session. The correction does not
8 affect population statistics for the house district.

9 Code section 53.7 is amended to correct grammatical errors
10 describing unlawful solicitations or requests for absentee
11 ballots.

12 New Code section 303A.7 is amended to correctly refer to
13 the office of the treasurer of state.

14 New Code section 356.36A is amended to include a reference
15 to another Code chapter for which reports on the needs of
16 jails established pursuant to that chapter are to apply.

17 Code section 359.49 is amended to correctly refer to a
18 municipality's provision to a township of either fire
19 protection service or emergency medical service in return for
20 receipt of a portion of township taxes.

21 Code section 524.814 is amended to permit an Iowa state
22 bank to lend or pledge its securities for the account of its
23 affiliate in order to provide collateral for the public funds
24 of the affiliate. This provision is contingent upon the
25 enactment of House File 681.

26 Code section 633.4213 is amended to correct a grammatical
27 error relating to a qualified beneficiary of a trust and the
28 beneficiary's right to receive an annual accounting and a copy
29 of the trust instrument.

30 Code section 724.26, relating to possession of a firearm by
31 a felon, is amended to correct a grammatical error by striking
32 an unnecessary conjunction.

33 A new session law paragraph enacted in 2002 legislation is
34 amended to delete the words "the first" in relation to an
35 appropriation of moneys from gambling revenues flowing through

1 the tobacco settlement trust fund to pay school foundation aid
2 relating to allowable growth.

3 A section of this division corrects the fiscal year from
4 July 1, 2003, to July 1, 2002, to which applies the state
5 board of education's expedited charter school application
6 procedure for purposes of receiving federal funds.

7 A provision in an appropriations bill that increases the
8 amount of the appropriation contingent upon the enactment of
9 House File 2524 is amended to change the reference to the
10 enactment of House File 2617 since House File 2524 was passed
11 out of committee and the bill number was changed.

12 A provision in an appropriation bill that relates to the
13 proration of each claim for reimbursement for nonpublic school
14 pupils transportation claims is amended to change reference
15 from "section" to "subsection".

16 A section of this division, enacted in 2002 and related to
17 the state medical examiner, is repealed since the bill section
18 no longer contains any change to the Code section set out in
19 the bill section.

20 Division IV makes an appropriation and establishes the
21 allowed mental health, mental retardation, and developmental
22 disabilities growth factor adjustment for fiscal year 2003-
23 2004 and distributes the appropriation in a similar manner as
24 the bill provides for fiscal year 2002-2003.

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SENATE FILE 2331

S-5506

1 Amend Senate File 2331 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "DIVISION I

5 COMPENSATION AND BENEFITS

6 Section 1.

7 1. STATE BOARD OF REGENTS DEMUTUALIZATION PROCEEDS
8 AND UNDERGROUND STORAGE TANK FUND TRANSFERS.

9 a. The state board of regents shall transfer by
10 June 1, 2002, to the treasurer of state for deposit in
11 the salary adjustment fund the sum of \$30,000,000 from
12 the proceeds received by the state board of regents as
13 a result of the demutualization of the principal
14 mutual holding company. The amount transferred
15 represents the portion of the funds utilized by the
16 state board of regents institutions for employer
17 contributions toward the premiums on insurance
18 policies which were paid from state general fund
19 appropriations for previous fiscal years.

20 b. Notwithstanding section 455G.3, subsection 1,
21 on July 1, 2002, \$11,100,000 is transferred from the
22 Iowa comprehensive petroleum underground storage tank
23 fund created in section 455G.3, subsection 1, to the
24 salary adjustment fund.

25 2. COLLECTIVE BARGAINING AGREEMENTS FUNDED --
26 REGENTS DEMUTUALIZATION PROCEEDS -- UNDERGROUND
27 STORAGE TANK FUND TRANSFER. The state board of
28 regents demutualization proceeds and underground
29 storage tank fund moneys transferred pursuant to
30 subsection 1 to the salary adjustment fund are
31 appropriated and shall be distributed by the
32 department of management to the various state
33 departments, boards, commissions, councils, and
34 agencies, including the state board of regents, for
35 the fiscal year beginning July 1, 2002, and ending
36 June 30, 2003, in the amount of \$41,100,000, or so
37 much thereof as may be necessary, to fully fund the
38 following annual pay adjustments, expense
39 reimbursements, and related benefits:

40 a. The collective bargaining agreement negotiated
41 pursuant to chapter 20 for employees in the blue
42 collar bargaining unit.

43 b. The collective bargaining agreement negotiated
44 pursuant to chapter 20 for employees in the public
45 safety bargaining unit.

46 c. The collective bargaining agreement negotiated
47 pursuant to chapter 20 for employees in the security
48 bargaining unit.

49 d. The collective bargaining agreement negotiated
50 pursuant to chapter 20 for employees in the technical

S-5506

S-5506

Page 2

1 bargaining unit.

2 e. The collective bargaining agreement negotiated
3 pursuant to chapter 20 for employees in the
4 professional fiscal and staff bargaining unit.

5 f. The collective bargaining agreement negotiated
6 pursuant to chapter 20 for employees in the university
7 of northern Iowa faculty bargaining unit.

8 g. The collective bargaining agreement negotiated
9 pursuant to chapter 20 for employees in the clerical
10 bargaining unit.

11 h. The collective bargaining agreement negotiated
12 pursuant to chapter 20 for employees in the
13 professional social services bargaining unit.

14 i. The collective bargaining agreement negotiated
15 pursuant to chapter 20 for employees in the community-
16 based corrections bargaining unit.

17 j. The collective bargaining agreement negotiated
18 pursuant to chapter 20 for employees in the judicial
19 branch of government bargaining unit.

20 k. The collective bargaining agreement negotiated
21 pursuant to chapter 20 for employees in the patient
22 care bargaining unit.

23 l. The collective bargaining agreement negotiated
24 pursuant to chapter 20 for employees in the science
25 bargaining unit.

26 m. The collective bargaining agreement negotiated
27 pursuant to chapter 20 for employees in the state
28 university of Iowa graduate student bargaining unit.

29 n. The collective bargaining agreement negotiated
30 pursuant to chapter 20 for employees in the state
31 university of Iowa hospital and clinics tertiary
32 health care bargaining unit.

33 o. The annual pay adjustments, related benefits,
34 and expense reimbursements referred to in sections 2
35 and 3 of this division of this Act for employees not
36 covered by a collective bargaining agreement.

37 3. In distributing moneys from the salary
38 adjustment fund, the department of management shall
39 take into consideration the special circumstances of
40 those state institutions operating under the net
41 general fund appropriation budgeting system so that
42 such institutions are not adversely affected because
43 of the use of that budgeting system.

44 Sec. 2. NONCONTRACT STATE EMPLOYEES -- GENERAL.

45 1. a. For the fiscal year beginning July 1, 2002,
46 the maximum salary levels of all pay plans provided
47 for in section 19A.9, subsection 2, as they exist for
48 the fiscal year ending June 30, 2002, shall be
49 increased by 3 percent for the pay period beginning
50 October 25, 2002, and any additional changes in the

S-5506

S-5506

Page 3

1 pay plans shall be approved by the governor.

2 b. For the fiscal year beginning July 1, 2002,
3 employees may receive a step increase or the
4 equivalent of a step increase.

5 2. The pay plans for state employees who are
6 exempt from chapter 19A and who are included in the
7 department of revenue and finance's centralized
8 payroll system shall be increased in the same manner
9 as provided in subsection 1, and any additional
10 changes in any executive branch pay plans shall be
11 approved by the governor.

12 3. This section does not apply to members of the
13 general assembly, board members, commission members,
14 salaries of persons set by the general assembly
15 pursuant to this division of this Act or salaries of
16 appointed state officers set by the governor, other
17 persons designated, employees designated under section
18 19A.3, subsection 5, and employees covered by 581 IAC
19 4.6(3).

20 4. The pay plans for the bargaining eligible
21 employees of the state shall be increased in the same
22 manner as provided in subsection 1, and any additional
23 changes in such executive branch pay plans shall be
24 approved by the governor. As used in this section,
25 "bargaining eligible employee" means an employee who
26 is eligible to organize under chapter 20, but has not
27 done so.

28 5. The policies for implementation of this section
29 shall be approved by the governor.

30 Sec. 3. STATE EMPLOYEES -- STATE BOARD OF REGENTS.
31 Funds from the appropriation in section 1, subsection
32 2 of this division of this Act, not to exceed
33 \$25,000,000, shall be allocated to the state board of
34 regents for the purposes of providing increases for
35 state board of regents employees covered by section 1
36 of this division of this Act and for state board of
37 regents employees not covered by a collective
38 bargaining agreement as follows:

39 1. For regents merit system employees and merit
40 supervisory employees to fund for the fiscal year,
41 increases comparable to those provided for similar
42 contract-covered employees in this division of this
43 Act.

44 2. For faculty members and professional and
45 scientific employees to fund for the fiscal year,
46 percentage increases comparable to those provided for
47 contract-covered employees in section 1, subsection 2,
48 paragraph "f", of this division of this Act.

49 Sec. 4. STATE COURTS -- JUSTICES, JUDGES, AND
50 MAGISTRATES.

S-5506

S-5506

Page 4

1 1. Funds from the appropriation in section 1,
 2 subsection 2 of this division of this Act, not to
 3 exceed \$4,000,000, shall be allocated to the judicial
 4 branch for the purpose of providing increases in
 5 salaries for state judges, justices, and magistrates
 6 and for increases for other judicial branch employees.
 7 The salary rates specified in subsection 2 are for the
 8 fiscal year beginning July 1, 2002, effective for the
 9 pay period beginning December 20, 2002, and for
 10 subsequent fiscal years until otherwise provided by
 11 the general assembly.

12 2. The following annual salary rates shall be paid
 13 to the persons holding the judicial positions
 14 indicated during the fiscal year beginning July 1,
 15 2002, effective with the pay period beginning December
 16 20, 2002, and for subsequent pay periods.

17	a. Chief justice of the supreme court:		
18	.....	\$	124,550
19	b. Each justice of the supreme court:		
20	.....	\$	120,100
21	c. Chief judge of the court of appeals:		
22	.....	\$	119,980
23	d. Each associate judge of the court of appeals:		
24	.....	\$	115,540
25	e. Each chief judge of a judicial district:		
26	.....	\$	114,470
27	f. Each district judge except the chief judge of a		
28	judicial district:		
29	.....	\$	109,810
30	g. Each district associate judge:		
31	.....	\$	95,700
32	h. Each associate juvenile judge:		
33	.....	\$	95,700
34	i. Each associate probate judge:		
35	.....	\$	95,700
36	j. Each judicial magistrate:		
37	.....	\$	28,530
38	k. Each senior judge:		
39	.....	\$	6,370

40 3. Persons receiving the salary rates established
 41 under subsection 2 shall not receive any additional
 42 salary adjustments provided by this division of this
 43 Act.

44 Sec. 5. APPROPRIATIONS FROM ROAD FUNDS.

45 1. There is appropriated from the road use tax
 46 fund to the salary adjustment fund for the fiscal year
 47 beginning July 1, 2002, and ending June 30, 2003, the
 48 following amount, or so much thereof as may be
 49 necessary, to be used for the purpose designated:

50 To supplement other funds appropriated by the

S-5506

Page 5

1 general assembly:

2 \$ 1,588,368

3 2. There is appropriated from the primary road
4 fund to the salary adjustment fund, for the fiscal
5 year beginning July 1, 2002, and ending June 30, 2003,
6 the following amount, or so much thereof as may be
7 necessary, to be used for the purpose designated:

8 To supplement other funds appropriated by the
9 general assembly:

10 \$ 8,627,499

11 3. Except as otherwise provided in this division
12 of this Act, the amounts appropriated in subsections 1
13 and 2 shall be used to fund the annual pay
14 adjustments, expense reimbursements, and related
15 benefits for public employees as provided in this
16 division of this Act.

17 Sec. 6. SPECIAL FUNDS -- AUTHORIZATION. For
18 departmental revolving, trust, or special funds,
19 except for the primary road fund or the road use tax
20 fund, for which the general assembly has established
21 an operating budget, a supplemental expenditure
22 authorization is provided, unless otherwise provided,
23 in an amount necessary to fund salary adjustments, as
24 provided in this division of this Act.

25 Sec. 7. GENERAL FUND SALARY MONEYS. Funds
26 appropriated for distribution from the salary
27 adjustment fund in section 1, subsection 2 of this
28 division of this Act relate only to salaries supported
29 from general fund appropriations of the state except
30 for employees of the state board of regents. The
31 funds allocated in this division of this Act for
32 employees of the state board of regents shall exclude
33 general university indirect costs and general
34 university federal funds.

35 Sec. 8. FEDERAL FUNDS APPROPRIATED. For the
36 fiscal year beginning July 1, 2002, and ending June
37 30, 2003, all federal grants to and the federal
38 receipts of the agencies affected by this division of
39 this Act which are received and may be expended for
40 purposes of this division of this Act are appropriated
41 for those purposes and as set forth in the federal
42 grants or receipts.

43 Sec. 9. STATE TROOPER MEAL ALLOWANCE. For the
44 fiscal year beginning July 1, 2002, and ending June
45 30, 2003, the sworn peace officers in the department
46 of public safety who are not covered by a collective
47 bargaining agreement negotiated pursuant to chapter 20
48 shall receive the same per diem meal allowance as the
49 sworn peace officers in the department of public
50 safety who are covered by a collective bargaining

S-5506

Page 6

1 agreement negotiated pursuant to chapter 20.

2 Sec. 10. SALARY MODEL COORDINATOR. Of the funds
3 appropriated in section 1, subsection 2, of this
4 division of this Act, \$126,767 for the fiscal year
5 beginning July 1, 2002, is allocated to the department
6 of management for salary and support of the salary
7 model coordinator who shall work in conjunction with
8 the legislative fiscal bureau to maintain the state's
9 salary model used for analyzing, comparing, and
10 projecting state employee salary and benefit
11 information, including information relating to
12 employees of the state board of regents. The
13 department of revenue and finance, the department of
14 personnel, the five institutions under the
15 jurisdiction of the state board of regents, the
16 judicial district departments of correctional
17 services, and the state department of transportation
18 shall provide salary data to the department of
19 management and the legislative fiscal bureau to
20 operate the state's salary model. The format and
21 frequency of provision of the salary data shall be
22 determined by the department of management and the
23 legislative fiscal bureau. The information shall be
24 used in collective bargaining processes under chapter
25 20 and in calculating the funding needs contained
26 within the annual salary adjustment legislation. A
27 state employee organization as defined in section
28 20.3, subsection 4, may request information produced
29 by the model, but the information provided shall not
30 contain information attributable to individual
31 employees.

32 Sec. 11. HEALTH INSURANCE INCENTIVE PROGRAMS. For
33 the fiscal year beginning July 1, 2002, and ending
34 June 30, 2003, the department of revenue and finance
35 shall administer the health insurance incentive
36 programs as contained in the collective bargaining
37 agreements. The incentive payment shall be
38 distributed in the paycheck of an eligible state
39 employee if the employee is employed by a central
40 state agency. Each judicial district department of
41 correctional services and the state board of regents
42 shall provide monthly to the department of revenue and
43 finance a list of their employee counts by benefit
44 plan that qualify for the incentive and the amount of
45 the incentive due. The judicial district department
46 of correctional services and the state board of
47 regents shall include the amount of the incentive
48 payment in their eligible employees' paychecks as soon
49 as the payment is administratively practical.

50 Sec. 12. TERMINAL LIABILITY HEALTH INSURANCE

S-5506

S-5506

Page 7

1 SURCHARGE. For the period beginning July 1, 2002, and
2 ending January 3, 2003, the department of personnel
3 shall include in the rates for the Wellmark Blue
4 Cross/Blue Shield Program 3 Plus, Wellmark Blue
5 Cross/Blue Shield Program 3 plus with a comprehensive
6 major medical overlay, and Iowa Select Preferred
7 Provider Organization health insurance plans a
8 surcharge, as determined by the department of
9 management, on only the employer's share of the health
10 insurance premium cost to fund the state's share of
11 the terminal liability of the existing Wellmark health
12 insurance contract. The department of revenue and
13 finance shall collect the surcharge from state
14 agencies, the state fair board, state board of
15 regents, and the judicial district departments of
16 correctional services. The proceeds of the surcharge
17 shall be credited to the terminal liability health
18 insurance fund created in section 421.46. The health
19 insurance plans provided to state employees covered by
20 the state police officers council collective
21 bargaining agreement are exempt from the surcharge
22 provided in this section.

23 Sec. 13. 2002 Iowa Acts, Senate File 2304, section
24 21, subsection 3, is amended to read as follows:

25 3. As part of implementing the reduction made in
26 subsection 1, notwithstanding the annual salary rates
27 authorized for justices, judges, and magistrates in
28 2001 Iowa Acts, chapter 190, section 1, for the fiscal
29 year beginning July 1, 2001, those salary rates shall
30 be reduced by applying a 5 percent reduction to the
31 portion of annual salary attributable to the period
32 beginning on the effective date of this Act through
33 June ~~30~~ 20, 2002. Subsection 2 does not apply to
34 justices, judges, and magistrates subject to this
35 subsection.

36 Sec. 14. 2002 Iowa Acts, Senate File 2304, section
37 25, subsections 3 and 4, are amended to read as
38 follows:

39 3. As part of implementing the reduction made in
40 this section, notwithstanding the annual salary rates
41 authorized for elective executive branch officials in
42 2000 Iowa Acts, chapter 1219, section 3, for the
43 fiscal year beginning July 1, 2001, the salary rates
44 for such officials shall be reduced by applying a 5
45 percent reduction to the portion of annual salary
46 attributable to the period beginning on the effective
47 date of this Act through June ~~30~~ 20, 2002. Subsection
48 2 does not apply to elective executive branch
49 officials subject to this subsection.

50 4. As part of implementing the reduction made in

S-5506

S-5506

Page 8

1 this section, notwithstanding the annual salaries
2 established under 2001 Iowa Acts, chapter 190, section
3 3, for the fiscal year beginning July 1, 2001, each of
4 those salaries shall be reduced by applying a 5
5 percent reduction to the portion of the salary
6 attributable to the period beginning on the effective
7 date of this Act through June ~~30~~ 20, 2002. Subsection
8 2 does not apply to appointed executive branch
9 officers subject to this subsection.

10 Sec. 15. Section 421.46, subsection 2, Code
11 Supplement 2001, is amended by striking the
12 subsection.

13 Sec. 16. EFFECTIVE DATE. Section 1, subsection 1
14 of this Act relating to the state board of regents
15 demutualization proceeds transfer, being deemed of
16 immediate importance, takes effect upon enactment.

DIVISION II

STATUTORY AND SESSION LAW CHANGES

19 Sec. 17. Section 8.63, subsection 4, Code 2001, is
20 amended to read as follows:

21 4. ~~a.~~ In order for the innovations fund to be
22 self-supporting, the innovations fund committee shall
23 establish repayment schedules for each innovation fund
24 loan awarded. Agencies shall repay the funds over a
25 period not to exceed five years with interest, at a
26 rate to be determined by the innovations fund
27 committee.

28 ~~b. If the department of management and the
29 department of revenue and finance certify that the
30 savings from a proposed innovations fund project will
31 result in a net increase in the balance of the general
32 fund of the state without a corresponding cost savings
33 to the requesting agency, and if the requesting agency
34 meets all other eligibility requirements, the
35 innovations fund committee may approve the loan for
36 the project and not require repayment by the
37 requesting agency. There is appropriated from the
38 general fund of the state to the department of revenue
39 and finance an amount sufficient to repay the loan
40 amount.~~

41 Sec. 18. Section 12.21, Code 2001, is amended to
42 read as follows:

43 12.21 ACCEPTING CREDIT CARD PAYMENTS.

44 1. The treasurer of state may enter into an
45 agreement with a financial institution or other credit
46 card processor to provide credit card receipt
47 processing for state departments which are authorized
48 by the treasurer of state to accept payment by credit
49 card.

50 2. A department ~~which accepts~~ authorized by the

S-5506

S-5506

Page 9

1 treasurer of state to accept payment by credit card
2 ~~payments~~ may adjust its fees to reflect the cost of
3 credit card receipt processing as determined by the
4 treasurer of state. A fee may be charged by a
5 ~~department for using the credit card payment method~~
6 ~~notwithstanding any other provision of the Code~~
7 ~~setting specific fees. The fees charged to a payer~~
8 shall be the same regardless of payment method unless
9 otherwise permitted in the agreement with the
10 financial institution or credit card processor.

11 3. The credit card charges applied by a financial
12 institution or credit card processor for credit card
13 receipts accepted in accordance with subsection 1
14 shall be considered to be part of the payment due and
15 accepted. A state department authorized by the
16 treasurer of state to accept payment by credit card
17 shall pay the credit card receipt processing charges
18 from aggregate fees collected.

19 4. The treasurer of state shall adopt rules to
20 implement this section.

21 Sec. 19. Section 14B.203, subsection 3, Code
22 Supplement 2001, is amended to read as follows:

23 3. In addition to other forms of payment, credit
24 cards shall be accepted in payment for moneys owed to
25 a governmental entity as provided in this section,
26 according to rules which shall be adopted by the
27 treasurer of state under section 12.21. The fees to
28 ~~be charged shall not exceed those permitted by~~
29 ~~statute. A governmental entity may adjust its fees to~~
30 ~~reflect the cost of processing as determined by the~~
31 ~~treasurer of state. The discount charged by the~~
32 ~~credit card issuer may be included in determining the~~
33 ~~fees to be paid for completing a financial transaction~~
34 ~~under this section by using a credit card.~~

35 Sec. 20. Section 14B.205, Code 2001, is amended to
36 read as follows:

37 14B.205 CREDIT CARDS ACCEPTED.

38 In addition to other forms of payment, credit cards
39 may shall be accepted in accordance with section 12.21
40 in payment for any fees, including but not limited to
41 interest, penalties, subscriptions, registrations,
42 purchases, applications, licenses, permits, or other
43 filings transmitted or transactions conducted
44 electronically. The fees to be charged shall not
45 ~~exceed those permitted by statute, except that the~~
46 ~~discount charged by the credit card issuer may be~~
47 ~~included in determining the fee to be charged for~~
48 ~~records transmitted or transactions conducted~~
49 ~~electronically.~~

50 Sec. 21. Section 15.108, subsection 9, paragraph

S-5506

-9-

S-5506

Page 10

1 e, Code Supplement 2001, is amended to read as
2 follows:

3 e. ~~At the director's discretion, accept~~ Accept
4 payment by credit card in accordance with section
5 12.21 of any fees, interest, penalties, subscriptions,
6 registrations, purchases, or other payments, or any
7 portion of such payments, which are due or collected
8 by the department. The department may adjust the
9 amount of the payment to reflect the costs of
10 processing the payment as determined by the treasurer
11 of state and the payment by credit card shall include,
12 in addition to all other charges, any discount charged
13 by the credit card issuer.

14 Sec. 22. Section 15E.112, subsection 1, Code 2001,
15 is amended to read as follows:

16 1. A value-added agricultural products and
17 processes financial assistance fund is created within
18 the state treasury under the control of the
19 department. The fund shall consist of moneys
20 allocated from the Iowa strategic investment fund
21 created in section 15.313, those appropriated moneys,
22 and any other moneys available to and obtained or
23 accepted by the department from the federal government
24 or private sources for placement in the fund. The
25 assets of the fund shall be used by the department
26 only for administration and carrying out the purposes
27 of section 15E.111.

28 Sec. 23. Section 18.75, subsection 6, Code 2001,
29 is amended to read as follows:

30 6. Have legal custody of all Codes, session laws,
31 books of annotations, tables of corresponding
32 sections, publications, except premium lists published
33 by the Iowa state fair board, containing reprints of
34 statutes or administrative rules, or both, reports of
35 state departments, and reports of the supreme court,
36 and sell, account for, and distribute the same as
37 provided by law. However, the legislative service
38 bureau shall solicit and process orders for the
39 distribution of all printed Codes, session laws,
40 administrative codes and bulletins, court rules, and
41 the state roster.

42 Sec. 24. Section 18.97A, Code 2001, is amended by
43 adding the following new unnumbered paragraph:

44 NEW UNNUMBERED PARAGRAPH. The office of the
45 governor, the supreme court, and the legislative
46 council shall control the number of copies of the
47 printed publications enumerated in section 18.97
48 distributed to recipients in their respective
49 branches.

50 Sec. 25. Section 124.401A, Code 2001, is amended

S-5506

-10-

S-5506

Page 11

1 to read as follows:

2 124.401A ENHANCED PENALTY FOR MANUFACTURE OR
3 DISTRIBUTION TO PERSONS ON CERTAIN REAL PROPERTY.

4 In addition to any other penalties provided in this
5 chapter, a person who is eighteen years of age or
6 older who unlawfully manufactures with intent to
7 distribute, distributes, or possesses with intent to
8 distribute a substance or counterfeit substance listed
9 in schedule I, II, or III, or a simulated controlled
10 substance represented to be a controlled substance
11 classified in schedule I, II, or III, to another
12 person who is eighteen years of age or older in or on,
13 or within one thousand feet of the real property
14 comprising a public or private elementary or secondary
15 school, public park, public swimming pool, public
16 recreation center, or on a marked school bus, may be
17 sentenced up to an additional term of confinement of
18 five years.

19 Sec. 26. Section 124.409, subsection 1, Code 2001,
20 is amended by striking the subsection.

21 Sec. 27. NEW SECTION. 239B.2B ELIGIBILITY OF
22 NONCITIZENS.

23 A person who meets the conditions of eligibility
24 under section 239B.2 and who meets either of the
25 following requirements shall be eligible for
26 participation in the family investment program:

27 1. The person is a conditional resident alien who
28 was battered or subjected to extreme cruelty, or whose
29 child was battered or subjected to extreme cruelty,
30 perpetrated by the person's spouse who is a United
31 States citizen or lawful permanent resident as
32 described in 8 C.F.R. § 216.5(a)(3).

33 2. The person was battered or subjected to extreme
34 cruelty, or the person's child was battered or
35 subjected to extreme cruelty, perpetrated by the
36 person's spouse who is a United States citizen or
37 lawful permanent resident and the person's petition
38 has been approved or a petition is pending that sets
39 forth a prima facie case that the person has
40 noncitizen status under any of the following
41 categories:

42 a. Status as a spouse or child of a United States
43 citizen or lawful permanent resident under the federal
44 Immigration and Nationality Act, § 204(a)(1), as
45 codified in 8 U.S.C. § 1154(a)(1)(A).

46 b. Status as a spouse or child who was battered or
47 subjected to extreme cruelty by a United States
48 citizen or lawful permanent resident, under the
49 federal Immigration and Nationality Act, §
50 204(a)(iii), as codified in 8 U.S.C. §

S-5506

-11-

S-5506

Page 12

1 1154(a)(1)(A)(iii).

2 c. Classification as a person lawfully admitted
3 for permanent residence under the federal Immigration
4 and Nationality Act.

5 d. Suspension of deportation and adjustment of
6 status under the federal Immigration and Nationality
7 Act, § 244(a), as in effect before the date of
8 enactment of the federal Illegal Immigration Reform
9 and Immigrant Responsibility Act of 1996.

10 e. Cancellation of removal or adjustment of status
11 under the federal Immigration and Nationality Act, §
12 240A, as codified in 8 U.S.C. § 1229b.

13 f. Status as an asylee, if asylum is pending,
14 under the federal Immigration and Nationality Act, §
15 208, as codified in 8 U.S.C. § 1158.

16 Sec. 28. Section 249A.3, subsection 2, paragraph
17 a, Code Supplement 2001, is amended to read as
18 follows:

19 a. As provided either pursuant to subparagraph (1)
20 or pursuant to subparagraphs (2) and (3):

21 (1) As allowed under 42 U.S.C. §
22 1396a(a)(10)(A)(ii)(XIII), individuals with
23 disabilities, who are less than sixty-five years of
24 age, who are members of families whose income is less
25 than two hundred fifty percent of the most recently
26 revised official poverty ~~line~~ guidelines published by
27 the ~~federal office of management and budget~~ United
28 States department of health and human services for the
29 family, who have earned income and who are eligible
30 for supplemental security income or supplemental
31 security income-related medical assistance ~~or~~
32 ~~additional medical assistance~~ under this section if
33 earnings are disregarded. As allowed by 42 U.S.C. §
34 1396a(r)(2), unearned income shall also be disregarded
35 in determining whether an individual is eligible for
36 assistance under this ~~paragraph~~ subparagraph. For the
37 purposes of determining the amount of an individual's
38 resources under this ~~paragraph~~ subparagraph and as
39 allowed by 42 U.S.C. § 1396a(r)(2), a maximum of ten
40 thousand dollars of available resources shall be
41 disregarded and any additional resources held in a
42 retirement account, in a medical savings account, or
43 in any other account approved under rules adopted by
44 the department shall also be disregarded. Individuals
45 eligible for assistance under this ~~paragraph~~
46 subparagraph, whose individual income exceeds one
47 hundred fifty percent of the official poverty ~~line~~
48 guidelines published by the ~~federal office of~~
49 ~~management and budget~~ United States department of
50 health and human services for an individual, shall pay

S-5506

-12-

S-5506

Page 13

1 a premium. The amount of the premium shall be based
2 on a sliding fee schedule adopted by rule of the
3 department and shall be based on a percentage of the
4 individual's income. The maximum premium payable by
5 an individual whose income exceeds one hundred fifty
6 percent of the official poverty ~~line~~ guidelines shall
7 be commensurate with ~~premiums charged for private the~~
8 cost of state employees' group health insurance in
9 this state. This paragraph shall be implemented no
10 later than March 1, 2000.

11 (2) As allowed under 42 U.S.C. §
12 1396a(a)(10)(A)(ii)(XV), individuals who are at least
13 sixteen years of age but less than sixty-five years of
14 age who, but for earnings in excess of the limit
15 established under 42 U.S.C. § 1396d(q)(2)(B), would be
16 considered to be receiving federal supplemental
17 security income, and who are members of families whose
18 income is less than two hundred fifty percent of the
19 most recently revised official poverty guidelines
20 published by the United States department of health
21 and human services for the family, subject to a
22 resource limit of twelve thousand dollars for an
23 individual and thirteen thousand dollars for a couple.
24 For the purposes of determining the amount of an
25 individual's or couple's resources under this
26 subparagraph, any resources held in a retirement
27 account, in a medical savings account, or in any other
28 account approved under rules adopted by the department
29 shall be disregarded. Individuals eligible for
30 assistance under this subparagraph whose individual
31 income exceeds one hundred fifty percent of the
32 official poverty guidelines for an individual shall
33 pay a premium. The amount of the premium shall be
34 based on a sliding fee schedule adopted by rule of the
35 department and shall be based on a percentage of the
36 individual's income. The maximum premium payable by
37 an individual whose income exceeds one hundred fifty
38 percent of the official poverty guidelines shall be
39 commensurate with the cost of state employees' group
40 health insurance in this state, but shall not exceed
41 seven and one-half percent of income, unless the
42 individual's income exceeds four hundred fifty percent
43 of the official poverty guidelines.

44 (3) As allowed under 42 U.S.C. §
45 1396a(a)(10)(A)(ii)(XVI), employed individuals with a
46 medically improved disability, as defined in 42 U.S.C.
47 § 1396d(v)(1), who are members of families whose
48 income is less than two hundred fifty percent of the
49 most recently revised official poverty guidelines
50 published by the United States department of health

S-5506

-13-

S-5506

Page 14

1 and human services for the family, subject to a
2 resource limit of twelve thousand dollars for an
3 individual and thirteen thousand dollars for a couple.
4 For the purposes of determining the amount of an
5 individual's or couple's resources under this
6 subparagraph, any resources held in a retirement
7 account, in a medical savings account, or in any other
8 account approved under rules adopted by the department
9 shall be disregarded. Individuals eligible for
10 assistance under this subparagraph whose individual
11 income exceeds one hundred fifty percent of the
12 official poverty guidelines for an individual shall
13 pay a premium. The amount of the premium shall be
14 based on a sliding fee schedule adopted by rule of the
15 department and shall be based on a percentage of the
16 individual's income. The maximum premium payable by
17 an individual whose income exceeds one hundred fifty
18 percent of the official poverty guidelines shall be
19 commensurate with the cost of state employees' group
20 health insurance in this state, but shall not exceed
21 seven and one-half percent of income, unless the
22 individual's income exceeds four hundred fifty percent
23 of the official poverty guidelines.

24 Sec. 29. Section 256.67, subsection 1, Code
25 Supplement 2001, is amended to read as follows:

26 1. Act as administrator and executive secretary of
27 the ~~region~~ library service area in accordance with the
28 objectives and policies adopted by the area board of
29 trustees and with the intent of this chapter.

30 Sec. 30. Section 260G.4B, subsection 1, Code
31 Supplement 2001, is amended to read as follows:

32 1. The total amount of program job credits from
33 all employers which shall be allocated for all
34 accelerated career education programs in the state in
35 any one fiscal year shall not exceed the sum of three
36 million dollars in the fiscal year beginning July 1,
37 2000, three million dollars in the fiscal year
38 beginning July 1, 2001, three million dollars in the
39 fiscal year beginning July 1, 2002, and six million
40 dollars in the fiscal year beginning July 1, 2002
41 2003, and every fiscal year thereafter. Any increase
42 in program job credits above the six-million-dollar
43 limitation per fiscal year shall be developed, based
44 on recommendations in a study which shall be conducted
45 by the department of economic development of the needs
46 and performance of approved programs in the fiscal
47 years beginning July 1, 2000, and July 1, 2001. The
48 study's findings and recommendations shall be
49 submitted to the general assembly by the department by
50 December 31, 2002. The study shall include but not be

S-5506

-14-

S-5506

Page 15

1 limited to an examination of the quality of the
2 programs, the number of program participant
3 placements, the wages and benefits in program jobs,
4 the level of employer contributions, the size of
5 participating employers, and employer locations. A
6 community college shall file a copy of each agreement
7 with the department of economic development. The
8 department shall maintain an annual record of the
9 proposed program job credits under each agreement for
10 each fiscal year. Upon receiving a copy of an
11 agreement, the department shall allocate any available
12 amount of program job credits to the community college
13 according to the agreement sufficient for the fiscal
14 year and for the term of the agreement. When the
15 total available program job credits are allocated for
16 a fiscal year, the department shall notify all
17 community colleges that the maximum amount has been
18 allocated and that further program job credits will
19 not be available for the remainder of the fiscal year.
20 Once program job credits have been allocated to a
21 community college, the full allocation shall be
22 received by the community college throughout the
23 fiscal year and for the term of the agreement even if
24 the statewide program job credit maximum amount is
25 subsequently allocated and used.

26 Sec. 31. Section 368.4, Code 2001, as amended by
27 2002 Iowa Acts, House File 582, if enacted, is amended
28 to read as follows:

29 368.4 ANNEXING MORATORIUM.

30 A city, following notice and hearing, may by
31 resolution agree with another city or cities to
32 refrain from annexing specifically described territory
33 for a period not to exceed ten years and, following
34 notice and hearing, may by resolution extend the
35 agreement for subsequent periods not to exceed ten
36 years each. Notice of a hearing shall be served by
37 regular mail at least thirty days before the hearing
38 on the city development board, on the board of
39 supervisors of the county in which the territory is
40 located, and on all persons owning land within the
41 area subject to the agreement. The notice shall
42 include the time and place of the hearing, describe
43 the territory subject to the proposed agreement, and
44 the general terms of the agreement. After passage of
45 a resolution by the cities approving the agreements, a
46 copy of the agreement and a copy of any resolution
47 extending an agreement shall be filed with the city
48 development board within ten days of enactment. If
49 such an agreement is in force, the board shall dismiss
50 a petition or plan which violates the terms of the

S-5506

-15-

S-5506

Page 16

1 agreement.

2 Sec. 32. Section 368.26, if enacted by 2002 Iowa
3 Acts, House File 582, is amended to read as follows:

4 368.26 FAILURE TO PROVIDE MUNICIPAL SERVICES.

5 If a city fails to provide municipal services to
6 territory involuntarily annexed, according to the plan
7 filed pursuant to section 368.11, within three years
8 after city taxes are imposed in the annexed territory,
9 the city development board shall initiate proceedings
10 to sever the annexed territory from the city.11 However, a city may appeal to the board for an
12 additional three years to provide municipal services
13 if good cause is shown. A petition for severance
14 filed pursuant to this section shall be filed and
15 acted upon in the same manner as a petition under
16 section 368.11. For purposes of this section ~~and~~
17 ~~section 368.11, subsection 14, "municipal services"~~
18 means services selected by a landowner to be provided
19 by the city, including, but not limited to, water
20 supply, sewage disposal, street and road maintenance,
21 and police and fire protection, if the provision of
22 such services is within the legal authority of the
23 annexing city.24 Sec. 33. Section 421.17, subsection 31, Code
25 Supplement 2001, is amended to read as follows:26 31. ~~At the director's discretion, accept~~ Accept
27 payment of taxes, penalties, interest, and fees, or
28 any portion thereof of the payment, by credit card in
29 accordance with section 12.21. The director may
30 ~~adjust the payable amount to reflect the costs of~~
31 ~~processing the payment as determined by the treasurer~~
32 ~~of state and the payment by credit card shall include,~~
33 ~~in addition to all other charges, any discount charged~~
34 ~~by the credit card issuer.~~35 Sec. 34. Section 421.17, subsection 34, paragraph
36 f, Code Supplement 2001, is amended to read as
37 follows:38 f. ~~At the director's discretion, the~~ The
39 department may shall accept payment of debts,
40 interest, and fees, or any portion of the payment by
41 credit card in accordance with section 12.21. The
42 ~~director may adjust the payable amount to reflect the~~
43 ~~costs of processing the payment as determined by the~~
44 ~~treasurer of state and the payment by credit card~~
45 ~~shall include, in addition to all other charges, any~~
46 ~~discount charge by the credit card issuer.~~47 Sec. 35. Section 455A.4, subsection 5, Code 2001,
48 is amended to read as follows:49 5. The department may accept payment of any fees,
50 interest, penalties, subscriptions, or other payments**S-5506**

-16-

S-5506

Page 17

1 due or collected by the department, or any portion of
2 such payments, by credit card in accordance with
3 section 12.21. ~~The department may adjust the amount~~
4 ~~of the payment to reflect the costs of processing the~~
5 ~~payment as determined by the treasurer of state and~~
6 ~~the payment by credit card shall include, in addition~~
7 ~~to all other charges, any discount charged by the~~
8 ~~credit card issuer.~~

9 Sec. 36. Section 476.97, subsection 11, paragraph
10 g, subparagraph (4), Code 2001, as amended by 2002
11 Iowa Acts, Senate File 429, section 2, is amended by
12 striking the subparagraph and inserting in lieu
13 thereof the following:

14 (4) Rates may be adjusted by the board to reflect
15 any changes in revenues, expenses, and investment due
16 to exogenous factors beyond the control of the local
17 exchange carrier, including, but not limited to, the
18 effects of local competition. The board shall have
19 one hundred eighty days to consider rate changes
20 proposed under this subparagraph, but for good cause
21 may grant one extension of sixty days, not to exceed a
22 total of two hundred forty days.

23 Sec. 37. Section 514I.5, subsection 3, Code 2001,
24 is amended to read as follows:

25 3. Members appointed by the governor shall serve
26 two-year staggered terms as designated by the
27 governor, and legislative members of the board shall
28 serve two-year terms. The filling of positions
29 reserved for the public representatives, vacancies,
30 membership terms, payment of compensation and
31 expenses, and removal of the members are governed by
32 chapter 69. Members of the board are entitled to
33 receive reimbursement of actual expenses incurred in
34 the discharge of their duties. Public members of the
35 board are also eligible to receive compensation as
36 provided in section 7E.6. The members shall select a
37 chairperson on an annual basis from among the
38 membership of the board.

39 Sec. 38. Section 541A.1, subsection 7, Code 2001,
40 is amended to read as follows:

41 7. "Individual development account" means ~~a~~ either
42 of the following:

43 a. A financial instrument ~~which~~ that is certified
44 to have the characteristics described in section
45 541A.2 by the operating organization.

46 b. A financial instrument that is certified by the
47 operating organization to have the characteristics
48 described in and funded by a federal individual
49 development account program under which federal and
50 state funding contributed to match account holder

S-5506

-17-

S-5506

Page 18

1 deposits is deposited by an operating organization in
2 accordance with federal law and regulations, and which
3 includes but is not limited to any of the programs
4 implemented under the following federal laws:

5 (1) The federal Personal Responsibility and Work
6 Opportunity Act of 1996, 42 U.S.C. § 604(h).

7 (2) The federal Assets for Independence Act, Pub.
8 L. No. 105-285, Title IV.

9 Sec. 39. Section 541A.3, subsection 1, unnumbered
10 paragraph 1, Code 2001, is amended to read as follows:

11 Payment by the state of a savings refund on amounts
12 of up to two thousand dollars per calendar year that
13 an account holder deposits in the account holder's
14 account. Moneys transferred to an individual
15 development account from another individual
16 development account shall not be considered an account
17 holder deposit for purposes of determining a savings
18 refund. Payment of a savings refund either shall be
19 made directly to the account holder's account or to an
20 operating organization's central reserve account for
21 later distribution to the account holder's account in
22 the most appropriate manner as determined by the
23 administrator. The state savings refund shall be the
24 indicated percentage of the amount deposited:

25 Sec. 40. Section 541A.3, subsection 5, Code 2001,
26 is amended to read as follows:

27 5. The administrator shall coordinate the filing
28 of claims for savings refunds authorized under
29 subsection 1, between account holders, operating
30 organizations, and the department of revenue and
31 finance. Claims approved by the administrator may be
32 paid by the department of revenue and finance to each
33 account, ~~or~~ for an aggregate amount for distribution
34 to the accounts in a particular financial institution,
35 or to an operating organization's central reserve
36 account for later distribution to the account holders'
37 accounts depending on the efficiency for issuing the
38 refunds. Claims shall be initially filed with the
39 administrator on or before a date established by the
40 administrator. Claims approved by the administrator
41 shall be paid from the general fund of the state in
42 the manner specified in section 422.74.

43 Sec. 41. Section 546.10, subsection 3, unnumbered
44 paragraph 2, if enacted by Senate File 2326, section
45 32, is amended to read as follows:

46 Notwithstanding subsection 5, eighty-five percent
47 of the funds received annually resulting from an
48 increase in licensing fees ~~approved and~~ implemented on
49 or after ~~July~~ April 1, 2002, by a licensing board or
50 commission listed in subsection 1, is appropriated to

S-5506

-18-

S-5506

Page 19

1 the professional licensing and regulation division to
2 be allocated to the board or commission for the fiscal
3 year beginning July 1, 2002, and succeeding fiscal
4 years, for purposes related to the duties of the board
5 or commission, including but not limited to additional
6 full-time equivalent positions. The director of
7 revenue and finance shall draw warrants upon the
8 treasurer of state from the funds appropriated as
9 provided in this section and shall make the funds
10 available to the professional licensing division on a
11 monthly basis during each fiscal year.

12 Sec. 42. Section 556.12, subsection 1, Code 2001,
13 is amended to read as follows:

14 1. If a report has been filed with the treasurer
15 of state, or property has been paid or delivered to
16 the treasurer of state, for the fiscal year ending on
17 June 30 as required by section 556.11, the treasurer
18 of state shall provide for the publication annually of
19 at least one notice ~~not later than~~ which notice shall
20 not be published between the following September 10
21 and the following November 30 10. Each notice shall
22 be published at least once each week for two
23 successive weeks in an English language newspaper of
24 general circulation in the county in this state in
25 which is located the last known address of any person
26 to be named in the notice. If an address is not
27 listed or if the address is outside this state, the
28 notice shall be published in the county in which the
29 holder of the abandoned property has its principal
30 place of business within this state.

31 Sec. 43. Section 602.1302, subsection 3, Code
32 2001, is amended to read as follows:

33 3. A revolving fund is created in the state
34 treasury for the payment of jury and witness fees, ~~and~~
35 mileage, and costs related to summoning jurors by the
36 judicial branch. The judicial branch shall deposit
37 any reimbursements to the state for the payment of
38 jury and witness fees and mileage in the revolving
39 fund. Notwithstanding section 8.33, unencumbered and
40 unobligated receipts in the revolving fund at the end
41 of a fiscal year do not revert to the general fund of
42 the state. The judicial branch shall on or before
43 February 1 file a financial accounting of the moneys
44 in the revolving fund with the legislative fiscal
45 bureau. The accounting shall include an estimate of
46 disbursements from the revolving fund for the
47 remainder of the fiscal year and for the next fiscal
48 year.

49 Sec. 44. Section 602.8108, subsection 5, Code
50 Supplement 2001, is amended to read as follows:

S-5506

S-5506

Page 20

1 5. A court technology and modernization fund is
2 established as a separate fund in the state treasury.
3 The state court administrator shall allocate one
4 million dollars of the moneys received under
5 subsection 2 to be deposited in the fund, which shall
6 be administered by the supreme court and shall be used
7 ~~as follows:~~

8 ~~a. Eighty percent shall be used to enhance the~~
9 ~~ability of the judicial branch to process cases more~~
10 ~~quickly and efficiently, to electronically transmit~~
11 ~~information to state government, local governments,~~
12 ~~law enforcement agencies, and the public, and to~~
13 ~~improve public access to the court system. Moneys in~~
14 ~~this paragraph shall not be used for the Iowa court~~
15 ~~information system.~~

16 ~~b. Twenty percent shall be used in equal amounts~~
17 ~~to facilitate alternative dispute resolution and~~
18 ~~methods to resolve domestic abuse cases, which may~~
19 ~~include personnel for hearings under section 236.4.~~

20 Sec. 45. 2001 Iowa Acts, chapter 182, section 7,
21 subsection 2, is amended by adding the following new
22 paragraph:

23 NEW PARAGRAPH. g. Notwithstanding section 8.33,
24 any moneys which exceed the amount budgeted in the
25 fiscal year beginning July 1, 2001, and ending June
26 30, 2002, that remain unencumbered or unobligated at
27 the close of the fiscal year shall not revert but
28 shall remain available for expenditure by the veterans
29 home until the close of the succeeding fiscal year.
30 For the purposes of this paragraph, "moneys" means
31 cash receipts, accruals attributable to the fiscal
32 year beginning July 1, 2001, and ending June 30, 2002,
33 and the amount of the estimated reversions to the
34 general fund, as last agreed to by the state revenue
35 estimating conference during fiscal year beginning
36 July 1, 2001.

37 Sec. 46. 2001 Iowa Acts, chapter 191, section 14,
38 subsection 2, is amended by adding the following new
39 paragraph:

40 NEW PARAGRAPH. f. Notwithstanding section
41 232.143, subsection 1, a region may exceed its budget
42 target for group foster care by up to twenty percent
43 in the fiscal year beginning July 1, 2001, and ending
44 June 30, 2002, provided the overall funding allocated
45 by the department for all child welfare services in
46 the region is not exceeded. It is the intent of the
47 general assembly that for the fiscal year beginning
48 July 1, 2002, the budget targets for group foster care
49 will be determined at levels so that special statutory
50 authority for exceeding the budget targets beyond the

S-5506

-20-

S-5506

Page 21

1 amount authorized in section 232.143, subsection 1,
2 will not be necessary.

3 Sec. 47. Section 904.108, subsection 1, paragraph
4 o, Code Supplement 2001, is amended to read as
5 follows:

6 o. Establish and maintain a correctional training
7 ~~center at the Mount Pleasant correctional facility~~
8 program.

9 Sec. 48. IOWA CONGRESSIONAL MEDAL OF HONOR
10 RECIPIENTS. The department of cultural affairs shall
11 conduct a study to identify an appropriate location in
12 the state capitol for a plaque and display honoring
13 the Iowa recipients of the congressional medal of
14 honor. The department shall report the findings and
15 recommendations of the study to the governor and
16 general assembly on or before December 31, 2002.

17 Sec. 49. DUPLICATION AND REORGANIZATION REVIEWS.
18 In implementing the requirements of 2002 Iowa Acts,
19 Senate File 2326, division I, if enacted, involving
20 the department of general services, department of
21 management, department of personnel, and information
22 technology department identifying duplicative
23 positions or studying the reorganization of state
24 government, those departments shall consult with the
25 departments that may be affected, consider previously
26 conducted studies or reviews, and identify the
27 projected impacts of recommended changes upon the
28 general fund of the state, road use tax fund, and any
29 other affected funding source.

30 Sec. 50. CHEROKEE MENTAL HEALTH INSTITUTE --
31 RELOCATION OF SEXUALLY VIOLENT PREDATORS UNIT. In
32 implementing the relocation of the unit for commitment
33 of sexually violent predators from Oakdale to the
34 state mental health institute at Cherokee in the
35 fiscal year beginning July 1, 2002, in accordance with
36 the requirement in the appropriation for the unit in
37 2002 Iowa Acts, Senate File 2326, if enacted, it is
38 the intent of the general assembly that the department
39 of human services complete the renovation of space at
40 the institute and the relocation of the unit as
41 expeditiously as possible. If requested by the
42 department of human services as necessary to complete
43 the renovation of space and relocation as
44 expeditiously as possible, notwithstanding any
45 provision of law or rule to the contrary, the
46 department of general services shall grant a waiver
47 for purposes of the renovation project from those
48 requirements in administrative rule and policy that
49 would otherwise govern the length of time the
50 renovation project components are noticed.

S-5506

-21-

S-5506

Page 22

1 Sec. 51. MEDICAL ASSISTANCE -- DENTAL SERVICES FOR
2 ADULTS. In addition to other dental services provided
3 to adults under the medical assistance program in
4 accordance with 2002 Iowa Acts, House File 2245,
5 section 7, subsection 2, the following services shall
6 be provided:

7 1. Root canal treatments on permanent anterior
8 teeth.

9 2. General anesthesia and intravenous sedation if
10 necessitated by the physical or mental disability of
11 the patient.

12 The department may adopt emergency rules to
13 implement this section in accordance with the
14 provisions of 2002 Iowa Acts, Senate File 2326,
15 division VI, section 135, if enacted.

16 Sec. 52. EXPENDITURE REPORTS. For the fiscal year
17 beginning July 1, 2002, the department of agriculture
18 and land stewardship and the department of natural
19 resources shall each file a written report on a
20 quarterly basis with the chairpersons and ranking
21 members of the joint appropriations subcommittee on
22 agriculture and natural resources and the legislative
23 fiscal bureau regarding all expenditures of moneys
24 appropriated from the general fund of the state or
25 from other funds available to either department during
26 the quarter and the number of full-time equivalent
27 positions allocated during the quarter.

28 Sec. 53. IPERS POSITIONS. The number of full-time
29 equivalent positions authorized the Iowa public
30 employees' retirement system division in 2002 Iowa
31 Acts, Senate File 2326, section 15, subsection 1, if
32 enacted, is increased by 2.00 full-time equivalent
33 positions.

34 Sec. 54. 2002 Iowa Acts, Senate File 2326, section
35 25, unnumbered paragraph 4, if enacted, is amended to
36 read as follows:

37 If 2002 Iowa Acts, House File 681, is enacted and
38 provides for the pledging of collateral in relation to
39 the deposit of uninsured public funds, then the
40 treasurer of state is authorized not more than the
41 following additional full-time equivalent positions
42 for the purposes provided for in that Act:

43	FTEs	2.00
44	<u>FTE</u>	<u>1.00</u>

45 Sec. 55. 2002 Iowa Acts, Senate File 2326, section
46 39, if enacted, is amended by adding the following new
47 subsection:

48 NEW SUBSECTION. 5. Of the amount appropriated in
49 this section, \$1,250,000 shall be used for salaries,
50 support, maintenance, and miscellaneous purposes for

S-5506

Page 23

1 activities regarding animal agriculture.

2 Sec. 56. SCHOOL FOR THE DEAF POSITIONS. 2002 Iowa
3 Acts, Senate File 2326, section 81, subsection 5, if
4 enacted, is amended to read as follows:

5 5. STATE SCHOOL FOR THE DEAF

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

9	\$	7,891,351
10	FTEs	117.29
11		<u>129.60</u>

12 Sec. 57. SCOPE OF PRACTICE REVIEW COMMITTEE. 2002
13 Iowa Acts, Senate File 2326, section 91, subsection
14 10, paragraph a, if enacted, is amended to read as
15 follows:

16 a. The department may expend funds received from
17 licensing fees in addition to amounts appropriated in
18 this subsection, if those additional expenditures are
19 directly the result of ~~a scope of practice review~~
20 ~~committee~~ or unanticipated litigation costs arising
21 from the discharge of an examining board's regulatory
22 duties. Before the department expends or encumbers
23 funds for ~~a scope of practice review committee~~ or an
24 amount in excess of the funds budgeted for an
25 examining board, the director of the department of
26 management shall approve the expenditure or
27 encumbrance. The amounts necessary to fund any
28 unanticipated litigation ~~or scope of practice review~~
29 ~~committee~~ expense in the fiscal year beginning July 1,
30 2002, shall not exceed 5 percent of the average annual
31 fees generated by the boards for the previous two
32 fiscal years.

33 Sec. 58. 2002 Iowa Acts, Senate File 2326, section
34 92, subsection 6, if enacted, is amended by adding the
35 following new unnumbered paragraph:

36 NEW UNNUMBERED PARAGRAPH. The appropriation in
37 this subsection is contingent upon the appointment of
38 an administrator of the division on the status of
39 African-Americans and the appointment of all nine
40 members to the commission on the status of African-
41 Americans.

42 Sec. 59. SCOPE OF PRACTICE REVIEW COMMITTEE. 2002
43 Iowa Acts, Senate File 2326, section 98, if enacted,
44 is repealed.

45 Sec. 60. 2002 Iowa Acts, Senate File 2326, section
46 99, subsection 1, if enacted, is amended to read as
47 follows:

48 1. To be credited to the family investment program
49 account and used for assistance under the family
50 investment program under chapter 239B:

S-5506

Page 24

1	\$ 45,618,447
2	<u>46,508,982</u>

3 Sec. 61. 2002 Iowa Acts, Senate File 2326, section
4 99, subsection 11, unnumbered paragraph 2, if enacted,
5 is amended to read as follows:

6 Pregnancy prevention grants shall be awarded to
7 programs in existence on or before July 1, 2002, if
8 the programs are comprehensive in scope and have
9 demonstrated positive outcomes. Grants shall be
10 awarded to pregnancy prevention programs which are
11 developed after July 1, 2002, if the programs are
12 comprehensive in scope and are based on existing
13 models that have demonstrated positive outcomes.
14 Grants shall comply with the requirements provided in
15 1997 Iowa Acts, chapter 208, section 14, subsections 1
16 and 2, including the requirement that grant programs
17 must emphasize sexual abstinence. Priority in the
18 awarding of grants shall be given to programs that
19 serve areas of the state which demonstrate the highest
20 percentage of unplanned pregnancies of females age or
21 older but younger than age 18 within the geographic
22 area to be served by the grant.

23 In addition to the full-time equivalent positions
24 funded in this division of this Act, the department
25 may use a portion of the funds appropriated in this
26 subsection to employ an employee in up to 1.00 full-
27 time equivalent position for the administration of
28 programs specified in this subsection.

29 Sec. 62. 2002 Iowa Acts, Senate File 2326, section
30 127, subsection 1, paragraph a, if enacted, is amended
31 to read as follows:

32 ~~a. Notwithstanding 2001 Iowa Acts, chapter 192,~~
33 ~~section 4, subsection 2, paragraph "b", the modified~~
34 ~~price-based case-mix reimbursement rate upon which the~~
35 ~~reimbursement rate for nursing facilities is~~
36 ~~determined shall only include an additional inflation~~
37 ~~factor to the extent of the funding budgeted and~~
38 ~~appropriated specifically for nursing facility~~
39 ~~reimbursement based on a case-mix reimbursement~~
40 ~~methodology in this division of this Act or in other~~
41 ~~appropriations. For the fiscal year beginning July 1,~~
42 2002, and ending June 30, 2003, nursing facilities
43 shall be reimbursed as provided in 2002 Iowa Acts,
44 House File 2613, if enacted. Nursing facilities
45 reimbursed under the medical assistance program shall
46 submit annual cost reports and additional
47 documentation as required by rules adopted by the
48 department.

49 Sec. 63. 2002 Iowa Acts, Senate File 2326, section
50 134, if enacted, is amended to read as follows:

S-5506

Page 25

1 SEC. 134. COUNTY MENTAL HEALTH, MENTAL
2 RETARDATION, AND DEVELOPMENTAL DISABILITIES (MH/MR/DD)
3 ALLOWED GROWTH FACTOR ADJUSTMENT AND ALLOCATIONS --
4 DISTRIBUTION FOR FY 2002-2003.

5 1. For the fiscal year beginning July 1, 2002, the
6 moneys appropriated in 2001 Acts, chapter 176, section
7 1, as amended by this division of this Act, for
8 distribution to counties of the county mental health,
9 mental retardation, and developmental disabilities
10 allowed growth factor adjustment, shall be distributed
11 as provided in this section in lieu of the provisions
12 of section 331.438, subsection 2, and section 331.439,
13 subsection 3, and chapter 426B, as follows:

14 a. The first ~~\$2,000,000~~ 500,000 shall be credited
15 to the risk pool created in the property tax relief
16 fund and shall be distributed pursuant to section
17 426B.5, subsection 2.

18 b. The remaining ~~\$12,500,000~~ 14,000,000 shall be
19 distributed as provided in this section.

20 2. The following formula amounts shall be utilized
21 only to calculate preliminary distribution amounts for
22 fiscal year 2002-2003 under this section by applying
23 the indicated formula provisions to the formula
24 amounts and producing a preliminary distribution total
25 for each county:

26 a. For calculation of an allowed growth factor
27 adjustment amount for each county in accordance with
28 the formula in section 331.438, subsection 2,
29 paragraph "b":

30 \$ 12,000,000

31 b. For calculation of a distribution amount for
32 eligible counties from the per capita expenditure
33 target pool created in the property tax relief fund in
34 accordance with the requirements in section 426B.5,
35 subsection 1:

36 \$ ~~12,492,712~~
37 14,492,712

38 c. For calculation of a distribution amount for
39 counties from the mental health and developmental
40 disabilities (MH/DD) community services fund in
41 accordance with the formula provided in this division
42 of this Act:

43 \$ 18,127,352

44 3. Notwithstanding any contrary provisions of
45 sections 225C.7, 331.438, subsection 2, 331.439,
46 subsection 3, and 426B.5, the moneys allocated for
47 distribution in subsection 1, paragraph "b", and in
48 any other Act of the Seventy-ninth General Assembly,
49 2002 Session, for distribution to counties in the
50 fiscal year beginning July 1, 2002, for purposes of

S-5506

S-5506

Page 26

1 the mental health and developmental disabilities
2 (MH/DD) community services fund under section 225C.7,
3 and for the allowed growth factor adjustment for
4 services paid under a county's section 331.424A mental
5 health, mental retardation, and developmental
6 disabilities services fund and as calculated under
7 subsection 2 to produce preliminary distribution
8 amounts for counties shall be subject to withholding
9 as provided in this section.

10 4. After applying the applicable statutory
11 distribution formulas to the amounts indicated in
12 subsection 2 for purposes of formula calculations to
13 produce preliminary distribution totals, the
14 department of human services shall apply a withholding
15 factor to adjust an eligible individual county's
16 preliminary distribution total. An ending balance
17 percentage for each county shall be determined by
18 expressing the county's ending balance on a modified
19 accrual basis under generally accepted accounting
20 principles for the fiscal year beginning July 1, 2001,
21 in the county's mental health, mental retardation, and
22 developmental disabilities services fund created under
23 section 331.424A, as a percentage of the county's
24 gross expenditures from that fund for that fiscal
25 year. The withholding factor for a county shall be
26 the following applicable percent:

- 27 a. For an ending balance percentage of less than
28 10 percent, a withholding factor of 0 percent.
29 b. For an ending balance percentage of 10 through
30 24 percent, a withholding factor of ~~25~~ 41.47 percent.
31 c. For an ending balance percentage of 25 through
32 34 percent, a withholding factor of 60 percent.
33 d. For an ending balance percentage of 35 through
34 44 percent, a withholding factor of 85 percent.
35 e. For an ending balance percentage of 45 percent
36 or more, a withholding factor of 100 percent.

37 5. The total withholding amounts applied pursuant
38 to subsection 4 shall be equal to a withholding target
39 amount of ~~\$11,992,712~~ 12,492,712 and the appropriation
40 made in this division of this Act for the MH/DD
41 community services fund and the appropriation made in
42 2001 Iowa Acts, chapter 176, section 1, as amended by
43 this division of this Act shall be reduced by the
44 amount necessary to attain the withholding target
45 amount. If the department of human services
46 determines that the amount to be withheld in
47 accordance with subsection 4 is not equal to the
48 target withholding amount, the department shall adjust
49 the withholding factors listed in subsection 4 as
50 necessary to achieve the withholding target amount.

S-5506

-26-

S-5506

Page 27

1 However, in making such adjustments to the withholding
2 factors, the department shall strive to minimize
3 changes to the withholding factors for those ending
4 balance percentage ranges that are lower than others
5 and shall not adjust the zero withholding factor
6 specified in subsection 4, paragraph "a".

7 6. A In order to be eligible for a funding
8 distribution under this section, a county must levy at
9 least 70 percent of the maximum allowed for the
10 county's services fund under section 331.424A for
11 taxes due and payable in the fiscal year beginning
12 July 1, 2002, and comply with the December 1, 2002,
13 filing deadline for the county annual financial report
14 in accordance with section 331.403. The amount that
15 would otherwise be available for distribution to a
16 county that fails to so comply shall be
17 proportionately distributed among the eligible
18 counties.

19 7. The department of human services shall
20 authorize the issuance of warrants payable to the
21 county treasurer for the distribution amounts due the
22 counties eligible under this section and
23 notwithstanding prior practice for the MH/DD community
24 services fund, the warrants shall be issued in January
25 2003.

26 Sec. 64. 2002 Iowa Acts, Senate File 2326, section
27 104, subsection 12, if enacted, is amended to read as
28 follows:

29 ~~12. If federal funding is received or if moneys~~
30 ~~are appropriated, the department may participate Of~~
31 the moneys appropriated in this section, \$150,000
32 shall be used as state matching funds, in combination
33 with federal and private funds, for participation in a
34 federal home telecare pilot program intended to manage
35 health care needs of subpopulations of Iowans and
36 specifically including subpopulations of Iowans who
37 require high utilization of health care services and
38 represent a disproportionate share of consumption of
39 health care services. The program shall be
40 administered by the Iowa telecare consortium, which is
41 a collaboration of public, private, academic, and
42 governmental participants coordinated by Des Moines
43 university -- osteopathic medical center. The program
44 may direct telecare services to persons with diagnoses
45 of specific nonacute chronic illnesses, which may
46 include, but are not limited to, chronic obstructive
47 pulmonary disease, congestive heart disease, diabetes,
48 and asthma. Des Moines university -- osteopathic
49 medical center shall submit a report to the general
50 assembly by January 15, 2003, regarding the status of

S-5506

-27-

S-5506

Page 28

1 the pilot program. The program guidelines shall be
2 consistent with those specified under 2001 Iowa Acts,
3 chapter 191, section 7, subsection 15.

4 Sec. 65. 2002 Iowa Acts, Senate File 2326, section
5 154, subsection 2, unnumbered paragraph 2, if enacted,
6 is amended to read as follows:

7 Riverboat enforcement costs shall be billed in
8 accordance with section 99F.10, subsection 4, and
9 section 99F.10A. The costs shall be not more than the
10 department's estimated expenditures, including salary
11 adjustment, for riverboat enforcement for the fiscal
12 year. The costs billed to the riverboats shall not be
13 more than \$1,280,000 in excess of the amount billed to
14 the riverboats in the fiscal year beginning July 1,
15 2001. Racetrack enforcement costs shall be billed in
16 accordance with section 99D.14, subsection 7, and
17 section 99D.14A. The costs shall be not more than the
18 department's estimated expenditures, including salary
19 adjustment, for racetrack enforcement for the fiscal
20 year. The costs billed to the racetracks shall not be
21 more than \$420,000 in excess of the amount billed to
22 the racetracks in the fiscal year beginning July 1,
23 2001.

24 Sec. 66. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.
25 2002 Iowa Acts, Senate File 2326, section 175,
26 subsection 14, if enacted, is amended by striking the
27 subsection.

28 Sec. 67. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.
29 Notwithstanding section 312.2, subsection 14, the
30 amount appropriated from the general fund of the state
31 under section 312.2, subsection 14, to the state
32 department of transportation for public transit
33 assistance under chapter 324A for the fiscal year
34 beginning July 1, 2001, and ending June 30, 2002, is
35 reduced by the following amount:

36 \$ 1,107,938

37 Sec. 68. Chapter 2A, Code 2001, is repealed.

38 Sec. 69. EFFECTIVE DATE -- CONTINGENCY -- REPORT
39 TO CODE EDITOR. The section of this division of this
40 Act amending section 249A.3, relating to the optional
41 category of individuals covered under the medical
42 assistance program relating to persons with
43 disabilities who have earned income, takes effect only
44 if the department does not win the appeal against the
45 centers for Medicare and Medicaid of the United States
46 department of health and human services relating to
47 the state plan amendment. The department shall notify
48 the Code editor when the department is notified of a
49 decision on the appeal in order to identify an
50 effective date.

S-5506

Page 29

1 Sec. 70. EFFECTIVE DATE. The section in this Act
2 relating to dental services for adults under the
3 medical assistance program, being deemed of immediate
4 importance, takes effect upon enactment.

5 Sec. 71. EFFECTIVE DATE. The section of this
6 division of this Act that amends 2001 Iowa Acts,
7 chapter 182, section 7, being deemed of immediate
8 importance, takes effect upon enactment.

9 Sec. 72. EFFECTIVE DATE. The provision of this
10 division of this Act amending 2001 Iowa Acts, chapter
11 191, section 14, relating to the department of human
12 services exceeding its budget target for group foster
13 care by up to twenty percent in fiscal year 2001-2002.

DIVISION III

CORRECTIVE AMENDMENTS

14
15
16 Sec. 73. Section 8.55, subsection 2, paragraph d,
17 if enacted by 2002 Iowa Acts, House File 2075, section
18 1, is amended to read as follows:

19 d. Notwithstanding paragraph "a", any moneys in
20 excess of the maximum balance in the economic
21 emergency fund after the distribution of the surplus
22 in the general fund of the state at the conclusion of
23 each fiscal year and after the appropriate ~~amount~~
24 amounts have been transferred pursuant to paragraphs
25 "b" and "c" shall not be transferred to the general
26 fund of the state but shall be transferred to the
27 endowment for Iowa's health account of the tobacco
28 settlement trust fund. The total amount transferred,
29 in the aggregate, under this paragraph for all fiscal
30 years shall not exceed the difference between fifty-
31 one million five hundred thousand dollars and the
32 amounts transferred to the endowment for Iowa's health
33 account to repay the amounts transferred or
34 appropriated from the endowment for Iowa's health
35 account in 2002 Iowa Acts, House File 2245, 2002 Iowa
36 Acts, Senate File 2304, and 2002 Iowa Acts, Senate
37 File 2315.

38 Sec. 74. Section 10D.1, unnumbered paragraph 1, as
39 enacted by 2002 Iowa Acts, Senate File 2210, section
40 3, is amended to read as follows:

41 As used in this ~~section~~ chapter, unless the context
42 otherwise requires:

43 Sec. 75. Section 15E.42, subsection 3, as enacted
44 by 2002 Iowa Acts, House File 2271, section 2, is
45 amended to read as follows:

46 3. "Investor" means an individual making a cash
47 investment in a qualifying business or a person making
48 a cash investment in a community-based seed capital
49 fund. "Investor" does not include a person which is a
50 current or previous owner, member, or shareholder in a

S-5506

-29-

S-5506

Page 30

1 ~~qualified~~ qualifying business.

2 Sec. 76. Section 15E.43, subsection 1, paragraph
3 a, as enacted by 2002 Iowa Acts, House File 2271,
4 section 3, is amended to read as follows:

5 a. For tax years beginning on or after January 1,
6 2002, a tax credit shall be allowed against the taxes
7 imposed in chapter 422, division II, for a portion of
8 an individual taxpayer's equity investment, as
9 provided in subsection 2, in a ~~qualified~~ qualifying
10 business. An individual shall not claim a tax credit
11 under this paragraph of a partnership, limited
12 liability company, S corporation, estate, or trust
13 electing to have income taxed directly to the
14 individual.

15 Sec. 77. Section 15E.224, subsection 1, as enacted
16 by 2002 Iowa Acts, House File 2078, section 4, is
17 amended to read as follows:

18 1. An Iowa capital investment corporation may be
19 organized as a private, not-for-profit corporation
20 under chapter 504A. The Iowa capital investment
21 corporation is not a public corporation or
22 instrumentality of the state and shall not enjoy any
23 of the privileges and shall not be required to comply
24 with the requirements of a state agency. Except as
25 otherwise provided in this division, this division
26 does not exempt the corporation from the requirements
27 under state law which apply to other corporations
28 organized under chapter 504A. The purposes of an Iowa
29 capital investment corporation shall be to organize
30 the Iowa fund of funds, to select a venture capital
31 investment fund allocation manager to select venture
32 capital fund investments by the Iowa fund of funds, to
33 negotiate the terms of a contract with the venture
34 capital investment fund allocation manager, to execute
35 the contract with the selected venture capital
36 investment fund allocation manager on behalf of the
37 Iowa fund of funds, to receive investment returns from
38 the Iowa fund of funds, and to reinvest the investment
39 returns in additional venture capital investments
40 designed to result in a significant potential to
41 create jobs and to diversify and stabilize the economy
42 of the state. The corporation shall not exercise
43 governmental functions and shall not have members.
44 The obligations of the corporation are not obligations
45 of this state or any political subdivision of this
46 state within the meaning of any constitutional or
47 statutory debt limitations, but are obligations of the
48 corporation payable solely and only from the
49 corporation's funds. The corporation shall not and
50 cannot pledge the credit or taxing power of this state

S-5506

-30-

S-5506

Page 31

1 or any political subdivision of this state or make its
2 debts payable out of any moneys except those of the
3 corporation.

4 Sec. 78. Section 29A.90, subsection 3, if enacted
5 by 2002 Iowa Acts, Senate File 2124, section 24, is
6 amended to read as follows:

7 3. "Military service" means full-time active state
8 service or state active duty, as defined in section
9 29A.1, for a period of at least ninety consecutive
10 days, commencing on or after the effective date of
11 this division of this Act.

12 Sec. 79. Section 41.1, subsection 28, Code 2001,
13 as amended by 2001 Iowa Acts, First Extraordinary
14 Session, chapter 1, section 2, is amended to read as
15 follows:

16 28. The twenty-eighth representative district in
17 Dubuque county shall consist of those portions of
18 Dubuque and Table Mound townships and the city of
19 Dubuque bounded by a line commencing at the point
20 Asbury road intersects the east corporate limit of the
21 city of Asbury, then proceeding first south, and then
22 in a clockwise manner along the corporate limits of
23 the city of Asbury until it intersects the ~~west~~ east
24 boundary of ~~Dubuque~~ Dubuque Center township, then proceeding
25 first south, and then in a clockwise manner along the
26 west boundary of ~~Dubuque~~ Dubuque Center township until it
27 intersects the east boundary of Vernon township and
28 the corporate limits of the city of Dubuque, then
29 proceeding first ~~west~~ south, and then in a
30 counterclockwise manner along the corporate limits of
31 the city of Dubuque until it intersects the south
32 boundary of Dubuque township, then proceeding east
33 along the south boundary of Dubuque township until it
34 intersects the corporate limits of the city of
35 Dubuque, then proceeding first east, and then in a
36 counterclockwise manner along the corporate limits of
37 the city of Dubuque until it intersects the east
38 boundary of Table Mound township, then proceeding
39 north along the boundary of Table Mound township until
40 it intersects the corporate limits of the city of
41 Dubuque, then proceeding first east, and then in a
42 counterclockwise manner along the corporate limits of
43 the city of Dubuque until it intersects the Peosta
44 channel of the Mississippi river, then proceeding
45 southwesterly along the Peosta channel until it
46 intersects East Sixteenth street, then proceeding
47 southwesterly along East Sixteenth street until it
48 intersects Kerper boulevard, then proceeding northerly
49 along Kerper boulevard until it intersects Fengler
50 street, then proceeding northwest along Fengler street

S-5506

-31-

S-5506

Page 32

1 until it intersects the I & M Rail Link tracks, then
2 proceeding southwest along the I & M Rail Link tracks
3 until it intersects the extension of Stafford street,
4 then proceeding westerly along the extension of
5 Stafford street until it intersects Garfield avenue,
6 then proceeding southwest along Garfield avenue until
7 it intersects East Twentieth street, then proceeding
8 southwesterly along East Twentieth street until it
9 intersects Central avenue, then proceeding northwest
10 along Central avenue until it intersects West Twenty-
11 third street, then proceeding southwesterly along West
12 Twenty-third street until it intersects Valeria
13 street, then proceeding northwesterly along Valeria
14 street until it intersects Kaufmann avenue, then
15 proceeding southeast along Kaufmann avenue until it
16 intersects Hempstead street, then proceeding southwest
17 along Hempstead street until it intersects Montcrest
18 street, then proceeding westerly along Montcrest
19 street until it intersects Portland street, then
20 proceeding southwest along Portland street until it
21 intersects Abbott street, then proceeding south along
22 Abbott street until it intersects Lowell street, then
23 proceeding east along Lowell street until it
24 intersects Harold street, then proceeding south along
25 Harold street until it intersects Clarke drive, then
26 proceeding easterly along Clarke drive until it
27 intersects Foye street, then proceeding southerly
28 along Foye street until it intersects West Locust
29 street, then proceeding west along West Locust street
30 until it intersects Kirkwood street, then proceeding
31 southwest along Kirkwood street until it intersects
32 Cox street, then proceeding southeast along Cox street
33 until it intersects Loras boulevard, then proceeding
34 southwest along Loras boulevard until it intersects
35 Wood street, then proceeding southeast along Wood
36 street until it intersects University avenue, then
37 proceeding east along University avenue until it
38 intersects Delhi street, then proceeding southwest
39 along Delhi street until it intersects West Fifth
40 street, then proceeding southeast along West Fifth
41 street until it intersects College street, then
42 proceeding southerly along College street until it
43 intersects West Third street, then proceeding
44 southwest along West Third street until it intersects
45 North Grandview avenue, then proceeding south along
46 North Grandview avenue until it intersects Hale
47 street, then proceeding west along Hale street until
48 it intersects North Algona street, then proceeding
49 north along North Algona street until it intersects
50 Bennett street, then proceeding west along Bennett

S-5506

-32-

S-5506

Page 33

1 street until it intersects McCormick street, then
2 proceeding northerly along McCormick street until it
3 intersects Mineral street, then proceeding west along
4 Mineral street until it intersects O'Hagen street,
5 then proceeding north along O'Hagen street until it
6 intersects Pearl street, then proceeding west along
7 Pearl street until it intersects Finley street, then
8 proceeding northwest along Finley street until it
9 intersects University avenue, then proceeding
10 northeast along University avenue until it intersects
11 Asbury road, then proceeding northwesterly along
12 Asbury road until it intersects Wilbricht lane, then
13 proceeding west along Wilbricht lane until it
14 intersects Flora Park road, then proceeding
15 southwesterly along Flora Park road until it
16 intersects Pennsylvania avenue, then proceeding west
17 along Pennsylvania avenue until it intersects
18 Churchill drive, then proceeding north along Churchill
19 drive until it intersects St. Anne drive, then
20 proceeding west along St. Anne drive until it
21 intersects Carter road, then proceeding north along
22 Carter road until it intersects Hillcrest road, then
23 proceeding west along Hillcrest road until it
24 intersects John F. Kennedy road, then proceeding north
25 along John F. Kennedy road until it intersects
26 Hillcrest road, then proceeding west along Hillcrest
27 road until it intersects Key Largo drive, then
28 proceeding south along Key Largo drive until it
29 intersects Keymeer drive, then proceeding east along
30 Keymeer drive until it intersects Key Way drive, then
31 proceeding south along Key Way drive until it
32 intersects the north fork of Catfish creek, then
33 proceeding west along the north fork of Catfish creek
34 until it intersects the extension of Winne court, then
35 proceeding north along Winne court and its extension
36 until it intersects Hillcrest road, then proceeding
37 east along Hillcrest road until it intersects the
38 north branch of the north fork of Catfish creek, then
39 proceeding northwesterly along the north branch of the
40 north fork of Catfish creek until it intersects the
41 northwest branch of the north fork of Catfish creek,
42 then proceeding northwest along the northwest branch
43 of the north fork of Catfish creek until it intersects
44 Asbury road, then proceeding west along Asbury road to
45 the point of origin.

46 Sec. 80. Section 53.7, subsection 2, Code 2001, as
47 amended by 2002 Iowa Acts, House File 2409, section
48 11, is amended to read as follows:

49 2. It is unlawful for any public officer or
50 employee, or any person acting under color of a public

S-5506

-33-

S-5506

Page 34

1 officer or employee, to knowingly require a public
2 employee to solicit an application or request ~~for~~ an
3 application for an absentee ballot, or to knowingly
4 ~~requires that~~ require an employee to take an affidavit
5 or request for an affidavit in connection with an
6 absentee ballot application.

7 Sec. 81. Section 256F.4, subsections 1 and 3, if
8 enacted by 2002 Iowa Acts, Senate File 348, section 4,
9 are amended to read as follows:

10 1. Within fifteen days after approval of a charter
11 school application submitted in accordance with
12 section 256F.3, subsection 2, a school board shall
13 report to the department the name of the charter
14 school applicant ~~entry~~, the proposed charter school
15 location, and its projected enrollment.

16 3. A charter school shall not discriminate in its
17 student admissions policies or practices on the basis
18 of intellectual or athletic ability, measures of
19 achievement or aptitude, or status as a person with a
20 disability. However, a charter school may limit
21 admission to students who are within a particular
22 range of ~~age~~ ages or grade ~~level~~ levels or on any
23 other basis that would be legal if initiated by a
24 school district. Enrollment priority shall be given
25 to the siblings of students enrolled in a charter
26 school.

27 Sec. 82. Section 303A.7, subsection 1, as enacted
28 by 2002 Iowa Acts, House File 2571, section 8, is
29 amended to read as follows:

30 1. An Iowa cultural trust grant account is created
31 in the office of the treasurer of state under the
32 control of the board to receive interest attributable
33 to the investment of trust fund moneys as required by
34 section 303A.4, subsection 4. The moneys in the grant
35 account are appropriated to the board for purposes of
36 the Iowa cultural trust created in section 303A.4.
37 Moneys in the grant account shall not be subject to
38 appropriation for any other purpose by the general
39 assembly, but shall be used only for the purposes of
40 the Iowa cultural trust. The treasurer of state shall
41 act as custodian of the grant account and disburse
42 moneys contained in the grant account as directed by
43 the board. The board shall make expenditures from the
44 grant account consistent with the purposes of the Iowa
45 cultural trust.

46 Sec. 83. Section 356.36A, as enacted by 2002 Iowa
47 Acts, Senate File 2278, section 1, is amended to read
48 as follows:

49 356.36A CONFINEMENT AND DETENTION REPORT -- DESIGN
50 PROPOSALS.

S-5506

S-5506

Page 35

1 The division of criminal and juvenile justice
2 planning of the department of human rights, in
3 consultation with the department of corrections, the
4 Iowa county attorneys association, the Iowa state
5 sheriff's association, the Iowa association of chiefs
6 of police and peace officers, a statewide organization
7 representing rural property taxpayers, the Iowa league
8 of cities, and the Iowa board of supervisors
9 association, shall prepare a report analyzing the
10 confinement and detention needs of jails and
11 facilities established pursuant to ~~chapter~~ chapters
12 356 and 356A. The report for each type of jail or
13 facility shall include but is not limited to an
14 inventory of prisoner space, daily prisoner counts,
15 options for detention of prisoners with mental illness
16 or substance abuse service needs, and the compliance
17 status under section 356.36 for each jail or facility.
18 The report shall contain an inventory of recent jail
19 or facility construction projects in which voters have
20 approved the issuance of general obligation bonds,
21 essential county purpose bonds, revenue bonds, or
22 bonds issued pursuant to chapter 422B. The report
23 shall be revised periodically as directed by the
24 administrator of the division of criminal and juvenile
25 justice planning. The first submission of the report
26 shall include recommendations on offender data needed
27 to estimate jail space needs in the next two, three,
28 and five years, on a county, geographic region, and
29 statewide basis, which may be based upon information
30 submitted pursuant to section 356.49.

31 Sec. 84. Section 359.49, subsection 7A, unnumbered
32 paragraph 1, as enacted by 2002 Iowa Acts, House File
33 2448, section 1, is amended to read as follows:

34 A township that has entered into an agreement with
35 a municipality to receive fire protection service or
36 emergency medical service from the municipality may
37 request that a portion of its taxes be paid directly
38 to the municipality providing the fire protection
39 service or emergency medical service. Each year, the
40 township must note its request on the budget and must
41 attach a copy of the emergency services agreement to
42 each copy of the budget transmitted to the county
43 auditor. The auditor shall direct the county
44 treasurer as to what portion of the township taxes to
45 disburse to the municipality providing the fire
46 protection service or emergency medical service.

47 Sec. 85. Section 453A.58, subsection 1, paragraph
48 a, as created in 2002 Iowa Acts, Senate File 2317,
49 section 4, if enacted, is amended to read as follows:

50 a. The tobacco product manufacturer of the brand,

S-5506

S-5506

Page 36

1 or any predecessor tobacco product manufacturer of the
2 brand, is a participating manufacturer ~~in compliance~~
3 ~~with as described in~~ section 453C.2, subsection 1.

4 Sec. 86. Section 453A.58, subsection 2, as created
5 in 2002 Iowa Acts, Senate File 2317, section 4, if
6 enacted, is amended to read as follows:

7 2. A distributor shall not affix stamps or cause
8 stamps to be affixed to individual packages of any
9 brand of cigarettes, subsequent to notice to the
10 distributor by the department of revenue and finance
11 that the tobacco product manufacturer is ~~in violation~~
12 ~~of chapter 453C~~ not in compliance with subsection 1
13 with reference to that brand.

14 Sec. 87. Section 453A.59, subsection 1, paragraph
15 a, as created in 2002 Iowa Acts, Senate File 2317,
16 section 5, if enacted, is amended to read as follows:

17 a. A participating manufacturer ~~pursuant to~~
18 described in section 453C.2, subsection 1.

19 Sec. 88. Section 490.732, subsection 4, if enacted
20 by 2002 Iowa Acts, House File 2509, section 22, is
21 amended to read as follows:

22 4. An agreement authorized by this section shall
23 cease to be effective when shares of the corporation
24 are listed on a national securities exchange or
25 regularly ~~traced~~ traded in a market maintained by one
26 or more members of a national or affiliated securities
27 association. If the agreement ceases to be effective
28 for any reason, the board of directors may, if the
29 agreement is contained or referred to in the
30 corporation's articles of incorporation or bylaws,
31 adopt an amendment to the articles of incorporation or
32 bylaws, without shareholder action, to delete the
33 agreement and any references to it.

34 Sec. 89. Section 490.853, subsection 3, unnumbered
35 paragraph 1, if enacted by 2002 Iowa Acts, House File
36 2509, section 47, is amended to read as follows:

37 Authorizations under this section shall be made
38 according to ~~the~~ one of the following:

39 Sec. 90. Section 490.1003, subsection 2, if
40 enacted by 2002 Iowa Acts, House File 2509, section
41 56, is amended to read as follows:

42 2. Except as provided in ~~section~~ sections
43 490.1005, 490.1007, and 490.1008, after adopting the
44 proposed amendment, the board of directors must submit
45 the amendment to the shareholders for their approval.
46 The board of directors must also transmit to the
47 shareholders a recommendation that the shareholders
48 approved the amendment, unless the board of directors
49 makes a determination that because of conflicts of
50 interest or other special circumstances it should not

S-5506

-36-

S-5506

Page 37

1 make such a recommendation, in which case the board of
2 directors must transmit to the shareholders the basis
3 for the determination.

4 Sec. 91. Section 490.1303, subsection 2, paragraph
5 b, Code 2001, as amended by 2002 Iowa Acts, House File
6 2509, section 80, if enacted, is amended to read as
7 follows:

8 b. Does so with respect to all shares of the class
9 ~~of~~ or series that are beneficially owned by the
10 beneficial shareholder.

11 Sec. 92. Section 524.814, Code 2001, is amended to
12 read as follows:

13 524.814 PLEDGE OF ASSETS.

14 Pursuant to a resolution of its board of directors,
15 a state bank may lend or pledge its assets for the
16 following purposes, and for no other purposes:

17 1. To secure deposits of the state bank or a bank
18 that is an affiliate of the state bank when a customer
19 is required to obtain such security, or a bank is
20 required to provide security, by the laws of the
21 United States, by any agency or instrumentality of the
22 United States, by the laws of the state of Iowa, by
23 the state board of regents, by a resolution or
24 ordinance relating to the issuance of bonds, by the
25 terms of any interstate compact or by order of any
26 court of competent jurisdiction. The lending of
27 securities to a bank that is an affiliate, or the
28 pledging of securities for the account of a bank that
29 is an affiliate, shall be on terms and conditions that
30 are consistent with safe and sound banking practices.

31 2. To secure money borrowed by the state bank,
32 provided that capital notes or debentures issued
33 pursuant to section 524.404 shall not in any event be
34 secured by a pledge of assets or otherwise.

35 3. To secure participations sold to the federal
36 agricultural mortgage corporation.

37 Sec. 93. Section 633.4213, subsection 1, Code
38 Supplement 2001, as amended by 2002 Iowa Acts, House
39 File 2531, section 12, if enacted, is amended to read
40 as follows:

41 1. The trustee shall inform each qualified
42 beneficiary of ~~their~~ the beneficiary's right to
43 receive an annual accounting and a copy of the trust
44 instrument. The trustee shall also inform each
45 qualified beneficiary about the process necessary to
46 obtain an annual accounting or a copy of the trust
47 instrument, if not provided. The trustee shall
48 further inform the beneficiary whether the beneficiary
49 will, or will not, receive an annual accounting if the
50 beneficiary fails to take any action. If a

S-5506

-37-

S-5506

Page 38

1 beneficiary has previously been provided the notice
2 required by this section, additional notice shall not
3 be required due to a change of trustees or a change in
4 the composition of the qualified beneficiaries.

5 Sec. 94. Section 724.26, as amended by 2002 Iowa
6 Acts, House File 2363, section 4, is amended to read
7 as follows:

8 724.26 POSSESSION, RECEIPT, TRANSPORTATION, OR
9 DOMINION AND CONTROL OF FIREARMS AND OFFENSIVE WEAPONS
10 BY FELONS.

11 A person who is convicted of a felony in a state or
12 federal court, or who is adjudicated delinquent on the
13 basis of conduct that would constitute a felony if
14 committed by an adult, and who knowingly has under the
15 person's dominion and control or possession, ~~or~~
16 receives, or transports or causes to be transported a
17 firearm or offensive weapon is guilty of a class "D"
18 felony.

19 Sec. 95. 2001 Iowa Acts, chapter 174, section 1,
20 subsection 1, unnumbered paragraph 3, as enacted by
21 2002 Iowa Acts, Senate File 2315, section 4, is
22 amended to read as follows:

23 For the fiscal year beginning July 1, 2002, and
24 ending June 30, 2003, of the \$75,000,000 to be
25 deposited in the endowment for Iowa's health account
26 of the tobacco settlement trust fund under this
27 subsection, ~~the first~~ \$20,000,000 is appropriated to
28 the department of management to pay that part of
29 foundation aid which represents the allowable growth
30 amounts for all school districts. An appropriation
31 from the general fund of the state for foundation aid
32 which is supplanted by the appropriation made in this
33 subsection, shall be reduced by the amount of the
34 appropriation which supplants it.

35 Sec. 96. 2002 Iowa Acts, Senate File 348, section
36 14, if enacted, is amended to read as follows:

37 SEC. 14. EXPEDITED APPLICATION PROCEDURE. The
38 state board of education shall develop an expedited
39 charter school application procedure for the fiscal
40 year beginning July 1, ~~2003~~ 2002, for purposes of
41 receiving federal planning funds issued pursuant to
42 the federal Elementary and Secondary Education Act of
43 1965, Title X, Part C, as codified in 20 U.S.C. \square
44 8061-8067.

45 Sec. 97. 2002 Iowa Acts, Senate File 2326, section
46 38, subsection 2, if enacted, is amended to read as
47 follows:

48 2. If House File ~~2524~~ 2617 is enacted by the
49 Seventy-ninth General Assembly, 2002 Session, the
50 amount appropriated in subsection 1 shall be increased

S-5506

-38-

S-5506

Page 39

1 by \$38,000. The increased amount shall be used to
2 fill a vacant position in the dairy products control
3 bureau.

4 Sec. 98. 2002 Iowa Acts, Senate File 2326, section
5 175, subsection 2, unnumbered paragraph 2, if enacted,
6 is amended to read as follows:

7 If total approved claims for reimbursement for
8 nonpublic school pupil transportation claims exceed
9 the amount appropriated in this ~~section~~ subsection,
10 the department of education shall prorate the amount
11 of each claim.

12 Sec. 99. 2002 Iowa Acts, House File 2378, section
13 10, subsection 1, if enacted, is amended to read as
14 follows:

15 1. Section 4 of this Act, amending section
16 15E.193C, subsections 2, 5, and 10, Code Supplement
17 2001, being deemed of immediate importance, takes
18 effect April 30, 2002, and, if approved by the
19 governor after April 30, 2002, shall apply
20 retroactively to April 30, 2002.

21 Sec. 100. 2002 Iowa Acts, Senate File 2275,
22 sections 170 through 174, if enacted, are repealed.

23 Sec. 101. 2002 Iowa Acts, House File 2453, section
24 6, if enacted, is repealed.

25 Sec. 102. EFFECTIVE DATE. The sections in this
26 division of this Act amending new Code section 29A.90,
27 subsection 3, and 2002 Iowa Acts, Senate File 348,
28 section 14, being deemed of immediate importance, take
29 effect upon enactment.

30 Sec. 103. CONTINGENT EFFECTIVE DATE. The section
31 in this division of this Act amending section 524.814
32 is effective contingent upon the enactment of 2002
33 Iowa Acts, House File 681.

34 DIVISION IV

35 MH/MR/DD -- FY 2003-2004 ALLOWED GROWTH

36 Sec. 104. COUNTY MENTAL HEALTH, MENTAL
37 RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED
38 GROWTH FACTOR ADJUSTMENT AND ALLOCATIONS -- FISCAL
39 YEAR 2003-2004. There is appropriated from the
40 general fund of the state to the department of human
41 services for the fiscal year beginning July 1, 2003,
42 and ending June 30, 2004, the following amount, or so
43 much thereof as is necessary, to be used for the
44 purpose designated:

45 For distribution to counties of the county mental
46 health, mental retardation, and developmental
47 disabilities allowed growth factor adjustment, as
48 provided in this section in lieu of the provisions of
49 section 331.438, subsection 2, and section 331.439,
50 subsection 3, and chapter 426B:

S-5506

-39-

S-5506

Page 40

1 \$ 19,073,638

2 1. The funding appropriated in this section is the
3 allowed growth factor adjustment for fiscal year 2003-
4 2004, and is allocated as follows:

5 a. For distribution as provided in this section:
6 \$ 17,073,638

7 b. For deposit in the risk pool created in the
8 property tax relief fund and for distribution in
9 accordance with section 426B.5, subsection 2:
10 \$ 2,000,000

11 2. The following formula amounts shall be utilized
12 only to calculate preliminary distribution amounts for
13 fiscal year 2003-2004 under this section by applying
14 the indicated formula provisions to the formula
15 amounts and producing a preliminary distribution total
16 for each county:

17 a. For calculation of an allowed growth factor
18 adjustment amount for each county in accordance with
19 the formula in section 331.438, subsection 2,
20 paragraph "b":
21 \$ 12,000,000

22 b. For calculation of a distribution amount for
23 eligible counties from the per capita expenditure
24 target pool created in the property tax relief fund in
25 accordance with the requirements in section 426B.5,
26 subsection 1:
27 \$ 12,492,712

28 c. For calculation of a distribution amount for
29 counties from the mental health and developmental
30 disabilities (MH/DD) community services fund in
31 accordance with the formula provided in 2002 Iowa
32 Acts, Senate File 2326, section 119, subsection 1:
33 \$ 18,127,352

34 3. Notwithstanding any contrary provisions of
35 sections 225C.7, 331.438, subsection 2, 331.439,
36 subsection 3, and 426B.5, the moneys allocated for
37 distribution in subsection 1, paragraph "b", and in
38 any other Act of the Eightieth General Assembly, 2003
39 Session, for distribution to counties in the fiscal
40 year beginning July 1, 2003, for purposes of the
41 mental health and developmental disabilities (MH/DD)
42 community services fund under section 225C.7, and for
43 the allowed growth factor adjustment for services paid
44 under a county's section 331.424A mental health,
45 mental retardation, and developmental disabilities
46 services fund and as calculated under subsection 2 to
47 produce preliminary distribution amounts for counties
48 shall be subject to withholding as provided in this
49 section.

50 4. After applying the applicable statutory

S-5506

Page 41

1 distribution formulas to the amounts indicated in
2 subsection 2 for purposes to produce preliminary
3 distribution totals, the department of human services
4 shall apply a withholding factor to adjust an eligible
5 individual county's preliminary distribution total.
6 An ending balance percentage for each county shall be
7 determined by expressing the county's ending balance
8 on a modified accrual basis under generally accepted
9 accounting principles for the fiscal year beginning
10 July 1, 2002, in the county's mental health, mental
11 retardation, and developmental disabilities services
12 fund created under section 331.424A, as a percentage
13 of the county's gross expenditures from that fund for
14 that fiscal year. The withholding factor for a county
15 shall be the following applicable percent:

16 a. For an ending balance percentage of less than
17 10 percent, a withholding factor of 0 percent.
18 b. For an ending balance percentage of 10 through
19 24 percent, a withholding factor of 25 percent.
20 c. For an ending balance percentage of 25 through
21 34 percent, a withholding factor of 60 percent.
22 d. For an ending balance percentage of 35 through
23 44 percent, a withholding factor of 85 percent.
24 e. For an ending balance percentage of 45 percent
25 or more, a withholding factor of 100 percent.
26 5. The total withholding amounts applied pursuant
27 to subsection 4 shall be equal to a withholding target
28 amount of \$7,419,074 and the appropriation enacted by
29 the Eightieth General Assembly, 2003 Session, for the
30 MH/DD community services fund shall be reduced by the
31 amount necessary to attain the withholding target
32 amount. If the department of human services
33 determines that the amount to be withheld in
34 accordance with subsection 4 is not equal to the
35 target withholding amount, the department shall adjust
36 the withholding factors listed in subsection 4 as
37 necessary to achieve the withholding target amount.
38 However, in making such adjustments to the withholding
39 factors, the department shall strive to minimize
40 changes to the withholding factors for those ending
41 balance percentage ranges that are lower than others
42 and shall not adjust the zero withholding factor
43 specified in subsection 4, paragraph "a".

44 6. A county must comply with both the requirements
45 listed in this subsection to be eligible to receive a
46 funding distribution under this section. The amount
47 that would otherwise be available for distribution to
48 a county that fails to so comply shall be
49 proportionately distributed among the eligible
50 counties. Both of the following requirements are

S-5506

-41-

S-5506

Page 42

1 applicable:

2 a. A county must comply with the December 1, 2003,
3 filing deadline for the county annual financial report
4 in accordance with section 331.403.

5 b. A county must levy the not less than 70 percent
6 of the maximum amount allowed for the county's mental
7 health, mental retardation, and developmental
8 disabilities services fund under section 331.424A for
9 taxes due and payable in the fiscal year beginning
10 July 1, 2003.

11 7. The department of human services shall
12 authorize the issuance of warrants payable to the
13 county treasurer for the distribution amounts due the
14 counties eligible under this section and
15 notwithstanding prior practice for the MH/DD community
16 services fund, the warrants shall be issued in January
17 2004.

18 DIVISION V

19 APPROPRIATION ADJUSTMENTS

20 Sec. 105. SECRETARY OF STATE. 2002 Iowa Acts,
21 Senate File 2326, section 23, subsection 2, if
22 enacted, is amended to read as follows:

23 2. BUSINESS SERVICES

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

27	\$	1,433,235
28		<u>1,533,235</u>
29	FTEs	32.00

30 Sec. 106. 2002 Iowa Acts, Senate File 2326,
31 section 79, subsections 17 and 18, if enacted, are
32 amended to read as follows:

33 17. STUDENT ACHIEVEMENT AND TEACHER QUALITY
34 PROGRAM

35 For purposes, as provided in law, of the student
36 achievement and teacher quality program established
37 pursuant to chapter 284:

38	\$	7,750,000
39		<u>16,100,000</u>

40 Notwithstanding section 8.33, any moneys remaining
41 unencumbered or unobligated from the moneys allocated
42 as provided in this subsection shall not revert but
43 shall remain available in the succeeding fiscal year
44 for expenditure for the purposes designated. The
45 provisions of section 8.39 shall not apply to the
46 funds appropriated pursuant to this subsection.

47 18. COMMUNITY COLLEGES

48 For general state financial aid, including general
49 financial aid to merged areas in lieu of personal
50 property tax replacement payments, to merged areas as

S-5506

Page 43

1 defined in section 260C.2, for vocational education
2 programs in accordance with chapters 258 and 260C:

3 \$137,585,680
4 138,585,680

5 The funds appropriated in this subsection shall be
6 allocated as follows:

7	a. Merged Area I	\$	<u>6,602,820</u>
8			6,650,811
9	b. Merged Area II	\$	<u>7,755,900</u>
10			7,812,271
11	c. Merged Area III	\$	<u>7,205,055</u>
12			7,257,423
13	d. Merged Area IV	\$	<u>3,521,678</u>
14			3,547,274
15	e. Merged Area V	\$	<u>7,367,785</u>
16			7,421,336
17	f. Merged Area VI	\$	<u>6,826,113</u>
18			6,875,727
19	g. Merged Area VII	\$	<u>9,849,174</u>
20			9,920,760
21	h. Merged Area IX	\$	<u>12,113,770</u>
22			12,201,815
23	i. Merged Area X	\$	<u>19,011,042</u>
24			19,149,218
25	j. Merged Area XI	\$	<u>20,177,551</u>
26			20,324,204
27	k. Merged Area XII	\$	<u>7,949,367</u>
28			8,007,145
29	l. Merged Area XIII	\$	<u>8,174,348</u>
30			8,233,761
31	m. Merged Area XIV	\$	<u>3,563,670</u>
32			3,589,571
33	n. Merged Area XV	\$	<u>11,213,616</u>
34			11,295,119
35	o. Merged Area XVI	\$	<u>6,253,791</u>
36			6,299,245

37 Sec. 107. REGENTS INSTITUTIONS. The amounts
38 appropriated from the general fund of the state to the
39 state board of regents for the state university of
40 Iowa, the Iowa state university of science and
41 technology, and the university of northern Iowa, in
42 2002 Iowa Acts, Senate File 2326, section 81,
43 subsections 2, 3, and 4, if enacted, for the fiscal
44 year beginning July 1, 2002, and ending June 30, 2003,
45 are reduced by the following amount:

46 \$ 5,000,000

47 The state board of regents shall apply the
48 reduction made in this section to the appropriations
49 made to the indicated institutions in a manner so that
50 an institution's appropriation is reduced in

S-5506

Page 44

1 proportion to the amount the institution's
2 appropriation in 2002 Iowa Acts, Senate File 2326,
3 section 81, bears to the total amount appropriated in
4 that section to the three institutions.

5 Sec. 108. MEDICAL ASSISTANCE. 2002 Iowa Acts,
6 Senate File 2326, section 104, unnumbered paragraph 2,
7 if enacted, is amended to read as follows:

8 For medical assistance reimbursement and associated
9 costs as specifically provided in the reimbursement
10 methodologies in effect on June 30, 2002, except as
11 otherwise expressly authorized by law, including
12 reimbursement for abortion services, which shall be
13 available under the medical assistance program only
14 for those abortions which are medically necessary:

15 \$~~416,607,073~~
16 412,907,073

17 Sec. 109. CHILDREN'S HEALTH INSURANCE PROGRAM.

18 2002 Iowa Acts, Senate File 2326, section 106,
19 unnumbered paragraph 2, if enacted, is amended to read
20 as follows:

21 For maintenance of the healthy and well kids in
22 Iowa (hawk-i) program pursuant to chapter 514I for
23 receipt of federal financial participation under Title
24 XXI of the federal Social Security Act, which creates
25 the state children's health insurance program:

26 \$ ~~9,958,412~~
27 11,458,412

28 Sec. 110. 2002 Iowa Acts, Senate File 2326,
29 section 172, if enacted, is amended to read as
30 follows:

31 SEC. 172. EDUCATIONAL EXCELLENCE. Notwithstanding
32 section 294A.25, subsection 1, the amount appropriated
33 from the general fund of the state under section
34 294A.25, subsection 1, to the department of education
35 for phase III moneys for the fiscal year beginning
36 July 1, 2002, and ending June 30, 2003, is reduced by
37 the following amount:

38 \$ ~~11,750,000~~
39 14,000,000

40 Sec. 111. UNDERGROUND STORAGE TANK FUND.

41 Notwithstanding section 455G.3, subsection 1, there is
42 transferred from the Iowa comprehensive petroleum
43 underground storage tank fund created in section
44 455G.3, subsection 1, to the department of education
45 during the fiscal year beginning July 1, 2002, and
46 ending June 30, 2003, the following amount, to be used
47 for the purposes designated:

48 For purposes, as provided in law, of the student
49 achievement and teacher quality program established
50 pursuant to chapter 284:

S-5506

Page 45

1 \$ 8,900,000
 2 Moneys transferred in this section are appropriated
 3 to the department to be used for the purposes
 4 designated. Notwithstanding section 8.33, moneys
 5 appropriated in this section that remain unencumbered
 6 or unobligated at the close of the fiscal year shall
 7 not revert but shall remain available for expenditure
 8 for the purposes designated until the close of the
 9 succeeding fiscal year. The provisions of section
 10 8.39 do not apply to the moneys appropriated in this
 11 section.

12 Sec. 112. PREMIUM TAX REVENUES. Notwithstanding
 13 any provision of law to the contrary, if 2002 Iowa
 14 Acts, Senate File 2318, is enacted, before any premium
 15 tax revenues are credited to the general fund of the
 16 state for the fiscal year beginning July 1, 2002, and
 17 ending June 30, 2003, the following amount of the
 18 revenues first received is appropriated to the
 19 department of education for the fiscal year beginning
 20 July 1, 2002, and ending June 30, 2003, to be used for
 21 the purposes designated:

22 For purposes, as provided in law, of the student
 23 achievement and teacher quality program established
 24 pursuant to chapter 284:
 25 \$ 10,000,000

26 Notwithstanding section 8.33, moneys appropriated
 27 in this section that remain unencumbered or
 28 unobligated at the close of the fiscal year shall not
 29 revert but shall remain available for expenditure for
 30 the purposes designated until the close of the
 31 succeeding fiscal year. The provisions of section
 32 8.39 do not apply to the moneys appropriated in this
 33 section.

34 Sec. 113. REBUILD IOWA INFRASTRUCTURE FUND --
 35 GAMBLING REVENUES. Notwithstanding section 8.57,
 36 subsection 5, there is transferred from pari-mutuel
 37 wagering and gambling revenues credited to the rebuild
 38 Iowa infrastructure fund created in section 8.57,
 39 subsection 5, for public vertical infrastructure
 40 projects, to the department of education for the
 41 fiscal year beginning July 1, 2002, and ending June
 42 30, 2003, the following amount, to be used for the
 43 purposes designated:

44 For purposes, as provided in law, of the student
 45 achievement and teacher quality program established
 46 pursuant to chapter 284:
 47 \$ 5,000,000

48 Moneys transferred in this section are appropriated
 49 to the department to be used for the purposes
 50 designated. Notwithstanding section 8.33, moneys

S-5506

Page 46

1 appropriated in this section that remain unencumbered
2 or unobligated at the close of the fiscal year shall
3 not revert but shall remain available for expenditure
4 for the purposes designated until the close of the
5 succeeding fiscal year. The provisions of section
6 8.39 do not apply to the moneys appropriated in this
7 section."

By JEFF LAMBERTI**S-5506** FILED APRIL 12, 2002

ADOPTED

(P. 1196)