

MAR 5 2004
Place On Calendar

HOUSE FILE 2470
BY COMMITTEE ON ECONOMIC GROWTH

(SUCCESSOR TO HSB 652)

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

A BILL FOR

1 An Act relating to a study identifying a permanent funding source
2 for the grow Iowa values fund.

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

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HF 2470

1 Section 1. STUDY OF FUNDING SOURCES. By December 15,
2 2004, the department of economic development and the
3 department of revenue shall file a joint report with the
4 governor and the general assembly identifying a permanent
5 funding source for the grow Iowa values fund that does not
6 have a negative impact on economic growth in the state and is
7 revenue neutral. The report shall identify a permanent
8 funding source that would allow the deposit of at least
9 seventy-five million dollars in the grow Iowa values fund each
10 fiscal year during the fiscal period beginning July 1, 2005,
11 and ending June 30, 2010. The permanent funding source shall
12 not include the utilization of an increase in the tax rate for
13 income and sales and use taxes.

14 EXPLANATION

15 This Act relates to a study identifying a permanent funding
16 source for the grow Iowa values fund.

17 The bill requires, by December 15, 2004, the department of
18 economic development and the department of revenue to file a
19 joint report with the governor and the general assembly
20 identifying a permanent funding source for the grow Iowa
21 values fund that does not have a negative impact on economic
22 growth in the state and is revenue neutral. The bill provides
23 that the report shall identify a permanent funding source that
24 would allow the deposit of at least \$75 million in the grow
25 Iowa values fund each year during the fiscal period beginning
26 July 1, 2005, and ending June 30, 2010. The bill provides
27 that the permanent funding source shall not include the
28 utilization of an increase in the tax rate for income and
29 sales and use taxes.

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HOUSE FILE 2470**H-8241**

1 Amend House File 2470 as follows:

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

4 "DIVISION I -- REGULATORY EFFICIENCY COMMISSION

5 Section 1. REGULATORY EFFICIENCY COMMISSION.

6 1. A regulatory efficiency commission is
7 established for purposes of identifying unneeded
8 regulations, fines, and fees that hinder business
9 development. The commission shall also identify
10 methods for streamlining access to regulatory
11 information.

12 2. The commission shall consist of seven voting
13 members appointed by the governor and four ex officio
14 members.

15 a. The seven voting members appointed by the
16 governor are subject to the requirements of sections
17 69.16, 69.16A, and 69.19. The seven members shall
18 consist of the following:

19 (1) Two members shall be economic development
20 representatives from two different chambers of
21 commerce. One shall be from a metropolitan area with
22 more than fifty thousand people and one shall be from
23 a metropolitan area with fifty thousand people or
24 less.

25 (2) Two members representing agricultural
26 interests.

27 (3) One member representing the Iowa association
28 of business and industry.

29 (4) Two members representing commercial-based and
30 manufacturing-based businesses.

31 b. The four ex officio members shall be members of
32 the general assembly. Two members shall be from the
33 senate and two members shall be from the house of
34 representatives, with not more than one member from
35 each chamber being from the same political party. The
36 two senators shall be designated by the president of
37 the senate after consultation with the majority and
38 minority leaders of the senate. The two
39 representatives shall be designated by the speaker of
40 the house of representatives after consultation with
41 the majority and minority leaders of the house of
42 representatives. Legislative members shall serve in
43 an ex officio, nonvoting capacity.

44 3. Meetings of the commission are subject to the
45 provisions of chapter 21.

46 4. By January 10, 2005, the commission shall
47 submit a written report to the governor and the
48 general assembly. The report shall include the
49 findings and legislative recommendations of the
50 commission. The report shall be distributed by the

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1 secretary of the senate and the chief clerk of the
2 house of representatives to the chairpersons and
3 members of the administrative rules review committee
4 and the economic growth committees in the senate and
5 the house of representatives.

6 DIVISION II -- PARTNERSHIP COMMISSION

7 Sec. 2. PARTNERSHIP COMMISSION.

8 1. A partnership commission is established for
9 purposes of identifying unnecessary public mandates
10 for elimination and providing recommendations designed
11 to encourage city and county governments to share
12 services.

13 2. The commission shall consist of seven voting
14 members appointed by the governor and four ex officio
15 members.

16 a. The seven voting members appointed by the
17 governor are subject to the requirements of sections
18 69.16, 69.16A, and 69.19. The seven members shall
19 consist of representatives from various sized cities
20 and counties.

21 b. The four ex officio members shall be members of
22 the general assembly. Two members shall be from the
23 senate and two members shall be from the house of
24 representatives, with not more than one member from
25 each chamber being from the same political party. The
26 two senators shall be designated by the president of
27 the senate after consultation with the majority and
28 minority leaders of the senate. The two
29 representatives shall be designated by the speaker of
30 the house of representatives after consultation with
31 the majority and minority leaders of the house of
32 representatives. Legislative members shall serve in
33 an ex officio, nonvoting capacity.

34 3. Meetings of the commission are subject to the
35 provisions of chapter 21.

36 4. By January 10, 2005, the commission shall
37 submit a written report to the governor and the
38 general assembly. The report shall include the
39 findings and legislative recommendations of the
40 commission. The report shall be distributed by the
41 secretary of the senate and the chief clerk of the
42 house of representatives to the chairpersons and
43 members of the administrative rules review committee
44 and the state government committees in the senate and
45 the house of representatives.

46 DIVISION III -- REGIONAL ECONOMIC DEVELOPMENT --

47 APPROPRIATIONS

48 Sec. 3. NEW SECTION. 15E.231 ECONOMIC

49 DEVELOPMENT REGIONS.

50 1. In order for an economic development region to

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1 receive moneys from the grow Iowa values fund created
2 in section 15G.108, the organization of an economic
3 development region must be approved by the grow Iowa
4 values board established in section 15G.102. The
5 board shall approve an economic development region
6 that meets the following criteria:

7 a. The region consists of not less than three
8 contiguous counties. Upon the recommendation of the
9 director of the department of economic development,
10 this paragraph may be waived by the board.

11 b. The region establishes a single, focused
12 economic development effort, approved by the board,
13 that shall include the development of a regional
14 development plan and regional marketing strategies.
15 Regional marketing strategies must be focused on
16 marketing the region collectively.

17 2. An approved economic development region may
18 create an economic development region revolving fund
19 as provided in section 15E.232.

20 Sec. 4. NEW SECTION. 15E.232 ECONOMIC
21 DEVELOPMENT REGION REVOLVING FUNDS -- TAX CREDITS.

22 1. An economic development region approved
23 pursuant to section 15E.231 may create an economic
24 development region revolving fund.

25 2. a. A nongovernmental entity making a
26 contribution to an economic development region
27 revolving fund at any time prior to July 1, 2009, may
28 claim a tax credit equal to twenty percent of the
29 amount contributed to the revolving fund. The tax
30 credit shall be allowed against taxes imposed in
31 chapter 422, divisions II, III, and V, and in chapter
32 432, and against the moneys and credits tax imposed in
33 section 533.24. An individual may claim under this
34 subsection the tax credit of a partnership, limited
35 liability company, S corporation, estate, or trust
36 electing to have income taxed directly to the
37 individual. The amount claimed by the individual
38 shall be based upon the pro rata share of the
39 individual's earnings from the partnership, limited
40 liability company, S corporation, estate, or trust.
41 Any tax credit in excess of the taxpayer's liability
42 for the tax year may be credited to the tax liability
43 for the following seven years or until depleted,
44 whichever occurs first. A tax credit shall not be
45 carried back to a tax year prior to the tax year in
46 which the taxpayer redeems the tax credit. A tax
47 credit under this section is not transferable.

48 b. The aggregate amount of tax credits authorized
49 pursuant to this subsection shall not total more than
50 twenty million dollars. The total amount of tax

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1 credits authorized during a fiscal year shall not
2 exceed four million dollars plus any unused tax
3 credits carried over from previous years. Any tax
4 credits which remain unused for a fiscal year may be
5 carried forward to the succeeding fiscal year. The
6 maximum amount of tax credits that may be authorized
7 in a fiscal year for contributions made to a specific
8 economic development region revolving fund is equal to
9 four million dollars plus any unused tax credits
10 carried over from previous years divided by the number
11 of economic development region revolving funds
12 existing in the state.

13 c. The department of economic development shall
14 administer the authorization of tax credits under this
15 section and shall, in cooperation with the department
16 of revenue and finance, adopt rules pursuant to
17 chapter 17A necessary for the administration of this
18 section.

19 3. An approved economic development region may
20 apply for financial assistance from the Iowa values
21 fund to assist with physical infrastructure needs
22 related to a specific business partner. In order to
23 receive financial assistance pursuant to this
24 subsection, the economic development region must
25 demonstrate all of the following:

26 a. The ability to provide matching moneys on a one
27 to one basis.

28 b. The commitment of the specific business
29 partner.

30 c. That all other funding alternatives have been
31 exhausted.

32 4. An approved economic development region may
33 apply for financial assistance from the Iowa values
34 fund to assist an existing business located in the
35 economic development region impacted by business
36 consolidation actions. Business consolidation actions
37 include a substantial or total closure of an existing
38 business due to consolidating the existing business
39 out of state. In order to receive financial
40 assistance pursuant to this subsection, the economic
41 development region must demonstrate the ability to
42 provide matching moneys on a one-to-one basis.

43 5. An approved economic development region may
44 apply for financial assistance to implement economic
45 development initiatives unique to the region. In
46 order to receive financial assistance pursuant to this
47 subsection, the economic development region must
48 demonstrate the ability to provide matching moneys on
49 a one-to-one basis.

50 6. An approved economic development region may

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1 apply for financial assistance to implement innovative
2 initiatives that do not qualify for assistance under
3 subsection 5.

4 7. The board may establish and administer a
5 regional economic development revenue sharing pilot
6 project for one or more regions. Not more than three
7 pilot projects shall be established. The department
8 of economic development shall provide technical
9 assistance to the regions participating in a pilot
10 project.

11 8. Financial assistance under subsections 3, 4, 5,
12 and 6 and section 15E.233 shall be limited to a total
13 of twenty million dollars.

14 Sec. 5. NEW SECTION. 15E.233 ECONOMICALLY
15 ISOLATED AREAS.

16 1. An approved economic development region may
17 apply to the Iowa values board for approval to be
18 designated as an economically isolated area. In order
19 to be considered an economically isolated area, the
20 region must have at least one county that meets all of
21 the following criteria:

22 a. A majority of the land area of the county is
23 located at least forty miles away from a major
24 commercial area, as determined by the board. Major
25 commercial areas include all of the following:

- 26 (1) Burlington.
- 27 (2) Carroll.
- 28 (3) Cedar Rapids.
- 29 (4) Clinton.
- 30 (5) Council Bluffs.
- 31 (6) Davenport.
- 32 (7) Des Moines.
- 33 (8) Dubuque.
- 34 (9) Fort Dodge.
- 35 (10) Iowa City.
- 36 (11) Marshalltown.
- 37 (12) Mason City.
- 38 (13) Ottumwa.
- 39 (14) Sioux City.
- 40 (15) Spencer.
- 41 (16) Storm Lake.
- 42 (17) Waterloo.

43 b. The county has at least one of the following:

44 (1) Per capita income that ranks in the lowest
45 twenty-five counties in the state based on the 2000
46 census.

47 (2) An annualized average weekly wage for
48 employees in private business that ranks in the lowest
49 twenty-five counties in the state in calendar year
50 2000.

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1 2. An approved economically isolated area may
2 apply to the department of economic development for up
3 to seven hundred fifty thousand dollars over a five-
4 year period for purposes of economic-development-
5 related marketing assistance for the area. In order
6 to receive financial assistance pursuant to this
7 subsection, the economic development region must
8 demonstrate the ability to provide matching moneys on
9 a one-to-one basis.

10 Sec. 6. NEW SECTION. 422.11J ECONOMIC
11 DEVELOPMENT REGION REVOLVING FUND TAX CREDIT.

12 The taxes imposed under this division, less the
13 credits allowed under sections 422.12 and 422.12B,
14 shall be reduced by an economic development region
15 revolving fund contribution tax credit authorized
16 pursuant to section 15E.232.

17 Sec. 7. Section 422.33, Code Supplement 2003, is
18 amended by adding the following new subsection:

19 NEW SUBSECTION. 16. The taxes imposed under this
20 division shall be reduced by an economic development
21 region revolving fund contribution tax credit
22 authorized pursuant to section 15E.232.

23 Sec. 8. Section 422.60, Code Supplement 2003, is
24 amended by adding the following new subsection:

25 NEW SUBSECTION. 8. The taxes imposed under this
26 division shall be reduced by an economic development
27 region revolving fund contribution tax credit
28 authorized pursuant to section 15E.232.

29 Sec. 9. NEW SECTION. 432.12E ECONOMIC
30 DEVELOPMENT REGION REVOLVING FUND CONTRIBUTION TAX
31 CREDITS.

32 The tax imposed under this chapter shall be reduced
33 by an economic development region tax credit
34 authorized pursuant to section 15E.232.

35 Sec. 10. Section 533.24, Code Supplement 2003, is
36 amended by adding the following new subsection:

37 NEW SUBSECTION. 6. The moneys and credits tax
38 imposed under this section shall be reduced by an
39 economic development region revolving fund
40 contribution tax credit authorized pursuant to section
41 15E.232.

42 Sec. 11. ECONOMIC DEVELOPMENT REGION FINANCIAL
43 ASSISTANCE APPROPRIATION.

44 1. There is appropriated from the grow Iowa values
45 fund created in section 15G.108 to the department of
46 economic development for the fiscal year beginning
47 July 1, 2004, and ending June 30, 2005, the following
48 amount, or so much thereof as is necessary, to be used
49 for the purpose designated:

50 For providing financial assistance under section

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1 15E.232, subsections 3, 4, 5, and 6 and under section
 2 15E.233:
 3 \$ 20,000,000

4 2. Notwithstanding section 8.33, moneys that
 5 remain unexpended at the end of a fiscal year shall
 6 not revert to any fund but shall remain available for
 7 expenditure for the designated purposes during the
 8 succeeding fiscal year.

9 Sec. 12. ECONOMIC DEVELOPMENT REGION REVOLVING
 10 FUND CONTRIBUTION TAX CREDITS APPROPRIATION.

11 1. There is appropriated from the grow Iowa values
 12 fund created in section 15G.108 to the general fund of
 13 the state, for the fiscal period beginning July 1,
 14 2004, and ending June 30, 2008, the following amounts,
 15 or so much thereof as is necessary, to be used for the
 16 purpose designated:

17 For payment of tax credits approved pursuant to
 18 section 15E.232:

19 FY 2004-2005	\$ 4,000,000
20 FY 2005-2006	\$ 4,000,000
21 FY 2006-2007	\$ 4,000,000
22 FY 2007-2008	\$ 4,000,000
23 FY 2008-2009	\$ 4,000,000

24 2. Notwithstanding section 8.33, moneys that
 25 remain unexpended at the end of a fiscal year shall
 26 not revert to any fund but shall remain available for
 27 expenditure for the designated purposes during the
 28 succeeding fiscal year.

29 3. Any moneys appropriated under this section that
 30 remain unexpended on June 30, 2009, are appropriated
 31 from the general fund of the state to the department
 32 of economic development for the fiscal year beginning
 33 July 1, 2009, and ending June 30, 2010, to be used for
 34 providing financial assistance under section 15E.232,
 35 subsections 3, 4, 5, and 6.

36 Sec. 13. RETROACTIVE APPLICABILITY. The section
 37 of this Act enacting section 15E.232, relating to the
 38 economic development region revolving fund
 39 contribution tax credit, is retroactively applicable
 40 to January 1, 2004, and is applicable on and after
 41 that date.

42 DIVISION IV -- APPROPRIATIONS

43 Sec. 14. Section 404A.4, subsection 4, Code
 44 Supplement 2003, is amended to read as follows:

45 4. The total amount of tax credits that may be
 46 approved for a fiscal year under this chapter shall
 47 not exceed two million four hundred thousand dollars.
 48 For the fiscal ~~years beginning July 1, 2005, and year~~
 49 beginning July 1, 2004, an additional one million five
 50 hundred thousand dollars of tax credits may be

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1 approved for purposes of projects located in cultural
2 and entertainment districts certified pursuant to
3 section 303.3B. For the fiscal year beginning July 1,
4 2005, an additional two million dollars of tax credits
5 may be approved for purposes of projects located in
6 cultural and entertainment districts certified
7 pursuant to section 303.3B. For the fiscal year
8 beginning July 1, 2006, an additional five hundred
9 thousand dollars of tax credits may be approved each
10 ~~fiscal year~~ for purposes of projects located in
11 cultural and entertainment districts certified
12 pursuant to section 303.3B. Any of the additional tax
13 credits allocated for projects located in certified
14 cultural and entertainment districts that are not
15 approved during a fiscal year may be carried over to
16 the succeeding fiscal year. Tax credit certificates
17 shall be issued on the basis of the earliest awarding
18 of certifications of completion as provided in
19 subsection 1. The departments of economic development
20 and revenue shall each adopt rules to jointly
21 administer this subsection and shall provide by rule
22 for the method to be used to determine for which
23 fiscal year the tax credits are approved.

24 Sec. 15. REHABILITATION PROJECT TAX CREDITS
25 APPROPRIATION.

26 1. There is appropriated from the grow Iowa values
27 fund to the general fund of the state for each fiscal
28 year of the fiscal period beginning July 1, 2004, and
29 ending June 30, 2006, the following amounts, or so
30 much thereof as is necessary, to be used for the
31 purpose designated:

32 For payment of tax credits approved pursuant to
33 section 404A.4 for projects located in certified
34 cultural and entertainment districts:
35 FY 2004-2005 \$ 1,500,000
36 FY 2005-2006 \$ 1,500,000

37 2. Notwithstanding section 8.33, moneys that
38 remain unexpended at the end of a fiscal year shall
39 not revert to any fund but shall remain available for
40 expenditure for the designated purposes during the
41 succeeding fiscal year.

42 Sec. 16. COMMUNITY ATTRACTION AND TOURISM PROGRAM.

43 1. There is appropriated from the grow Iowa values
44 fund to the office of the treasurer of state for each
45 fiscal year of the fiscal period beginning July 1,
46 2004, and ending June 30, 2007, the following amounts,
47 or so much thereof as is necessary, to be used for the
48 purpose designated:

49 For deposit in the community attraction and tourism
50 fund:

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1	FY 2004-2005	\$ 15,000,000
2	FY 2005-2006	\$ 15,000,000
3	FY 2006-2007	\$ 15,000,000

4 2. Notwithstanding section 8.33, moneys that
 5 remain unexpended at the end of a fiscal year shall
 6 not revert to any fund but shall remain available for
 7 expenditure for the designated purposes during the
 8 succeeding fiscal year.

9 Sec. 17. STATE PARKS.

10 1. There is appropriated from the grow Iowa values
 11 fund to the grow Iowa values board for each fiscal
 12 year of the fiscal period beginning July 1, 2004, and
 13 ending June 30, 2006, the following amounts, or so
 14 much thereof as is necessary, to be used for the
 15 purpose designated:

16	For the purpose of providing financial assistance	
17	for projects in targeted state parks and destination	
18	parks:	
19	FY 2004-2005	\$ 3,000,000
20	FY 2005-2006	\$ 3,000,000

21 2. Notwithstanding section 8.33, moneys that
 22 remain unexpended at the end of a fiscal year shall
 23 not revert to any fund but shall remain available for
 24 expenditure for the designated purposes during the
 25 succeeding fiscal year.

26 Sec. 18. IOWA CULTURAL TRUST FUND.

27 1. There is appropriated from the grow Iowa values
 28 fund to the office of the treasurer of state for each
 29 fiscal year of the fiscal period beginning July 1,
 30 2004, and ending June 30, 2006, the following amounts,
 31 or so much thereof as is necessary, to be used for the
 32 purpose designated:

33	For deposit in the Iowa cultural trust fund created	
34	in section 303A.4:	
35	FY 2004-2005	\$ 2,000,000
36	FY 2005-2006	\$ 2,000,000

37 2. Notwithstanding section 8.33, moneys that
 38 remain unexpended at the end of a fiscal year shall
 39 not revert to any fund but shall remain available for
 40 expenditure for the designated purposes during the
 41 succeeding fiscal year.

42 DIVISION V -- GROW IOWA VALUES FUND FUNDING

43 Sec. 19. Section 8.57, subsection 5, paragraph e,
 44 Code Supplement 2003, is amended to read as follows:

45 e. Notwithstanding provisions to the contrary in
 46 sections 99D.17 and 99F.11, for the fiscal year
 47 beginning July 1, ~~2000~~ 2003, and ~~for each fiscal year~~
 48 ~~thereafter~~ ending June 30, 2004, not more than a total
 49 of sixty million dollars shall be deposited in the
 50 general fund of the state in any the fiscal year

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1 pursuant to sections 99D.17 and 99F.11; for the fiscal
2 period beginning July 1, 2004, and ending June 30,
3 2030, not more than a total of thirty-eight million
4 three hundred thousand dollars of the moneys directed
5 to be deposited in the general fund of the state in a
6 fiscal year pursuant to sections 99D.17 and 99F.11
7 shall be deposited in the grow Iowa values fund
8 created in section 15G.108 in any fiscal year, and not
9 more than a total of twenty-one million seven hundred
10 thousand dollars shall be deposited in the general
11 fund in any fiscal year; and for the fiscal year
12 beginning July 1, 2030, and for each fiscal year
13 thereafter, not more than a total of sixty million
14 dollars shall be deposited in the general fund of the
15 state in any fiscal year pursuant to sections 99D.17
16 and 99F.11. The next fifteen million dollars of the
17 moneys directed to be deposited in the general fund of
18 the state in a fiscal year pursuant to sections 99D.17
19 and 99F.11 shall be deposited in the vision Iowa fund
20 created in section 12.72 for the fiscal year beginning
21 July 1, 2000, and for each fiscal year through the
22 fiscal year beginning July 1, 2019. The next five
23 million dollars of the moneys directed to be deposited
24 in the general fund of the state in a fiscal year
25 pursuant to sections 99D.17 and 99F.11 shall be
26 deposited in the school infrastructure fund created in
27 section 12.82 for the fiscal year beginning July 1,
28 2000, and for each fiscal year thereafter until the
29 principal and interest on all bonds issued by the
30 treasurer of state pursuant to section 12.81 are paid,
31 as determined by the treasurer of state. The total
32 moneys in excess of the moneys deposited in the
33 general fund of the state, the grow Iowa values fund,
34 the vision Iowa fund, and the school infrastructure
35 fund in a fiscal year shall be deposited in the
36 rebuild Iowa infrastructure fund and shall be used as
37 provided in this section, notwithstanding section
38 8.60.

39 If the total amount of moneys directed to be
40 deposited in the general fund of the state under
41 sections 99D.17 and 99F.11 in a fiscal year is less
42 than the total amount of moneys directed to be
43 deposited in the grow Iowa values fund, the vision
44 Iowa fund, and the school infrastructure fund in the
45 fiscal year pursuant to this paragraph "e", the
46 difference shall be paid from lottery revenues in the
47 manner provided in section 99G.39, subsection 3.

48 Sec. 20. NEW SECTION. 12.91 GENERAL AND SPECIFIC
49 BONDING POWERS.

50 1. The treasurer of state may issue bonds for the

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1 purpose of funding the grow Iowa values fund created
2 in section 15G.108. The treasurer of state shall have
3 all of the powers which are necessary to issue and
4 secure bonds and carry out the purposes of the fund.
5 The treasurer of state may issue bonds in principal
6 amounts which are necessary to provide sufficient
7 funds for the grow Iowa values fund, the payment of
8 interest on the bonds, the establishment of reserves
9 to secure the bonds, the costs of issuance of the
10 bonds, other expenditures of the treasurer of state
11 incident to and necessary or convenient to carry out
12 the bond issue for the fund, and all other
13 expenditures of the board necessary or convenient to
14 administer the fund. The bonds are investment
15 securities and negotiable instruments within the
16 meaning of and for purposes of the uniform commercial
17 code.

18 2. Bonds issued under this section are payable
19 solely and only out of the moneys, assets, or revenues
20 of the grow Iowa values fund and any bond reserve
21 funds established pursuant to section 12.92, all of
22 which may be deposited with trustees or depositories
23 in accordance with bond or security documents and
24 pledged to the payment thereof. Bonds issued under
25 this section shall contain on their face a statement
26 that the bonds do not constitute an indebtedness of
27 the state. The treasurer of state shall not pledge
28 the credit or taxing power of this state or any
29 political subdivision of the state or make bonds
30 issued pursuant to this section payable out of any
31 moneys except those in the grow Iowa values fund.

32 3. The proceeds of bonds issued by the treasurer
33 of state and not required for immediate disbursement
34 may be deposited with a trustee or depository as
35 provided in the bond documents and invested or
36 reinvested in any investment as directed by the
37 treasurer of state and specified in the trust
38 indenture, resolution, or other instrument pursuant to
39 which the bonds are issued without regard to any
40 limitation otherwise provided by law.

41 4. The bonds shall be:

42 a. In a form, issued in denominations, executed in
43 a manner, and payable over terms and with rights of
44 redemption, and be subject to the terms, conditions,
45 and covenants providing for the payment of the
46 principal of, redemption premiums, if any, interest
47 which may be fixed or variable during any period the
48 bonds are outstanding, and such other terms and
49 conditions as prescribed in the trust indenture,
50 resolution, or other instrument authorizing their

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1 issuance.

2 b. Negotiable instruments under the laws of the
3 state and may be sold at prices, at public or private
4 sale, and in a manner, as prescribed by the treasurer
5 of state. Chapters 73A, 74, 74A, and 75 do not apply
6 to the sale or issuance of the bonds.

7 c. Subject to the terms, conditions, and covenants
8 providing for the payment of the principal, redemption
9 premiums, if any, interest, and other terms,
10 conditions, covenants, and protective provisions
11 safeguarding payment, not inconsistent with this
12 section and as determined by the trust indenture,
13 resolution, or other instrument authorizing their
14 issuance.

15 5. The bonds are securities in which public
16 officers and bodies of this state, political
17 subdivisions of this state, insurance companies and
18 associations and other persons carrying on an
19 insurance business, banks, trust companies, savings
20 associations, savings and loan associations, and
21 investment companies; administrators, guardians,
22 executors, trustees, and other fiduciaries; and other
23 persons authorized to invest in bonds or other
24 obligations of the state may properly and legally
25 invest funds, including capital, in their control or
26 belonging to them.

27 6. Bonds must be authorized by a trust indenture,
28 resolution, or other instrument of the treasurer of
29 state.

30 7. Neither the resolution, trust indenture, nor
31 any other instrument by which a pledge is created
32 needs to be recorded or filed under the Iowa uniform
33 commercial code to be valid, binding, or effective.

34 8. Bonds issued under the provisions of this
35 section are declared to be issued for a general public
36 and governmental purpose and all bonds issued under
37 this section shall be exempt from taxation by the
38 state of Iowa and the interest on the bonds shall be
39 exempt from the state income tax and the state
40 inheritance and estate tax.

41 9. Subject to the terms of any bond documents,
42 moneys in the grow Iowa values fund may be expended
43 for administration expenses.

44 10. The treasurer of state may issue bonds for the
45 purpose of refunding any bonds issued pursuant to this
46 section then outstanding, including the payment of any
47 redemption premiums thereon and any interest accrued
48 or to accrue to the date of redemption of the
49 outstanding bonds. Until the proceeds of bonds issued
50 for the purpose of refunding outstanding bonds are

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1 applied to the purchase or retirement of outstanding
2 bonds or the redemption of outstanding bonds, the
3 proceeds may be placed in escrow and be invested and
4 reinvested in accordance with the provisions of this
5 section. The interest, income, and profits earned or
6 realized on an investment may also be applied to the
7 payment of the outstanding bonds to be refunded by
8 purchase, retirement, or redemption. After the terms
9 of the escrow have been fully satisfied and carried
10 out, any balance of proceeds and interest earned or
11 realized on the investments may be returned to the
12 treasurer of state for deposit in the grow Iowa values
13 fund established in section 15G.108. All refunding
14 bonds shall be issued and secured and subject to the
15 provisions of this chapter in the same manner and to
16 the same extent as other bonds issued pursuant to this
17 section.

18 11. The treasurer of state shall have all of the
19 powers which are necessary to issue and secure bonds,
20 including but not limited to the power to procure
21 insurance, other credit enhancements, and other
22 financing arrangements, and to execute instruments and
23 contracts and to enter into agreements convenient or
24 necessary to facilitate financing arrangements with
25 respect to the bonds and to carry out the purposes of
26 the fund, including but not limited to such
27 arrangements, instruments, contracts, and agreements
28 as municipal bond insurance, self-insurance or
29 liquidity trusts, accounts, pools or other
30 arrangements, liquidity facilities or covenants,
31 letters of credit, and interest rate agreements.

32 12. For purposes of this section and sections
33 12.92 through 12.95, the term "bonds" means bonds,
34 notes, and other obligations and financing
35 arrangements issued or entered into by the treasurer
36 of state and the term "interest rate agreement" means
37 an interest rate swap or exchange agreement, an
38 agreement establishing an interest rate floor or
39 ceiling or both, or any similar agreement. Any such
40 agreement may include the option to enter into or
41 cancel the agreement or to reverse or extend the
42 agreement.

43 Sec. 21. NEW SECTION. 12.92 GROW IOWA VALUES
44 FUND ACCOUNTS AND RESERVE FUNDS.

45 1. The treasurer of state shall establish such
46 accounts within the grow Iowa values fund created in
47 section 15G.108 as may be appropriate, including debt
48 service accounts for the purpose of paying the
49 principal of, redemption premium, if any, and interest
50 on bonds payable therefrom. Moneys in the debt

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1 service accounts shall not be subject to appropriation
2 for any other purpose by the general assembly, but
3 shall be used only for the purposes of paying the
4 principal of, redemption premium, if any, and interest
5 on the bonds payable therefrom.

6 2. Revenue for the grow Iowa values fund shall
7 include, but is not limited to, the following, which
8 shall be deposited with the treasurer of state or its
9 designee as provided by any bond or security documents
10 and credited to the debt service account:

11 a. The proceeds of bonds issued to capitalize and
12 pay the costs of the fund and investment earnings on
13 the proceeds.

14 b. Interest attributable to investment of moneys
15 in the fund or an account of the fund.

16 c. Moneys in the form of a devise, gift, bequest,
17 donation, federal or other grant, reimbursement,
18 repayment, judgment, transfer, payment, or
19 appropriation from any source intended to be used for
20 the purposes of the fund or account.

21 3. a. The treasurer of state may create and
22 establish one or more special funds, to be known as
23 "bond reserve funds", to secure one or more issues of
24 bonds issued pursuant to section 12.91. The treasurer
25 of state shall pay into each bond reserve fund any
26 moneys appropriated and made available by the state or
27 treasurer of state for the purpose of the fund, any
28 proceeds of sale of bonds to the extent provided in
29 the resolutions or trust indentures authorizing their
30 issuance, and any other moneys which may be available
31 to the treasurer of state for the purpose of the fund
32 from any other sources. All moneys held in a bond
33 reserve fund, except as otherwise provided in this
34 chapter, shall be used as required solely for the
35 payment of the principal of bonds secured in whole or
36 in part by the fund or of the sinking fund payments
37 with respect to the bonds, the purchase or redemption
38 of the bonds, the payment of interest on the bonds, or
39 the payments of any redemption premium required to be
40 paid when the bonds are redeemed prior to maturity.

41 b. Moneys in a bond reserve fund shall not be
42 withdrawn from it at any time in an amount that will
43 reduce the amount of the fund to less than the bond
44 reserve fund requirement established for the fund, as
45 provided in this subsection, except for the purpose of
46 making, with respect to bonds secured in whole or in
47 part by the fund, payment when due of principal,
48 interest, redemption premiums, and the sinking fund
49 payments with respect to the bonds for the payment of
50 which other moneys of the treasurer of state are not

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1 available.

2 Any income or interest earned by, or incremental
3 to, a bond reserve fund due to the investment of it
4 may be transferred by the treasurer of state to other
5 funds or accounts to the extent the transfer does not
6 reduce the amount of that bond reserve fund below the
7 bond reserve fund requirement for it.

8 c. The treasurer of state shall not at any time
9 issue bonds, secured in whole or in part by a bond
10 reserve fund, if, upon the issuance of the bonds, the
11 amount in the bond reserve fund will be less than the
12 bond reserve fund requirement for the fund, unless the
13 treasurer of state at the time of issuance of the
14 bonds deposits in the fund from the proceeds of the
15 bonds issued or from other sources an amount which,
16 together with the amount then in the fund, will not be
17 less than the bond reserve fund requirement for the
18 fund. For the purposes of this subsection, the term
19 "bond reserve fund requirement" means, as of any
20 particular date of computation, an amount of money, as
21 provided in the resolutions or trust indentures
22 authorizing the bonds with respect to which the fund
23 is established.

24 d. To assure the continued solvency of any bonds
25 secured by the bond reserve fund, provision is made in
26 paragraph "a" for the accumulation in each bond
27 reserve fund of an amount equal to the bond reserve
28 requirement for the fund. In order to further assure
29 maintenance of the bond reserve funds, the treasurer
30 of state shall, on or before January 1 of each
31 calendar year, make and deliver to the governor the
32 treasurer of state's certificate stating the sum, if
33 any, required to restore each bond reserve fund to the
34 bond reserve fund requirement for that fund. Within
35 thirty days after the beginning of the session of the
36 general assembly next following the delivery of the
37 certificate, the governor shall submit to both houses
38 printed copies of a budget including the sum, if any,
39 required to restore each bond reserve fund to the bond
40 reserve fund requirement for that fund. Any sums
41 appropriated by the general assembly and paid to the
42 treasurer of state pursuant to this subsection shall
43 be deposited by the treasurer of state in the
44 applicable bond reserve fund.

45 Sec. 22. NEW SECTION. 12.93 PLEDGES.

46 1. It is the intention of the general assembly
47 that a pledge made in respect of bonds shall be valid
48 and binding from the time the pledge is made, that the
49 moneys or property so pledged and received after the
50 pledge by the treasurer of state shall immediately be

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1 subject to the lien of the pledge without physical
2 delivery or further act, and that the lien of the
3 pledge shall be valid and binding as against all
4 parties having claims of any kind in tort, contract,
5 or otherwise against the treasurer of state whether or
6 not the parties have notice of the lien.

7 2. The moneys set aside in a fund or funds pledged
8 for any series or issue of bonds shall be held for the
9 sole benefit of the series or issue separate and apart
10 from moneys pledged for another series or issue of
11 bonds of the treasurer of state. Bonds may be issued
12 in series under one or more resolutions or trust
13 indentures and may be fully open-ended, thus providing
14 for the unlimited issuance of additional series, or
15 partially open-ended, limited as to additional series.

16 Sec. 23. NEW SECTION. 12.94 LIMITATIONS.

17 Bonds issued pursuant to section 12.91 are not
18 debts of the state, or of any political subdivision of
19 the state, and do not constitute a pledge of the faith
20 and credit of the state or a charge against the
21 general credit or general fund of the state. The
22 issuance of any bonds pursuant to section 12.91 by the
23 treasurer of state does not directly, indirectly, or
24 contingently obligate the state or a political
25 subdivision of the state to apply moneys, or to levy
26 or pledge any form of taxation whatever, to the
27 payment of the bonds. Bonds issued under section
28 12.91 are payable solely and only from the sources and
29 special fund and accounts provided in section 12.92.

30 Sec. 24. NEW SECTION. 12.95 CONSTRUCTION.

31 Sections 12.91 through 12.94, being necessary for
32 the welfare of this state and its inhabitants, shall
33 be liberally construed to effect its purposes.

34 Sec. 25. Section 15G.108, Code Supplement 2003, is
35 amended to read as follows:

36 15G.108 GROW IOWA VALUES FUND.

37 A grow Iowa values fund is created and established
38 as a separate and distinct fund in the state treasury
39 under the control of the grow Iowa values board
40 consisting of moneys appropriated to the grow Iowa
41 values board. Moneys in the fund are not subject to
42 section 8.33. Notwithstanding section 12C.7, interest
43 or earnings on moneys in the fund shall be credited to
44 the fund. Moneys in the fund shall not be subject to
45 appropriation for any other purposes by the general
46 assembly other than as provided in this Act and 2003
47 Iowa Acts, First Extraordinary Session, chapter 2, but
48 shall be used only for the purposes of the grow Iowa
49 values fund. The treasurer of state shall act as
50 custodian of the fund and disburse moneys contained in

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1 the fund as directed by the grow Iowa values board,
2 including automatic disbursements of moneys received
3 pursuant to the terms of bond indentures and documents
4 and security provisions to trustees. The fund shall
5 be administered by the grow Iowa values board, which
6 shall make expenditures from the fund consistent with
7 this chapter and pertinent Acts of the general
8 assembly. Any financial assistance provided using
9 moneys from the fund may be provided over a period of
10 time of more than one year. Payments of interest,
11 repayments of moneys loaned pursuant to this chapter,
12 and recaptures of grants or loans shall be deposited
13 in the fund.

14 Sec. 26. Section 15G.110, Code Supplement 2003, is
15 amended to read as follows:

16 15G.110 FUTURE CONSIDERATION.

17 Not later than February 1, 2007, the legislative
18 services agency shall prepare and deliver to the
19 secretary of the senate and the chief clerk of the
20 house of representatives identical divisions that
21 repeal the provisions of this chapter, with the
22 exception of sections 15G.101, 15G.102, 15G.103, and
23 15G.108. It is the intent of this section that the
24 general assembly shall bring the division to a vote in
25 either the senate or the house of representatives
26 expeditiously. It is further the intent of this
27 chapter that if the division is approved by the first
28 house in which it is considered, it shall
29 expeditiously be brought to a vote in the second
30 house.

31 Sec. 27. Section 99G.39, subsection 3, paragraph
32 a, Code Supplement 2003, is amended to read as
33 follows:

34 a. Notwithstanding subsection 1, if gaming
35 revenues under sections 99D.17 and 99F.11 are
36 insufficient in a fiscal year to meet the total amount
37 of such revenues directed to be deposited in the grow
38 Iowa values fund, the vision Iowa fund, and the school
39 infrastructure fund during the fiscal year pursuant to
40 section 8.57, subsection 5, paragraph "e", the
41 difference shall be paid from lottery revenues prior
42 to deposit of the lottery revenues in the general
43 fund. If lottery revenues are insufficient during the
44 fiscal year to pay the difference, the remaining
45 difference shall be paid from lottery revenues in
46 subsequent fiscal years as such revenues become
47 available.

48 Sec. 28. 2003 Iowa Acts, First Extraordinary
49 Session, chapter 1, section 114, is amended to read as
50 follows:

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1 SEC. 114. The divisions of this Act designated the
 2 grow Iowa values board and fund, with the exception of
 3 sections 15G.101, 15G.102, 15G.103, and 15G.108, Code
 4 Supplement 2003, the value-added agricultural products
 5 and processes financial assistance program, the endow
 6 Iowa grants, the technology transfer advisors, the
 7 Iowa economic development loan and credit guarantee
 8 fund, the economic development assistance and data
 9 collection, the cultural and entertainment districts,
 10 the workforce issues, and the university-based
 11 research utilization program, are repealed effective
 12 June 30, 2010.

13 Sec. 29. 2003 Iowa Acts, First Extraordinary
 14 Session, chapter 2, section 75, subsection 1, is
 15 amended to read as follows:

16 1. There is appropriated from the general fund of
 17 the state from moneys credited to the general fund of
 18 the state as a result of entering into the streamlined
 19 sales and use tax agreement, for the fiscal period
 20 year beginning July 1, 2003, and ending June 30, 2010
 21 2004, the following ~~amounts~~ amount to be used for the
 22 purpose designated:

23 For deposit in the grow Iowa values fund created in
 24 section 15G.107, ~~if enacted by 2003 Iowa Acts, House~~
 25 ~~File 692 or another Act~~ 15G.108:

26	FY 2003-2004.....	\$ 5,000,000
27	FY 2004-2005.....	\$ 23,000,000
28	FY 2005-2006.....	\$ 75,000,000
29	FY 2006-2007.....	\$ 75,000,000
30	FY 2007-2008.....	\$ 75,000,000
31	FY 2008-2009.....	\$ 75,000,000
32	FY 2009-2010.....	\$ 75,000,000"

33 2. Title page, by striking lines 1 and 2 and inserting the
 34 following: "An Act relating to economic development and
 35 regulatory matters at the state and local level, authorizing
 36 issuance of tax-exempt bonds and tax credits, making
 37 appropriations, and providing a retroactive applicability date."

By PETERSEN of Polk

H-8241 FILED MARCH 15, 2004

HOUSE FILE 2470**H-8243**

1 Amend House File 2470 as follows:

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

4 "Section 1. NEW SECTION. 514M.1 SHORT TITLE.

5 This chapter shall be known and may be cited as the
6 "Healthy Iowa for All" program.

7 Sec. 2. NEW SECTION. 514M.2 LEGISLATIVE INTENT.

8 It is the intent of the general assembly to
9 establish the healthy Iowa for all program to provide
10 access to comprehensive, quality, affordable health
11 care coverage to eligible small employers, including
12 the self-employed, their employees and their
13 dependents, state employees and their dependents,
14 local government employees and their dependents, and
15 individuals, on a voluntary basis. It is also the
16 intent of the general assembly that the healthy Iowa
17 for all program monitor and improve the quality of
18 health care in the state.

19 Sec. 3. NEW SECTION. 514M.3 DEFINITIONS.

20 As used in this chapter, unless the context
21 otherwise requires:

22 1. "Board" means the HIFA program board created in
23 section 514M.6.

24 2. "Department" means the Iowa department of
25 public health.

26 3. "Dependent" means a spouse, an unmarried child
27 under nineteen years of age, a child who is a student
28 under twenty-three years of age and is financially
29 dependent upon a plan enrollee, or a person of any age
30 who is the child of a plan enrollee and is disabled
31 and dependent upon that plan enrollee. "Dependent"
32 may include a domestic partner.

33 4. "Director" means the director of public health.

34 5. "Eligible employer" means a business that
35 employs at least two but not more than fifty eligible
36 employees, the majority of whom are employed in the
37 state, including a municipality or political
38 subdivision that has fifty or fewer employees.

39 6. "Eligible individual" means any of the
40 following:

41 a. A self-employed individual who works and
42 resides in the state, and is organized as a sole
43 proprietorship or in any other legally recognized
44 manner in which a self-employed individual may
45 organize, a substantial part of whose income derives
46 from a trade or business through which the individual
47 has attempted to earn taxable income.

48 b. An unemployed individual who resides in this
49 state.

50 c. An individual employed by an employer that does

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- 1 not offer health insurance.
2 d. Uninsured individuals without access to
3 employer coverage.
4 7. "Eligible local government employee" means a
5 local government employee.
6 8. "Eligible state employee" means a state
7 employee, including a state employee covered under a
8 collective bargaining agreement.
9 9. "Employer" means the owner or responsible agent
10 of a business authorized to sign contracts on behalf
11 of the business.
12 10. "Federal poverty guidelines" means the federal
13 poverty guidelines issued by the United States
14 department of health and human services in the federal
15 register.
16 11. "Health insurance carrier" means any entity
17 licensed by the division of insurance of the
18 department of commerce to provide health insurance in
19 Iowa or an organized delivery system licensed by the
20 director of public health that has contracted with the
21 department to provide health insurance coverage to
22 eligible individuals and dependents under this
23 chapter.
24 12. "HIFA health insurance" means the health
25 insurance product established by the HIFA program that
26 is offered by a private health insurance carrier.
27 13. "HIFA health insurance program" or "insurance
28 program" means the program through which HIFA health
29 insurance is provided.
30 14. "HIFA program" or "program" means the healthy
31 Iowa for all program established in this chapter.
32 15. "Local government" means a city, county,
33 school district, and the institutions governed by the
34 board of regents.
35 16. "Modified community rating" means a method
36 used to develop a health insurance carrier's premiums
37 which spreads financial risk across a population by
38 limiting the utilization of health status and claims
39 experience as approved by the commissioner of
40 insurance.
41 17. "Participating employer" means an eligible
42 employer that contracts with and has employees
43 enrolled in the HIFA health insurance program.
44 18. "Plan enrollee" means an eligible individual
45 or eligible employee who enrolls in the HIFA health
46 insurance program.
47 19. "Provider" means any person, organization,
48 corporation, or association that provides health care
49 services and products and is authorized to provide
50 those services and products under state law.

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1 20. "Reinsurance" means an agreement between
2 insurance companies under which one accepts all or
3 part of the risk or loss of the other.

4 21. "Third-party administrator" means any person
5 who, on behalf of any person who establishes a health
6 insurance plan covering residents of this state,
7 receives or collects charges, contributions, or
8 premiums for, or settles claims of residents in
9 connection with, any type of health benefit provided
10 in or as an alternative to insurance.

11 22. "Unemployed individual" means an individual
12 who does not work more than twenty hours per week for
13 any single employer.

14 Sec. 4. NEW SECTION. 514M.4 HIFA PROGRAM
15 ESTABLISHED.

16 1. The department shall establish the HIFA program
17 to provide access to health care coverage to eligible
18 employers, including the self-employed, their
19 employees and dependents, eligible state employees and
20 their dependents, eligible local government employees
21 and their dependents, and eligible individuals.

22 2. The department may do any of the following:

23 a. Have and exercise all powers necessary or
24 convenient to effect the purposes for which the
25 program is organized or to further the activities in
26 which the program may lawfully be engaged, including
27 the establishment of the insurance program.

28 b. Make and alter a plan of operation, not
29 inconsistent with this chapter or with state law, for
30 the administration and regulation of the activities of
31 the program.

32 c. Take any legal actions necessary or proper to
33 recover or collect savings offset payments due the
34 program or that are necessary for the proper
35 administration of the program.

36 d. Take any legal actions necessary to avoid the
37 payment of improper claims against the insurance
38 program or the coverage provided by or through the
39 insurance program to recover any amounts erroneously
40 or improperly paid by the insurance program, to
41 recover amounts paid by the insurance program as the
42 result of mistake of fact or law, and to recover other
43 amounts due the insurance program.

44 e. Enter into contracts with qualified third
45 parties, both private and public, for any service
46 necessary to carry out the purposes of this chapter.

47 f. Conduct studies and analyses related to the
48 provision of health care, health care costs, and
49 health care quality.

50 g. Accept appropriations, gifts, grants, loans, or

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1 other aid from public or private entities.
2 h. Contract with organizations with expertise in
3 health care data, including a nonprofit health data
4 processing entity in this state, to assist the Iowa
5 quality forum established in section 514M.13 in the
6 performance of its responsibilities.
7 i. Provide staff support and other assistance to
8 the Iowa quality forum established in section 514M.13.
9 j. In accordance with the limitations and
10 restrictions of this chapter, cause any of its powers
11 or duties to be carried out by one or more
12 organizations organized, created, or operated under
13 the laws of this state.
14 3. The department shall do all of the following:
15 a. Establish administrative and accounting
16 procedures as recommended by the state auditor for the
17 operation of the program.
18 b. Collect the savings offset payments as provided
19 in section 514M.11.
20 c. Determine the comprehensive services and
21 benefits to be included in HIFA health insurance and
22 make recommendations to the board regarding the
23 services and benefits.
24 d. Develop and implement an outreach program to
25 publicize the existence of the HIFA program and the
26 HIFA health insurance program and the eligibility
27 requirements and the enrollment procedures for the
28 HIFA health insurance program and to maintain public
29 awareness of the HIFA program and the HIFA health
30 insurance program.
31 e. Arrange for the provision of HIFA health
32 insurance benefit coverage to eligible individuals,
33 eligible employees, eligible state employees, and
34 eligible local government employees through contracts
35 with one or more qualified health insurance carriers.
36 f. Develop a high-risk pool for plan enrollees in
37 HIFA health insurance in accordance with the
38 provisions of section 514M.15.
39 4. Financial and performance audits or
40 examinations of HIFA health insurance shall be
41 conducted by the insurance division of the department
42 of commerce, annually. A copy of any audit shall be
43 provided to the commissioner of insurance, the
44 governor, and the general assembly.
45 5. Beginning September 1, 2006, and annually
46 thereafter, the department shall submit a report to
47 the governor and the general assembly on the impact of
48 the HIFA health insurance program on the small group,
49 individual, state employee, and local government
50 employee health insurance markets in this state and

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1 any reduction in the number of uninsured individuals
2 in the state. The department shall also report on
3 membership in the HIFA health insurance program, the
4 administrative expenses of the HIFA health insurance
5 program, the extent of coverage, the effect on
6 premiums, the number of covered lives, the number of
7 HIFA health insurance policies issued or renewed, and
8 HIFA health insurance premiums earned and claims
9 incurred by health insurance carriers offering HIFA
10 health insurance.

11 6. The department shall coordinate the activities
12 of the HIFA program with health care programs offered
13 through federal, state, and local governments.

14 Sec. 5. NEW SECTION. 514M.5 HIFA PROGRAM BOARD.

15 1. A HIFA program board for the HIFA program is
16 established. The board shall meet not less than four
17 times annually or at the call of the chairperson for
18 the purposes of establishing policy and adopting rules
19 for the program. The board shall consist of the
20 following members:

21 a. Five public voting members who have knowledge
22 or experience in one or more of the following areas,
23 appointed by the governor and subject to confirmation
24 by the senate:

- 25 (1) Health care purchasing.
- 26 (2) Health insurance.
- 27 (3) Health policy and law.
- 28 (4) State management and budgeting.
- 29 (5) Health care financing.

30 b. The director of public health, the director of
31 human services, and the commissioner of insurance
32 serving as ex officio, nonvoting members of the board.

33 c. Two members of the senate and two members of
34 the house of representatives, serving as ex officio,
35 nonvoting members. The legislative members of the
36 board shall be appointed by the majority leader of the
37 senate, after consultation with the president of the
38 senate, and by the minority leader of the senate, and
39 by the speaker of the house, after consultation with
40 the majority leader, and by the minority leader of the
41 house of representatives. Legislative members shall
42 receive compensation pursuant to section 2.12.

43 2. Members appointed by the governor shall serve
44 two-year staggered terms as designated by the
45 governor, and legislative members of the board shall
46 serve two-year terms. The filling of vacancies,
47 membership terms, payment of compensation and
48 expenses, and removal of the members who are
49 representatives of the public are governed by chapter
50 69. Members of the board are entitled to receive

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1 reimbursement of actual expenses incurred in the
2 discharge of their duties. Public members of the
3 board are also eligible to receive per diem as
4 specified in section 7E.6 for each day spent in
5 performance of duties as members. The members shall
6 select a voting member as the chairperson on an annual
7 basis from among the membership of the board. Three
8 voting members of the board constitute a quorum. An
9 action taken by the board shall require the
10 affirmative vote of at least three members.

11 3. A member of the board or an employee of the
12 HIFA program or their dependent shall not receive any
13 direct personal benefit from the activities of the
14 program in assisting any private entity, except that
15 they may participate in HIFA health insurance on the
16 same terms as any other participant.

17 4. The board shall do all of the following:

18 a. Employ or contract for any personnel as may be
19 necessary to carry out the duties of the board.

20 b. Develop standards for selecting participating
21 health insurance carriers for the insurance program.

22 c. Establish penalties for breach of contract or
23 other violations of requirements or provisions under
24 the program.

25 d. In consultation with the Iowa quality forum
26 advisory council, select a nationally recognized
27 functional health assessment form for an initial
28 assessment of all eligible employees, eligible
29 individuals, eligible state employees, and eligible
30 local government employees participating in the HIFA
31 health insurance program, establish a baseline for
32 comparison purposes, and develop appropriate
33 indicators to measure the health status of those
34 participating in the program.

35 e. Specify the data to be maintained by the
36 department, including data to be collected for the
37 purposes of quality assurance reports.

38 f. Approve the benefits package design, review the
39 benefits package design on a periodic basis, and make
40 necessary changes in the benefit design to reflect the
41 results of the periodic reviews. The benefits package
42 shall provide comprehensive coverage and shall include
43 all benefits mandated by law.

44 g. Determine the contribution levels, deductibles,
45 and cost-sharing requirements of the HIFA health
46 insurance program.

47 h. Provide for periodic assessment of the
48 effectiveness of the outreach program.

49 i. Solicit input from the public regarding the
50 program and related issues and services.

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1 j. Approve a high-risk pool for plan enrollees in
2 the HIFA health insurance program.

3 k. Adopt rules, in accordance with chapter 17A, as
4 necessary for the proper administration and
5 enforcement of this chapter.

6 5. State agencies shall provide technical
7 assistance and expertise to the board and the
8 department upon request. The attorney general shall
9 act as legal counsel to the board.

10 6. The board may appoint advisory committees to
11 assist the board and the department.

12 Sec. 6. NEW SECTION. 514M.6 HIFA HEALTH
13 INSURANCE PROGRAM.

14 1. a. The HIFA health insurance program shall
15 provide for health benefits coverage through health
16 insurance carriers that apply to the board and meet
17 the qualifications described in this section and any
18 additional qualifications established by rule of the
19 board.

20 b. If a sufficient number of health insurance
21 carriers do not apply to offer and deliver health
22 insurance under the insurance program, the board may
23 propose the establishment of a nonprofit health care
24 plan or may propose the expansion of an existing
25 public plan. If the board proposes the establishment
26 of a nonprofit health care plan or the expansion of an
27 existing public plan, the board shall submit a
28 proposal, including but not limited to a funding
29 mechanism, to capitalize a nonprofit health care plan
30 and any recommended legislation to the general
31 assembly. The program shall not provide access to
32 health insurance by establishing a nonprofit health
33 care plan or through an existing public plan without
34 specific legislative approval.

35 2. Nothing in this chapter shall be construed or
36 is intended as, or shall imply, a grant of entitlement
37 for services to persons who are eligible for
38 participation in the HIFA health insurance program
39 based upon eligibility consistent with the
40 requirements of this chapter. Any state obligation to
41 provide services pursuant to this chapter is limited
42 to the extent of the funds appropriated or provided
43 for implementation of this chapter.

44 3. The HIFA health insurance program may contract
45 with health insurance carriers licensed to sell health
46 insurance in the state or other private or public
47 third-party administrators to provide insurance under
48 the insurance program.

49 a. The HIFA health insurance program shall issue
50 requests for proposals to select health insurance

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1 carriers.

2 b. The insurance program may include quality
3 improvement, patient care management, and cost-
4 containment provisions in the contracts with
5 participating health insurance carriers or may arrange
6 for the provision of such services through contracts
7 with other entities.

8 c. The insurance program shall require
9 participating health insurance carriers to offer a
10 benefit plan identical to the plan developed by the
11 board in the small group market.

12 d. The HIFA health insurance program may set
13 allowable rates for administration and underwriting
14 gains for the insurance program.

15 e. The HIFA health insurance program may
16 administer continuation benefits for eligible
17 individuals from employers with twenty or more
18 employees who have purchased health insurance coverage
19 through the program for the duration of their
20 eligibility periods for continuation of benefits
21 pursuant to Title X of the federal Consolidated
22 Omnibus Budget Reconciliation Act of 1986, Pub. L. No.
23 99-272, sections 10001 to 10003.

24 f. The HIFA health insurance program may
25 administer or contract to administer the United States
26 Internal Revenue Code of 1986, section 125, plans for
27 employers and employees participating in the program,
28 including medical expense reimbursement accounts and
29 dependent care reimbursement accounts.

30 g. The HIFA health insurance program shall
31 contract with eligible employers seeking assistance in
32 arranging for health benefits coverage for their
33 employees and the employees' dependents.

34 Sec. 7. NEW SECTION. 514M.7 ELIGIBILITY
35 REQUIREMENTS.

36 1. All of the following are eligible for
37 participation in the HIFA health insurance program:

38 a. Eligible individuals and their dependents.

39 b. The employees of an eligible employer and the
40 dependents of such employees.

41 c. Eligible state employees and their dependents,
42 in accordance with applicable collective bargaining
43 agreements.

44 d. Eligible local government employees and their
45 dependents.

46 2. In order to participate, an eligible employer,
47 the state, or the local government shall pay at least
48 sixty percent of the individual employee's premium
49 costs or the combined premium costs of the individual
50 employee and dependents of the employee.

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- 1 3. The HIFA health insurance program shall collect
2 payments from participating employers and plan
3 enrollees to cover the costs of all of the following:
- 4 a. Insurance coverage for enrolled employees and
5 their dependents in contribution amounts determined by
6 the board.
 - 7 b. Quality assurance, patient care management, and
8 cost-containment programs.
 - 9 c. Administrative services.
 - 10 d. Other health promotion costs.
- 11 4. The HIFA program board shall establish a
12 minimum required contribution level, to be paid by
13 participating employers toward the aggregate payment
14 in subsection 3. The minimum required contribution
15 level to be paid by participating employers shall be
16 prorated for employees that work less than the number
17 of hours of a full-time equivalent employee as
18 determined by the employer. The HIFA health insurance
19 program may establish a separate minimum contribution
20 level to be paid by employers toward coverage for
21 dependents of the employers' enrolled employees.
- 22 5. The HIFA health insurance program shall require
23 participating employers to certify that at least
24 seventy-five percent of their employees that work
25 thirty hours or more per week and who do not have
26 other creditable coverage are enrolled in the HIFA
27 health insurance program and that the employer group
28 otherwise meets the minimum participation
29 requirements.
- 30 6. The HIFA health insurance program shall reduce
31 the payment amounts for plan enrollees eligible for a
32 subsidy pursuant to section 514M.9 accordingly. The
33 employer shall pass along any subsidy received to the
34 enrollee up to the amount of payments made by the plan
35 enrollee.
- 36 7. The HIFA health insurance program may establish
37 other criteria for participation in the program.
- 38 8. The HIFA health insurance program may limit the
39 number of participating employers in the program.
- 40 9. The HIFA health insurance program may allow
41 eligible individuals and their dependents to purchase
42 insurance under the program in accordance with this
43 subsection.
- 44 a. The HIFA health insurance program may establish
45 contracts and other reporting forms and procedures
46 necessary for the efficient administration of
47 individual contracts.
 - 48 b. The HIFA health insurance program shall collect
49 payments from eligible individuals participating in
50 the HIFA health insurance program to cover the costs

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1 of all of the following:

2 (1) Insurance coverage for eligible individuals
3 and their dependents in contribution amounts
4 determined by the board.

5 (2) Quality assurance, patient care management,
6 and cost-containment programs.

7 (3) Administrative services.

8 (4) Other health promotion costs.

9 c. The HIFA health insurance program shall reduce
10 the payment amounts for individuals eligible for a
11 subsidy pursuant to section 514M.9 accordingly.

12 d. The HIFA health insurance program may require
13 that eligible individuals certify that all their
14 dependents are enrolled in the HIFA health insurance
15 program or are covered by another creditable plan.

16 e. The HIFA health insurance program may require
17 an eligible individual who is currently employed by an
18 eligible employer that does not offer health insurance
19 to certify that the current employer did not provide
20 access to an employer-sponsored benefits plan in the
21 twelve-month period immediately preceding the eligible
22 individual's application.

23 f. The HIFA health insurance program may limit the
24 number of individual plan enrollees.

25 g. The HIFA health insurance program may establish
26 other criteria for participation of individuals in the
27 insurance program.

28 Sec. 8. NEW SECTION. 514M.8 FACILITATION OF
29 ENROLLMENT IN HIFA HEALTH INSURANCE PROGRAM.

30 The department shall perform, at a minimum, all of
31 the following functions to facilitate enrollment in
32 the insurance program:

33 1. Publicize the availability of HIFA health
34 insurance to employers, self-employed individuals, and
35 others eligible to enroll in the program.

36 2. Screen all eligible individuals and employees
37 for eligibility for subsidies pursuant to section
38 514M.9.

39 3. Promote quality improvement, patient care
40 management, and cost-containment programs as part of
41 the insurance program.

42 Sec. 9. NEW SECTION. 514M.9 SUBSIDIES.

43 1. The HIFA health insurance program shall
44 establish sliding-scale subsidies for the purchase of
45 HIFA health insurance by an individual or employee
46 whose income is at or below three hundred percent of
47 the federal poverty guidelines and who is not eligible
48 for any other state or federally funded program. The
49 HIFA health insurance program may also establish
50 sliding-scale subsidies for the purchase of employer-

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1 sponsored health coverage by an employee of an
2 employer with more than fifty employees, whose income
3 is under three hundred percent of the federal poverty
4 guidelines and who is not eligible for any other state
5 or federally funded program.

6 2. Subsidies shall be limited by the amount of
7 available funding.

8 3. The HIFA health insurance program may limit the
9 amount of the subsidy to individual plan enrollees to
10 forty percent of the payment.

11 Sec. 10. NEW SECTION. 514M.10 INSURANCE
12 CARRIERS.

13 To qualify as a health insurance carrier for HIFA
14 health insurance, a health insurance carrier shall do
15 all of the following:

16 1. Provide the comprehensive health services and
17 benefits as determined by the board, including a
18 standard benefit package that meets the requirements
19 for mandated coverage for specific health services,
20 specific diseases, and for certain providers of health
21 services under this title, and any supplemental
22 benefits as approved by the board.

23 2. Ensure all of the following:

24 a. That providers contracting with a health
25 insurance carrier contracted to provide coverage to
26 plan enrollees do not refuse to provide services to a
27 plan enrollee on the basis of health status, medical
28 condition, previous insurance status, race, color,
29 creed, age, national origin, citizenship status,
30 gender, sexual orientation, disability, or marital
31 status. This paragraph shall not be construed to
32 require a provider to furnish medical services that
33 are not within the scope of that provider's license.

34 b. That providers contracting with a health
35 insurance carrier contracted to provide coverage to
36 plan enrollees are reimbursed at the negotiated
37 reimbursement rates between the carrier and its
38 provider network.

39 c. That premiums are set utilizing a modified
40 community rating.

41 Sec. 11. NEW SECTION. 514M.11 SAVINGS OFFSET
42 PAYMENTS.

43 1. The board shall determine, annually, not later
44 than April 30, the aggregate measurable cost savings,
45 including any reduction or avoidance of bad debt and
46 charity care costs to health care providers in the
47 state as a result of the operation of the HIFA health
48 insurance program.

49 2. For the purpose of providing funds necessary to
50 provide subsidies pursuant to section 514M.9, and to

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1 support the Iowa quality forum pursuant to section
2 514M.13, the board shall establish a savings offset
3 amount to be paid by health insurance carriers,
4 employee benefit excess insurance carriers, and third-
5 party administrators, not including carriers and
6 third-party administrators with respect to accidental
7 injury, specified disease, hospital indemnity, dental,
8 vision, disability, income, long-term care, Medicare
9 supplemental, or other limited benefit health
10 insurance, annually at a rate that may not exceed
11 savings resulting from decreasing rates of growth in
12 bad debt and charity care costs. Payment of the
13 savings offset shall begin January 1, 2006. The
14 savings offset amount as determined by the board is
15 the determining factor for inclusion of savings offset
16 payments in premiums through rate-setting review by
17 the insurance division of the department of commerce.
18 Savings offset payments must be made quarterly and are
19 due not less than thirty days after written notice to
20 the health insurance carriers, employee benefit excess
21 insurance carriers, and third-party administrators.

22 3. Each health insurance carrier, employee benefit
23 excess insurance carrier, and third-party
24 administrator shall pay a savings offset in an amount
25 not to exceed four percent of annual health insurance
26 premiums and employee benefit excess insurance
27 premiums on policies issued pursuant to the laws of
28 this state that insure residents of this state. The
29 savings offset payment shall not exceed savings
30 resulting from decreasing rates of growth in bad debt
31 and charity care costs. The savings offset payment
32 applies to premiums paid on or after July 1, 2005.
33 Savings offset payments shall reflect aggregate
34 measurable cost savings, including any reduction or
35 avoidance of bad debt and charity care costs to health
36 care providers in this state, as a result of the
37 operation of the HIFA health insurance program as
38 determined by the board. A health insurance carrier
39 or employee benefit excess insurance carrier shall not
40 be required to pay a savings offset payment on
41 policies or contracts insuring federal employees.

42 4. The board shall make reasonable efforts to
43 ensure that premium revenue, or claims plus any
44 administrative expenses and fees with respect to
45 third-party administrators, is counted only once with
46 respect to any savings offset payment. For that
47 purpose, the board shall require each health insurance
48 carrier to include in its premium revenue gross of
49 reinsurance ceded. The board shall allow a health
50 insurance carrier to exclude from its gross premium

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1 revenue reinsurance premiums that have been counted by
2 the primary insurer for the purpose of determining its
3 savings offset payment under this subsection. The
4 board shall allow each employee benefit excess
5 insurance carrier to exclude from its gross premium
6 revenue the amount of claims that have been counted by
7 a third-party administrator for the purpose of
8 determining its savings offset payment under this
9 subsection. The board may verify each health
10 insurance carrier's, employee benefit excess insurance
11 carrier's, and third-party administrator's savings
12 offset payment based on annual statements and other
13 reports determined to be necessary by the board.

14 5. The commissioner of insurance may suspend or
15 revoke, after notice and hearing, the certificate of
16 authority to transact insurance in this state of any
17 health insurance carrier or the license of any third-
18 party administrator to operate in this state that
19 fails to pay a savings offset payment. In addition,
20 the commissioner may assess civil penalties against
21 any health insurance carrier, employee benefit excess
22 insurance carrier, or third-party administrator that
23 fails to pay a savings offset payment or may take any
24 other enforcement action authorized to collect any
25 unpaid savings offset payments.

26 6. On an annual basis no later than April 30 of
27 each year, the board shall prospectively determine the
28 savings offset to be applied during each twelve-month
29 period. Annual offset payments shall be reconciled to
30 determine whether unused payments may be returned to
31 health insurance carriers, employee benefit excess
32 insurance carriers, and third-party administrators
33 according to a formula developed by the board.
34 Savings offset payments shall be used solely to fund
35 the subsidies authorized by section 514M.9 and to
36 support the Iowa quality forum established in section
37 514M.13 and may not exceed savings from reductions in
38 growth of bad debt and charity care.

39 7. In accordance with the requirements of this
40 subsection, every health insurance carrier and health
41 care provider shall demonstrate that best efforts have
42 been made to ensure that a carrier has recovered
43 savings offset payments made pursuant to this section
44 through negotiated reimbursement rates that reflect
45 health care providers' reductions or stabilization in
46 the cost of bad debt and charity care as a result of
47 the operation of HIFA health insurance.

48 a. A health insurance carrier shall use best
49 efforts to ensure health insurance premiums reflect
50 any such recovery of savings offset payments as those

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1 savings offset payments are reflected through incurred
2 claims experience.

3 b. During any negotiation with a health insurance
4 carrier relating to a health care provider's
5 reimbursement agreement with that carrier, a health
6 care provider shall provide data relating to any
7 reduction or avoidance of bad debt and charity care
8 costs to health care providers in this state as a
9 result of the operation of the HIFA health insurance
10 program.

11 8. The following reports are required in
12 accordance with this subsection:

13 a. On a quarterly basis, beginning with the first
14 quarter after the HIFA health insurance program begins
15 offering coverage, the board shall collect and report
16 on the following:

17 (1) The total enrollment in the HIFA health
18 insurance program, including the number of enrollees
19 previously underinsured or uninsured, the number of
20 enrollees previously insured, the number of individual
21 enrollees, the number of enrollees enrolled through
22 small employers, the number of enrollees enrolled
23 through the state of Iowa, and the number of enrollees
24 enrolled through local governments.

25 (2) The total number of enrollees covered in
26 health plans through large employers and self-insured
27 employers.

28 (3) The number of employers, both small employers
29 and large employers, who have ceased offering health
30 insurance or contributing to the cost of health
31 insurance for employees or who have begun offering
32 coverage on a self-insured basis.

33 (4) The number of employers, both small employers
34 and large employers, who have begun to offer health
35 insurance or contribute to the cost of health
36 insurance premiums for their employees.

37 (5) The number of new participating employers in
38 the HIFA health insurance program.

39 (6) The number of employers ceasing to offer
40 coverage through the HIFA health insurance program.

41 (7) The duration of employers' participation in
42 the HIFA health insurance program.

43 (8) A comparison of actual enrollees in the HIFA
44 health insurance program to the projected enrollees.

45 b. The board shall establish the total health care
46 spending in the state for the base year beginning July
47 1, 2003, and shall annually determine, in
48 collaboration with the commissioner of insurance,
49 appropriate actuarially supported trend factors that
50 reflect savings consistent with subsection 1 and

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1 compare rates of spending growth to the base year of
2 2003. The board shall collect on an annual basis, in
3 consultation with the commissioner, information about
4 the total cost to the state's health care providers of
5 bad debt and charity care beginning with the base year
6 of 2003. This information may be compiled through
7 mechanisms including, but not limited to, standard
8 reporting or statistically accurate surveys of
9 providers and practitioners. The board shall utilize
10 existing data on file with state agencies or other
11 organizations to minimize duplication. The
12 comparisons to the base year shall be reported
13 beginning April 30, 2005, and annually thereafter.

14 c. Health insurance carriers and health care
15 providers shall report annually, beginning July 1,
16 2006, and each July 1 thereafter, information
17 regarding the experience of the prior twelve-month
18 period on the efforts undertaken by the carrier and
19 provider to recover savings offset payments, as
20 reflected in reimbursement rates, through a reduction
21 or stabilization in bad debt and charity care costs as
22 a result of the operation of the HIFA health insurance
23 program. The board shall determine the appropriate
24 format for the report and utilize existing data on
25 file with state agencies or other organizations to
26 minimize duplication. The report shall be submitted
27 to the board. Using the information submitted by
28 carriers and providers, the board shall submit a
29 summary of that information by October 1, 2006, and
30 annually thereafter to the commissioner of insurance,
31 the governor, and the general assembly.

32 9. The claims experience used to determine any
33 filed premiums or rating formula shall reasonably
34 reflect, in accordance with accepted actuarial
35 standards, known changes and offsets in payments by
36 the carrier to health care providers in this state,
37 including any reduction or avoidance of bad debt and
38 charity care costs to health care providers in this
39 state as a result of the operation of the HIFA health
40 insurance program.

41 Sec. 12. NEW SECTION. 514M.12 HIFA PROGRAM FUND.

42 1. A HIFA program fund is created in the state
43 treasury under the authority of the department for
44 deposit of any funds for initial operating expenses,
45 payments made by employers and individuals, any
46 savings offset payments made pursuant to section
47 514M.11, and any funds received from any public or
48 private source.

49 2. Moneys deposited in the fund shall be used only
50 for the purposes of the HIFA program as specified in

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1 this chapter.

2 3. The fund shall be separate from the general
3 fund of the state and shall not be considered part of
4 the general fund of the state. The moneys in the fund
5 shall not be considered revenue of the state, but
6 rather shall be funds of the HIFA program. The moneys
7 deposited in the fund are not subject to section 8.33
8 and shall not be transferred, used, obligated,
9 appropriated, or otherwise encumbered, except to
10 provide for the purposes of this chapter.

11 Notwithstanding section 12C.7, subsection 2, interest
12 or earnings on moneys deposited in the fund shall be
13 credited to the fund.

14 4. The department shall adopt rules pursuant to
15 chapter 17A to administer the fund.

16 5. The treasurer of state shall provide a
17 quarterly report of fund activities and balances to
18 the board.

19 Sec. 13. NEW SECTION. 514M.13 IOWA QUALITY
20 FORUM.

21 1. The Iowa quality forum is established within
22 the HIFA program. The forum shall be governed by the
23 HIFA program board with advice from the Iowa quality
24 forum advisory council pursuant to section 514M.14.
25 The forum shall be funded, at least in part, through
26 the savings offset payments made pursuant to section
27 514M.11.

28 2. The forum shall do all of the following:

29 a. Collect and disseminate research regarding
30 health care quality, evidence-based medicine, and
31 patient safety to promote best practices.

32 b. Adopt a set of measures to evaluate and compare
33 health care quality and provider performance. The
34 measures must be adopted with guidance from the
35 advisory council pursuant to section 514M.14.

36 c. Coordinate the collection of health care
37 quality data in the state. The forum shall work with
38 entities that collect health care data to minimize
39 duplication and to minimize the burden on providers of
40 data.

41 d. Provide oversight for a retrospective drug
42 utilization review and quality assessment program.

43 e. Work collaboratively with health care
44 providers, health insurance carriers, and others to
45 report in useable formats, comparative health care
46 quality information to consumers, purchasers,
47 providers, insurers, and policymakers. The forum
48 shall produce annual quality reports.

49 f. Conduct education campaigns to help health care
50 consumers make informed decisions and engage in

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1 healthy lifestyles.

2 g. Adopt plans to provide medication therapy
3 management by pharmacy providers targeted to
4 individuals who have multiple chronic conditions, use
5 multiple prescriptions, and are likely to incur high
6 drug expenses in order to ensure appropriate use of
7 prescription drugs to improve therapeutic outcomes and
8 reduce adverse drug reactions.

9 h. Encourage the adoption of electronic technology
10 and assist health care practitioners to implement
11 electronic systems for medical records and submission
12 of claims. The assistance may include, but is not
13 limited to, practitioner education, identification, or
14 establishment of low-interest financing options for
15 hardware and software and system implementation
16 support.

17 i. Make recommendations for inclusion in the state
18 health plan developed pursuant to section 514M.16.

19 j. Submit an annual report to the governor and the
20 general assembly and make the report available to the
21 public.

22 Sec. 14. NEW SECTION. 514M.14 IOWA QUALITY FORUM
23 ADVISORY COUNCIL.

24 1. An Iowa quality forum advisory council is
25 established to advise the forum. The council shall
26 consist of all of the following voting members,
27 appointed by the governor, subject to confirmation by
28 the senate:

29 a. One member who is a physician.

30 b. One member who is a health care economist.

31 c. One member who is a pharmacist.

32 d. One member who represents hospitals.

33 e. One member who is a representative of the
34 university of Iowa college of public health.

35 f. One member who is a representative of a private
36 employer with not more than fifty employees.

37 g. One member who is a representative of a private
38 employer with more than one thousand employees.

39 h. One member who is a representative of organized
40 labor.

41 i. One member who is a representative of a
42 consumer health advocacy group.

43 j. The director of public health, or the
44 director's designee.

45 2. The commissioner of insurance shall serve as an
46 ex officio nonvoting member of the advisory council.

47 3. All members of the advisory council with the
48 exception of the director of public health and the
49 commissioner of insurance are subject to the
50 following:

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- 1 a. Shall serve five-year staggered terms as
2 designated by the governor.
- 3 b. Shall be subject to chapter 69 with regard to
4 the filling of vacancies, membership terms, payment of
5 compensation and expenses, and removal.
- 6 c. Are entitled to receive reimbursement of actual
7 expenses incurred in the discharge of their duties and
8 are also eligible to receive compensation as provided
9 in section 7E.6.
- 10 d. Shall not serve more than two consecutive
11 terms.
- 12 4. The advisory council shall annually choose one
13 of its voting members to serve as chairperson for a
14 one-year term.
- 15 5. The advisory council shall meet at least four
16 times annually and may meet at other times at the call
17 of the chairperson. Meetings of the council are
18 public proceedings.
- 19 6. The advisory council shall do all of the
20 following:
- 21 a. Convene a group of health care providers to
22 provide input and advice to the council.
- 23 b. Provide expertise in health care quality to
24 assist the board.
- 25 c. Advise and support the forum by doing all of
26 the following:
- 27 (1) Establishing and monitoring, with the HIFA
28 program, an annual work plan for the forum.
- 29 (2) Providing guidance in the adoption of quality
30 and performance measures.
- 31 (3) Serving as a liaison between the provider
32 group established in paragraph "a" and the forum.
- 33 (4) Conducting public hearings and meetings.
- 34 (5) Reviewing consumer education materials
35 developed by the forum.
- 36 d. Assist the board in selecting the nationally
37 recognized functional health assessment.
- 38 e. Make recommendations regarding quality
39 assurance and quality improvement priorities for
40 inclusion in the state health plan described in
41 section 514M.16.
- 42 f. Serve as a liaison between the forum and other
43 organizations working in the field of health care
44 quality.
- 45 Sec. 15. NEW SECTION. 514M.15 HIFA HIGH-RISK
46 POOL.
- 47 1. A plan enrollee shall be included in the HIFA
48 high-risk pool if the total cost of health care
49 services for the enrollee exceeds fifty thousand
50 dollars in any twelve-month period.

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1 2. The HIFA program shall develop appropriate
2 patient care management protocols, develop procedures
3 for implementing those protocols, and determine the
4 manner in which patient care management shall be
5 provided to plan enrollees in the HIFA high-risk pool.
6 Patient care management shall be provided by
7 appropriate individual health care professionals under
8 the HIFA program. The HIFA program shall include
9 patient care management in its contract with
10 participating health insurance carriers for HIFA high-
11 risk pool enrollees pursuant to this section, contract
12 separately with another entity for patient care
13 management services, or provide patient care
14 management services directly through the HIFA program.

15 3. The HIFA program shall submit a report to the
16 governor and the general assembly, no later than
17 January 1, 2006, outlining the patient care management
18 protocols, procedures, and delivery mechanisms used to
19 provide patient care management services to HIFA high-
20 risk pool enrollees and the assessment tool used to
21 measure individual patient care management activities.
22 The report shall also include the number of plan
23 enrollees in the high-risk pool, the types of
24 diagnoses managed within the high-risk pool, the
25 claims experience within the high-risk pool, and the
26 number and type of claims exceeding fifty thousand
27 dollars for enrollees in the high-risk pool and for
28 all enrollees in the HIFA health insurance program.

29 4. On or before October 1, 2008, the HIFA program
30 shall evaluate the impact of HIFA health insurance on
31 average health insurance premium rates in this state
32 and on the rate of uninsured individuals in this state
33 and compare the trends in those rates to the trends in
34 the average premium rates and average rates of
35 uninsured individuals for the states that have
36 established a statewide high-risk pool as of July 1,
37 2004. The board shall submit the evaluation of the
38 impact of HIFA health insurance in this state in
39 comparison to states with high-risk pools to the
40 governor and the general assembly by January 1, 2009.
41 If the trend in average premium rates in this state
42 and rate of uninsured individuals exceeds the trend
43 for the average among the states with high-risk pools,
44 the board shall submit legislation on January 1, 2009,
45 that proposes to establish a statewide high-risk pool
46 in this state consistent with the characteristics of
47 high-risk pools operating in other states.

48 Sec. 16. NEW SECTION. 514M.16 STATE HEALTH
49 PLANNING.

50 1. The governor or the governor's designee shall

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- 1 do all of the following:
- 2 a. Develop and issue a biennial state health plan.
 - 3 The first plan shall be issued by May 2005.
 - 4 b. Make an annual report to the public assessing
 - 5 the progress toward meeting goals of the plan and
 - 6 provide any updates, as necessary, to the plan.
 - 7 c. Issue an annual statewide health expenditure
 - 8 budget report that shall serve as the basis for
 - 9 establishing priorities within the plan.
- 10 2. a. The state health plan issued pursuant to
- 11 subsection 1 shall establish a comprehensive,
- 12 coordinated approach to the development of health care
- 13 facilities and resources in the state based on
- 14 statewide cost, quality, and access goals and
- 15 strategies to ensure access to affordable health care,
- 16 maintain a rational system of health care, and promote
- 17 the development of the health care workforce.
- 18 b. In developing the plan, the governor shall, at
- 19 a minimum, seek input from the Iowa quality forum, the
- 20 Iowa quality forum advisory council, and other
- 21 appropriate agencies and organizations.
- 22 3. The plan shall do all of the following:
- 23 a. Assess health care cost, quality, and access in
 - 24 the state.
 - 25 b. Develop benchmarks to measure cost, quality,
 - 26 and access goals and report on progress toward meeting
 - 27 those goals.
 - 28 c. Establish and set annual priorities among
 - 29 health care cost, quality, and access goals.
 - 30 d. Outline strategies to do all of the following:
 - 31 (1) Promote health systems change.
 - 32 (2) Address the factors influencing health care
 - 33 cost increases.
 - 34 (3) Address the major threats to public health and
 - 35 safety in the state, including, but not limited to,
 - 36 lung disease, diabetes, cancer, and heart disease.
 - 37 e. Provide recommendations to help purchasers and
 - 38 providers make decisions that improve public health
 - 39 and build an affordable, high-quality health care
 - 40 system.

41 Sec. 17. NEW SECTION. 514M.17 RULES.

42 The commissioner of insurance shall adopt rules,

43 pursuant to chapter 17A, as necessary to administer

44 this chapter.

45 Sec. 18. IMPLEMENTATION COSTS. The Iowa

46 department of public health shall work with the

47 commissioner of insurance to seek funding through the

48 federal government, a private foundation, or other

49 appropriate source to defray the initial costs to

50 implement the provisions of this Act relating to the

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1 healthy Iowa for all program, including but not
2 limited to the initial subsidy provisions."
3 2. Title page, line 1, by inserting after the
4 word "to" the following: "improving Iowa's economic
5 climate by providing for access to health care
6 coverage and providing for".

By OSTERHAUS of Jackson**H-8243** FILED MARCH 15, 2004

HOUSE FILE 2470**H-8266**

1 Amend House File 2470 as follows:

2 1. Page 1, by striking lines 1 through 13 and
3 inserting the following:

4 "Section 1. GROW IOWA VALUES FUND FUNDING SOURCES
5 TASK FORCE.

6 1. By December 15, 2004, a grow Iowa values fund
7 funding sources task force shall file a report with
8 the governor and the general assembly identifying a
9 permanent funding source or sources for the grow Iowa
10 values fund that would allow the deposit of at least
11 seventy-five million dollars in the grow Iowa values
12 fund each fiscal year during the fiscal period
13 beginning July 1, 2005, and ending June 30, 2010.

14 2. The task force shall consist of six legislator
15 members, the director of the department of economic
16 development or the director's designee, the director
17 of the department of revenue or the director's
18 designee, and three members of the general public.

19 a. The six legislator members shall consist of the
20 following:

21 (1) Two members of the majority party in the
22 senate designated by the majority leader of the
23 senate.

24 (2) One member of the minority party in the senate
25 designated by the minority leader of the senate.

26 (3) Two members of the majority party in the house
27 of representatives designated by the speaker of the
28 house of representatives.

29 (4) One member of the minority party in the house
30 of representatives designated by the minority leader
31 of the house of representatives.

32 b. The three members of the general public shall
33 be jointly designated by the majority leader of the
34 senate and the speaker of the house of representatives
35 and shall represent business interests.

36 3. The director of the department of economic
37 development or the director's designee shall serve as
38 the chairperson of the task force."

By WISE of Lee
PETERSEN of Polk
DANDEKAR of Linn

H-8266 FILED MARCH 17, 2004

HOUSE FILE 2470**H-8309**

1 Amend House File 2470 as follows:

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

4 "DIVISION I -- REGULATORY EFFICIENCY COMMISSION

5 Section 1. REGULATORY EFFICIENCY COMMISSION.

6 1. A regulatory efficiency commission is
7 established for purposes of identifying unneeded
8 regulations, fines, and fees that hinder business
9 development. The commission shall also identify
10 methods for streamlining access to regulatory
11 information.

12 2. The commission shall consist of seven voting
13 members appointed by the governor and four ex officio
14 members.

15 a. The seven voting members appointed by the
16 governor are subject to the requirements of sections
17 69.16, 69.16A, and 69.19. The seven members shall
18 consist of the following:

19 (1) Two members shall be economic development
20 representatives from two different chambers of
21 commerce. One shall be from a metropolitan area with
22 more than fifty thousand people and one shall be from
23 a metropolitan area with fifty thousand people or
24 less.

25 (2) Two members representing agricultural
26 interests.

27 (3) One member representing the Iowa association
28 of business and industry.

29 (4) Two members representing commercial-based and
30 manufacturing-based businesses.

31 b. The four ex officio members shall be members of
32 the general assembly. Two members shall be from the
33 senate and two members shall be from the house of
34 representatives, with not more than one member from
35 each chamber being from the same political party. The
36 two senators shall be designated by the president of
37 the senate after consultation with the majority and
38 minority leaders of the senate. The two
39 representatives shall be designated by the speaker of
40 the house of representatives after consultation with
41 the majority and minority leaders of the house of
42 representatives. Legislative members shall serve in
43 an ex officio, nonvoting capacity.

44 3. Meetings of the commission are subject to the
45 provisions of chapter 21.

46 4. By January 10, 2005, the commission shall
47 submit a written report to the governor and the
48 general assembly. The report shall include the
49 findings and legislative recommendations of the
50 commission. The report shall be distributed by the

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1 secretary of the senate and the chief clerk of the
2 house of representatives to the chairpersons and
3 members of the administrative rules review committee
4 and the economic growth committees in the senate and
5 the house of representatives.

6 DIVISION II -- PARTNERSHIP COMMISSION

7 Sec. 2. PARTNERSHIP COMMISSION.

8 1. A partnership commission is established for
9 purposes of identifying unnecessary public mandates
10 for elimination and providing recommendations designed
11 to encourage city and county governments to share
12 services.

13 2. The commission shall consist of seven voting
14 members appointed by the governor and four ex officio
15 members.

16 a. The seven voting members appointed by the
17 governor are subject to the requirements of sections
18 69.16, 69.16A, and 69.19. The seven members shall
19 consist of representatives from various sized cities
20 and counties.

21 b. The four ex officio members shall be members of
22 the general assembly. Two members shall be from the
23 senate and two members shall be from the house of
24 representatives, with not more than one member from
25 each chamber being from the same political party. The
26 two senators shall be designated by the president of
27 the senate after consultation with the majority and
28 minority leaders of the senate. The two
29 representatives shall be designated by the speaker of
30 the house of representatives after consultation with
31 the majority and minority leaders of the house of
32 representatives. Legislative members shall serve in
33 an ex officio, nonvoting capacity.

34 3. Meetings of the commission are subject to the
35 provisions of chapter 21.

36 4. By January 10, 2005, the commission shall
37 submit a written report to the governor and the
38 general assembly. The report shall include the
39 findings and legislative recommendations of the
40 commission. The report shall be distributed by the
41 secretary of the senate and the chief clerk of the
42 house of representatives to the chairpersons and
43 members of the administrative rules review committee
44 and the state government committees in the senate and
45 the house of representatives.

46 DIVISION III -- REGIONAL ECONOMIC DEVELOPMENT --
47 APPROPRIATIONS48 Sec. 3. NEW SECTION. 15E.231 ECONOMIC
49 DEVELOPMENT REGIONS.

50 1. In order for an economic development region to

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1 receive moneys from the grow Iowa values fund created
2 in section 15G.108, the organization of an economic
3 development region must be approved by the grow Iowa
4 values board established in section 15G.102. The
5 board shall approve an economic development region
6 that meets the following criteria:

7 a. The region consists of not less than three
8 contiguous counties. Upon the recommendation of the
9 director of the department of economic development,
10 this paragraph may be waived by the board.

11 b. The region establishes a single, focused
12 economic development effort, approved by the board,
13 that shall include the development of a regional
14 development plan and regional marketing strategies.
15 Regional marketing strategies must be focused on
16 marketing the region collectively.

17 2. An approved economic development region may
18 create an economic development region revolving fund
19 as provided in section 15E.232.

20 Sec. 4. NEW SECTION. 15E.232 ECONOMIC
21 DEVELOPMENT REGION REVOLVING FUNDS -- TAX CREDITS.

22 1. An economic development region approved
23 pursuant to section 15E.231 may create an economic
24 development region revolving fund.

25 2. a. A nongovernmental entity making a
26 contribution to an economic development region
27 revolving fund at any time prior to July 1, 2009, may
28 claim a tax credit equal to twenty percent of the
29 amount contributed to the revolving fund. The tax
30 credit shall be allowed against taxes imposed in
31 chapter 422, divisions II, III, and V, and in chapter
32 432, and against the moneys and credits tax imposed in
33 section 533.24. An individual may claim under this
34 subsection the tax credit of a partnership, limited
35 liability company, S corporation, estate, or trust
36 electing to have income taxed directly to the
37 individual. The amount claimed by the individual
38 shall be based upon the pro rata share of the
39 individual's earnings from the partnership, limited
40 liability company, S corporation, estate, or trust.
41 Any tax credit in excess of the taxpayer's liability
42 for the tax year may be credited to the tax liability
43 for the following seven years or until depleted,
44 whichever occurs first. A tax credit shall not be
45 carried back to a tax year prior to the tax year in
46 which the taxpayer redeems the tax credit. A tax
47 credit under this section is not transferable.

48 b. The aggregate amount of tax credits authorized
49 pursuant to this subsection shall not total more than
50 twenty million dollars. The total amount of tax

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1 credits authorized during a fiscal year shall not
2 exceed four million dollars plus any unused tax
3 credits carried over from previous years. Any tax
4 credits which remain unused for a fiscal year may be
5 carried forward to the succeeding fiscal year. The
6 maximum amount of tax credits that may be authorized
7 in a fiscal year for contributions made to a specific
8 economic development region revolving fund is equal to
9 four million dollars plus any unused tax credits
10 carried over from previous years divided by the number
11 of economic development region revolving funds
12 existing in the state.

13 c. The department of economic development shall
14 administer the authorization of tax credits under this
15 section and shall, in cooperation with the department
16 of revenue and finance, adopt rules pursuant to
17 chapter 17A necessary for the administration of this
18 section.

19 3. An approved economic development region may
20 apply for financial assistance from the Iowa values
21 fund to assist with physical infrastructure needs
22 related to a specific business partner. In order to
23 receive financial assistance pursuant to this
24 subsection, the economic development region must
25 demonstrate all of the following:

26 a. The ability to provide matching moneys on a one
27 to one basis.

28 b. The commitment of the specific business
29 partner.

30 c. That all other funding alternatives have been
31 exhausted.

32 4. An approved economic development region may
33 apply for financial assistance from the Iowa values
34 fund to assist an existing business located in the
35 economic development region impacted by business
36 consolidation actions. Business consolidation actions
37 include a substantial or total closure of an existing
38 business due to consolidating the existing business
39 out of state. In order to receive financial
40 assistance pursuant to this subsection, the economic
41 development region must demonstrate the ability to
42 provide matching moneys on a one-to-one basis.

43 5. An approved economic development region may
44 apply for financial assistance to implement economic
45 development initiatives unique to the region. In
46 order to receive financial assistance pursuant to this
47 subsection, the economic development region must
48 demonstrate the ability to provide matching moneys on
49 a one-to-one basis.

50 6. An approved economic development region may

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1 apply for financial assistance to implement innovative
2 initiatives that do not qualify for assistance under
3 subsection 5.

4 7. The board may establish and administer a
5 regional economic development revenue sharing pilot
6 project for one or more regions. Not more than three
7 pilot projects shall be established. The department
8 of economic development shall provide technical
9 assistance to the regions participating in a pilot
10 project.

11 8. Financial assistance under subsections 3, 4, 5,
12 and 6 and section 15E.233 shall be limited to a total
13 of twenty million dollars.

14 Sec. 5. NEW SECTION. 15E.233 ECONOMICALLY
15 ISOLATED AREAS.

16 1. An approved economic development region may
17 apply to the Iowa values board for approval to be
18 designated as an economically isolated area. In order
19 to be considered an economically isolated area, the
20 region must have at least one county that meets all of
21 the following criteria:

22 a. A majority of the land area of the county is
23 located at least forty miles away from a major
24 commercial area, as determined by the board. Major
25 commercial areas include all of the following:

- 26 (1) Burlington.
- 27 (2) Carroll.
- 28 (3) Cedar Rapids.
- 29 (4) Clinton.
- 30 (5) Council Bluffs.
- 31 (6) Davenport.
- 32 (7) Des Moines.
- 33 (8) Dubuque.
- 34 (9) Fort Dodge.
- 35 (10) Iowa City.
- 36 (11) Marshalltown.
- 37 (12) Mason City.
- 38 (13) Ottumwa.
- 39 (14) Sioux City.
- 40 (15) Spencer.
- 41 (16) Storm Lake.
- 42 (17) Waterloo.

43 b. The county has at least one of the following:

44 (1) Per capita income that ranks in the lowest
45 twenty-five counties in the state based on the 2000
46 census.

47 (2) An annualized average weekly wage for
48 employees in private business that ranks in the lowest
49 twenty-five counties in the state in calendar year
50 2000.

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1 2. An approved economically isolated area may
2 apply to the department of economic development for up
3 to seven hundred fifty thousand dollars over a five-
4 year period for purposes of economic-development-
5 related marketing assistance for the area. In order
6 to receive financial assistance pursuant to this
7 subsection, the economic development region must
8 demonstrate the ability to provide matching moneys on
9 a one-to-one basis.

10 Sec. 6. NEW SECTION. 422.11J ECONOMIC
11 DEVELOPMENT REGION REVOLVING FUND TAX CREDIT.

12 The taxes imposed under this division, less the
13 credits allowed under sections 422.12 and 422.12B,
14 shall be reduced by an economic development region
15 revolving fund contribution tax credit authorized
16 pursuant to section 15E.232.

17 Sec. 7. Section 422.33, Code Supplement 2003, is
18 amended by adding the following new subsection:

19 NEW SUBSECTION. 16. The taxes imposed under this
20 division shall be reduced by an economic development
21 region revolving fund contribution tax credit
22 authorized pursuant to section 15E.232.

23 Sec. 8. Section 422.60, Code Supplement 2003, is
24 amended by adding the following new subsection:

25 NEW SUBSECTION. 8. The taxes imposed under this
26 division shall be reduced by an economic development
27 region revolving fund contribution tax credit
28 authorized pursuant to section 15E.232.

29 Sec. 9. NEW SECTION. 432.12E ECONOMIC
30 DEVELOPMENT REGION REVOLVING FUND CONTRIBUTION TAX
31 CREDITS.

32 The tax imposed under this chapter shall be reduced
33 by an economic development region tax credit
34 authorized pursuant to section 15E.232.

35 Sec. 10. Section 533.24, Code Supplement 2003, is
36 amended by adding the following new subsection:

37 NEW SUBSECTION. 6. The moneys and credits tax
38 imposed under this section shall be reduced by an
39 economic development region revolving fund
40 contribution tax credit authorized pursuant to section
41 15E.232.

42 Sec. 11. ECONOMIC DEVELOPMENT REGION FINANCIAL
43 ASSISTANCE APPROPRIATION.

44 1. There is appropriated from the grow Iowa values
45 fund created in section 15G.108 to the department of
46 economic development for the fiscal year beginning
47 July 1, 2004, and ending June 30, 2005, the following
48 amount, or so much thereof as is necessary, to be used
49 for the purpose designated:

50 For providing financial assistance under section

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1 15E.232, subsections 3, 4, 5, and 6 and under section

2 15E.233:

3 \$ 20,000,000

4 2. Notwithstanding section 8.33, moneys that
5 remain unexpended at the end of a fiscal year shall
6 not revert to any fund but shall remain available for
7 expenditure for the designated purposes during the
8 succeeding fiscal year.

9 Sec. 12. ECONOMIC DEVELOPMENT REGION REVOLVING
10 FUND CONTRIBUTION TAX CREDITS APPROPRIATION.

11 1. There is appropriated from the grow Iowa values
12 fund created in section 15G.108 to the general fund of
13 the state, for the fiscal period beginning July 1,
14 2004, and ending June 30, 2008, the following amounts,
15 or so much thereof as is necessary, to be used for the
16 purpose designated:

17 For payment of tax credits approved pursuant to
18 section 15E.232:

19	FY 2004-2005	.....	\$	4,000,000
20	FY 2005-2006	.....	\$	4,000,000
21	FY 2006-2007	.....	\$	4,000,000
22	FY 2007-2008	.....	\$	4,000,000
23	FY 2008-2009	.....	\$	4,000,000

24 2. Notwithstanding section 8.33, moneys that
25 remain unexpended at the end of a fiscal year shall
26 not revert to any fund but shall remain available for
27 expenditure for the designated purposes during the
28 succeeding fiscal year.

29 3. Any moneys appropriated under this section that
30 remain unexpended on June 30, 2009, are appropriated
31 from the general fund of the state to the department
32 of economic development for the fiscal year beginning
33 July 1, 2009, and ending June 30, 2010, to be used for
34 providing financial assistance under section 15E.232,
35 subsections 3, 4, 5, and 6.

36 Sec. 13. RETROACTIVE APPLICABILITY. The section
37 of this Act enacting section 15E.232, relating to the
38 economic development region revolving fund
39 contribution tax credit, is retroactively applicable
40 to January 1, 2004, and is applicable on and after
41 that date.

42 DIVISION IV -- APPROPRIATIONS

43 Sec. 14. Section 404A.4, subsection 4, Code
44 Supplement 2003, is amended to read as follows:

45 4. The total amount of tax credits that may be
46 approved for a fiscal year under this chapter shall
47 not exceed two million four hundred thousand dollars.
48 For the fiscal years ~~beginning July 1, 2005, and year~~
49 beginning July 1, 2004, an additional one million five
50 hundred thousand dollars of tax credits may be

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1 approved for purposes of projects located in cultural
2 and entertainment districts certified pursuant to
3 section 303.3B. For the fiscal year beginning July 1,
4 2005, an additional two million dollars of tax credits
5 may be approved for purposes of projects located in
6 cultural and entertainment districts certified
7 pursuant to section 303.3B. For the fiscal year
8 beginning July 1, 2006, an additional five hundred
9 thousand dollars of tax credits may be approved each
10 fiscal year for purposes of projects located in
11 cultural and entertainment districts certified
12 pursuant to section 303.3B. Any of the additional tax
13 credits allocated for projects located in certified
14 cultural and entertainment districts that are not
15 approved during a fiscal year may be carried over to
16 the succeeding fiscal year. Tax credit certificates
17 shall be issued on the basis of the earliest awarding
18 of certifications of completion as provided in
19 subsection 1. The departments of economic development
20 and revenue shall each adopt rules to jointly
21 administer this subsection and shall provide by rule
22 for the method to be used to determine for which
23 fiscal year the tax credits are approved.

24 Sec. 15. REHABILITATION PROJECT TAX CREDITS
25 APPROPRIATION.

26 1. There is appropriated from the grow Iowa values
27 fund to the general fund of the state for each fiscal
28 year of the fiscal period beginning July 1, 2004, and
29 ending June 30, 2006, the following amounts, or so
30 much thereof as is necessary, to be used for the
31 purpose designated:

32 For payment of tax credits approved pursuant to
33 section 404A.4 for projects located in certified
34 cultural and entertainment districts:
35 FY 2004-2005 \$ 1,500,000
36 FY 2005-2006 \$ 1,500,000

37 2. Notwithstanding section 8.33, moneys that
38 remain unexpended at the end of a fiscal year shall
39 not revert to any fund but shall remain available for
40 expenditure for the designated purposes during the
41 succeeding fiscal year.

42 Sec. 16. COMMUNITY ATTRACTION AND TOURISM PROGRAM.

43 1. There is appropriated from the grow Iowa values
44 fund to the office of the treasurer of state for each
45 fiscal year of the fiscal period beginning July 1,
46 2004, and ending June 30, 2007, the following amounts,
47 or so much thereof as is necessary, to be used for the
48 purpose designated:

49 For deposit in the community attraction and tourism
50 fund:

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1	FY 2004-2005	\$ 15,000,000
2	FY 2005-2006	\$ 15,000,000
3	FY 2006-2007	\$ 15,000,000

4 2. Notwithstanding section 8.33, moneys that
5 remain unexpended at the end of a fiscal year shall
6 not revert to any fund but shall remain available for
7 expenditure for the designated purposes during the
8 succeeding fiscal year.

9 Sec. 17. STATE PARKS.

10 1. There is appropriated from the grow Iowa values
11 fund to the grow Iowa values board for each fiscal
12 year of the fiscal period beginning July 1, 2004, and
13 ending June 30, 2006, the following amounts, or so
14 much thereof as is necessary, to be used for the
15 purpose designated:

16 For the purpose of providing financial assistance
17 for projects in targeted state parks and destination
18 parks:

19	FY 2004-2005	\$ 3,000,000
20	FY 2005-2006	\$ 3,000,000

21 2. Notwithstanding section 8.33, moneys that
22 remain unexpended at the end of a fiscal year shall
23 not revert to any fund but shall remain available for
24 expenditure for the designated purposes during the
25 succeeding fiscal year.

26 Sec. 18. IOWA CULTURAL TRUST FUND.

27 1. There is appropriated from the grow Iowa values
28 fund to the office of the treasurer of state for each
29 fiscal year of the fiscal period beginning July 1,
30 2004, and ending June 30, 2006, the following amounts,
31 or so much thereof as is necessary, to be used for the
32 purpose designated:

33 For deposit in the Iowa cultural trust fund created
34 in section 303A.4:

35	FY 2004-2005	\$ 2,000,000
36	FY 2005-2006	\$ 2,000,000

37 2. Notwithstanding section 8.33, moneys that
38 remain unexpended at the end of a fiscal year shall
39 not revert to any fund but shall remain available for
40 expenditure for the designated purposes during the
41 succeeding fiscal year.

42 DIVISION V -- GROW IOWA VALUES FUND FUNDING

43 Sec. 19. Section 8.57, subsection 5, paragraph e,
44 Code Supplement 2003, is amended to read as follows:

45 e. Notwithstanding provisions to the contrary in
46 sections 99D.17 and 99F.11, for the fiscal year
47 beginning July 1, ~~2000~~ 2003, and ~~for each fiscal year~~
48 ~~thereafter~~ ending June 30, 2004, not more than a total
49 of sixty million dollars shall be deposited in the
50 general fund of the state in ~~any~~ the fiscal year

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1 pursuant to sections 99D.17 and 99F.11; for the fiscal
2 period beginning July 1, 2004, and ending June 30,
3 2030, not more than a total of thirty-eight million
4 three hundred thousand dollars of the moneys directed
5 to be deposited in the general fund of the state in a
6 fiscal year pursuant to sections 99D.17 and 99F.11
7 shall be deposited in the grow Iowa values fund
8 created in section 15G.108 in any fiscal year, and not
9 more than a total of twenty-one million seven hundred
10 thousand dollars shall be deposited in the general
11 fund in any fiscal year; and for the fiscal year
12 beginning July 1, 2030, and for each fiscal year
13 thereafter, not more than a total of sixty million
14 dollars shall be deposited in the general fund of the
15 state in any fiscal year pursuant to sections 99D.17
16 and 99F.11. The next fifteen million dollars of the
17 moneys directed to be deposited in the general fund of
18 the state in a fiscal year pursuant to sections 99D.17
19 and 99F.11 shall be deposited in the vision Iowa fund
20 created in section 12.72 for the fiscal year beginning
21 July 1, 2000, and for each fiscal year through the
22 fiscal year beginning July 1, 2019. The next five
23 million dollars of the moneys directed to be deposited
24 in the general fund of the state in a fiscal year
25 pursuant to sections 99D.17 and 99F.11 shall be
26 deposited in the school infrastructure fund created in
27 section 12.82 for the fiscal year beginning July 1,
28 2000, and for each fiscal year thereafter until the
29 principal and interest on all bonds issued by the
30 treasurer of state pursuant to section 12.81 are paid,
31 as determined by the treasurer of state. The total
32 moneys in excess of the moneys deposited in the
33 general fund of the state, the grow Iowa values fund,
34 the vision Iowa fund, and the school infrastructure
35 fund in a fiscal year shall be deposited in the
36 rebuild Iowa infrastructure fund and shall be used as
37 provided in this section, notwithstanding section
38 8.60.

39 If the total amount of moneys directed to be
40 deposited in the general fund of the state under
41 sections 99D.17 and 99F.11 in a fiscal year is less
42 than the total amount of moneys directed to be
43 deposited in the grow Iowa values fund, the vision
44 Iowa fund, and the school infrastructure fund in the
45 fiscal year pursuant to this paragraph "e", the
46 difference shall be paid from lottery revenues in the
47 manner provided in section 99G.39, subsection 3.

48 Sec. 20. NEW SECTION. 12.91 GENERAL AND SPECIFIC
49 BONDING POWERS.

50 1. The treasurer of state may issue bonds for the

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1 purpose of funding the grow Iowa values fund created
2 in section 15G.108. The treasurer of state shall have
3 all of the powers which are necessary to issue and
4 secure bonds and carry out the purposes of the fund.
5 The treasurer of state may issue bonds in principal
6 amounts which are necessary to provide sufficient
7 funds for the grow Iowa values fund, the payment of
8 interest on the bonds, the establishment of reserves
9 to secure the bonds, the costs of issuance of the
10 bonds, other expenditures of the treasurer of state
11 incident to and necessary or convenient to carry out
12 the bond issue for the fund, and all other
13 expenditures of the board necessary or convenient to
14 administer the fund. The bonds are investment
15 securities and negotiable instruments within the
16 meaning of and for purposes of the uniform commercial
17 code.

18 2. Bonds issued under this section are payable
19 solely and only out of the moneys, assets, or revenues
20 of the grow Iowa values fund and any bond reserve
21 funds established pursuant to section 12.92, all of
22 which may be deposited with trustees or depositories
23 in accordance with bond or security documents and
24 pledged to the payment thereof. Bonds issued under
25 this section shall contain on their face a statement
26 that the bonds do not constitute an indebtedness of
27 the state. The treasurer of state shall not pledge
28 the credit or taxing power of this state or any
29 political subdivision of the state or make bonds
30 issued pursuant to this section payable out of any
31 moneys except those in the grow Iowa values fund.

32 3. The proceeds of bonds issued by the treasurer
33 of state and not required for immediate disbursement
34 may be deposited with a trustee or depository as
35 provided in the bond documents and invested or
36 reinvested in any investment as directed by the
37 treasurer of state and specified in the trust
38 indenture, resolution, or other instrument pursuant to
39 which the bonds are issued without regard to any
40 limitation otherwise provided by law.

41 4. The bonds shall be:

42 a. In a form, issued in denominations, executed in
43 a manner, and payable over terms and with rights of
44 redemption, and be subject to the terms, conditions,
45 and covenants providing for the payment of the
46 principal of, redemption premiums, if any, interest
47 which may be fixed or variable during any period the
48 bonds are outstanding, and such other terms and
49 conditions as prescribed in the trust indenture,
50 resolution, or other instrument authorizing their

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1 issuance.

2 b. Negotiable instruments under the laws of the
3 state and may be sold at prices, at public or private
4 sale, and in a manner, as prescribed by the treasurer
5 of state. Chapters 73A, 74, 74A, and 75 do not apply
6 to the sale or issuance of the bonds.

7 c. Subject to the terms, conditions, and covenants
8 providing for the payment of the principal, redemption
9 premiums, if any, interest, and other terms,
10 conditions, covenants, and protective provisions
11 safeguarding payment, not inconsistent with this
12 section and as determined by the trust indenture,
13 resolution, or other instrument authorizing their
14 issuance.

15 5. The bonds are securities in which public
16 officers and bodies of this state, political
17 subdivisions of this state, insurance companies and
18 associations and other persons carrying on an
19 insurance business, banks, trust companies, savings
20 associations, savings and loan associations, and
21 investment companies; administrators, guardians,
22 executors, trustees, and other fiduciaries; and other
23 persons authorized to invest in bonds or other
24 obligations of the state may properly and legally
25 invest funds, including capital, in their control or
26 belonging to them.

27 6. Bonds must be authorized by a trust indenture,
28 resolution, or other instrument of the treasurer of
29 state.

30 7. Neither the resolution, trust indenture, nor
31 any other instrument by which a pledge is created
32 needs to be recorded or filed under the Iowa uniform
33 commercial code to be valid, binding, or effective.

34 8. Bonds issued under the provisions of this
35 section are declared to be issued for a general public
36 and governmental purpose and all bonds issued under
37 this section shall be exempt from taxation by the
38 state of Iowa and the interest on the bonds shall be
39 exempt from the state income tax and the state
40 inheritance and estate tax.

41 9. Subject to the terms of any bond documents,
42 moneys in the grow Iowa values fund may be expended
43 for administration expenses.

44 10. The treasurer of state may issue bonds for the
45 purpose of refunding any bonds issued pursuant to this
46 section then outstanding, including the payment of any
47 redemption premiums thereon and any interest accrued
48 or to accrue to the date of redemption of the
49 outstanding bonds. Until the proceeds of bonds issued
50 for the purpose of refunding outstanding bonds are

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1 applied to the purchase or retirement of outstanding
2 bonds or the redemption of outstanding bonds, the
3 proceeds may be placed in escrow and be invested and
4 reinvested in accordance with the provisions of this
5 section. The interest, income, and profits earned or
6 realized on an investment may also be applied to the
7 payment of the outstanding bonds to be refunded by
8 purchase, retirement, or redemption. After the terms
9 of the escrow have been fully satisfied and carried
10 out, any balance of proceeds and interest earned or
11 realized on the investments may be returned to the
12 treasurer of state for deposit in the grow Iowa values
13 fund established in section 15G.108. All refunding
14 bonds shall be issued and secured and subject to the
15 provisions of this chapter in the same manner and to
16 the same extent as other bonds issued pursuant to this
17 section.

18 11. The treasurer of state shall have all of the
19 powers which are necessary to issue and secure bonds,
20 including but not limited to the power to procure
21 insurance, other credit enhancements, and other
22 financing arrangements, and to execute instruments and
23 contracts and to enter into agreements convenient or
24 necessary to facilitate financing arrangements with
25 respect to the bonds and to carry out the purposes of
26 the fund, including but not limited to such
27 arrangements, instruments, contracts, and agreements
28 as municipal bond insurance, self-insurance or
29 liquidity trusts, accounts, pools or other
30 arrangements, liquidity facilities or covenants,
31 letters of credit, and interest rate agreements.

32 12. For purposes of this section and sections
33 12.92 through 12.95, the term "bonds" means bonds,
34 notes, and other obligations and financing
35 arrangements issued or entered into by the treasurer
36 of state and the term "interest rate agreement" means
37 an interest rate swap or exchange agreement, an
38 agreement establishing an interest rate floor or
39 ceiling or both, or any similar agreement. Any such
40 agreement may include the option to enter into or
41 cancel the agreement or to reverse or extend the
42 agreement.

43 Sec. 21. NEW SECTION. 12.92 GROW IOWA VALUES
44 FUND ACCOUNTS AND RESERVE FUNDS.

45 1. The treasurer of state shall establish such
46 accounts within the grow Iowa values fund created in
47 section 15G.108 as may be appropriate, including debt
48 service accounts for the purpose of paying the
49 principal of, redemption premium, if any, and interest
50 on bonds payable therefrom. Moneys in the debt

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1 service accounts shall not be subject to appropriation
2 for any other purpose by the general assembly, but
3 shall be used only for the purposes of paying the
4 principal of, redemption premium, if any, and interest
5 on the bonds payable therefrom.

6 2. Revenue for the grow Iowa values fund shall
7 include, but is not limited to, the following, which
8 shall be deposited with the treasurer of state or its
9 designee as provided by any bond or security documents
10 and credited to the debt service account:

11 a. The proceeds of bonds issued to capitalize and
12 pay the costs of the fund and investment earnings on
13 the proceeds.

14 b. Interest attributable to investment of moneys
15 in the fund or an account of the fund.

16 c. Moneys in the form of a devise, gift, bequest,
17 donation, federal or other grant, reimbursement,
18 repayment, judgment, transfer, payment, or
19 appropriation from any source intended to be used for
20 the purposes of the fund or account.

21 3. a. The treasurer of state may create and
22 establish one or more special funds, to be known as
23 "bond reserve funds", to secure one or more issues of
24 bonds issued pursuant to section 12.91. The treasurer
25 of state shall pay into each bond reserve fund any
26 moneys appropriated and made available by the state or
27 treasurer of state for the purpose of the fund, any
28 proceeds of sale of bonds to the extent provided in
29 the resolutions or trust indentures authorizing their
30 issuance, and any other moneys which may be available
31 to the treasurer of state for the purpose of the fund
32 from any other sources. All moneys held in a bond
33 reserve fund, except as otherwise provided in this
34 chapter, shall be used as required solely for the
35 payment of the principal of bonds secured in whole or
36 in part by the fund or of the sinking fund payments
37 with respect to the bonds, the purchase or redemption
38 of the bonds, the payment of interest on the bonds, or
39 the payments of any redemption premium required to be
40 paid when the bonds are redeemed prior to maturity.

41 b. Moneys in a bond reserve fund shall not be
42 withdrawn from it at any time in an amount that will
43 reduce the amount of the fund to less than the bond
44 reserve fund requirement established for the fund, as
45 provided in this subsection, except for the purpose of
46 making, with respect to bonds secured in whole or in
47 part by the fund, payment when due of principal,
48 interest, redemption premiums, and the sinking fund
49 payments with respect to the bonds for the payment of
50 which other moneys of the treasurer of state are not

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1 available.

2 Any income or interest earned by, or incremental
3 to, a bond reserve fund due to the investment of it
4 may be transferred by the treasurer of state to other
5 funds or accounts to the extent the transfer does not
6 reduce the amount of that bond reserve fund below the
7 bond reserve fund requirement for it.

8 c. The treasurer of state shall not at any time
9 issue bonds, secured in whole or in part by a bond
10 reserve fund, if, upon the issuance of the bonds, the
11 amount in the bond reserve fund will be less than the
12 bond reserve fund requirement for the fund, unless the
13 treasurer of state at the time of issuance of the
14 bonds deposits in the fund from the proceeds of the
15 bonds issued or from other sources an amount which,
16 together with the amount then in the fund, will not be
17 less than the bond reserve fund requirement for the
18 fund. For the purposes of this subsection, the term
19 "bond reserve fund requirement" means, as of any
20 particular date of computation, an amount of money, as
21 provided in the resolutions or trust indentures
22 authorizing the bonds with respect to which the fund
23 is established.

24 d. To assure the continued solvency of any bonds
25 secured by the bond reserve fund, provision is made in
26 paragraph "a" for the accumulation in each bond
27 reserve fund of an amount equal to the bond reserve
28 requirement for the fund. In order to further assure
29 maintenance of the bond reserve funds, the treasurer
30 of state shall, on or before January 1 of each
31 calendar year, make and deliver to the governor the
32 treasurer of state's certificate stating the sum, if
33 any, required to restore each bond reserve fund to the
34 bond reserve fund requirement for that fund. Within
35 thirty days after the beginning of the session of the
36 general assembly next following the delivery of the
37 certificate, the governor shall submit to both houses
38 printed copies of a budget including the sum, if any,
39 required to restore each bond reserve fund to the bond
40 reserve fund requirement for that fund. Any sums
41 appropriated by the general assembly and paid to the
42 treasurer of state pursuant to this subsection shall
43 be deposited by the treasurer of state in the
44 applicable bond reserve fund.

45 Sec. 22. NEW SECTION. 12.93 PLEDGES.

46 1. It is the intention of the general assembly
47 that a pledge made in respect of bonds shall be valid
48 and binding from the time the pledge is made, that the
49 moneys or property so pledged and received after the
50 pledge by the treasurer of state shall immediately be

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1 subject to the lien of the pledge without physical
2 delivery or further act, and that the lien of the
3 pledge shall be valid and binding as against all
4 parties having claims of any kind in tort, contract,
5 or otherwise against the treasurer of state whether or
6 not the parties have notice of the lien.

7 2. The moneys set aside in a fund or funds pledged
8 for any series or issue of bonds shall be held for the
9 sole benefit of the series or issue separate and apart
10 from moneys pledged for another series or issue of
11 bonds of the treasurer of state. Bonds may be issued
12 in series under one or more resolutions or trust
13 indentures and may be fully open-ended, thus providing
14 for the unlimited issuance of additional series, or
15 partially open-ended, limited as to additional series.

16 Sec. 23. NEW SECTION. 12.94 LIMITATIONS.

17 Bonds issued pursuant to section 12.91 are not
18 debts of the state, or of any political subdivision of
19 the state, and do not constitute a pledge of the faith
20 and credit of the state or a charge against the
21 general credit or general fund of the state. The
22 issuance of any bonds pursuant to section 12.91 by the
23 treasurer of state does not directly, indirectly, or
24 contingently obligate the state or a political
25 subdivision of the state to apply moneys, or to levy
26 or pledge any form of taxation whatever, to the
27 payment of the bonds. Bonds issued under section
28 12.91 are payable solely and only from the sources and
29 special fund and accounts provided in section 12.92.

30 Sec. 24. NEW SECTION. 12.95 CONSTRUCTION.

31 Sections 12.91 through 12.94, being necessary for
32 the welfare of this state and its inhabitants, shall
33 be liberally construed to effect its purposes.

34 Sec. 25. Section 15G.108, Code Supplement 2003, is
35 amended to read as follows:

36 15G.108 GROW IOWA VALUES FUND.

37 A grow Iowa values fund is created and established
38 as a separate and distinct fund in the state treasury
39 ~~under the control of the grow Iowa values board~~
40 ~~consisting of moneys appropriated to the grow Iowa~~
41 ~~values board.~~ Moneys in the fund are not subject to
42 section 8.33. Notwithstanding section 12C.7, interest
43 or earnings on moneys in the fund shall be credited to
44 the fund. Moneys in the fund shall not be subject to
45 appropriation for any other purposes by the general
46 assembly other than as provided in this Act and 2003
47 Iowa Acts, First Extraordinary Session, chapter 2, but
48 shall be used only for the purposes of the grow Iowa
49 values fund. The treasurer of state shall act as
50 custodian of the fund and disburse moneys contained in

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1 the fund as directed by the grow Iowa values board,
2 including automatic disbursements of moneys received
3 pursuant to the terms of bond indentures and documents
4 and security provisions to trustees. The fund shall
5 be administered by the grow Iowa values board, which
6 shall make expenditures from the fund consistent with
7 this chapter and pertinent Acts of the general
8 assembly. Any financial assistance provided using
9 moneys from the fund may be provided over a period of
10 time of more than one year. Payments of interest,
11 repayments of moneys loaned pursuant to this chapter,
12 and recaptures of grants or loans shall be deposited
13 in the fund.

14 Sec. 26. Section 15G.110, Code Supplement 2003, is
15 amended to read as follows:

16 15G.110 FUTURE CONSIDERATION.

17 Not later than February 1, 2007, the legislative
18 services agency shall prepare and deliver to the
19 secretary of the senate and the chief clerk of the
20 house of representatives identical divisions that
21 repeal the provisions of this chapter, with the
22 exception of sections 15G.101, 15G.102, 15G.103, and
23 15G.108. It is the intent of this section that the
24 general assembly shall bring the division to a vote in
25 either the senate or the house of representatives
26 expeditiously. It is further the intent of this
27 chapter that if the division is approved by the first
28 house in which it is considered, it shall
29 expeditiously be brought to a vote in the second
30 house.

31 Sec. 27. Section 99G.39, subsection 3, paragraph
32 a, Code Supplement 2003, is amended to read as
33 follows:

34 a. Notwithstanding subsection 1, if gaming
35 revenues under sections 99D.17 and 99F.11 are
36 insufficient in a fiscal year to meet the total amount
37 of such revenues directed to be deposited in the grow
38 Iowa values fund, the vision Iowa fund, and the school
39 infrastructure fund during the fiscal year pursuant to
40 section 8.57, subsection 5, paragraph "e", the
41 difference shall be paid from lottery revenues prior
42 to deposit of the lottery revenues in the general
43 fund. If lottery revenues are insufficient during the
44 fiscal year to pay the difference, the remaining
45 difference shall be paid from lottery revenues in
46 subsequent fiscal years as such revenues become
47 available.

48 Sec. 28. 2003 Iowa Acts, First Extraordinary
49 Session, chapter 1, section 114, is amended to read as
50 follows:

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1 SEC. 114. The divisions of this Act designated the
 2 grow Iowa values board and fund, with the exception of
 3 sections 15G.101, 15G.102, 15G.103, and 15G.108, Code
 4 Supplement 2003, the value-added agricultural products
 5 and processes financial assistance program, the endow
 6 Iowa grants, the technology transfer advisors, the
 7 Iowa economic development loan and credit guarantee
 8 fund, the economic development assistance and data
 9 collection, the cultural and entertainment districts,
 10 the workforce issues, and the university-based
 11 research utilization program, are repealed effective
 12 June 30, 2010.

13 Sec. 29. 2003 Iowa Acts, First Extraordinary
 14 Session, chapter 2, section 75, subsection 1, is
 15 amended to read as follows:

16 1. There is appropriated from the general fund of
 17 the state from moneys credited to the general fund of
 18 the state as a result of entering into the streamlined
 19 sales and use tax agreement, for the fiscal period
 20 year beginning July 1, 2003, and ending June 30, 2010
 21 2004, the following amounts amount to be used for the
 22 purpose designated:

23 For deposit in the grow Iowa values fund created in
 24 section 15G.107, if enacted by 2003 Iowa Acts, House
 25 File 692 or another Act 15G.108:

26	FY 2003-2004.....	\$ 5,000,000
27	FY 2004-2005.....	\$ 23,000,000
28	FY 2005-2006.....	\$ 75,000,000
29	FY 2006-2007.....	\$ 75,000,000
30	FY 2007-2008.....	\$ 75,000,000
31	FY 2008-2009.....	\$ 75,000,000
32	FY 2009-2010.....	\$ 75,000,000"

33 2. Title page, by striking lines 1 and 2 and inserting the
 34 following: "An Act relating to economic development and
 35 regulatory matters at the state and local level, authorizing
 36 issuance of tax-exempt bonds and tax credits, making
 37 appropriations, and providing a retroactive applicability date."

By PETERSEN of Polk
BELL of Jasper
BERRY of Black Hawk
BUKTA of Clinton
COHOON of Des Moines
CONNORS of Polk
DANDEKAR of Linn
DAVITT of Warren
FOEGE of Linn
FORD of Polk
FREVERT of Palo Alto
GASKILL of Wapello
GREIMANN of Story
HEDDENS of Story
HUNTER of Polk
JACOBY of Johnson
JOCHUM of Dubuque
KUHN of Floyd
LENSING of Johnson
LYKAM of Scott
MASCHER of Johnson

MERTZ of Kossuth
MILLER of Webster
MURPHY of Dubuque
OLDSON of Polk
D. OLSON of Boone
OSTERHAUS of Jackson
QUIRK of Chickasaw
REASONER of Union
SHOMSHOR of Pottawattamie
SHOULTZ of Black Hawk
SMITH of Marshall
STEVENS of Dickinson
D. TAYLOR of Linn
T. TAYLOR of Linn
THOMAS of Clayton
WENDT of Woodbury
WHITAKER of Van Buren
WHITEAD of Woodbury
WINCKLER of Scott
WISE of Lee

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HOUSE FILE 2470**H-8311**

1 Amend House File 2470 as follows:

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

4 "Section 1. NEW SECTION. 514M.1 SHORT TITLE.

5 This chapter shall be known and may be cited as the
6 "Healthy Iowa for All" program.

7 Sec. 2. NEW SECTION. 514M.2 LEGISLATIVE INTENT.

8 It is the intent of the general assembly to
9 establish the healthy Iowa for all program to provide
10 access to comprehensive, quality, affordable health
11 care coverage to eligible small employers, including
12 the self-employed, their employees and their
13 dependents, state employees and their dependents,
14 local government employees and their dependents, and
15 individuals, on a voluntary basis. It is also the
16 intent of the general assembly that the healthy Iowa
17 for all program monitor and improve the quality of
18 health care in the state.

19 Sec. 3. NEW SECTION. 514M.3 DEFINITIONS.

20 As used in this chapter, unless the context
21 otherwise requires:

22 1. "Board" means the HIFA program board created in
23 section 514M.6.

24 2. "Department" means the Iowa department of
25 public health.

26 3. "Dependent" means a spouse, an unmarried child
27 under nineteen years of age, a child who is a student
28 under twenty-three years of age and is financially
29 dependent upon a plan enrollee, or a person of any age
30 who is the child of a plan enrollee and is disabled
31 and dependent upon that plan enrollee. "Dependent"
32 may include a domestic partner.

33 4. "Director" means the director of public health.

34 5. "Eligible employer" means a business that
35 employs at least two but not more than fifty eligible
36 employees, the majority of whom are employed in the
37 state, including a municipality or political
38 subdivision that has fifty or fewer employees.

39 6. "Eligible individual" means any of the
40 following:

41 a. A self-employed individual who works and
42 resides in the state, and is organized as a sole
43 proprietorship or in any other legally recognized
44 manner in which a self-employed individual may
45 organize, a substantial part of whose income derives
46 from a trade or business through which the individual
47 has attempted to earn taxable income.

48 b. An unemployed individual who resides in this
49 state.

50 c. An individual employed by an employer that does

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- 1 not offer health insurance.
- 2 d. Uninsured individuals without access to
- 3 employer coverage.
- 4 7. "Eligible local government employee" means a
- 5 local government employee.
- 6 8. "Eligible state employee" means a state
- 7 employee, including a state employee covered under a
- 8 collective bargaining agreement.
- 9 9. "Employer" means the owner or responsible agent
- 10 of a business authorized to sign contracts on behalf
- 11 of the business.
- 12 10. "Federal poverty guidelines" means the federal
- 13 poverty guidelines issued by the United States
- 14 department of health and human services in the federal
- 15 register.
- 16 11. "Health insurance carrier" means any entity
- 17 licensed by the division of insurance of the
- 18 department of commerce to provide health insurance in
- 19 Iowa or an organized delivery system licensed by the
- 20 director of public health that has contracted with the
- 21 department to provide health insurance coverage to
- 22 eligible individuals and dependents under this
- 23 chapter.
- 24 12. "HIFA health insurance" means the health
- 25 insurance product established by the HIFA program that
- 26 is offered by a private health insurance carrier.
- 27 13. "HIFA health insurance program" or "insurance
- 28 program" means the program through which HIFA health
- 29 insurance is provided.
- 30 14. "HIFA program" or "program" means the healthy
- 31 Iowa for all program established in this chapter.
- 32 15. "Local government" means a city, county,
- 33 school district, and the institutions governed by the
- 34 board of regents.
- 35 16. "Modified community rating" means a method
- 36 used to develop a health insurance carrier's premiums
- 37 which spreads financial risk across a population by
- 38 limiting the utilization of health status and claims
- 39 experience as approved by the commissioner of
- 40 insurance.
- 41 17. "Participating employer" means an eligible
- 42 employer that contracts with and has employees
- 43 enrolled in the HIFA health insurance program.
- 44 18. "Plan enrollee" means an eligible individual
- 45 or eligible employee who enrolls in the HIFA health
- 46 insurance program.
- 47 19. "Provider" means any person, organization,
- 48 corporation, or association that provides health care
- 49 services and products and is authorized to provide
- 50 those services and products under state law.

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1 20. "Reinsurance" means an agreement between
2 insurance companies under which one accepts all or
3 part of the risk or loss of the other.

4 21. "Third-party administrator" means any person
5 who, on behalf of any person who establishes a health
6 insurance plan covering residents of this state,
7 receives or collects charges, contributions, or
8 premiums for, or settles claims of residents in
9 connection with, any type of health benefit provided
10 in or as an alternative to insurance.

11 22. "Unemployed individual" means an individual
12 who does not work more than twenty hours per week for
13 any single employer.

14 Sec. 4. NEW SECTION. 514M.4 HIFA PROGRAM
15 ESTABLISHED.

16 1. The department shall establish the HIFA program
17 to provide access to health care coverage to eligible
18 employers, including the self-employed, their
19 employees and dependents, eligible state employees and
20 their dependents, eligible local government employees
21 and their dependents, and eligible individuals.

22 2. The department may do any of the following:

23 a. Have and exercise all powers necessary or
24 convenient to effect the purposes for which the
25 program is organized or to further the activities in
26 which the program may lawfully be engaged, including
27 the establishment of the insurance program.

28 b. Make and alter a plan of operation, not
29 inconsistent with this chapter or with state law, for
30 the administration and regulation of the activities of
31 the program.

32 c. Take any legal actions necessary or proper to
33 recover or collect savings offset payments due the
34 program or that are necessary for the proper
35 administration of the program.

36 d. Take any legal actions necessary to avoid the
37 payment of improper claims against the insurance
38 program or the coverage provided by or through the
39 insurance program to recover any amounts erroneously
40 or improperly paid by the insurance program, to
41 recover amounts paid by the insurance program as the
42 result of mistake of fact or law, and to recover other
43 amounts due the insurance program.

44 e. Enter into contracts with qualified third
45 parties, both private and public, for any service
46 necessary to carry out the purposes of this chapter.

47 f. Conduct studies and analyses related to the
48 provision of health care, health care costs, and
49 health care quality.

50 g. Accept appropriations, gifts, grants, loans, or

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1 other aid from public or private entities.
2 h. Contract with organizations with expertise in
3 health care data, including a nonprofit health data
4 processing entity in this state, to assist the Iowa
5 quality forum established in section 514M.13 in the
6 performance of its responsibilities.
7 i. Provide staff support and other assistance to
8 the Iowa quality forum established in section 514M.13.
9 j. In accordance with the limitations and
10 restrictions of this chapter, cause any of its powers
11 or duties to be carried out by one or more
12 organizations organized, created, or operated under
13 the laws of this state.
14 3. The department shall do all of the following:
15 a. Establish administrative and accounting
16 procedures as recommended by the state auditor for the
17 operation of the program.
18 b. Collect the savings offset payments as provided
19 in section 514M.11.
20 c. Determine the comprehensive services and
21 benefits to be included in HIFA health insurance and
22 make recommendations to the board regarding the
23 services and benefits.
24 d. Develop and implement an outreach program to
25 publicize the existence of the HIFA program and the
26 HIFA health insurance program and the eligibility
27 requirements and the enrollment procedures for the
28 HIFA health insurance program and to maintain public
29 awareness of the HIFA program and the HIFA health
30 insurance program.
31 e. Arrange for the provision of HIFA health
32 insurance benefit coverage to eligible individuals,
33 eligible employees, eligible state employees, and
34 eligible local government employees through contracts
35 with one or more qualified health insurance carriers.
36 f. Develop a high-risk pool for plan enrollees in
37 HIFA health insurance in accordance with the
38 provisions of section 514M.15.
39 4. Financial and performance audits or
40 examinations of HIFA health insurance shall be
41 conducted by the insurance division of the department
42 of commerce, annually. A copy of any audit shall be
43 provided to the commissioner of insurance, the
44 governor, and the general assembly.
45 5. Beginning September 1, 2006, and annually
46 thereafter, the department shall submit a report to
47 the governor and the general assembly on the impact of
48 the HIFA health insurance program on the small group,
49 individual, state employee, and local government
50 employee health insurance markets in this state and

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1 any reduction in the number of uninsured individuals
2 in the state. The department shall also report on
3 membership in the HIFA health insurance program, the
4 administrative expenses of the HIFA health insurance
5 program, the extent of coverage, the effect on
6 premiums, the number of covered lives, the number of
7 HIFA health insurance policies issued or renewed, and
8 HIFA health insurance premiums earned and claims
9 incurred by health insurance carriers offering HIFA
10 health insurance.

11 6. The department shall coordinate the activities
12 of the HIFA program with health care programs offered
13 through federal, state, and local governments.

14 Sec. 5. NEW SECTION. 514M.5 HIFA PROGRAM BOARD.

15 1. A HIFA program board for the HIFA program is
16 established. The board shall meet not less than four
17 times annually or at the call of the chairperson for
18 the purposes of establishing policy and adopting rules
19 for the program. The board shall consist of the
20 following members:

21 a. Five public voting members who have knowledge
22 or experience in one or more of the following areas,
23 appointed by the governor and subject to confirmation
24 by the senate:

- 25 (1) Health care purchasing.
- 26 (2) Health insurance.
- 27 (3) Health policy and law.
- 28 (4) State management and budgeting.
- 29 (5) Health care financing.

30 b. The director of public health, the director of
31 human services, and the commissioner of insurance
32 serving as ex officio, nonvoting members of the board.

33 c. Two members of the senate and two members of
34 the house of representatives, serving as ex officio,
35 nonvoting members. The legislative members of the
36 board shall be appointed by the majority leader of the
37 senate, after consultation with the president of the
38 senate, and by the minority leader of the senate, and
39 by the speaker of the house, after consultation with
40 the majority leader, and by the minority leader of the
41 house of representatives. Legislative members shall
42 receive compensation pursuant to section 2.12.

43 2. Members appointed by the governor shall serve
44 two-year staggered terms as designated by the
45 governor, and legislative members of the board shall
46 serve two-year terms. The filling of vacancies,
47 membership terms, payment of compensation and
48 expenses, and removal of the members who are
49 representatives of the public are governed by chapter
50 69. Members of the board are entitled to receive

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1 reimbursement of actual expenses incurred in the
2 discharge of their duties. Public members of the
3 board are also eligible to receive per diem as
4 specified in section 7E.6 for each day spent in
5 performance of duties as members. The members shall
6 select a voting member as the chairperson on an annual
7 basis from among the membership of the board. Three
8 voting members of the board constitute a quorum. An
9 action taken by the board shall require the
10 affirmative vote of at least three members.

11 3. A member of the board or an employee of the
12 HIFA program or their dependent shall not receive any
13 direct personal benefit from the activities of the
14 program in assisting any private entity, except that
15 they may participate in HIFA health insurance on the
16 same terms as any other participant.

17 4. The board shall do all of the following:

18 a. Employ or contract for any personnel as may be
19 necessary to carry out the duties of the board.

20 b. Develop standards for selecting participating
21 health insurance carriers for the insurance program.

22 c. Establish penalties for breach of contract or
23 other violations of requirements or provisions under
24 the program.

25 d. In consultation with the Iowa quality forum
26 advisory council, select a nationally recognized
27 functional health assessment form for an initial
28 assessment of all eligible employees, eligible
29 individuals, eligible state employees, and eligible
30 local government employees participating in the HIFA
31 health insurance program, establish a baseline for
32 comparison purposes, and develop appropriate
33 indicators to measure the health status of those
34 participating in the program.

35 e. Specify the data to be maintained by the
36 department, including data to be collected for the
37 purposes of quality assurance reports.

38 f. Approve the benefits package design, review the
39 benefits package design on a periodic basis, and make
40 necessary changes in the benefit design to reflect the
41 results of the periodic reviews. The benefits package
42 shall provide comprehensive coverage and shall include
43 all benefits mandated by law.

44 g. Determine the contribution levels, deductibles,
45 and cost-sharing requirements of the HIFA health
46 insurance program.

47 h. Provide for periodic assessment of the
48 effectiveness of the outreach program.

49 i. Solicit input from the public regarding the
50 program and related issues and services.

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1 j. Approve a high-risk pool for plan enrollees in
2 the HIFA health insurance program.

3 k. Adopt rules, in accordance with chapter 17A, as
4 necessary for the proper administration and
5 enforcement of this chapter.

6 5. State agencies shall provide technical
7 assistance and expertise to the board and the
8 department upon request. The attorney general shall
9 act as legal counsel to the board.

10 6. The board may appoint advisory committees to
11 assist the board and the department.

12 Sec. 6. NEW SECTION. 514M.6 HIFA HEALTH
13 INSURANCE PROGRAM.

14 1. a. The HIFA health insurance program shall
15 provide for health benefits coverage through health
16 insurance carriers that apply to the board and meet
17 the qualifications described in this section and any
18 additional qualifications established by rule of the
19 board.

20 b. If a sufficient number of health insurance
21 carriers do not apply to offer and deliver health
22 insurance under the insurance program, the board may
23 propose the establishment of a nonprofit health care
24 plan or may propose the expansion of an existing
25 public plan. If the board proposes the establishment
26 of a nonprofit health care plan or the expansion of an
27 existing public plan, the board shall submit a
28 proposal, including but not limited to a funding
29 mechanism, to capitalize a nonprofit health care plan
30 and any recommended legislation to the general
31 assembly. The program shall not provide access to
32 health insurance by establishing a nonprofit health
33 care plan or through an existing public plan without
34 specific legislative approval.

35 2. Nothing in this chapter shall be construed or
36 is intended as, or shall imply, a grant of entitlement
37 for services to persons who are eligible for
38 participation in the HIFA health insurance program
39 based upon eligibility consistent with the
40 requirements of this chapter. Any state obligation to
41 provide services pursuant to this chapter is limited
42 to the extent of the funds appropriated or provided
43 for implementation of this chapter.

44 3. The HIFA health insurance program may contract
45 with health insurance carriers licensed to sell health
46 insurance in the state or other private or public
47 third-party administrators to provide insurance under
48 the insurance program.

49 a. The HIFA health insurance program shall issue
50 requests for proposals to select health insurance

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1 carriers.

2 b. The insurance program may include quality
3 improvement, patient care management, and cost-
4 containment provisions in the contracts with
5 participating health insurance carriers or may arrange
6 for the provision of such services through contracts
7 with other entities.

8 c. The insurance program shall require
9 participating health insurance carriers to offer a
10 benefit plan identical to the plan developed by the
11 board in the small group market.

12 d. The HIFA health insurance program may set
13 allowable rates for administration and underwriting
14 gains for the insurance program.

15 e. The HIFA health insurance program may
16 administer continuation benefits for eligible
17 individuals from employers with twenty or more
18 employees who have purchased health insurance coverage
19 through the program for the duration of their
20 eligibility periods for continuation of benefits
21 pursuant to Title X of the federal Consolidated
22 Omnibus Budget Reconciliation Act of 1986, Pub. L. No.
23 99-272, sections 10001 to 10003.

24 f. The HIFA health insurance program may
25 administer or contract to administer the United States
26 Internal Revenue Code of 1986, section 125, plans for
27 employers and employees participating in the program,
28 including medical expense reimbursement accounts and
29 dependent care reimbursement accounts.

30 g. The HIFA health insurance program shall
31 contract with eligible employers seeking assistance in
32 arranging for health benefits coverage for their
33 employees and the employees' dependents.

34 Sec. 7. NEW SECTION. 514M.7 ELIGIBILITY
35 REQUIREMENTS.

36 1. All of the following are eligible for
37 participation in the HIFA health insurance program:

38 a. Eligible individuals and their dependents.

39 b. The employees of an eligible employer and the
40 dependents of such employees.

41 c. Eligible state employees and their dependents,
42 in accordance with applicable collective bargaining
43 agreements.

44 d. Eligible local government employees and their
45 dependents.

46 2. In order to participate, an eligible employer,
47 the state, or the local government shall pay at least
48 sixty percent of the individual employee's premium
49 costs or the combined premium costs of the individual
50 employee and dependents of the employee.

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1 3. The HIFA health insurance program shall collect
2 payments from participating employers and plan
3 enrollees to cover the costs of all of the following:

4 a. Insurance coverage for enrolled employees and
5 their dependents in contribution amounts determined by
6 the board.

7 b. Quality assurance, patient care management, and
8 cost-containment programs.

9 c. Administrative services.

10 d. Other health promotion costs.

11 4. The HIFA program board shall establish a
12 minimum required contribution level, to be paid by
13 participating employers toward the aggregate payment
14 in subsection 3. The minimum required contribution
15 level to be paid by participating employers shall be
16 prorated for employees that work less than the number
17 of hours of a full-time equivalent employee as
18 determined by the employer. The HIFA health insurance
19 program may establish a separate minimum contribution
20 level to be paid by employers toward coverage for
21 dependents of the employers' enrolled employees.

22 5. The HIFA health insurance program shall require
23 participating employers to certify that at least
24 seventy-five percent of their employees that work
25 thirty hours or more per week and who do not have
26 other creditable coverage are enrolled in the HIFA
27 health insurance program and that the employer group
28 otherwise meets the minimum participation
29 requirements.

30 6. The HIFA health insurance program shall reduce
31 the payment amounts for plan enrollees eligible for a
32 subsidy pursuant to section 514M.9 accordingly. The
33 employer shall pass along any subsidy received to the
34 enrollee up to the amount of payments made by the plan
35 enrollee.

36 7. The HIFA health insurance program may establish
37 other criteria for participation in the program.

38 8. The HIFA health insurance program may limit the
39 number of participating employers in the program.

40 9. The HIFA health insurance program may allow
41 eligible individuals and their dependents to purchase
42 insurance under the program in accordance with this
43 subsection.

44 a. The HIFA health insurance program may establish
45 contracts and other reporting forms and procedures
46 necessary for the efficient administration of
47 individual contracts.

48 b. The HIFA health insurance program shall collect
49 payments from eligible individuals participating in
50 the HIFA health insurance program to cover the costs

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1 of all of the following:

2 (1) Insurance coverage for eligible individuals
3 and their dependents in contribution amounts
4 determined by the board.

5 (2) Quality assurance, patient care management,
6 and cost-containment programs.

7 (3) Administrative services.

8 (4) Other health promotion costs.

9 c. The HIFA health insurance program shall reduce
10 the payment amounts for individuals eligible for a
11 subsidy pursuant to section 514M.9 accordingly.

12 d. The HIFA health insurance program may require
13 that eligible individuals certify that all their
14 dependents are enrolled in the HIFA health insurance
15 program or are covered by another creditable plan.

16 e. The HIFA health insurance program may require
17 an eligible individual who is currently employed by an
18 eligible employer that does not offer health insurance
19 to certify that the current employer did not provide
20 access to an employer-sponsored benefits plan in the
21 twelve-month period immediately preceding the eligible
22 individual's application.

23 f. The HIFA health insurance program may limit the
24 number of individual plan enrollees.

25 g. The HIFA health insurance program may establish
26 other criteria for participation of individuals in the
27 insurance program.

28 Sec. 8. NEW SECTION. 514M.8 FACILITATION OF
29 ENROLLMENT IN HIFA HEALTH INSURANCE PROGRAM.

30 The department shall perform, at a minimum, all of
31 the following functions to facilitate enrollment in
32 the insurance program:

33 1. Publicize the availability of HIFA health
34 insurance to employers, self-employed individuals, and
35 others eligible to enroll in the program.

36 2. Screen all eligible individuals and employees
37 for eligibility for subsidies pursuant to section
38 514M.9.

39 3. Promote quality improvement, patient care
40 management, and cost-containment programs as part of
41 the insurance program.

42 Sec. 9. NEW SECTION. 514M.9 SUBSIDIES.

43 1. The HIFA health insurance program shall
44 establish sliding-scale subsidies for the purchase of
45 HIFA health insurance by an individual or employee
46 whose income is at or below three hundred percent of
47 the federal poverty guidelines and who is not eligible
48 for any other state or federally funded program. The
49 HIFA health insurance program may also establish
50 sliding-scale subsidies for the purchase of employer-

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1 sponsored health coverage by an employee of an
2 employer with more than fifty employees, whose income
3 is under three hundred percent of the federal poverty
4 guidelines and who is not eligible for any other state
5 or federally funded program.

6 2. Subsidies shall be limited by the amount of
7 available funding.

8 3. The HIFA health insurance program may limit the
9 amount of the subsidy to individual plan enrollees to
10 forty percent of the payment.

11 Sec. 10. NEW SECTION. 514M.10 INSURANCE
12 CARRIERS.

13 To qualify as a health insurance carrier for HIFA
14 health insurance, a health insurance carrier shall do
15 all of the following:

16 1. Provide the comprehensive health services and
17 benefits as determined by the board, including a
18 standard benefit package that meets the requirements
19 for mandated coverage for specific health services,
20 specific diseases, and for certain providers of health
21 services under this title, and any supplemental
22 benefits as approved by the board.

23 2. Ensure all of the following:

24 a. That providers contracting with a health
25 insurance carrier contracted to provide coverage to
26 plan enrollees do not refuse to provide services to a
27 plan enrollee on the basis of health status, medical
28 condition, previous insurance status, race, color,
29 creed, age, national origin, citizenship status,
30 gender, sexual orientation, disability, or marital
31 status. This paragraph shall not be construed to
32 require a provider to furnish medical services that
33 are not within the scope of that provider's license.

34 b. That providers contracting with a health
35 insurance carrier contracted to provide coverage to
36 plan enrollees are reimbursed at the negotiated
37 reimbursement rates between the carrier and its
38 provider network.

39 c. That premiums are set utilizing a modified
40 community rating.

41 Sec. 11. NEW SECTION. 514M.11 SAVINGS OFFSET
42 PAYMENTS.

43 1. The board shall determine, annually, not later
44 than April 30, the aggregate measurable cost savings,
45 including any reduction or avoidance of bad debt and
46 charity care costs to health care providers in the
47 state as a result of the operation of the HIFA health
48 insurance program.

49 2. For the purpose of providing funds necessary to
50 provide subsidies pursuant to section 514M.9, and to

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1 support the Iowa quality forum pursuant to section
2 514M.13, the board shall establish a savings offset
3 amount to be paid by health insurance carriers,
4 employee benefit excess insurance carriers, and third-
5 party administrators, not including carriers and
6 third-party administrators with respect to accidental
7 injury, specified disease, hospital indemnity, dental,
8 vision, disability, income, long-term care, Medicare
9 supplemental, or other limited benefit health
10 insurance, annually at a rate that may not exceed
11 savings resulting from decreasing rates of growth in
12 bad debt and charity care costs. Payment of the
13 savings offset shall begin January 1, 2006. The
14 savings offset amount as determined by the board is
15 the determining factor for inclusion of savings offset
16 payments in premiums through rate-setting review by
17 the insurance division of the department of commerce.
18 Savings offset payments must be made quarterly and are
19 due not less than thirty days after written notice to
20 the health insurance carriers, employee benefit excess
21 insurance carriers, and third-party administrators.

22 3. Each health insurance carrier, employee benefit
23 excess insurance carrier, and third-party
24 administrator shall pay a savings offset in an amount
25 not to exceed four percent of annual health insurance
26 premiums and employee benefit excess insurance
27 premiums on policies issued pursuant to the laws of
28 this state that insure residents of this state. The
29 savings offset payment shall not exceed savings
30 resulting from decreasing rates of growth in bad debt
31 and charity care costs. The savings offset payment
32 applies to premiums paid on or after July 1, 2005.
33 Savings offset payments shall reflect aggregate
34 measurable cost savings, including any reduction or
35 avoidance of bad debt and charity care costs to health
36 care providers in this state, as a result of the
37 operation of the HIFA health insurance program as
38 determined by the board. A health insurance carrier
39 or employee benefit excess insurance carrier shall not
40 be required to pay a savings offset payment on
41 policies or contracts insuring federal employees.

42 4. The board shall make reasonable efforts to
43 ensure that premium revenue, or claims plus any
44 administrative expenses and fees with respect to
45 third-party administrators, is counted only once with
46 respect to any savings offset payment. For that
47 purpose, the board shall require each health insurance
48 carrier to include in its premium revenue gross of
49 reinsurance ceded. The board shall allow a health
50 insurance carrier to exclude from its gross premium

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1 revenue reinsurance premiums that have been counted by
2 the primary insurer for the purpose of determining its
3 savings offset payment under this subsection. The
4 board shall allow each employee benefit excess
5 insurance carrier to exclude from its gross premium
6 revenue the amount of claims that have been counted by
7 a third-party administrator for the purpose of
8 determining its savings offset payment under this
9 subsection. The board may verify each health
10 insurance carrier's, employee benefit excess insurance
11 carrier's, and third-party administrator's savings
12 offset payment based on annual statements and other
13 reports determined to be necessary by the board.

14 5. The commissioner of insurance may suspend or
15 revoke, after notice and hearing, the certificate of
16 authority to transact insurance in this state of any
17 health insurance carrier or the license of any third-
18 party administrator to operate in this state that
19 fails to pay a savings offset payment. In addition,
20 the commissioner may assess civil penalties against
21 any health insurance carrier, employee benefit excess
22 insurance carrier, or third-party administrator that
23 fails to pay a savings offset payment or may take any
24 other enforcement action authorized to collect any
25 unpaid savings offset payments.

26 6. On an annual basis no later than April 30 of
27 each year, the board shall prospectively determine the
28 savings offset to be applied during each twelve-month
29 period. Annual offset payments shall be reconciled to
30 determine whether unused payments may be returned to
31 health insurance carriers, employee benefit excess
32 insurance carriers, and third-party administrators
33 according to a formula developed by the board.
34 Savings offset payments shall be used solely to fund
35 the subsidies authorized by section 514M.9 and to
36 support the Iowa quality forum established in section
37 514M.13 and may not exceed savings from reductions in
38 growth of bad debt and charity care.

39 7. In accordance with the requirements of this
40 subsection, every health insurance carrier and health
41 care provider shall demonstrate that best efforts have
42 been made to ensure that a carrier has recovered
43 savings offset payments made pursuant to this section
44 through negotiated reimbursement rates that reflect
45 health care providers' reductions or stabilization in
46 the cost of bad debt and charity care as a result of
47 the operation of HIFA health insurance.

48 a. A health insurance carrier shall use best
49 efforts to ensure health insurance premiums reflect
50 any such recovery of savings offset payments as those

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1 savings offset payments are reflected through incurred
2 claims experience.

3 b. During any negotiation with a health insurance
4 carrier relating to a health care provider's
5 reimbursement agreement with that carrier, a health
6 care provider shall provide data relating to any
7 reduction or avoidance of bad debt and charity care
8 costs to health care providers in this state as a
9 result of the operation of the HIFA health insurance
10 program.

11 8. The following reports are required in
12 accordance with this subsection:

13 a. On a quarterly basis, beginning with the first
14 quarter after the HIFA health insurance program begins
15 offering coverage, the board shall collect and report
16 on the following:

17 (1) The total enrollment in the HIFA health
18 insurance program, including the number of enrollees
19 previously underinsured or uninsured, the number of
20 enrollees previously insured, the number of individual
21 enrollees, the number of enrollees enrolled through
22 small employers, the number of enrollees enrolled
23 through the state of Iowa, and the number of enrollees
24 enrolled through local governments.

25 (2) The total number of enrollees covered in
26 health plans through large employers and self-insured
27 employers.

28 (3) The number of employers, both small employers
29 and large employers, who have ceased offering health
30 insurance or contributing to the cost of health
31 insurance for employees or who have begun offering
32 coverage on a self-insured basis.

33 (4) The number of employers, both small employers
34 and large employers, who have begun to offer health
35 insurance or contribute to the cost of health
36 insurance premiums for their employees.

37 (5) The number of new participating employers in
38 the HIFA health insurance program.

39 (6) The number of employers ceasing to offer
40 coverage through the HIFA health insurance program.

41 (7) The duration of employers' participation in
42 the HIFA health insurance program.

43 (8) A comparison of actual enrollees in the HIFA
44 health insurance program to the projected enrollees.

45 b. The board shall establish the total health care
46 spending in the state for the base year beginning July
47 1, 2003, and shall annually determine, in
48 collaboration with the commissioner of insurance,
49 appropriate actuarially supported trend factors that
50 reflect savings consistent with subsection 1 and

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1 compare rates of spending growth to the base year of
2 2003. The board shall collect on an annual basis, in
3 consultation with the commissioner, information about
4 the total cost to the state's health care providers of
5 bad debt and charity care beginning with the base year
6 of 2003. This information may be compiled through
7 mechanisms including, but not limited to, standard
8 reporting or statistically accurate surveys of
9 providers and practitioners. The board shall utilize
10 existing data on file with state agencies or other
11 organizations to minimize duplication. The
12 comparisons to the base year shall be reported
13 beginning April 30, 2005, and annually thereafter.

14 c. Health insurance carriers and health care
15 providers shall report annually, beginning July 1,
16 2006, and each July 1 thereafter, information
17 regarding the experience of the prior twelve-month
18 period on the efforts undertaken by the carrier and
19 provider to recover savings offset payments, as
20 reflected in reimbursement rates, through a reduction
21 or stabilization in bad debt and charity care costs as
22 a result of the operation of the HIFA health insurance
23 program. The board shall determine the appropriate
24 format for the report and utilize existing data on
25 file with state agencies or other organizations to
26 minimize duplication. The report shall be submitted
27 to the board. Using the information submitted by
28 carriers and providers, the board shall submit a
29 summary of that information by October 1, 2006, and
30 annually thereafter to the commissioner of insurance,
31 the governor, and the general assembly.

32 9. The claims experience used to determine any
33 filed premiums or rating formula shall reasonably
34 reflect, in accordance with accepted actuarial
35 standards, known changes and offsets in payments by
36 the carrier to health care providers in this state,
37 including any reduction or avoidance of bad debt and
38 charity care costs to health care providers in this
39 state as a result of the operation of the HIFA health
40 insurance program.

41 Sec. 12. NEW SECTION. 514M.12 HIFA PROGRAM FUND.

42 1. A HIFA program fund is created in the state
43 treasury under the authority of the department for
44 deposit of any funds for initial operating expenses,
45 payments made by employers and individuals, any
46 savings offset payments made pursuant to section
47 514M.11, and any funds received from any public or
48 private source.

49 2. Moneys deposited in the fund shall be used only
50 for the purposes of the HIFA program as specified in

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1 this chapter.

2 3. The fund shall be separate from the general
3 fund of the state and shall not be considered part of
4 the general fund of the state. The moneys in the fund
5 shall not be considered revenue of the state, but
6 rather shall be funds of the HIFA program. The moneys
7 deposited in the fund are not subject to section 8.33
8 and shall not be transferred, used, obligated,
9 appropriated, or otherwise encumbered, except to
10 provide for the purposes of this chapter.

11 Notwithstanding section 12C.7, subsection 2, interest
12 or earnings on moneys deposited in the fund shall be
13 credited to the fund.

14 4. The department shall adopt rules pursuant to
15 chapter 17A to administer the fund.

16 5. The treasurer of state shall provide a
17 quarterly report of fund activities and balances to
18 the board.

19 Sec. 13. NEW SECTION. 514M.13 IOWA QUALITY
20 FORUM.

21 1. The Iowa quality forum is established within
22 the HIFA program. The forum shall be governed by the
23 HIFA program board with advice from the Iowa quality
24 forum advisory council pursuant to section 514M.14.
25 The forum shall be funded, at least in part, through
26 the savings offset payments made pursuant to section
27 514M.11.

28 2. The forum shall do all of the following:

29 a. Collect and disseminate research regarding
30 health care quality, evidence-based medicine, and
31 patient safety to promote best practices.

32 b. Adopt a set of measures to evaluate and compare
33 health care quality and provider performance. The
34 measures must be adopted with guidance from the
35 advisory council pursuant to section 514M.14.

36 c. Coordinate the collection of health care
37 quality data in the state. The forum shall work with
38 entities that collect health care data to minimize
39 duplication and to minimize the burden on providers of
40 data.

41 d. Provide oversight for a retrospective drug
42 utilization review and quality assessment program.

43 e. Work collaboratively with health care
44 providers, health insurance carriers, and others to
45 report in useable formats, comparative health care
46 quality information to consumers, purchasers,
47 providers, insurers, and policymakers. The forum
48 shall produce annual quality reports.

49 f. Conduct education campaigns to help health care
50 consumers make informed decisions and engage in

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1 healthy lifestyles.

2 g. Adopt plans to provide medication therapy
3 management by pharmacy providers targeted to
4 individuals who have multiple chronic conditions, use
5 multiple prescriptions, and are likely to incur high
6 drug expenses in order to ensure appropriate use of
7 prescription drugs to improve therapeutic outcomes and
8 reduce adverse drug reactions.

9 h. Encourage the adoption of electronic technology
10 and assist health care practitioners to implement
11 electronic systems for medical records and submission
12 of claims. The assistance may include, but is not
13 limited to, practitioner education, identification, or
14 establishment of low-interest financing options for
15 hardware and software and system implementation
16 support.

17 i. Make recommendations for inclusion in the state
18 health plan developed pursuant to section 514M.16.

19 j. Submit an annual report to the governor and the
20 general assembly and make the report available to the
21 public.

22 Sec. 14. NEW SECTION. 514M.14 IOWA QUALITY FORUM
23 ADVISORY COUNCIL.

24 1. An Iowa quality forum advisory council is
25 established to advise the forum. The council shall
26 consist of all of the following voting members,
27 appointed by the governor, subject to confirmation by
28 the senate:

29 a. One member who is a physician.

30 b. One member who is a health care economist.

31 c. One member who is a pharmacist.

32 d. One member who represents hospitals.

33 e. One member who is a representative of the
34 university of Iowa college of public health.

35 f. One member who is a representative of a private
36 employer with not more than fifty employees.

37 g. One member who is a representative of a private
38 employer with more than one thousand employees.

39 h. One member who is a representative of organized
40 labor.

41 i. One member who is a representative of a
42 consumer health advocacy group.

43 j. The director of public health, or the
44 director's designee.

45 2. The commissioner of insurance shall serve as an
46 ex officio nonvoting member of the advisory council.

47 3. All members of the advisory council with the
48 exception of the director of public health and the
49 commissioner of insurance are subject to the
50 following:

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- 1 a. Shall serve five-year staggered terms as
2 designated by the governor.
- 3 b. Shall be subject to chapter 69 with regard to
4 the filling of vacancies, membership terms, payment of
5 compensation and expenses, and removal.
- 6 c. Are entitled to receive reimbursement of actual
7 expenses incurred in the discharge of their duties and
8 are also eligible to receive compensation as provided
9 in section 7E.6.
- 10 d. Shall not serve more than two consecutive
11 terms.
- 12 4. The advisory council shall annually choose one
13 of its voting members to serve as chairperson for a
14 one-year term.
- 15 5. The advisory council shall meet at least four
16 times annually and may meet at other times at the call
17 of the chairperson. Meetings of the council are
18 public proceedings.
- 19 6. The advisory council shall do all of the
20 following:
- 21 a. Convene a group of health care providers to
22 provide input and advice to the council.
- 23 b. Provide expertise in health care quality to
24 assist the board.
- 25 c. Advise and support the forum by doing all of
26 the following:
- 27 (1) Establishing and monitoring, with the HIFA
28 program, an annual work plan for the forum.
- 29 (2) Providing guidance in the adoption of quality
30 and performance measures.
- 31 (3) Serving as a liaison between the provider
32 group established in paragraph "a" and the forum.
- 33 (4) Conducting public hearings and meetings.
- 34 (5) Reviewing consumer education materials
35 developed by the forum.
- 36 d. Assist the board in selecting the nationally
37 recognized functional health assessment.
- 38 e. Make recommendations regarding quality
39 assurance and quality improvement priorities for
40 inclusion in the state health plan described in
41 section 514M.16.
- 42 f. Serve as a liaison between the forum and other
43 organizations working in the field of health care
44 quality.
- 45 Sec. 15. NEW SECTION. 514M.15 HIFA HIGH-RISK
46 POOL.
- 47 1. A plan enrollee shall be included in the HIFA
48 high-risk pool if the total cost of health care
49 services for the enrollee exceeds fifty thousand
50 dollars in any twelve-month period.

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1 2. The HIFA program shall develop appropriate
2 patient care management protocols, develop procedures
3 for implementing those protocols, and determine the
4 manner in which patient care management shall be
5 provided to plan enrollees in the HIFA high-risk pool.
6 Patient care management shall be provided by
7 appropriate individual health care professionals under
8 the HIFA program. The HIFA program shall include
9 patient care management in its contract with
10 participating health insurance carriers for HIFA high-
11 risk pool enrollees pursuant to this section, contract
12 separately with another entity for patient care
13 management services, or provide patient care
14 management services directly through the HIFA program.

15 3. The HIFA program shall submit a report to the
16 governor and the general assembly, no later than
17 January 1, 2006, outlining the patient care management
18 protocols, procedures, and delivery mechanisms used to
19 provide patient care management services to HIFA high-
20 risk pool enrollees and the assessment tool used to
21 measure individual patient care management activities.
22 The report shall also include the number of plan
23 enrollees in the high-risk pool, the types of
24 diagnoses managed within the high-risk pool, the
25 claims experience within the high-risk pool, and the
26 number and type of claims exceeding fifty thousand
27 dollars for enrollees in the high-risk pool and for
28 all enrollees in the HIFA health insurance program.

29 4. On or before October 1, 2008, the HIFA program
30 shall evaluate the impact of HIFA health insurance on
31 average health insurance premium rates in this state
32 and on the rate of uninsured individuals in this state
33 and compare the trends in those rates to the trends in
34 the average premium rates and average rates of
35 uninsured individuals for the states that have
36 established a statewide high-risk pool as of July 1,
37 2004. The board shall submit the evaluation of the
38 impact of HIFA health insurance in this state in
39 comparison to states with high-risk pools to the
40 governor and the general assembly by January 1, 2009.
41 If the trend in average premium rates in this state
42 and rate of uninsured individuals exceeds the trend
43 for the average among the states with high-risk pools,
44 the board shall submit legislation on January 1, 2009,
45 that proposes to establish a statewide high-risk pool
46 in this state consistent with the characteristics of
47 high-risk pools operating in other states.

48 Sec. 16. NEW SECTION. 514M.16 STATE HEALTH
49 PLANNING.

50 1. The governor or the governor's designee shall

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- 1 do all of the following:
- 2 a. Develop and issue a biennial state health plan.
- 3 The first plan shall be issued by May 2005.
- 4 b. Make an annual report to the public assessing
- 5 the progress toward meeting goals of the plan and
- 6 provide any updates, as necessary, to the plan.
- 7 c. Issue an annual statewide health expenditure
- 8 budget report that shall serve as the basis for
- 9 establishing priorities within the plan.
- 10 2. a. The state health plan issued pursuant to
- 11 subsection 1 shall establish a comprehensive,
- 12 coordinated approach to the development of health care
- 13 facilities and resources in the state based on
- 14 statewide cost, quality, and access goals and
- 15 strategies to ensure access to affordable health care,
- 16 maintain a rational system of health care, and promote
- 17 the development of the health care workforce.
- 18 b. In developing the plan, the governor shall, at
- 19 a minimum, seek input from the Iowa quality forum, the
- 20 Iowa quality forum advisory council, and other
- 21 appropriate agencies and organizations.
- 22 3. The plan shall do all of the following:
- 23 a. Assess health care cost, quality, and access in
- 24 the state.
- 25 b. Develop benchmarks to measure cost, quality,
- 26 and access goals and report on progress toward meeting
- 27 those goals.
- 28 c. Establish and set annual priorities among
- 29 health care cost, quality, and access goals.
- 30 d. Outline strategies to do all of the following:
- 31 (1) Promote health systems change.
- 32 (2) Address the factors influencing health care
- 33 cost increases.
- 34 (3) Address the major threats to public health and
- 35 safety in the state, including, but not limited to,
- 36 lung disease, diabetes, cancer, and heart disease.
- 37 e. Provide recommendations to help purchasers and
- 38 providers make decisions that improve public health
- 39 and build an affordable, high-quality health care
- 40 system.

41 Sec. 17. NEW SECTION. 514M.17 RULES.

42 The commissioner of insurance shall adopt rules,

43 pursuant to chapter 17A, as necessary to administer

44 this chapter.

45 Sec. 18. IMPLEMENTATION COSTS. The Iowa

46 department of public health shall work with the

47 commissioner of insurance to seek funding through the

48 federal government, a private foundation, or other

49 appropriate source to defray the initial costs to

50 implement the provisions of this Act relating to the

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1 healthy Iowa for all program, including but not
2 limited to the initial subsidy provisions."
3 2. Title page, line 1, by inserting after the
4 word "to" the following: "improving Iowa's economic
5 climate by providing for access to health care
6 coverage and providing for".

By OSTERHAUS of Jackson
BERRY of Black Hawk
BUKTA of Clinton
COHOON of Des Moines
CONNORS of Polk
BELL of Jasper
DAVITT of Warren
FALLON of Polk
FOEGE of Linn
FORD of Polk
FREVERT of Palo Alto
GASKILL of Wapello
GREIMANN of Story
HEDDENS of Story
HUNTER of Polk
HUSER of Polk
JACOBY of Johnson
JOCHUM of Dubuque
KUHN of Floyd
LENSING of Johnson
LYKAM of Scott

MASCHER of Johnson
McCARTHY of Polk
MERTZ of Kossuth
MILLER of Webster
MURPHY of Dubuque
D. OLSON of Boone
QUIRK of Chickasaw
REASONER of Union
SHOMSHOR of Pottawattamie
SHOULTZ of Black Hawk
SMITH of Marshall
STEVENS of Dickinson
SWAIM of Davis
D. TAYLOR of Linn
T. TAYLOR of Linn
THOMAS of Clayton
WENDT of Woodbury
WHITAKER of Van Buren
WHITEAD of Woodbury
WINCKLER of Scott

H-8311 FILED MARCH 23, 2004

Jul.
SF 2470

HSB 652
ECONOMIC GROWTH

Kramer, Chair
Jenkins
S. Olson
Lensing
Thomas

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH BILL BY
CHAIRPERSON HOFFMAN)

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

A BILL FOR

1 An Act relating to a study identifying a permanent funding source
2 for the grow Iowa values fund.

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

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1 Section 1. STUDY OF FUNDING SOURCES. By December 15,
2 2004, the department of economic development and the
3 department of revenue shall file a joint report with the
4 governor and the general assembly identifying a permanent
5 funding source for the grow Iowa values fund that does not
6 have a negative impact on economic growth in the state and is
7 revenue neutral.

8 EXPLANATION

9 This Act relates to a study identifying a permanent funding
10 source for the grow Iowa values fund.

11 The bill requires, by December 15, 2004, the department of
12 economic development and the department of revenue to file a
13 joint report with the governor and the general assembly
14 identifying a permanent funding source for the grow Iowa
15 values fund that does not have a negative impact on economic
16 growth in the state and is revenue neutral.

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